



Valiant Organics
Limited

July 30, 2024

To,
Listing/Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001.

SCRIP CODE – 540145

To,
Listing/Compliance Department
National Stock Exchange of
India Limited
“Exchange Plaza”, Plot No. C/1,
G Block Bandra-Kurla Complex,
Bandra (E), Mumbai- 400 051.
SYMBOL- VALIANTORG

Dear Sir/Madam,

Sub: Notice of 19th Annual General Meeting and Annual Report of the Company for Financial Year 2023-24.

Ref: Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please find enclosed herewith the Notice of the 19th Annual General Meeting (“AGM”) of the Company scheduled to be held on **Wednesday, August 21, 2024, at 11:30 A.M. (IST)** through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) along with the Annual Report of the Company for the Financial Year 2023-24. The AGM will be held without the physical presence of the Members at a common venue.

Further, in accordance with the MCA Circulars and SEBI Circulars, the Notice of the 19th AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Registrar and Share Transfer Agent/ Depository Participants.

The Notice of 19th AGM of the Company along with Annual Report for the Financial Year 2023-24 is available on the website of the Company at www.valiantorganics.com.

Kindly take the same on your record.

Thanking You,

Yours Faithfully,

For VALIANT ORGANICS LIMITED

Mahek M. Chedda
Executive Director
DIN: 06763870



Valiant Organics
Limited

ENDURING
NOW.
EVOLVING
AHEAD.

2023-
24 ANNUAL
REPORT _____

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Forward-looking statement

This document contains statements about expected future events and financial and operating results of Valiant Organics Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of the Valiant Organics Limited Annual Report 2023-24.

Enduring Now. Evolving Ahead.

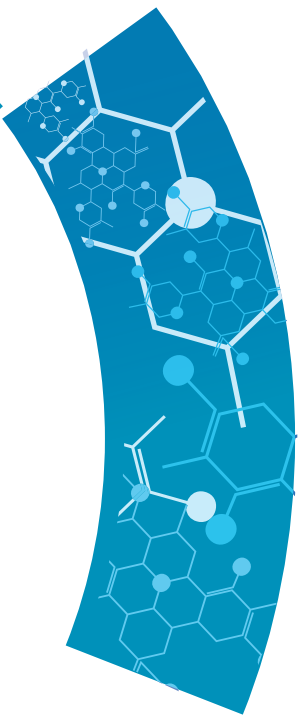
Amidst macroeconomic headwinds, we faced a demand slowdown impacting our revenue and margins. Yet, we've seized this year as an opportunity to fortify our foundation by enhancing efficiencies, expanding product portfolio, strengthening teams, and investing in product quality improvements.

Despite the challenges, we remain focused on evolving and emerging stronger, ready to capitalise on the opportunities of the future. We focused on key segments such as Chlorination, Ammonolysis, and Hydrogenation, which propelled our revenue growth. Our resilience and adaptability are evident in our operational efficiencies, which have been pivotal in overcoming obstacles and sustaining performance.

These initiatives have bolstered our capabilities across critical processes, positioning us for future growth. We reduced expenses through strategic procurement strategies, ensuring cost efficiency without compromising on quality. With the dyes and pigment industry showing signs of recovery, we anticipate a similar trend in other verticals, such as agrochemicals, and pharmaceuticals in the coming year.

Our steadfast focus on innovation has facilitated new product development, enabling us to meet the burgeoning customer needs. Quality is at the heart of everything we do. Over the past year, we've made significant investments in upgrading our facilities and processes to ensure our products meet the highest standards.

Looking ahead, we are preparing ourselves for the next leap. Our enduring efforts are laying the groundwork for a brighter and more sustainable tomorrow.



COMPANY OVERVIEW

LEADING INNOVATION IN SPECIALTY CHEMICALS

Established in 1984 by visionary first-generation technocrats, Valiant Organics is a leading specialty chemical manufacturing company in India, boasting a legacy of over three decades. We specialise in a wide range of diversified, high-quality chemicals that serve as essential intermediates across various industries, including agrochemicals, pharmaceuticals, dyes and pigments, among others.



Our expertise spans niche and complex process chemistries such as Chlorination, Ammonolysis, Acetylation, Hydrogenation, Sulphonation, and Methoxylation. We have established a strong global customer base across countries and continents. Our extensive experience and domain knowledge enable us to produce superior products that meet the evolving preferences of our esteemed customers.

Key Highlights

One of the largest chlorophenol derivatives manufacturers globally

One of the leading manufacturers of Benzene derivatives products

One of the largest domestic PNA manufacturers

One of the largest manufacturers of Ortho Anisidine and Para Anisidine globally

Amongst the 1st few domestic PAP manufacturers

6 modern manufacturing units across 5 locations

70,000 TPA

Total production capacity

5

Zero Liquid Discharge plants

CRISIL A-/Negative

Long-term Rating

CRISIL A2+

Short-term Rating

**OHSAS 18001:2007,
ISO 14001:2015
and ISO 9001:2015**

Key Certifications

1,000+

employees

Strengths that Define Us



Robust business model

Our business model is supported by a diverse product portfolio and extensive client base across multiple industries. This strategic diversity helps mitigate product, industry, and geographical risks.



Distinct product portfolio

We produce a comprehensive range of intermediates and value-added products for various end-user industries.



Domain expertise

With a profound understanding of complex chemistries, our team comprises first-generation technocrats boasting over 50 years of collective expertise, ensuring that we consistently deliver innovative and high-quality solutions.



Integrated operations

Our multi-use and backward integrated plants are designed to produce a wide range of products, tailored to meet the diverse needs, technical specifications, batch sizes, and delivery schedules of our customers.



Widespread supply chain

Our extensive supply chain, coupled with backward integrated operations, facilitates a steady and uninterrupted supply of quality raw materials and continuous production.



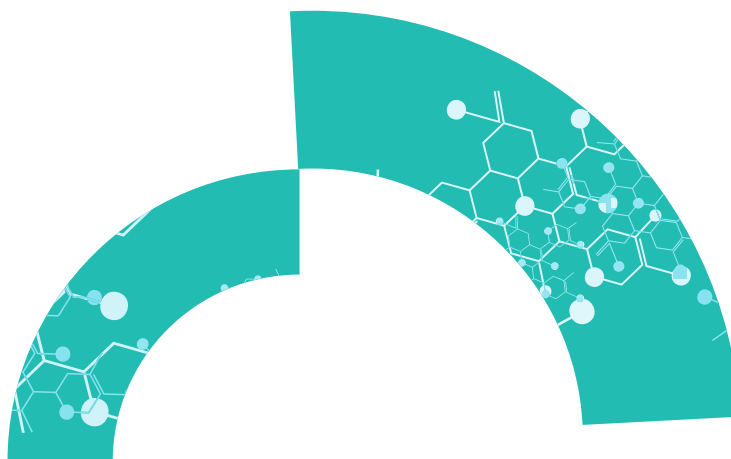
Strong customer relationships

We have built enduring, multi-year relationships with clients in both domestic and international markets owing to our innovative products and robust production capabilities. These strong relations reflect our commitment to excellence and customer satisfaction.

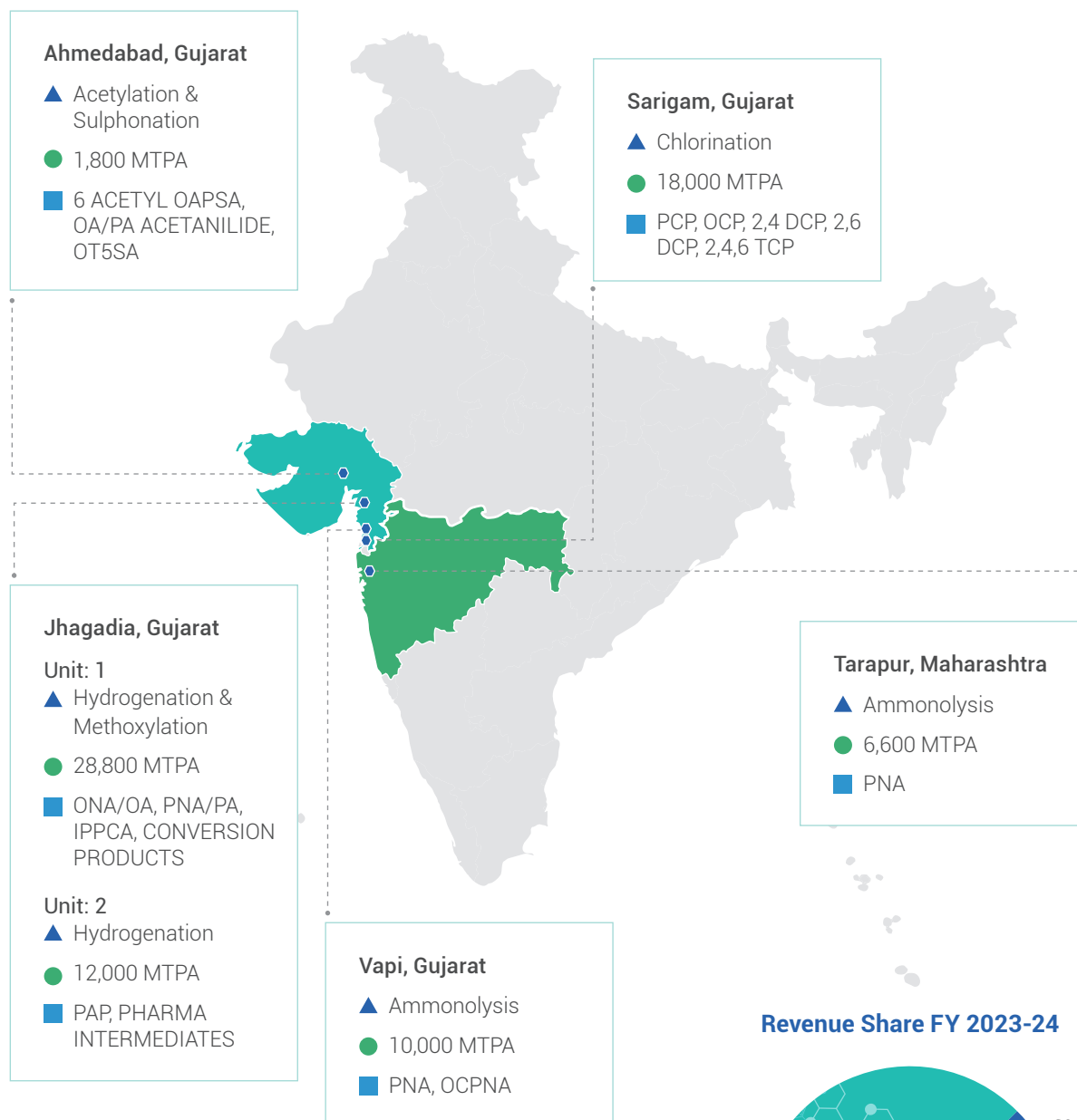


Strategically located plants

Our six, state-of-the-art manufacturing plants are strategically located near ports, providing us with a competitive edge through significant logistical cost savings and faster delivery times, enhancing our overall operational efficiency.



Manufacturing Infrastructure

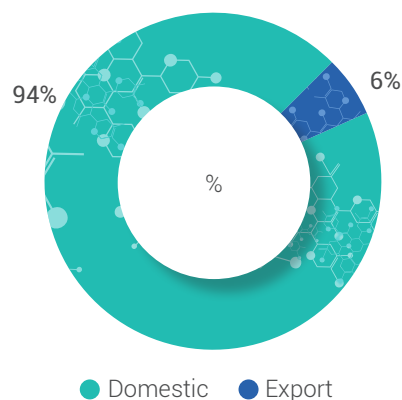


Legend

- ▲ Process/Chemistry
- Capacity
- Products

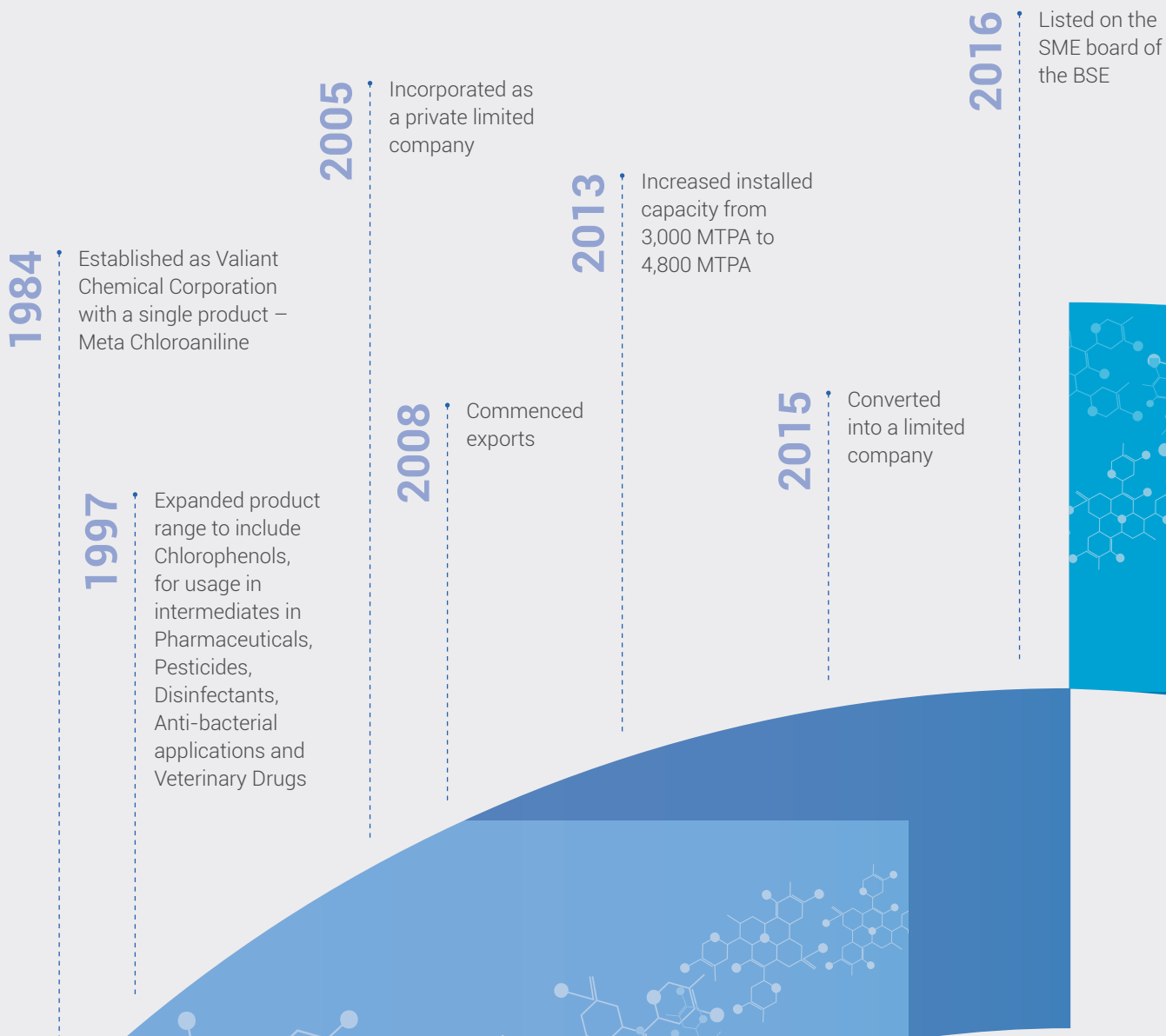
Map not to scale. For illustrative purposes only.

Revenue Share FY 2023-24



JOURNEY

MILESTONES ACHIEVED OVER THE YEARS



**2017**

Acquired Abhilasha Tex Chem Pvt. Ltd; added ammonolysis to the product portfolio

2018

Received environmental approval to increase chlorophenol capacity to 21,600 MTPA

2019

Emerged as a major supplier of Chlorophenols in India and the global markets. Acquired Amarjyot Chemicals, a large specialised chemical maker and supplier, with factories in Vapi, Jhagadia and Ahmedabad. Added hydrogenation, sulphonation and nitration to the chemistry competence basket

2020

Listed on the BSE main board. Commenced ammonolysis expansion at the Vapi facility. Completed the backward integration of the ONA/OA integration. Added PNA/PA to the product portfolio

2021

Listed on the NSE in July. Completed Phase 1 of the PAP factory and commenced the development of a multipurpose pharma intermediaries plant

2022

Overcame PAP product issues and ramped production in the batch process

2023

Achieved ramp-up of PAP to over 400 MT per month and also commenced the pharma intermediaries plant

PROCESS AND PRODUCT PORTFOLIO

PIONEERING EXCELLENCE IN NOVEL CHEMISTRIES AND PROCESSES

We hold extensive expertise in an array of process chemistries, including chlorination, ammonolysis, acetylation, hydrogenation, sulphonation, and methoxylation. Our capabilities and technical proficiency in these complex chemical processes enable us to innovate and consistently produce high-quality products for diverse industries.

Chlorination

Overview

Chlorination involves introducing chlorine or chlorine compounds into a molecule to achieve the desired chemical outcome. With over 2 decades of experience in Chlorophenols, we have established long-term relationships with global marquee customers, driven by our high-quality products and efficient supply chain management.

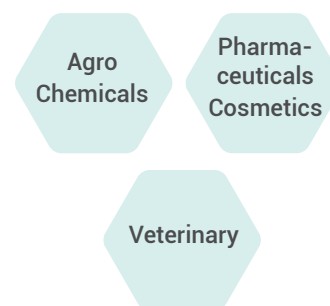
Our Sarigram plant, dedicated to the chlorination process, boasts a capacity of 18,000 MTPA. Equipped with a Zero Liquid Discharge facility and highly automated Distributed

Control Systems, the plant minimises manual interventions. Our customer base spans both domestic and international markets.

Key Products

- Para ChloroPhenol (PCP)
- Ortho ChloroPhenol (OCP)
- 2,4 Di Chlorophenol (2,4 DCP)
- 2,6 Di ChloroPhenol (2,6 DCP)
- 2,4,6 Tri ChloroPhenol (2,4,6 TCP)

Industries Served



Ammonolysis

Overview

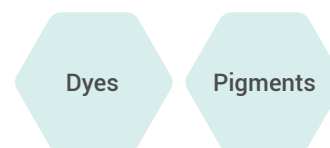
Ammonolysis is a high-pressure chemical reaction using ammonia as a reactant, typically conducted in an autoclave. We have established robust ammonolysis capabilities through strategic acquisitions of Abhilasha Tex Chem Pvt. Ltd. in 2017 and Amarjyot Chemicals Ltd. in 2019. With a capacity of 16,600 MTPA, we are one of the largest players in the domestic market.

We operate two manufacturing facilities in Tarapur and Vapi for the ammonolysis process. Our products are supplied to leading dye manufacturers in the country. Additionally, we hold a prominent position in manufacturing PNA, benefiting from the raw material security of PNCB provided by our group company, Aarti Industries Ltd.

Key Products

- Para Nitro Aniline (PNA)
- Ortho Chloro Para Nitro Aniline

Industries Served



Hydrogenation

Overview

Hydrogenation is a chemical reaction between molecular hydrogen (H₂) and another compound or element, typically in the presence of a catalyst. Our Unit 1 at Jhagadia, with a capacity of 28,800 MTPA, became part of Valiant Organics through the amalgamation of Amarjyot Chemicals in 2019.

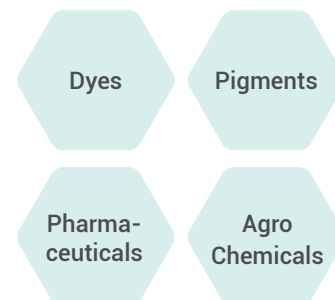
In FY 2020-21, we expanded our product portfolio by venturing into the manufacturing of two new products: Ortho Anisidine (OA) and Para Anisidine (PA). We also increased the capacity of several existing products. Additionally, we provide contract manufacturing services for leading domestic customers, producing key customised products at these plants.

Para Amino Phenol (PAP) is a critical component in the synthesis of paracetamol and is complex to produce, often being an import substitute in India. Leveraging our extensive R&D efforts and raw material security of PNCB from our group company, Aarti Industries Ltd, we became one of the first companies in India to commercialise PAP production. In FY 2020-21, we established a plant for manufacturing PAP at our Jhagadia Unit 2 with a capacity of 12,000 MTPA.

Key Products

- Ortho Anisidine
- Para Anisidine
- IPPCA
- Meta Chloro Aniline
- Ortho Amino Phenol
- Para Amino Phenol

Industries Served



Other Processes

Acetylation & Sulphonation

Overview

Acetylation is a chemical reaction that introduces an acetyl functional group into a compound. This process is conducted at our Ahmedabad facility, which has a capacity of 1,800 MTPA. Additionally, we provide job work and multiple conversions on annual contracts.

Sulphonation is an organic reaction where a hydrogen atom on an arene is replaced by a sulfonic acid functional group. This process is also conducted at our Ahmedabad facility.

Key Products

- 6 Acetyl Ortho Aminophenol Para Sulfonic Acid
- Ortho Toluidine 5 Sulfonic Acid (OT5SA)
- 2-Amino-5-Methyl Benzenesulfonic Acid (4B Acid)
- 2-Amino-4-Chloro-5 Methyl Benzenesulfonic Acid (2B Acid)

Industries Served

- Dyes
- Pigments

Methoxylation

Overview

Methoxylation refers to the chemical process of introducing a group into a molecule. The term is derived from 'methoxy', which is a functional group consisting of a single oxygen atom bonded to a carbon atom that is itself bonded to three hydrogen atoms. This process is carried out alongside hydrogenation at Unit 1 of the Jhagadia facility.

Key Products

- Ortho Nitro Anisole
- Para Nitro Anisole

Industries Served

- Dyes
- Pigments

MANAGING DIRECTOR'S MESSAGE



Our multi-purpose plants provide the flexibility to cater to the niche demands of our customers, making us a preferred supplier of specialty chemicals.



Dear Shareholders,

I'm delighted to present our Annual Report for FY 2023-24, showcasing our resilience and adaptability in a challenging operating environment, driven by our integrated manufacturing capabilities, process and product development expertise, enhanced efficiencies, and nimble operations.

The global chemical industry faced significant pressure owing to broader macroeconomic hurdles, particularly the economic slowdown in Europe and aggressive dumping from China. As FY 2023-24 progressed, the challenges intensified with inventory adjustments, geopolitical tensions, commodity price fluctuations, and demand slowdown in certain regions and segments, among others.

Most developed economies experienced slowing growth due to record inflation. While the focus has been on curbing inflation, several factors have impeded recovery. These include the long-term consequences of the pandemic and the ongoing Russia-Ukraine war, which disrupted global supply chains and increased commodity prices, subsequently driving up raw material costs. India's chemical sector was impacted by global destocking, China's market opening, and Eurozone slowdown, resulting in subdued realisations and customer off-take.

We have not been immune to this unforeseen industry slowdown, which has adversely impacted our performance for the year. The additional slowdown in the agrochemical space, coupled with significant price corrections across our product portfolio, has stressed our operations. However, we remain optimistic that once stability returns, we will be well-positioned to evolve strongly.

We experienced a 26% decline in our revenue to ₹ 677 crores in FY 2023-24. Our EBITDA stood at ₹ 42 crores, compared to ₹ 133 crores in FY 2022-23, reflecting a decrease of 68%. The loss after tax was ₹ 3 crores, in contrast to a profit of ₹ 76 crores in FY 2022-23. We concluded the year with a debt-equity ratio of 0.32x, reinforcing the fact that much of our business continues to be driven by net worth.

Charting the path to stronger and sustainable growth

Amid this challenging backdrop, we remain committed to leveraging our strengths and focusing on innovation and operational efficiency, positioning ourselves for future growth. Our multi-purpose plants provide the flexibility to cater to the ever-evolving demands of our customers, making us a preferred supplier of specialty chemicals in India.

We are focusing on expanding our capabilities, strengthening our offerings, and enhancing efficiencies. Our efforts have yielded robust results, translating to increased capacities, streamlined processes, substantial cost savings, and higher efficiencies. Our focus on novel chemistries and processes such as Chlorination, Ammonolysis, and Hydrogenation, remains unwavering.

We are undertaking forward integration by adding new, high-

margin products to expand our product portfolio. Our integrated manufacturing capabilities and R&D edge provide economies of scale, bolstering our competitiveness and achieving higher capacity utilisation. We are also implementing backward integration to produce key raw materials, reducing our dependence on suppliers and lowering costs. This strategy will enable us to exercise greater control over production costs and product quality, ensuring superior delivery timelines and enhanced margins.

Outlook

India's chemical industry is poised for remarkable expansion through capacity enhancements, investments in R&D, and burgeoning export opportunities. Favourable policies, competitive labour costs, evolving customer demands, and a strategic focus on sustainability and innovation, position India as a key player in the global chemical landscape. Government initiatives like 'Aatmanirbhar Bharat' and 'Make in India' aim to reduce import dependence and bolster domestic manufacturing, further strengthening the sector's growth prospects.

We anticipate FY 2024-25 to show improvement, driven by increased volumes in PAP and the stabilisation of our Pharma Intermediates projects. Additionally, the completion of upgrading work at our Ahmedabad

plant and the contribution from OAP, which is nearing its desired quality levels, are expected to further improve our performance.

Our accelerated investments in broadening our product offerings, expanding market reach, and enhancing efficiencies, will enable us to emerge stronger from the challenges, driving sustainable growth and value-creation for all.

In conclusion, I extend my sincere gratitude to our shareholders, customers, suppliers, business partners, employees, and all other stakeholders for their unwavering trust and support in our incredible journey.

Warm Regards,

Sathiababu K. Kallada
Managing Director

OPERATING CONTEXT

SEIZING THE THRIVING OPPORTUNITIES

India's specialty chemicals industry has experienced tremendous growth in recent years, driven by robust demand from end-user industries, policy support, increasing investments, and global supply chain diversifications. This places the nation as a potential hub for chemical manufacturing, presenting significant opportunities for the future.



Key Growth Drivers

Growing demand

India stands as the sixth-largest producer of chemicals globally and the third-largest in Asia, contributing 7% to the nation's GDP. The rise in demand from end-user industries, such as food processing, personal care, agrochemicals, pharmaceuticals, and dyes and pigments, is fuelling the growth of India's specialty chemicals market. India's chemicals and petrochemicals demand is expected to nearly triple, reaching US\$ 1 trillion by 2040. This burgeoning demand is fostering innovation and expansion across the sector.

Evolving consumer preferences

Consumers are increasingly prioritising environmentally sustainable products and services. Rising awareness is prompting the shift towards innovative, high-quality offerings. Adoption of advanced technologies, new product development, and sustainable practices are driving innovation and competitiveness within the sector.

Diversification of global supply chains

The global shift in supply chains, driven by the "China Plus One" strategy, bodes well for the Indian chemical sector. With ongoing wars, geopolitical tensions, and closure of plants in China and the European Union (EU), companies are seeking to derisk their supply chains and are increasingly turning to India for its strong value proposition, including scale, technology, raw materials, skilled labour, and supportive policies.

Policy support

The government's supportive policies and initiatives, including chemical development schemes, plastic parks, and Chemicals and Petrochemicals Investment Regions (PCPIRs), are catalysing growth in the specialty chemicals sector. Plans on the anvil also include the implementation of a production-linked incentive (PLI) system, offering 10-20% output incentives for the agrochemical sector, aiming to create an end-to-end manufacturing ecosystem through the development of clusters. Additionally, increasing investments from both domestic and global players are further bolstering the sector's expansion.

STRATEGY

STRENGTHENING OURSELVES FOR THE FUTURE

We endeavour to capitalise on these opportunities by focusing on innovation in product development, expanding market reach and capacities, and enhancing operational efficiencies. Our strategic priorities are meticulously crafted to meet evolving customer demands, propel growth, and strengthen our position in the specialty chemicals market.

Strategic focus areas

Expanding capacities

We are undertaking strategic expansions of our manufacturing capacities and integrating both forward and backward to achieve cost optimisation, improved operating leverage, and strong economies of scale. With enhanced manufacturing capacities, we intend to attain a distinct edge and enhance our profitability. The stabilisation of our Pharma intermediates project and the completion of upgradation work at our Ahmedabad plant are expected to drive overall performance.

Improving overall efficiency

We are streamlining production processes and resource allocation and adopting advanced technologies to improve operational efficiencies. Amidst heightened inflation and rising prices, we controlled expenses through strategic procurement strategies, ensuring cost efficiency.

Accelerating innovation and new product development

Our distinctive portfolio allows us to customise and offer products and solutions for diverse customer needs. We are proactively adding high-margin downstream products and value-added import substitutes by leveraging our R&D competence and integrated manufacturing capabilities, providing lucrative growth opportunities.

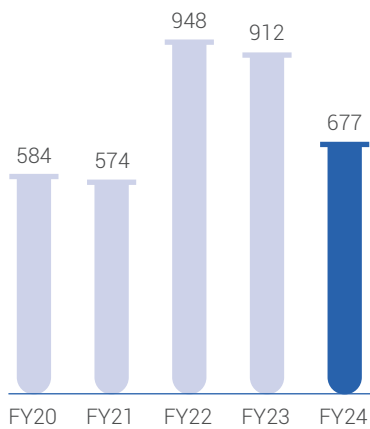


PERFORMANCE HIGHLIGHTS

NAVIGATING CHALLENGES WITH RESILIENCE

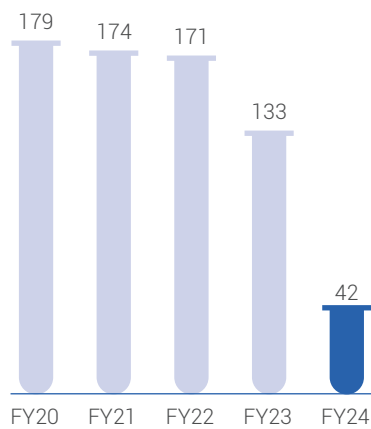
Revenue from operations

(₹ in Crores)



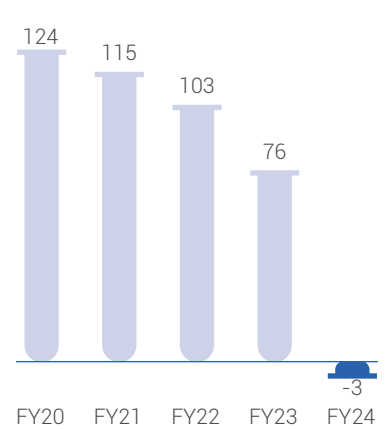
EBITDA

(₹ in Crores)



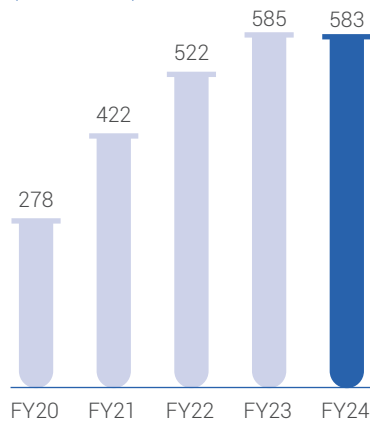
Profit after tax

(₹ in Crores)



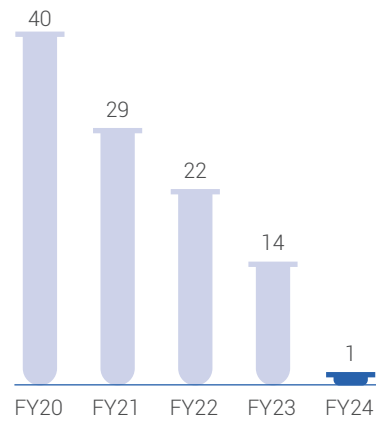
Net worth

(₹ in Crores)



Return on capital employed

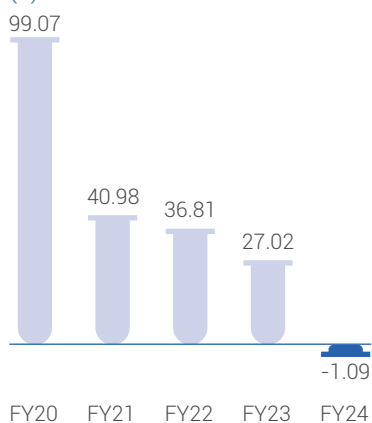
(%)



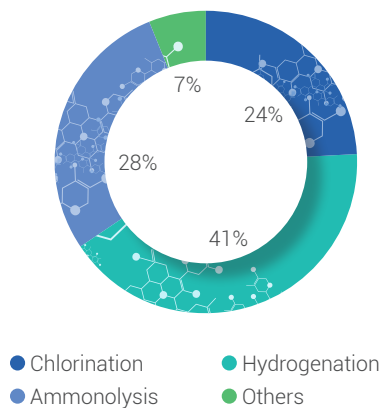


Earnings per share

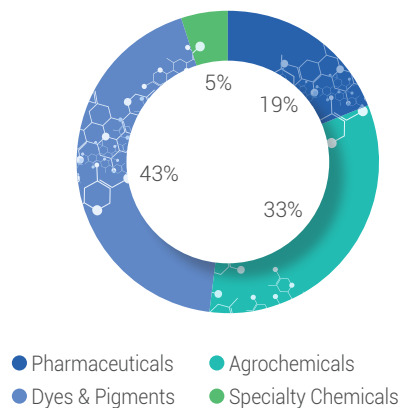
(₹)



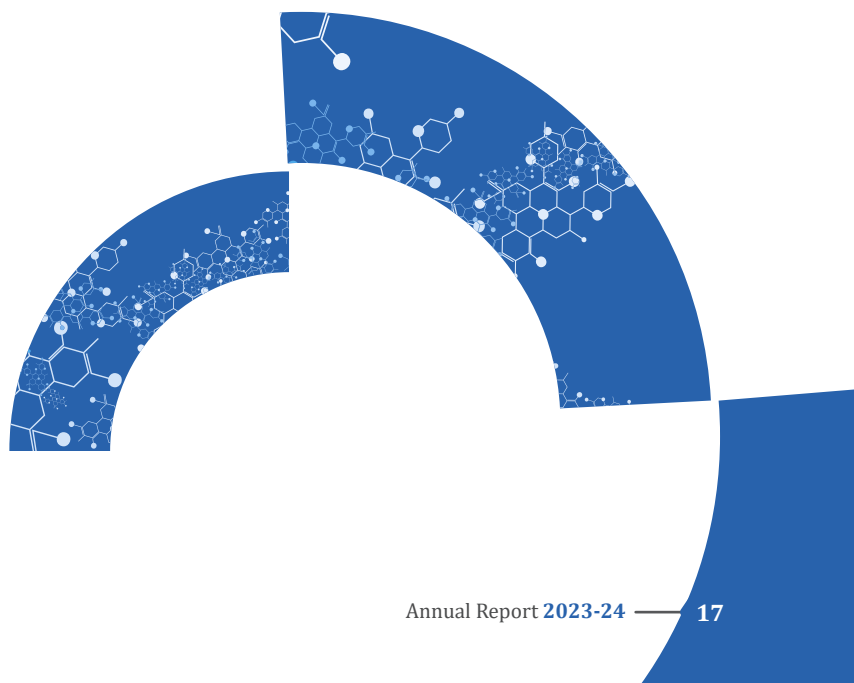
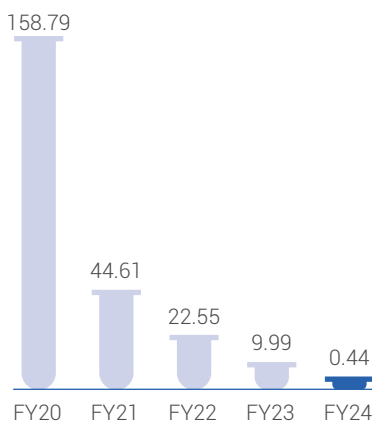
Revenue break-up by chemistry



Revenue break-up by end-use industry



Interest coverage ratio



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

PROMOTING SUSTAINABLE CHEMISTRY

Our commitment to sustainable growth and value creation through safer chemistries remains unwavering. We adopt eco-friendly processes and practices to produce specialty chemicals, resulting in greener solutions. At the same time, we prioritise people-centricity and implement proactive measures for employee and community well-being.

We emphasise environmental sustainability, focusing on reducing hazardous waste, conserving water, improving energy efficiency, and optimising natural resource use. We adhere to the highest environmental, health, safety, and quality standards. By engaging in these practices, we promote sustainable chemistry and best practices to protect the environment.



We are dedicated to Zero Liquid Discharge (ZLD) across our facilities, with five out of six plants operating as zero discharge units, ensuring no harmful chemicals are released during manufacturing. We are advancing our technology absorption efforts with a focus on conservation, efficiency, and sustainability.

Key Initiatives

We have installed a new Reverse Osmosis (RO) system at our plants with a daily capacity of 350 cubic metres for effective stormwater management during the monsoon season. At our plants, we have implemented a 40 KLD RO system to treat wastewater and facilitate water recycling. To further enhance water conservation, we have installed new Mechanical Vapor Recompression (MVR) systems at our plants to reclaim condensate for reuse and achieve high water evaporation rates. Our plants also use newly installed MVR to evaporate wastewater and recover clean water without the need for external steam input. We have established new 85 KLD Effluent Treatment Plants (STP)

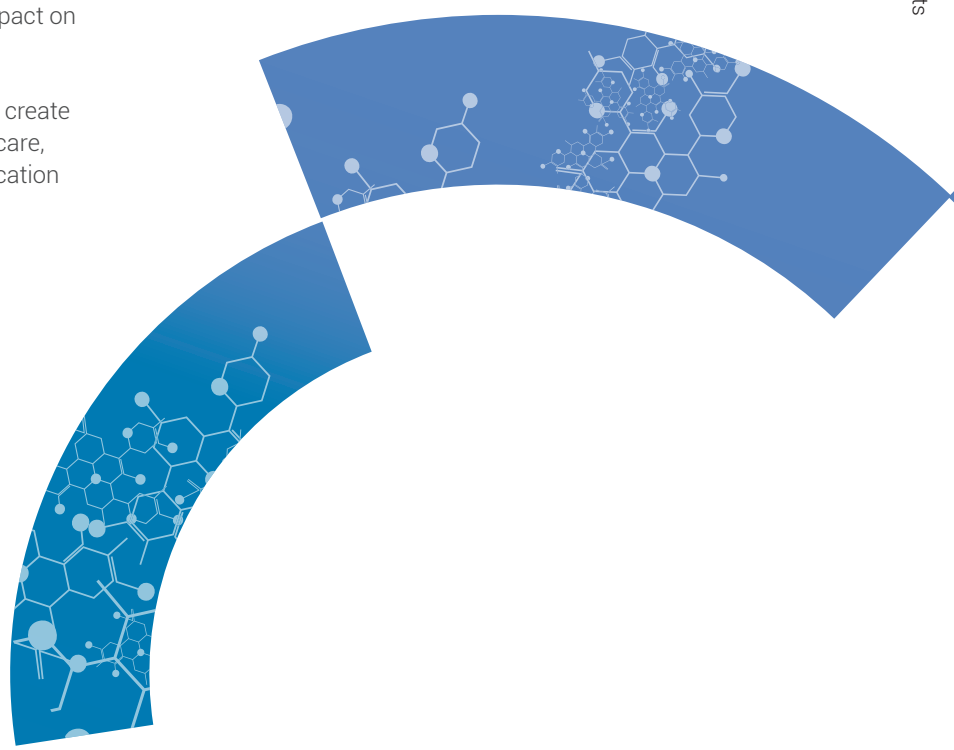
and a 50 KLD HPRO system to ensure safe discharge and facilitate water reuse and recycling. Our plants also benefit from newly installed STP systems for safe discharge and water reuse.

In addition to these measures, our plants have installed an Agitated Thin Film Evaporator (ATFE) to enhance evaporation efficiency and product recovery. Our plants also have an Agitated Thin-Film Dryer (ATFD) installed, evaporating 10 KL of effluent daily. The plants has implemented Rule-9 of Hazardous & Other Waste Management to utilise spent HCL in ETP units, effectively reducing solid waste.

Corporate Social Responsibility (CSR): Empowering communities

Our meaningful and purposeful interventions demonstrate our commitment to the welfare and holistic development of the communities where we operate. We ensure the successful implementation of our CSR programmes to make a positive and lasting impact on society.

Our initiatives focus on empowering women to create sustainable livelihoods, providing better healthcare, supporting animal welfare, and enhancing education and skill development.



BOARD OF DIRECTORS

GUIDED BY EXEMPLARY MANAGEMENT



Shri. Chandrakant V. Gogri

Chairman Emeritus

Mr. Gogri, founder of the Aarti Group of Companies, is a respected figure in the Indian chemical industry. With extensive experience and expertise in projects, operations, process development, and marketing, he has been instrumental in driving the success of the Aarti Group. His leadership and business acumen will continue to foster the Company's growth.



**Shri. Navin
C. Shah**

Chairman and Independent
Director



**Shri. Arvind
K. Chheda**

Managing Director
(Up to April 2024)



**Shri. Sathiababu
K. Kallada**

Managing
Director



**Shri. Mahek
M. Chheda**

Executive Director and
Chief Financial Officer



**Shri. Nemin
M. Savadia**

Executive
Director



**Shri. Siddharth
D. Shah**

Executive
Director



**Shri. Vishnu
J. Sawant**

Executive
Director



**Shri. Parimal
H. Desai**

Non-Executive Director
(From May 2024)



**Shri. Kiritkumar
H. Desai**

Non-Executive
Director



**Shri. Santosh
S. Vora**

Non-Executive
Director



**Shri. Velji
K. Gogri**

Independent Director
(Up to July 2023)



**Shri. Mulesh
M. Savla**

Independent
Director



**Smt. Sonal
A. Vira**

Independent
Director



**Dr. Sudhirprakash
B. Sawant**

Independent
Director

CORPORATE INFORMATION

Chairman Emeritus

Shri. Chandrakant V. Gogri

Chairman

Shri. Navin C. Shah
(Independent Director)

Managing Director

Shri. Sathiababu K. Kallada
Shri. Arvind K. Chheda (Up to April 2024)

Executive Directors

Shri. Mahek M. Chheda
Shri. Nemin M. Savadia
Shri. Siddharth D. Shah
Shri. Vishnu J. Sawant

Non-Executive Directors

Shri. Parimal H. Desai (From May 2024)
Dr. Kiritkumar H. Desai
Shri. Santosh S. Vora

Independent Directors

Shri. Mulesh M. Savla
Shri. Navin C. Shah
Smt. Sonal A. Vira
Dr. Sudhirprakash B. Sawant
Shri. Velji K. Gogri (Up to July 2023)

Chief Financial Officer

Shri. Mahek M. Chheda

Company Secretary

Shri. Kaustubh B. Kulkarni
Smt. Avani D. Lakhani (Up to April 2024)

Statutory Auditors

Gokhale & Sathe, Chartered
Accountants

Secretarial Auditor

Sunil M Dedhia & Co.
Practicing Company Secretary

Registrar and Share Transfer Agent

Link Intime India Private Limited
C-101, 247 Park, L.B.S Marg,
Vikhroli (West), Mumbai – 400 083
Tel No: 022-49186270
Fax No: 022-49186060

Bankers

Citi Bank
HDFC Bank
Hongkong Shanghai Banking
Corporation
Standard Chartered Bank

Registered Office Address

109, Udyog Kshetra, 1st Floor,
Mulund-Goregaon Link Road,
Mulund (West) Mumbai – 400 080
Ph No: +91-22-6797 6683
Website: www.valiantorganics.com

Corporate Identification Number

L24230MH2005PLC151348

Management Discussion and Analysis

Global economy

The global economy remained resilient despite central banks raising interest rates to combat inflation in 2023. The resilience was supported by steady economic activity, job creation, strong consumer spending due to higher incomes, increased government spending, and improved labour market participation.

According to the IMF, the global economy grew by 3.2% in 2023 and is expected to continue growing at the same rate in 2024 and 2025. This growth was driven by household spending in major developed countries, which utilised pandemic savings despite tighter monetary policies aimed at reducing inflation. The global commodities markets faced a challenging year, ending with a 12.6% decline across the entire commodities group. This was due to rising interest rates, geopolitical tensions, and a supply surplus of certain commodities like cobalt.

World Economic Growth (%)

Regional Growth (%)	2023	2024	2025
World output	3.2	3.2	3.2
Advanced economies	1.6	1.7	1.8
United States (US)	2.5	2.7	1.9
United Kingdom (UK)	0.1	0.5	1.5
Germany	(0.3)	0.2	1.3
Japan	1.9	0.9	1.0
Emerging Market and Developing Economies (EMDE)	4.3	4.2	4.2
China	5.2	4.6	4.1

Source: IMF April 2024 report

Since 2018, the shares of trade and investment flows to advanced economies and emerging market and developing economies have diverged. China experienced a GDP growth of 5.2% in 2023, and it is expected to grow by 4.6% in 2024 and 4.1% in 2025. The flows to advanced economies have declined relative to the global average while flows to emerging market and developing economies have accelerated. In 2023, the GDP growth in the US was 2.5%, and it is projected to be 2.7% in 2024 and 1.9% in 2025. In the UK, GDP growth was 0.1% in 2023, with forecasts of 0.5% in 2024 and 1.5% in 2025.

While the challenges faced by developed economies in 2023 included inadequate infrastructure, limited access to quality education and healthcare, and insufficient investment in technology, particularly impacting middle- and lower-income

countries. The Consumer Price Inflation (CPI) in US grew by 4.1% in 2023 and are expected to witness growth of 2.9% in 2024 and 2.0% in 2025. Some central banks, including the European Central Bank and the Federal Reserve, raised their nominal interest rates in response to rising inflation expectations.

Outlook

Global inflation is expected to gradually decrease from 6.8% in 2023 to 5.9% in 2024 and further to 4.5% by 2025. Managing inflation effectively is crucial for sustaining economic growth, as stable prices promote consumer confidence, encourage investment, and support overall economic stability. Advanced economies are projected to grow by 1.7% in 2024 and 1.8% in 2025 while the emerging markets and developing economies are expected to grow at 4.2% annually in both 2024 and 2025 with continued pressure from high public debt and unstable inflation rates.

According to the Short-Term Energy Outlook (STEO) April 2024 report, crude oil prices are expected to decrease, averaging US\$ 90 per barrel for the rest of 2024 and US\$ 85 per barrel in 2025, benefiting the global economy. World trade growth is expected to be 3.0% in 2024 and 3.3% in 2025. Over the medium term, trade growth is anticipated to maintain a steady trajectory, projecting to reach 3.2% by 2029, as compared to the historical average of 4.9% observed from 2000 to 2019. This projection, given the relatively low economic growth outlook, suggests that the ratio of total world trade to GDP will average 57% over the next five years till 2029. The world economy is actively working to accelerate the transition to net zero emissions. Technological breakthroughs, particularly in renewables and batteries, which involve the extraction, processing, and use of critical minerals, have created new opportunities for boosting economic growth and achieving the Sustainable Development Goals (SDGs), especially in mineral-rich developing economies. The countries around the world will benefit from an enabling international environment and stronger international cooperation, which are crucial for harnessing the potential of critical mineral resources and advancing sustainable development.

Source: Forbes, IMF, SP Global

Indian economy

The Indian economy surged ahead driven by strong macroeconomic indicators, improved labour market conditions, heightened urban demand, and increased government focus on capital expenditure in FY 2023-24.

According to the Ministry of Statistics and Program Implementation (MoSPI), India's GDP grew by 7.6% in FY 2023-24, surpassing the 7.0% growth recorded in FY 2022-23.

Growth of the Indian economy

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Real GDP growth (%)	3.9	(5.8)	9.7	7.0	8.2	7.2

Growth of the Indian economy quarter by quarter, FY 2024-25

	Q4FY 2023-24	Q1FY 2024-25	Q2FY 2024-25	Q3FY 2024-25	Q4FY 2024-25
Real GDP growth (%)	7.8	7.3	7.2	7.3	7.2

Source: MoSPI report dated 31st May 2024

RBI (Reserve Bank of India) MPC (Monetary Policy Committee) report dated 7th June 2024

In FY 2023-24, net direct tax collections amounted to ₹ 19.6 lakh crore, up from ₹ 16.6 lakh crore in FY 2022-23, marking a significant increase by 17.7%. India has also made substantial advancements in leveraging technology to enhance knowledge sharing, strengthen manufacturing capabilities, and improve export competitiveness. These efforts have contributed to robust economic growth and reinforced overall economic stability. India's economic resilience in FY 2023-24 was strengthened by strong Goods and Services Tax (GST) collections, steady growth in bank credit, and a positive Purchasing Managers' Index (PMI). Gross GST revenue for FY 2023-24 totalled ₹ 20.2 trillion, marking an 11.7% increase over the previous year. As of June 7, 2024, India's foreign exchange reserves have increased to US\$ 656 billion from US\$ 595 billion recorded on June 9, 2023. In March 2024, India's composite purchasing managers index (PMI) stood at 61.2, well above the global average of 52.1, indicating robust economic expansion.

During FY 2023-24, the Non-banking financial companies (NBFCs) have demonstrated robust financial performance comparable to the banking sector. As of March 2024, both scheduled commercial banks and NBFCs reported gross non-performing assets (GNPAs) below 3% of total advances, indicating sound asset quality management across the financial sector. Throughout FY 2023-24, the Reserve Bank of India's Monetary Policy Committee (MPC) held the policy repo

rate steady at 6.5% and maintained a stance of 'withdrawal of accommodation'. The RBI has estimated an inflation rate of 5.4% for FY 2023-24 while aiming to keep headline inflation at 4%.

In FY 2023-24, Gross Fixed Capital Formation, a key indicator of investment, accounted for approximately 33.5% of India's GDP, up from 33.3% in FY 2022-23, signalling a growing emphasis on investment in the economy. Meanwhile, private investment is showing signs of recovery, supported by improved financial health among banks and corporations. Despite global foreign direct investment (FDI) remained weak in 2023, with only a modest 3% increase over 2022, India performed better than its Asian peers. In FY 2023-24, India's Gross Value Addition (GVA) grew by 7.2%, up from 6.7% in FY 2022-23. The construction sector led this growth with a 9.9% increase as compared to 9.4% recorded in FY 2022-23, while manufacturing rebounded strongly with an 9.9% growth following a contraction in the previous year. The mining & quarrying activity also grew by 7.1% in FY 2023-24 as compared to 1.9% growth registered in FY 2022-23.

According to the second advance estimate by the Ministry of Agriculture and Farmers' Welfare, in FY 2023-24, kharif rice production was anticipated to reach 111.5 million tonnes (MT), as compared to 110.5 MT, while the rabi season was expected to yield 12.36 MT of rice. Additionally, wheat production is estimated to be robust at 112.0 MT as compared to 110.6 MT recorded in FY 2022-23. The estimated production of millet grain (Shree Anna) is 12.89 MT during the kharif season and 2.49 MT during the rabi period in FY 2023-24. These estimates indicate a promising outlook for agricultural production in India, reflecting efforts to enhance food security and meet domestic demand amidst varying seasonal conditions.

Despite global challenges, overall exports (including merchandise and services) in FY 2023-24 surpassed the previous year's record, reaching US\$ 776.68 billion compared to US\$ 776.40 billion in FY 2022-23. Imports in FY 2023-24 were estimated at US\$ 854.80 billion, showing a decline of 4.81% from the previous year. The trade deficit improved significantly by 35.77%, decreasing from US\$ 121.62 billion in FY 2022-23 to US\$ 78.12 billion in FY 2023-24.

Per capita Net National Income (NNI) at constant (2011-12) prices in India increased by 35.12%, rising from ₹ 72,805 in FY 2014-15 to ₹ 98,374 in FY 2022-23. This reflects improved economic conditions and a growing middle class with higher disposable incomes. Increased government capital expenditure is expected to drive economic growth by boosting consumer spending and enhancing infrastructure nationwide.

Outlook

The Interim Budget for FY 2024-25 emphasises India's shift towards self-reliance, aiming to reduce import dependency and promote domestic industry while ensuring stability in direct and indirect taxes. The increase in government spending is anticipated to have a ripple effect on the economy, stimulating demand, enhancing supply chains, and broadening market opportunities. In FY 2024-25, the government aims to spend capital expenditure to ₹ 11.1 lakh crore, compared to ₹ 10 lakh crore allocated in FY 2023-24. India's gradual and ongoing reduction in fiscal deficit has strengthened the government's financial stability significantly. Highway construction in the FY 2023-24 reached 12,349 km, marking the second-best performance on record. This represents a 20% increase compared to the previous year, 2022-23.

The fiscal deficit target for FY 2024-25 has been revised down to 5.1%, a decrease from the previous target of 5.8% set for FY 2023-24. This reduction underscores a commitment to enhanced fiscal discipline, signalling effective management of budgetary resources. These positive developments are promoting optimism about India's sustained economic advancement. According to RBI, India's GDP will grow by 7.2% in FY 2024-25, alongside an estimated inflation rate of 4.5% for the same period. This projected growth path, combined with declining inflation, reflects India's potential to ascend to the rank of the world's third largest economy by 2030.

Source: Economic Times, RBI, PIB

Specialty chemicals industry of India

The Indian specialty chemicals account for 20% of the global chemical industry's US\$ 4 trillion market as of March 2024. India's specialty chemicals market is expected to grow at a Compound Annual Growth Rate (CAGR) of 12%, from US\$ 32 billion in 2019 to US\$ 64 billion in 2025. The growth will be fuelled by strong demand from export and end-user industries, which are projected to grow at an annual rate of 10-20%. Indian specialty chemicals companies are expanding their capacities to meet the growing demand both domestically and internationally. With global companies looking to diversify their supply chains away from China, India's chemical sector has a significant growth opportunity.

Globally, India is the fourth-largest producer of agrochemicals, following the United States, Japan, and China. As of March 2024, the agrochemicals market in India is valued at US\$ 5.5 billion, growing at a CAGR of 8.3%. Approximately 50% of India's agrochemical production is exported to various countries around the world. From April to December 2023, India exported agrochemicals worth US\$ 3.12 billion and imported agrochemicals valued at US\$ 1.11 billion. India

ranks as the fourth-largest net exporter of agrochemicals and the thirteenth-largest exporter of pesticides and disinfectants globally. By 2040, the agrochemicals market is projected to constitute nearly 40% of India's total chemicals exports.

India accounts for 16-18% of the world's production of dyestuffs and dye intermediates. From April to December 2023, India exported dyes valued at US\$ 1.56 billion and other dye intermediates worth US\$ 125.53 million. In the same period, India imported dyes amounting to US\$ 226.33 million and other dye intermediates totalling US\$ 969.07 million.

Fertilisers play a crucial role in global agriculture by significantly increasing crop yields and enhancing food security. The Indian fertiliser market is projected to reach approximately US\$ 39.54 billion by 2030 from US\$ 27.7 billion in 2023, growing at a CAGR of 5.2%.

India is projected to remain one of the fastest-growing markets in the global construction chemicals industry, accounting for 6-8% of the global market share, with a significant increase in suppliers within the country. According to Persistence Market Research, the Indian construction chemicals market reached around US\$ 2.2 billion at the end of 2023, registering a year-on-year growth of approximately 11.2%. The market is projected to witness a CAGR of 13.9% from 2024 to 2033 in terms of value, with the consumption of construction chemicals in India expected to reach US\$ 7.8 billion by 2033. North India and South India are anticipated to be key markets due to the growing use of construction chemicals in mega projects and Make in India initiatives.

Source: IBEF, Persistence Market Research, Research and Markets.com, PIB

Prospects in the specialty chemical industry

- India has historically been a global leader in generics, biosimilars, and major vaccine manufacturing, supplying more than 50% of the world's vaccines.
- Increasing demand from end-user sectors like food processing, personal care, and home care is fuelling growth across various segments within India's specialty chemicals market.
- Demand for chemicals and petrochemicals in India is projected to almost triple, reaching US\$ 1 trillion by 2040.
- On February 15, 2023, the Indian Specialty Chemical Manufacturers' Association (ISCMA) signed an MoU with the US-India Importers' Council (USIIC) to promote trade in specialty chemicals.

Growth drivers

The following growth drivers would collectively contribute to the robust expansion and increasing global competitiveness of the Indian chemical industry.

- Development of chemical hubs and dedicated zones, along with improved transportation and logistics infrastructure, supports efficient production and distribution.
- The country's export growth is supported by factors such as low-cost manufacturing, access to skilled technical workforce, seasonal domestic demand, overcapacity, competitive pricing, and a strong foothold in generic pesticide manufacturing. The increase in demand from the agricultural sector is a key driver of growth for the agrochemicals industry in India.
- India's transformation from a food-deficient nation to a leading agricultural producer is largely attributed to the increasing usage of chemical fertilisers, particularly after the Green Revolution in 1960s.
- Availability of a large pool of skilled professionals and engineers supports the industry in maintaining high standards of production and innovation. Increased focus on R&D for developing new products, improving existing products, and finding sustainable and eco-friendly solutions would further drive innovation and growth.

Government initiatives

The government has introduced various government initiatives and policies to support and enhance the growth and development of the Indian specialty chemicals industry. They are being highlighted as follows:

- Under the PLI scheme, India will manufacture 1,800 pharmaceutical products and formulations, as well as 22 bulk drugs. The PLI scheme plans to manufacture 41 bulk drugs with a total budget of ₹ 6,940 crores from 2020-21 to 2029-30. By December 2023, participants in the scheme have already invested ₹ 3,651 crores.
- The government has planned to open 25,000 Jan Aushadhi Kendras to provide affordable medicines.
- In the Interim Union Budget 2024-25, the government allocated ₹ 1,68,380 crores to the Department of Chemicals and Petrochemicals. The government plans to implement a PLI system with 10-20% output incentives for the agrochemical sector, aiming to create an end-to-end manufacturing ecosystem through the development of clusters. A 2034 vision for the chemicals

and petrochemicals sector has been established to explore opportunities for improving domestic production, reducing imports, and attract more investments.

- Foreign Direct Investment (FDI) in the chemicals sector (excluding fertilisers) reached US\$ 22.07 billion between April 2000 and December 2023.
- Government initiatives and funding drive the Indian fertilisers market, supported by schemes like Pradhan Mantri Krishi Sinchai Yojana (PMKSY) and Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM) to boost agricultural productivity.
- As a government initiative to promote fertiliser manufacturing in India, Make in India has aimed to reduce import dependency, boost local production, and develop advanced fertilisers tailored to local conditions. This initiative supports industry growth, encourages investment, and fosters technological innovation to enhance agricultural outcomes sustainably. The estimated government expenditure on fertiliser subsidies for 2024-25 is ₹ 1,64,000 crores, which declined by 13.2% from the previous year.
- In addition, the Department of Chemicals and Petrochemicals (DCPC) introduced new HS codes for high-value chemical imports, especially pesticides, to improve trade analysis. Quality Control Orders (QCOs) now mandate BIS standards for specific chemicals to ensure regulatory compliance. DCPC hosted the B20 International Conference in New Delhi on sustainable transitions in the chemicals sector and a summit to establish India as a global manufacturing hub. Effective October 1, 2023, the Department of Revenue requires additional qualifiers (IUPAC and CAS numbers) for chemical imports and exports to enhance oversight. The chemicals sector allows 100% FDI under the automatic route, except for certain hazardous chemicals.

Source: PRS India, PIB

Opportunities and threats

Opportunities

- **Growing Domestic Demand:** Increasing chemical consumption across sectors such as pharmaceuticals, agriculture, textiles, and consumer goods presents substantial growth opportunities. By 2030, approximately 80% of Indian households are expected to be in the middle-income group. The growing middle class and increasing urbanisation would drive demand for personal care products, agrochemicals, food, and paints & coatings, leading to higher per capita consumption of chemicals.

- Robust Export Potential:** India's competitive manufacturing costs and compliance with global standards position the specialty chemical industry well for expanding its presence in international markets. India has become a significant exporter of chemicals due to its cost-competitive manufacturing, quality products, and compliance with international standards. The global shift towards sourcing from alternative markets also boosts Indian chemical exports. India's strategic location provides access to key global markets, facilitating trade and export opportunities.
- Sustainability Initiatives:** Growing awareness and demand for sustainable and green chemicals drive the industry towards adopting environmentally friendly practices, opening new market opportunities. Increasing global demand for eco-friendly and sustainable chemicals presents opportunities for Indian companies to innovate and capture new markets.
- Technological Advancements:** Adoption of advanced technologies are expected to enhance productivity, efficiency, and product innovation. Focus on research and development for developing new products, improving existing ones, and adopting sustainable practices would further drive innovation and competitiveness.

Threats

- Fluctuations in global economic conditions can impact demand and export opportunities for Indian chemical products. Instability or geopolitical tensions can disrupt supply chains and international trade, affecting exports and operations.
- Stringent environmental regulations in India and abroad could increase compliance costs and might affect competitiveness. Adherence to stringent health and safety standards is crucial but can also increase operational costs.
- Dependency on imported raw materials with fluctuating prices can impact production costs and profitability. Exchange rate fluctuations can affect profitability, especially for export-oriented businesses.

Company overview

Valiant Organics Limited (hereafter referred to as 'the Company') is a leading producer of specialty chemicals in India with over thirty years of experience. The Company was founded in 1984 by first-generation technocrats and is headquartered in Mumbai, India. The Company's chemicals are used in various industries, including agrochemicals, pharmaceuticals, and dyes and pigments.

Valiant Organics Limited's commitment to product quality allows it to export to Asia, Europe, and the United States, in addition to its domestic sales in India. The Company uses its extensive industry expertise and deep domain knowledge to manufacture and supply specialty chemicals to both local and international markets. Over the years, the Company has focused on manufacturing specialty chemicals that are in high demand but have low domestic supply, often relying on imports.

Manufacturing capacity

Valiant Organics Limited excels in manufacturing high-quality specialty chemicals across six integrated manufacturing facilities spread across five locations in Gujarat and Maharashtra. The Company has a total production capacity of 70,000 tonnes per annum (TPA) as of June 2024. These facilities are strategically designed to cater to a diverse range of processes, as outlined below:

Manufacturing facilities	Process
Sarigam	Chlorination
Tarapur	Ammonolysis
Vapi	Ammonolysis
Jhagadia (Units 1 & 2)	Hydrogenation, Methoxylation
Ahmedabad	Sulphonation and Acetylation

Revenue break-up

Regional growth (%)	FY 2023-24	FY 2022-23
Domestic	94%	94%
Exports	6%	6%

Operational diversity

Valiant Organics Limited forms a part of the esteemed Aarti Group, which includes renowned companies such as Aarti Surfactants, Aarti Industries, and Aarti Drugs. The Company specialises in various chemical processes, including acetylation, hydrogenation, ammonolysis, chlorination, methoxylation, and others. This broad expertise enables Valiant Organics to deliver exceptional quality and meet diverse chemical requirements.

The Company's core product portfolio comprises essential chemicals such as Para Chlorophenol, Ortho Chlorophenol, 2,4 Di Chlorophenol, Para Nitro Aniline, Ortho Anisidine, Para Anisidine, and Para Amino Phenol. These products are the cornerstone of the Company's offerings and cater to various industry needs. The Company is one of the largest manufacturers of chlorophenol derivatives globally and one of the largest domestic producers of Para Nitro Aniline (PNA). The Company is also a leading manufacturer of benzene derivative products and one of the few commercial players

in the production of Ortho Anisidine and Para Anisidine. In addition, the Company is among the first domestic manufacturers of Para Amino Phenol (PAP). The Company's success is attributed to a highly skilled and experienced workforce.

Financial performance

In FY 2023-24, Valiant Organics Limited reported revenue from operations of ₹ 67,719.21 lakhs, down from ₹ 91,161.80 lakhs in FY 2022-23, representing a decline of 25.7% year-over-year (y-o-y). The Company's EBITDA stood at ₹ 4,246.36 lakhs in FY 2023-24, compared to ₹ 13,291.22 lakhs in FY

2022-23, reflecting a y-o-y decrease of 68%. Loss after tax for FY 2023-24 was ₹ 304.34 lakhs, as compared to the profit of ₹ 7,557.99 lakhs in FY 2022-23. The debt-equity ratio stood at 0.32x in FY 2023-24 compared to 0.32x in FY 2022-23.

Indicative revenue break-up as per end-user industry

Particulars	FY 2023-24	FY 2022-23
Dyes and pigments	43%	41%
Pharmaceuticals	19%	31%
Agrochemicals	33%	25%
Speciality chemicals	5%	3%

Key financial ratios

Particulars	FY 2023-24	FY 2022-23	Y-o-Y change	Explanations
Current ratio	0.97	1.05	-756 (bps)	Current assets decreased while current liabilities increased during the year. This decrease in current assets was primarily due to reductions in trade receivables and cash equivalents, while the increase in current liabilities was driven by higher trade payables.
Net debt-to-equity	0.32	0.32	-	Borrowings decreased on account of repayments and dependency on short term funding.
Return on equity	(0.46%)	11.91%	(1,237 bps)	Profit decreased due to subdued demand in overall chemical industry, price corrections across products.
Net profit ratio	(0.45%)	8.29%	(874 bps)	Profits declined more sharply than revenue, primarily due to increases in finance costs, depreciation, other expenses, and raw material prices.

Environmental, Social and Governance

The Company is dedicated to integrating health, safety, environmental, social, and governance principles into its business operations. Valiant Organics Limited recognises the potential for sustainable growth and value creation through ethical practices and strong governance. The Company emphasises people-centricity by aligning its environmental, health, and safety standards with international norms. Proactive measures are implemented for employee and contractual worker well-being, ensuring a positive work environment through initiatives focused on employee satisfaction, human rights, talent management, skills development, and engagement.

The Company is actively engaged in CSR projects to support communities where it operates, demonstrating its commitment to employee welfare and community development. In addition to prioritising health and safety, the Company strives to create a positive environment for its workforce and aligns its practices with international standards. Environmental sustainability remains a key focus, with efforts directed at reducing hazardous waste, conserving water, improving energy efficiency, and optimising natural resource use to minimise the carbon footprint. The Company

has implemented Zero Liquid Discharge units across most manufacturing facilities to manage waste effectively. Moreover, through a captive renewable energy plant, the Company aims not only to moderate costs but also to reduce its environmental impact.

The Company values strong governance and transparency as essential for sustainable growth. The Company values strong governance and transparency as essential for sustainable growth and success.

The Company's governance structure emphasises accountability and responsibility, supported by policies that protect all stakeholders' interests.

Risk Management

Given its reliance on knowledge-intensive operations, the Company faces the risk of adverse impacts stemming from a lack of innovation. Additionally, annual risks include volatility in crude prices and foreign currency exchange rates. The dominant role of China in the chemical manufacturing sector poses a continuous threat, potentially increasing the influx of cheaper imports.



Internal Control Systems

The Company has established a robust internal control framework including governance, compliance, audit, control, and reporting aspects. These internal controls play a crucial role in ensuring regulatory compliance, fraud prevention, financial safeguarding, and the reliability of financial reporting. The internal audit team regularly evaluates the effectiveness of these controls and reports their findings to management. Based on these audits, prompt corrective actions are taken to improve the accuracy and efficiency of the internal controls.

Cautionary statement

The Management Discussion and Analysis includes statements outlining the Company's objectives, projections, estimates, and expectations, which may involve forward-looking information. These statements are made in accordance with applicable laws and regulations, based on informed judgements and estimates. Past performance continuity cannot be guaranteed as future performance is subject to risks and uncertainties. These factors may include, but are not limited to, general market conditions, macroeconomic factors, interest rate fluctuations, competitive pressures, technological advancements, legislative changes, and other key factors impacting the Company's business and financial performance.

Directors' Report

To

The Members of **VALIANT ORGANICS LIMITED**

Your Board of Directors (the "Board") are pleased to present this 19th (Nineteenth) Annual Report of Valiant Organics Limited (the "Company"/ "VOL") along with the Audited Financial Statements and Report of Auditors thereon for the Financial Year ended March 31, 2024.

COMPANY'S FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Revenue From Operations	67,719.21	91,161.80	72,305.94	1,05,180.48
Other Income	292.54	290.65	930.07	803.26
Total Income	68,011.75	91,452.45	73,236.01	1,05,983.74
EBITDA	4,246.37	13,291.22	4,755.05	17,226.44
Depreciation & Amortisation	3,397.32	2,762.62	3,492.49	2,918.93
Profit before Finance Costs	849.05	10,528.60	1,262.56	14,307.51
Finance Costs	1,937.99	1,053.89	1,634.34	1,079.27
Profit before Exceptional income	(1,088.94)	9,474.71	(371.78)	13,228.24
Exceptional Items	575.00	489.78	(497.55)	489.78
Profit before Tax	(513.93)	9,964.49	(869.32)	13,718.02
Total Tax Expenses	(209.59)	2,406.50	(29.67)	3,461.55
Net Profit for the period	(304.34)	7,557.99	(839.65)	10,256.47
Other Comprehensive Income	70.74	(111.44)	70.74	15.23
Total of profit and other comprehensive income for the period	(233.60)	7,446.55	(768.91)	10,271.70
Earnings Per Share (in ₹)				
Basic	(1.12)	27.83	(3.07)	32.45
Diluted	(1.09)	27.02	(3.00)	31.50

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

On a Standalone basis, the Revenue from Operations for FY 2024 was ₹ 67,719.21 Lakhs, lesser by 25.72% over the previous year's Revenue from Operations of ₹ 91,161.8 Lakhs. The profit after tax ("PAT") attributable to shareholders for FY 2024 was ₹ (304.34) Lakhs as against ₹ 7,557.99 lakhs for FY 2023.

On a Consolidated basis, the Revenue from Operations for FY 2024 was ₹ 72,305.94 Lakhs, lesser by 31.26% over the previous year's Revenue from Operations of ₹ 105,180.48 Lakhs. The profit after tax ("PAT") attributable to shareholders for FY 2024 was ₹ (839.65) Lakhs as against ₹ 10,256.47 Lakhs for FY 2023.

On a Standalone basis, your Company's Earnings Before Interest Depreciation and Taxes stood at ₹ 4,246.37 Lakhs in FY 2024 as compared to ₹ 13,291.22 Lakhs in FY 2023. Likewise Earning per share ₹ (1.12) (Basic) and ₹ (1.09) (Diluted) stood at in FY 2023-24 as compared to ₹ 27.83 (Basic) and ₹ 27.02 (Diluted) in FY 2022-23.

On a Consolidated basis, your Company's Earnings Before Interest Depreciation and Taxes stood at ₹ 4,755.05 Lakhs in FY 2024 as compared to ₹ 17,226.44 Lakhs in FY 2023. Likewise Earning per share ₹ (3.07) (Basic) and ₹ (3.00) (Diluted) stood at in FY 2023-24 as compared to ₹ 32.45 (Basic) and ₹ 31.50 (Diluted) in FY 2022-23.

DIVIDEND

With a view to conserve resources for business expansion, your Directors do not recommend Final Dividend for the financial year 2023-24.

DIVIDEND DISTRIBUTION POLICY

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"), the top 1000 listed companies shall formulate a Dividend Distribution Policy (the "Policy"). Accordingly, the Policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its members and/or retaining profits earned by the Company. The policy is available on the website of the Company and the web link thereto is: <https://www.valiantorganics.com/assets/investors/dividend-distribution-policy.pdf>

TRANSFER TO RESERVES

The Company has not transferred any amount of profit to the reserves during the financial year under review.

SHARE CAPITAL

As on March 31, 2024, the Authorised Share Capital of the Company has not changed and stood at ₹ 40,00,00,000 comprising of 3,71,00,000 equity shares of ₹10/- each, 20,00,000 Optionally Convertible Preference Shares of ₹10/- each (OCPS), 40,000 Redeemable Non-Cumulative Preference Shares of ₹ 100/- each and 5,00,000 Redeemable Preference shares of ₹10/- each.

- Allotment under Employees Stock Option Plan:

During the year under review, the Company has on August 8, 2023, allotted 16,000 equity shares under 'Valiant - Employees Stock Option Plan 2022'.

- Conversion of OCPS in terms of Scheme of Merger by Absorption:

Allotment Committee of the Board of Directors of the Company has, pursuant to the SEBI settlement order and against the receipt of notices of conversion rights exercised in terms of and in accordance with the Scheme of Merger in respect of OCPS allotted there under and held by the concerned holders, at its meeting held on December 6, 2023, allotted 4,05,561 equity shares having a face value of ₹ 10/- each of the Company.

Considering these allotments, the issued, subscribed and paid-up capital of the Company as on March 31, 2024 stood at ₹ 27,57,50,490/- consisting of 2,75,75,049 fully paid-up equity shares of face value ₹ 10/- each.

Apart from the above, there were no changes in the Share capital. The Company has neither issued any shares with differential rights as to dividend, voting or otherwise nor issued any sweat equity shares during the year under review.

VALIANT ORGANICS LIMITED EMPLOYEES STOCK OPTION PLAN 2022

The Board formulated 'Valiant - Employees Stock Option Plan 2022 (ESOP-2022)' on April 30, 2022 which was approved by Members through Postal Ballot on June 15, 2022 to reward the eligible Employees of the Company and/ or its Subsidiary Company (ies)/Group Company (ies)/ Associate Company (ies) (present or future) in and/ or outside India for their performance and to motivate them to contribute to the growth and profitability of the Company. The Scheme aims to attract and retain talent in the organisation. The Company views Employee Stock Options as a means that would enable the employees to get a share in the value they create for the Company in future. ESOP-2022 has been formulated in accordance with the provisions of the Companies Act, 2013 and the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEB and Sweat Equity Regulations).

Under the ESOP-2022, the Company would grant upto 10,00,000 Options to the eligible employees in one or more tranches, from time to time, which in aggregate shall be exercisable into not more than 10,00,000 Shares of face value of ₹ 10/- each fully paid up, with each such Option conferring a right upon the Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided under the ESOP-2022.

During the year under review, 24,000 options have been granted to the eligible employees in terms of the ESOP-2022 and no employee was granted options equal to or exceeding 1% of the issued share capital of the Company.

Further, the statutory disclosures as required under the Companies Act, 2013 and SEBI SBEB and Sweat Equity Regulations and a certificate from CS Sunil M. Dedhia (COP No. 2031), Secretarial Auditor of the Company, confirming implementation of the Scheme in accordance with the provisions of SEBI SBEB and Sweat Equity Regulations is available on the website of the Company at <https://www.valiantorganics.com/assets/investors/vol-disclosure-reg-14.pdf>

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company as on March 31, 2024 has 2 (two) subsidiaries namely, Valiant Speciality Chemical Limited, and Dhanvallabh Ventures LLP.

During the year, in accordance with the allotment of Equity Shares through the Initial Public Offering (IPO) by Valiant Laboratories Limited, an indirect material subsidiary, become an indirect Associate Company of VOL w.e.f. October 4, 2023. As on March 31, 2024, the Company has 2 indirect Associate Companies namely Valiant Laboratories Limited and Valiant Advanced Sciences Private Limited. The Company does not have any Joint Venture.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. Pursuant to the first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 and 8 of the Companies (Accounts) Rules, 2014, the salient features of the financial statements and performance of each subsidiary in Form AOC-1 is disclosed under **Annexure-A** and forms integral part of this Annual Report.

Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements along with other relevant documents, in respect of subsidiaries, are available on the website of the Company and the web link thereto is <https://www.valiantorganics.com/investors.php?action=showSubcat&id=4>

MATERIAL SUBSIDIARY

As on March 31, 2024, none of the subsidiaries of the Company fulfils the criteria given under Regulation 16(1)(c) of the Listing Regulations. A Policy on material subsidiaries had been formulated and is available on the website of the Company and the web link thereto is <https://www.valiantorganics.com/assets/investors/Policy-for-Material-Subsidiary.pdf>

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Section 129(3) of the Companies Act, 2013 and Regulation 33 of the Listing Regulations and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the Financial Year 2023-24, together with the Auditors' Report forms part of this Annual Report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Composition:

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations. As on March 31, 2024, the Board comprises 12 (Twelve) Directors out of which 6 (six) are Executive Directors, 2 (two) are Non-Executive Directors and 4 (four) are Non-Executive Independent Directors. The Chairperson of the Board is an Independent Director. The Board has highly qualified members and has varied experience in their respective fields.

Appointment/ Re-appointment:

During the year, the Board of Directors based on the recommendations of the Nomination & Remuneration Committee at its meeting held on May 19, 2023, appointed Dr. Sudhirprakash B. Sawant (DIN: 02343218) as an Additional Independent Director of the Company for a period of five years w.e.f. May 19, 2023 and such appointment was approved by the Members through Postal Ballot on July 11, 2023. The members by passing special resolution approved his continuation as an Independent Director of the Company for the said term of Five years, notwithstanding he attains the age of 75 years during his tenure as an Independent Director.

Shri. Sathiababu K. Kallada (DIN: 02107652), Executive Director and Dr. Kiritkumar H. Desai (DIN: 08610595), Non-Executive Non-Independent Director of the Company, who retired by rotation in terms of Section 152(6) of the Companies Act, 2013 were re-appointed at the 18th Annual General Meeting held on September 15, 2023.

Directors retiring by rotation:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the relevant rules made thereunder, one-third of the Directors are liable to retire by rotation every year and if eligible, offer themselves for re-appointment at the Annual General Meeting.

Shri. Nemin M. Savadia (DIN: 00128256) and Shri. Santosh S. Vora (DIN: 07633923), Directors being longest in the office of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has recommended their re-appointment and the matter is being placed for seeking approval of members at the ensuing Annual General Meeting of the Company.

Pursuant to Regulation 36 of the Listing Regulations read with Secretarial Standard-2 on General Meetings, necessary details of Shri. Nemin M. Savadia and Shri. Santosh S. Vora, are provided as an Annexure to the Notice of the Annual General Meeting.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Resignation/ Retirement:

After completion of the financial year, Shri. Arvind K. Chheda (DIN: 00299741) who was appointed as the Managing Director of the Company, has retired from the post of Managing Director pursuant to completion of his tenure with effect from

the closure of business hours on April 19, 2024. The Board placed on record its appreciation for his valuable contribution to the Company. Further, due to personal commitments, Smt. Avani D. Lakhani, Company Secretary and Compliance Officer of the Company has resigned from the employment of the Company with effect from closure of business hour on April 15, 2024. The Board placed on record its appreciation for her valuable contribution to the Company.

Declarations by Independent Directors:

In accordance with Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations, as amended, each Independent Director of the Company has provided a written declaration confirming that he/she meets the criteria of independence as stipulated under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, Independent Directors fulfil the conditions specified in the Companies Act, 2013 read with the Schedules and Rules issued there under as well as Listing Regulations and are independent from the Management.

All the Independent Directors of the Company have registered their names in the online database of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Familiarisation Programmes:

The Company has a Familiarisation programme for its Independent Directors which is imparted at the time of appointment of an Independent Director on the Board as well as annually. During the year, the Independent Directors of the Company were familiarised and the details of familiarisation programmes imparted to them are placed on the website of the Company and the web link thereto is: <https://www.valiantorganics.com/assets/investors/details-of-familiarisation-programme-2023-24.pdf>

Number of Meetings of the Board:

The Board met 4 (four) times during the Financial Year 2023-24. The details of Board Meetings and the attendance of the Directors at such meetings are provided in the Corporate Governance Report, which forms part of this Annual Report. The intervening gap between the meetings was within the prescribed period under the Companies Act, 2013 and the Listing Regulations.

Key Managerial Personnel:

As on March 31, 2024 and as on the date of this report, the following are Key Managerial Personnel of the Company as per Sections 2(51) and 203 of the Companies Act, 2013:

- i) Shri. Arvind K. Chheda – Managing Director (Retired w.e.f. April 19, 2024)
- ii) Shri. Sathiababu K. Kallada - Managing Director (Appointed w.e.f. May 24, 2024)
- iii) Shri. Mahek M. Chheda- Executive Director and Chief Financial Officer
- iv) Smt. Avani D. Lakhani – Company Secretary (Resigned w.e.f. April 15, 2024)
- v) Shri. Kaustubh B. Kulkarni - Company Secretary (Appointed w.e.f. May 24, 2024)

The above changes in the Key Managerial Personnel were intimated to stock exchanges within stipulated timelines prescribed under the Listing Regulations.

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 statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. That in the preparation of the annual financial statements for the year ended March 31, 2024, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- b. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;
- c. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That Directors have prepared the annual accounts on a going concern basis;
- e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. The Directors had devised adequate systems and processes, commensurate with the size of the Company and the nature of its business, to ensure compliance with the provisions of all applicable laws and that such systems and processes are operating effectively.

ANNUAL BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and as per the Listing Regulations, the Board of Directors has carried out annual performance evaluation of its own performance, the directors individually as well as the working of its Committees.

The Board evaluation was conducted through a questionnaire designed with qualitative parameters and feedback based on ratings. Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, review of performance of Executive Directors, succession planning, strategic planning, etc.

Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholders interest and enhancing shareholders value, experience and expertise to provide feedback, and guidance to the top management on business strategy, governance, risk and understanding of the organisation's strategy, etc.

The performance of the Committees and Independent Directors were evaluated by the entire Board of Directors except for the Director being evaluated. The performance evaluation of the Chairperson, Non-Independent Directors and Board as a whole was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

COMMITTEES OF THE BOARD

As on March 31, 2024, the Board has constituted the following committees:

- Audit Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Stakeholders Relationship Committee
- Finance and Investment Committee (Non Statutory Committee)

During the year, all recommendations made by the committees were approved by the Board.

Details of all the Committees such as terms of reference, composition and meetings held during the year under review are disclosed in the Corporate Governance Report, which forms part of this Annual Report.

AUDIT COMMITTEE

The details of the composition of the Audit Committee, terms of reference, meetings held, etc. are provided in the Corporate Governance Report, which forms part of this Report. During

the year there were no cases where the Board had not accepted any recommendation of the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR initiatives and activities are aligned to the requirements of Section 135 of the Companies Act, 2013. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure-B** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Your Company through, Aarti Foundation and various other NGOs, has been doing work in the following sectors.

- Education & Skill Development
- Childcare & Healthcare Facilities
- Women Empowerment
- Environment Sustainability
- Social Welfare
- Disaster relief and rehabilitation
- Green Environment Project

The detailed Policy on Corporate Social Responsibility is available on the website of the Company on the web link provided below; <https://www.valiantorganics.com/assets/investors/CSR%20Policy.pdf>

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Human resources have always been of supreme importance at Valiant as they are the growth-drivers and the mainstay of the organisation. The prominence of the people of the organisation stems from the belief that they are the authors of the Company's success story. Integral to the Company's approach, Human resource development is its distinctive strategy. The strategy ensures developing and nurturing a team of competent, passionate and inspiring leaders who would turn to be the scribes of a promising future's slate. Thus, building a future ready organisation through true to type learning, innovation and world-class execution. The Company believes that the alignment of all employees to a shared vision and purpose is crucial for succeeding in the marketplace. Further it recognises the mutuality of interest with key stakeholders and is committed to building harmonious employee relations.

VOL is confident that its employees will relentlessly strive to meet the growth agenda, deliver world class performance and innovate newer things. They will thus uphold human dignity,

foster team spirit and discharge their role as 'trustees' of all stakeholders with true faith and allegiance.

The Company cares for its people, customers, suppliers, and community which is reflected in the Company's policy, programs and development efforts. As of March 31, 2024, the Company had 1,073 permanent employees at its manufacturing plants and administrative office.

NOMINATION AND REMUNERATION POLICY

Your Company has in place a Nomination and Remuneration Policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy also lays down criteria for selection and appointment of Board Members. The remuneration paid to the Directors, Key Managerial Personnel and Senior Management of the Company is as per the terms laid down in the Nomination and Remuneration Policy of the Company.

During the year, pursuant to exercise of stock options, value of remuneration paid to one of the Non-Executive Directors, Dr. Kiritkumar H. Desai exceeds the permissible limit of remuneration for the Non-Executive Directors under the relevant provisions of the Companies Act, 2013 read with Schedule V thereof and applicable provisions of the Listing Regulations, as the Company incurred loss during the financial year 2023-24. In view of this, the Nomination and Remuneration Committee and the Board of Directors of the Company, in their respective meeting held on May 24, 2024, have approved the proposal to seek approval of the shareholders by a special resolution for waiver of recovery of excess remuneration paid to Dr. Desai. Accordingly, a special resolution for waiver of recovery of excess remuneration paid to Dr. Desai has been placed in detail as item no. 11 in the Notice of Annual General Meeting of the Company, for the approval of the shareholders.

The policy on remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in the Corporate Governance Report, which is a part of this annual report and is also available on the Company's website at the link: <https://www.valiantorganics.com/assets/investors/nomination-and-remuneration-policy-new.pdf>

PERSONNEL

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 **Annexure-B1** and forms part of this report.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE ENDS OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no other material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year to which these financial statements relate and the date of the report.

RISK MANAGEMENT

During the year under review, the Company has identified and evaluated elements of risk. The risk, inter-alia, further includes fluctuations in foreign exchange, Raw Material Procurement risk, Environmental and Safety Risk, Working Capital Risk, Market Risk and Business Operations Risk. The Company has put in place an Enterprise risk management policy which enables businesses to take faster, informed and quality decisions, encouraging a risk resilient culture.

The risk management framework defines the risk management approach of the Company and includes periodic review of such risk and also documentation, mitigating controls and reporting mechanisms of such risks.

In compliance with Regulation 21 of the Listing Regulations, your Company has a Risk Management Committee and the Committee, through its dynamic risk management framework continuously identifies, evaluates and takes appropriate measures to mitigate various elements of risks.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has clearly laid down policies, guidelines and procedures that form part of internal financial control systems, which provide for automatic checks and balances. Your Company has maintained a proper and adequate system of internal controls. The Company has appointed an Internal Auditor who periodically audits the adequacy and effectiveness of the internal controls laid down by the Management and suggests improvements. This ensures that all Assets are safeguarded and protected against loss from unauthorised use or disposition and that the transactions are authorised, recorded and reported diligently. Your Company's internal control systems are commensurate with the nature and size of its business operations. Internal Financial Controls are evaluated and Internal Auditors' Reports are regularly reviewed by the Audit Committee of the Board.

Statutory Auditors Report on Internal Financial Controls as required under Clause (i) of Sub-section 3 of Section 143 of

the Companies Act, 2013 is annexed with the Independent Auditors' Report.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

There are no amount due to be transferred to the IEPF account.

RELATED PARTY TRANSACTIONS

The Company has a Policy on Materiality of Related Party Transaction and dealing with Related Party Transaction. The said policy is available on the website of the Company at <https://www.valiantorganics.com/assets/investors/Related-Party-Transactions-Policy.pdf>

All related party transactions that were entered into during the FY 2023-24 were on an arm's length basis and were in the ordinary course of the business. All transactions entered with related parties were in compliance with the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder and the Listing Regulations.

All related party Transactions are placed before the Audit Committee for their review and approval. Prior Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis specifying the nature, value and terms & conditions of the transactions.

The details of related party transactions are provided in the accompanying financial statements.

Particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013, as prescribed in Form AOC-2 under Rule 8 (2) of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure-C**.

The transactions entered by the Company during the Financial Year under review were in conformity with the Company's Policy on Related Party Transactions.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the notes to the Financial Statement of the Company.

DEPOSITS

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

The Company does not have any deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

However, during the year under review, the Company had received a notice from Gujarat Pollution Control Board (GPCB) for Company's manufacturing plant situated at Plot No: 918 & 919, GIDC Jhagadia, Bharuch, Gujarat directing closure of operations. After submission of necessary compliances as well as justification, GPCB granted revocation to the closure order issued for Company's said manufacturing plant. Necessary disclosures have been submitted to stock exchanges.

SAFETY HEALTH AND ENVIRONMENT

The Company operates according to the best practices with regards to environment, health, safety and quality standards. With a strong commitment to Environment, Health and Safety (EHS) norms, the Company conducts regular EHS and O&M training & tool Box talks of employees. The Company conducts the various safety audits & celebrates National Safety week and Environment Day to create awareness and commitment to working safely and to raise awareness about EHS protocols that one should follow in order to avoid accidents and mishaps at the workplaces. The Company implemented necessary EHS management procedures.

The Company practises eco-friendly manufacturing with minimal to zero discharge of harmful pollutants.

Out of six manufacturing units, five are Zero Liquid Discharge Units. The Company has worked towards reducing plants' energy requirement per unit of output and achieved moderate cost savings by converting high-pressure steam from manufacturing processes to power the plants.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism and Whistle Blower Policy for its Directors and employees to report concerns about unethical behavior, actual or suspected fraud, actual or suspected leak of Unpublished Price Sensitive Information or violation of Company's Code of Conduct. It also provides for adequate safeguards against the victimisation of employees who avail of the mechanism, and allows direct access to the Chairperson of the Audit Committee in exceptional cases. Further, your Company has prohibited

discrimination, retaliation, or harassment of any kind against any employee who reports under the Vigil Mechanism or participates in the investigation.

The said Policy has been posted on the website of the Company and the web link thereto is www.valiantorganics.com/assets/investors/Whistle%20Blower%20Policy.pdf

AUDITORS AND REPORTS

Statutory Auditors & their Audit Report for the year ended March 31, 2024

During the year, in view of provisions of section 139 of the Companies Act, 2013 and the rules made thereunder, the Board, upon recommendation of the Audit Committee, approved the re-appointment of Gokhale & Sathe Chartered Accountants (Firm Registration No: 103264W) as the Statutory Auditor of the Company for a second term of five years, subject to the approval of the shareholders.

Upon receipt of approval from the shareholders at the 18th AGM of the Company, Gokhale & Sathe, Chartered Accountants, have been appointed as the Statutory Auditor of the Company to hold office for a second term of five years from the conclusion of the 18th AGM held on September 15, 2023, till the conclusion of the 23rd AGM to be held in 2028. The requirement for the ratification of auditor's appointment at every AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

The Auditors have issued an unmodified opinion on the Financial Statements, both standalone and consolidated for the financial year ended March 31, 2024. The said Auditors' Report(s) for the financial year ended March 31, 2024 on the financial statements of the Company forms part of this Annual Report.

The Auditors Report for the financial year ended March 31, 2024 does not contain any qualification, adverse remark or reservation and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The Auditors had not reported any fraud under Section 143(12) of the Companies Act, 2013 and therefore no details are required to be disclosed under Section 134 (3)(ca) of the Companies Act, 2013.

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Rules, 2014 the Company is required to maintain cost accounting records and have them audited every year. The Cost accounts and records as required to be maintained are duly made and maintained by the Company.

The Board has re-appointed Ketaki D. Visariya, Cost Accountants, (Membership No.16028) as the Cost Auditor of the Company for the Financial Year 2024-25 under Section 148 and all other applicable provisions of the Companies Act, 2013.

The remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution for seeking Member's ratification for the remuneration payable to Ketaki D. Visariya, Cost Accountants, is included at the notice convening the Annual General Meeting.

Secretarial Auditor and their Audit Report for the year ended March 31, 2024

Pursuant to the provisions of Section 204 of Companies Act, 2013 and rules made thereunder, the Board had appointed CS Sunil M. Dedhia (COP no. 2031), Proprietor of Sunil M. Dedhia & Co, Practicing Company Secretaries to undertake Secretarial audit of the Company.

The Secretarial Audit Report is included as **Annexure-D** and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimer. During the year under review, the Secretarial Auditor had not reported any fraud under Section 143(12) of the Companies Act, 2013 and therefore no details are required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on March 31, 2024 shall be available in prescribed format on the Company's website on www.valiantorganics.com

CORPORATE GOVERNANCE

Corporate Governance essentially involves balancing the interests of a Company's stakeholders. The Company is committed to good Corporate Governance practices and the Corporate Governance practices of the Company are a reflection of its values, policies and relationship with our stakeholders.

Your Company has complied with the mandatory Corporate Governance requirements stipulated under the Listing Regulations. A separate Report on Corporate Governance is annexed hereto forming part of this report together with the requisite certificate from Gokhale & Sathe, Chartered Accountants as stipulated under the Listing Regulations.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 read with Schedule V of the Listing Regulations, Management Discussion and Analysis Report, capturing your Company's performance, industry trends and other material changes with respect to your Company's and its subsidiaries, wherever applicable, for the year under review is presented in a separate section forming part of this Annual Report.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

In terms of the Regulation 34(2)(f) of the Listing Regulation read with the guidelines prescribed under the Notice / Circular published by BSE Limited (Notice No.: 20240510-48) and National Stock Exchange of India Limited (Circular Ref. No: NSE/CML/2024/11) on May 10, 2024, Business Responsibility and Sustainability Report for the Financial Year 2023-24 describing the initiatives taken by the Company from an Environment, Social and Governance perspective, is available on the website of the Company at <https://www.valiantorganics.com/assets/investors/vol-business-responsibility-and-sustainability-report-fy24.pdf>

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has constituted an Internal Complaints Committee, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has a policy and framework for employees to report sexual harassment cases at workplace. The Company's process ensures complete anonymity and confidentiality of information.

The Company has Zero tolerance towards any action on the part of any one which may fall under the ambit of 'Sexual Harassment at workplace and is fully committed to uphold and maintain the dignity of every woman working with the Company.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The below table provides details of complaints received/dispensed during the Financial year 2023-24.

Particulars	No. of Complaints
Number of complaints at the beginning of the financial year	0
No. of complaints filed and resolved during the financial year	0
No. of complaints pending at the end the financial year	0

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

The particulars relating 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, as amended from time to time, are provided in **Annexure-E** to this annual report.

SECRETARIAL STANDARDS COMPLIANCE

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

DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF VALUATION AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE AT THE TIME OF TAKING A LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the Financial Year 2023-24, the Company has not made any settlement with its bankers for any loan / facility availed or/and still in existence.



DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE FINANCIAL YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

During the Financial Year 2023-24, there was no application made and proceeding initiated / pending by any Financial and/or Operational Creditors against your Company under the Insolvency and Bankruptcy Code, 2016 ("the Code"). Further, there is no application or proceeding pending against your Company under the Code.

GREEN INITIATIVE

Your Company has adopted a green initiative to minimise the impact on the environment. The Company has been

circulating the copy of the Annual Report in electronic form to all members whose email addresses are available with the Company. Your Company appeals to other members to also register themselves for receiving the Annual Report in electronic form.

ACKNOWLEDGEMENT

The Board of Directors places on record its sincere appreciation for the dedicated services rendered by the employees of the Company at all levels and the constructive cooperation extended by them. Your Directors would like to express their grateful appreciation for the assistance and support by all Shareholders, Government Authorities, Auditors, Financial Institutions, Customers, employees, suppliers, other business associates and various other Stakeholders.

For and on Behalf of the Board

Sd/-

Shri. Sathiababu K. Kallada

Managing Director

DIN: 02107652

Sd/-

Shri. Mahek M. Chheda

Executive Director and CFO

DIN: 06763870

Place: Mumbai

Date: May 24, 2024

ANNEXURE – A

FORM AOC-1

[Pursuant to first proviso to sub – section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of Financial Statements of Subsidiaries / Associate Companies / Joint Ventures

Part “A” – Subsidiaries

(₹ in Lakhs)

Sr. No.	Particulars	Subsidiaries			
1	Name of the subsidiary	Valiant Speciality Chemical Limited	Dhanvallabh Venture LLP	Valiant Laboratories Limited*	Valiant Advanced Sciences Private Limited**
2	Date since when subsidiary was acquired	20-Dec-2019	15-May-2012	16-Aug-2021	08-Jul-2022
3	Reporting Period	Same as of the Holding Company			
4	Reporting Currency & Exchange Rate as on the last date of the relevant financial year in the case of foreign subsidiary	N.A.	N.A.	N.A.	N.A.
5	Share Capital	25.00	0.50	3,256.00	1.00
6	Reserves & Surplus	-4.22	7,758.18	7,299.27	-
7	Total Assets	21.02	7,758.78	21,469.03	5,062.20
8	Total Liabilities	21.02	7,758.78	21,469.03	5,062.20
9	Investments	-	2,886.60	1,682.30	-
10	Turnover/ Total Income	-	-	11,095.45	-
11	Profit Before Taxation	-0.41	1.96	684.24	-
12	Provision for Taxation	-	-	178.04	-
13	Proposed Dividend	-	-	-	-
14	% of Shareholding	100	73.15	62.50 [#]	62.50 [#]

*Pursuant to IPO listing of shares, Valiant Laboratories Ltd. has ceased to be a subsidiary of the Company w.e.f. October 6, 2023. All other details are considered upto September 30, 2023.

**Wholly Owned Subsidiary of Valiant Laboratories Limited.

[#] Holding through Dhanvallabh Ventures LLP

Part "B": Associates and Joint Ventures

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

(₹ in Lakhs)

Sr. No.	Particulars	Associate Companies		Joint Ventures
		Valiant Laboratories Limited*	Valiant Advanced Sciences Private Limited**	
1	Name of Associates / Joint Ventures	Valiant Laboratories Limited*	Valiant Advanced Sciences Private Limited**	None
2	Latest audited Balance Sheet Date	31-Mar-2024	31-Mar-2024	N.A.
3	Shares of Associate / Joint Ventures held by the company on the year end	Equity Shares	Equity Shares	N.A.
4	No. of Shares	2,03,50,000 [#]	-	N.A.
5	Amount of Investment in Associates / Joint Ventures	9,004.17	-	N.A.
6	Extend of Holding %	46.84% [#]	-	N.A.
7	Description of how there is significant influence	Since there is an indirect holding through LLP, in which the Company holds 73.15% of contribution.	N.A.	N.A.
8	Reason why the associate / joint venture is not consolidated	N.A.	N.A.	N.A.
9	Net worth attributable to shareholding as per latest audited Balance Sheet	-23,688.19	-8,095.24	N.A.
10	Profit / Loss for the year:	51.57	-2.07	N.A.
a)	Considered in Consolidation	-156.46	-	N.A.
b)	Not Considered in Consolidation	205.96	-	N.A.

Note: The Company does not have any Joint Venture Company as on March 31, 2024.

* Pursuant to IPO listing of shares, Valiant Laboratories Ltd (VLL) has become an indirect Associate Company w.e.f. October 6, 2023.

** Wholly Owned Subsidiary of VLL and indirect Associate Company w.e.f. October 6, 2023.

[#] Indirect holding through Dhanvallah Ventures LLP as on March 31, 2024.

Names of the associate or joint ventures which are yet to commence operations - NIL

Names of the associate or joint ventures which have been liquidated or sold during the year – NIL

For and on behalf of the Board

Valiant Organics Limited

Sd/-

Shri. Sathiababu K. Kallada

Managing Director

DIN: 02107652

Place: Mumbai

Date: May 24, 2024

Sd/-

Shri. Mahek M. Chheda

Executive Director & Chief Financial Officer

DIN: 06763870

Sd/-

Shri. Kaustubh Kulkarni

Company Secretary

ICSI M. No. A52980

ANNEXURE – B

The Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year ended March 31, 2024

1. Brief outline on CSR Policy

The Company's policy on CSR, sets out a statement containing the approach and direction given by the Board of Directors after taking into account the recommendations of its CSR Committee and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

This policy is framed pursuant to Section 135 of the Companies Act, 2013 read with rules made thereunder as amended from time to time.

2. Composition of CSR Committee

Sr. No.	Name	Designation	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri. Navin C. Shah (w.e.f May 19, 2023)	Chairperson	Independent Director	1	1
2	Shri. Velji K. Gogri (upto May 19,2023)	Member	Independent Director	1	-
3	Shri. Mahek M. Chheda	Member	Executive Director	1	1
4	Shri. Arvind K. Chedda (upto April 19,2024)	Member	Managing Director	1	1

Note: Shri. Nemin M. Savadia was inducted as a member w.e.f May 24, 2024.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.

<https://www.valiantorganics.com/assets/investors/CSR%20Policy.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable

5.	(a) Average net profit of the company as per sub-section (5) of section 135: -	₹ 12791.33 Lakhs
	(b) Two percent of average net profit of the company as per sub-section (5) of section 135: -	₹ 255.82 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: -	₹ 59.82 Lakhs
	(e) Total CSR obligation for the financial year [(b)+(c) - (d)]: -	₹ 196.00 Lakhs
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): -	₹ 259.10 Lakhs
	(b) Amount spent in Administrative Overheads: -	Nil
	(c) Amount spent on Impact Assessment, if applicable: -	Nil
	(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: -	₹ 259.10 Lakhs

(e) CSR amount spent or unspent for the Financial Year: -

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

(g) Excess amount for set-off, if any: -

Sr. No.	Particular	Amount (₹ In Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	255.82
(ii)	Total CSR obligation for the financial year 2023-24	196.00
(iii)	Total amount spent for the Financial Year	259.10
(iv)	Excess amount spent for the Financial Year [(iii)-(ii)]	63.10*
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(vi)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	63.10

*This includes an aggregate amount of ₹59.82 Lakhs, being the amount set-off in FY 2023-24 from the excess spends of Financial Year 2022-23.

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

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2	3	4	5	6	7	8	
								NIL

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: - **Not Applicable**

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

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

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

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: - Not Applicable

Place: Mumbai,
Date: May 24, 2024

Sd/-
Shri. Mahek M. Chedda
Executive Director
DIN: 06763870

Sd/-
Shri. Navin C. Shah
Chairperson
DIN:01415556

ANNEXURE – B1

Disclosure pursuant to Section 197 (12) of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided below:

1) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2023-24:

Name of the Director(s)	Category	Ratio
Shri. Arvind K. Chheda	Managing Director	14.38:1
Shri. Sathiababu K. Kallada	Executive Director	13.18:1
Shri. Mahek M. Chheda	Executive Director and CFO	9.59:1
Shri. Nemin M. Savadia	Executive Director	8.40:1
Shri. Vishnu J. Sawant	Executive Director	10.07:1
Shri. Siddharth D. Shah	Executive Director	9.50:1

Notes:

- The Company has not paid any remuneration to its Non-Executive /Independent Directors except sitting fees for attending Board and Committees meeting and stock options, during the financial year 2023-24.
- Perquisite arising due to exercise of employee stock options has been excluded while calculating the total remuneration.
- Employees for the above purpose, includes all employees excluding employees governed under collective bargaining.
- For computing median remuneration, the count of employees, who were associated with the Company as on March 31, 2024 has been considered.

2) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, in the financial year 2023-24:

Name	Designation	Percentage Increase / (decrease) in remuneration
Shri. Arvind K. Chheda	Managing Director	10.77%
Shri. Sathiababu K. Kallada	Executive Director	10.00%
Shri. Mahek M. Chheda	Executive Director and CFO	9.09%
Shri. Nemin M. Savadia	Executive Director	60.00%
Shri. Vishnu J. Sawant	Executive Director	9.09%
Shri. Siddharth D. Shah	Executive Director	9.09%
Smt. Avani D. Lakhani	Company Secretary	11.96%

3) The percentage increase in the median remuneration of employees in the financial year 2023-24:

The percentage increase in the median remuneration of employees in the financial year is in the range of 8-10% approx. on a like to like basis.

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

1073.

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

On an average employee received an annual increase between 8-10%.The average increase in remuneration of KMP is 11.00%.

6) Affirmation that the remuneration is as per the Remuneration Policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

7) The particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

- Details of employees employed throughout the year and in receipt of remuneration for that year which, in the aggregate, was not less than Rupees One Crore and two lakhs per annum: **None.**
- Details of employees employed for a part of the financial year and in receipt of remuneration for any part of the year, at a rate which, in aggregate, was not less than Rupees Eight lakhs and Fifty thousand per month: **None.**
- Details of employees employed throughout the financial year or part thereof and was in receipt of remuneration in the year and is in excess of the remuneration of the Managing Director or Whole Time Director: **None.**

For and on Behalf of the Board

Sd/-

Shri. Sathiababu K. Kallada

Managing Director

DIN: 02107652

Sd/-

Shri. Mahek M. Chheda

Executive Director and CFO

DIN: 06763870

Place: Mumbai

Date: May 24, 2024

ANNEXURE-C

Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

2. Details of material contracts or arrangement or transactions at arm's length basis:

(₹ in Crores)

a)	Name(s) of the related party	Aarti Industries Limited
	Nature of relationship	Related to Promoter Group
(b)	Nature of contracts/arrangements/transactions	Contract for sale of any goods/ materials and/ or rendering of / services; purchase of any goods/ materials and/ or availing of services or other resources and obligations shall be on a continuous basis.
(c)	Duration of the contracts / arrangements/transactions	Continuous basis
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Contract for sale of any goods/ materials and/ or rendering of / services; purchase of any goods/ materials and/ or availing of services or other resources and obligations for an aggregate amount not exceeding ₹ 950 Crores (Rupees Nine Hundred Fifty Crores Only) for the Financial Year 2023-2024 at arm's length basis in the ordinary course of business of the Company.
(e)	Date(s) of approval by the Board, if any:	May 19,2023
(f)	Amount paid as advances, if any:	Nil
a)	Name(s) of the related party	Valiant Laboratories Limited
	Nature of relationship	Indirect Subsidiary Company*
(b)	Nature of contracts/arrangements/transactions	Contract for sale of any goods/ materials and/ or rendering of / services or availing of services or other resources and obligations.
(c)	Duration of the contracts / arrangements/transactions	Continuous basis
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Contract for sale of any goods/ materials and/ or rendering of / services or availing of services or other resources and obligations for an aggregate amount not exceeding ₹ 600 Crores (Rupees Six Hundred Crores Only) for the Financial Year 2023-2024 at arm's length basis in the ordinary course of business of the Company.
(e)	Date(s) of approval by the Board, if any:	May 19,2023
(f)	Amount paid as advances, if any:	Nil

* Indirect Subsidiary Company upto October 6, 2023 and thereafter became an Indirect Associate Company.

The above mentioned transactions were entered into by the Company in its ordinary course of business. Materiality threshold has been taken as the criteria prescribed in Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014.

ANNEXURE-D

Form No. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024

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

To,
The Members,
Valiant Organics Limited
 (CIN: L24230MH2005PLC151348)
 109, Udyog Kshetra, 1st Floor,
 Mulund Goregaon Link Road,
 Mulund (W), Mumbai 400080

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Valiant Organics Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **March 31, 2024 ('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:

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

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings to the extent applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which were not applicable to the Company during the Audit Period;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 which were not applicable to the Company during the Audit Period;
 - (g) 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;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 which were not applicable to the Company during the Audit Period; and

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 which were not applicable to the Company during the Audit Period.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the Audit Period under review and as per the representations and clarifications made, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above **except that pursuant to exercise of stock options under ESOP Scheme approved by the Company by a special resolution, value of remuneration paid to one of its Non-Executive directors during the Audit Period exceeds the permissible limit of remuneration for the Non-Executive Directors under the relevant provisions of the Companies Act, 2013 read with Schedule V thereof by ₹22.12 lakhs for which the Nomination and Remuneration Committee and the Board of Directors of the Company, in their respective meeting held on 24 May 2024, have proposed to seek approval by a special resolution for waiver of recovery of excess remuneration paid to such director which will be placed before the shareholders for their approval in forthcoming annual general meeting.**

I further report that based on review of compliance system prevailing in the Company, I am of the opinion that the Company has adequate systems and processes in place commensurate with its size and nature of operations to monitor and ensure compliance with the following laws applicable specifically to the Company:

- (a) The Explosive Act, 1884 and Rules made thereunder;
- (b) Indian Boiler Act, 1923 & The Indian Boilers Regulations, 1950;
- (c) Air (Prevention and Control of Pollution) Act, 1981;
- (d) Water (Prevention and Control of Pollution) Act, 1974;
- (e) The Noise (Regulation and Control) Rules, 2000;

- (f) Environment Protection Act, 1986 and other environmental laws;
- (g) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008; and
- (h) Public Liability Insurance Act, 1991.

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

Adequate notice was given 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.

All decisions at the Board Meetings and Committee Meetings were taken unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I 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.

I further report that during the Audit Period under review, there was no specific events /actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs.

This report is to be read with Annexure which forms an integral part of this report.

CS Sunil M. Dedhia

Proprietor, Sunil M. Dedhia & Co.

Practising Company Secretary

FCS No: 3483 C.P. No. 2031

Peer Review Certificate No. 867/2020

UDIN: F003483F000806494

Place: Mumbai

Date: July 23, 2024

Annexure

To The Members,

Valiant Organics Limited

(CIN: L24230MH2005PLC151348)

109, Udyog Kshetra, 1st Floor,
Mulund Goregaon Link Road,
Mulund (W), Mumbai 400080

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

- (1) Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- (2) I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- (3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and Other Applicable Laws, Rules, Regulations, Standard is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

CS Sunil M. Dedhia

Proprietor, Sunil M. Dedhia & Co.

Practising Company Secretary

FCS No: 3483 C.P. No. 2031

Peer Review Certificate No. 867/2020

UDIN: F003483F000806494

Place: Mumbai

Date: July 23, 2024

Annexure-E

Disclosure pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts), Rules 2014

A) Conservation for Energy

• **The Steps Taken or Impact on Conservation of Energy:**

1. LED Lighting Upgrade: The shift from Conventional light to Energy Efficient LED Light has significantly reduced daily energy consumption and led to substantial cost savings. This change has resulted in a noticeable decrease in energy use and related expenses.
2. Mechanical Vapour Recompression system: Installation of Mechanical vapour recompression system of 48KLD, which reduces evaporation cost. This shift has resulted in reduced energy evaporation cost compared to the previous fiscal year.
3. Renewable Power Plant: Commissioned a captive renewable power plant which has capacity to generate 2.2MW wind energy in June 2023.

• **The steps taken by the company for utilising alternate sources of energy:**

Installed a captive renewable power plant which has capacity to generate 2.2MW wind energy in June 2023.

• **The Capital Investment on energy conservation equipments:**

An Investment of approximately ₹ 10,74,00,638 has been dedicated to energy conservation equipment:

(B) Technology absorption

Efforts made towards technology absorption	<p>A) Conservation for Energy As per our conversation with the 6 plant heads regarding the Business Responsibility & Sustainability Report, there have been no changes made to the energy conservation process, specifically regarding the use of renewable energy at the factories</p> <p>B) Water Management:</p> <ol style="list-style-type: none"> i. Installation of Reverse Osmosis System (RO) at Jhagadia Unit 2 & Vapi Plant. ii. Implementation of MVR (Mechanical Vapor Recompression) System at Jhagadia Unit 1 & 2 and Sarigam Plant. iii. New Effluent Treatment Plant (ETP)/Sewage Treatment Plant (STP) at Jhagadia Unit 1 & Vapi Plant <p>C) Other Initiatives:</p> <ol style="list-style-type: none"> i. ATFE (Agitated Thin Film Evaporator) installed at Sarigam Plant. ii. ATFD (Agitated Thin-Film Dryer) installed at Ahmedabad Plant. iii. Rule- 9 (of Hazardous & Other Waste Management) implemented at Vapi Plant
Benefits derived like product improvement, cost reduction, product development or import substitution	<ol style="list-style-type: none"> i. Reverse Osmosis System (RO) <ul style="list-style-type: none"> - At Jhagadia Unit 2, it is installed for storm water management with a daily capacity of 350 cubic meters, operational during monsoon - At Vapi Plant, 40 KLD RO system is utilised to treat wastewater from plants and facilitate water recycling within the plant ii. MVR (Mechanical Vapor Recompression) System <ul style="list-style-type: none"> - At Jhagadia Unit 1, using MVR, condensate can be reclaimed for reuse in the cooling tower makeup - At Jhagadia Unit 2. the MVR evaporator plant, with a capacity of 90 KLPD, achieves a water evaporation rate of 2960 litres - And, at Sarigam Plant, MVR Evaporates wastewater to recover clean water without external steam input <p>This system results in minimal operational cost</p>

ii. New Effluent Treatment Plant (ETP)/Sewage Treatment Plant (STP)

- Jhagadia Unit 1 has new ETP that ensures safe discharge into the RO system, subsequently facilitating reuse in the cooling tower makeup
- Vapi Plant has 25KLD STP system that treats sewage water and utilise the treated water for gardening, effectively conserving up to 5 kilolitres per day of fresh water.

iii. ATFE (Agitated Thin Film Evaporator)

- At Sarigam Plant, ATFE enables a residence time of a few seconds with a narrow spread, preventing continuous heating of the material, achieves evaporation in a single pass to eliminate the need for product recirculation and reduce possible degradation, and facilitates more efficient recovery of the product compared to conventional methods

iv. ATFD (Agitated Thin-Film Dryer)

- ATFD is used at Ahmedabad plant for the MEE Plant, wherein it evaporates 10KL of effluent daily

v. Implementation of Rule-9

- Through this implementation at Vapi plant, the spent HCL is utilised in the ETP plants to reduce the quantity of solid waste (Land Filling).

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

Nil

Details of technology imported

N.A.

Year of import

N.A.

Whether the technology has been fully absorbed

N.A.

If not fully absorbed, areas where absorption has not taken place, and the reasons thereof

N.A.

• **Expenditure incurred on Research and Development:**

Years	(₹ in lakhs)
Financial year 2023-24	100 (Approximately)
Financial year 2022-23	100 (Approximately)

C) Foreign Exchange Earnings and Outgo

The details of foreign exchange earnings and outgo's are as follows: -

Particulars	(₹ in Lakhs)	
	Financial year 2023-24	Financial year 2022-23
Foreign Exchange earnings	629.08	5,879
Foreign Exchange outgo's	979.89	9,774

For and on Behalf of the Board

Sd/-

Shri. Sathiababu K. Kallada

Managing Director

DIN: 02107652

Sd/-

Shri. Mahek M. Chheda

Executive Director and CFO

DIN: 06763870

Place: Mumbai

Date: May 24, 2024

Report on Corporate Governance

1. Philosophy on the code of governance:

Corporate Governance is essentially the management of an organisation's activities in accordance with policies that are value-accretive for all stakeholders. The corporate governance philosophy of your Company is based on its core values; Persistent, Confident, Resilient. The Company is committed to the adoption and adherence to Corporate Governance Practices that ensure adequate transparency to take informed decisions and building trust for impactful collaboration.

These governance practices help enhancement of long-term shareholders value and interest of other Stakeholders and also help to align with our strategy for sustainable growth. The Company is committed to maintain high standards of Corporate Governance to achieve business excellence and strengthen the confidence of all stakeholders. The Company constantly endeavors to create and sustain long-term value for all its stakeholders including, but not limited to, shareholders, employees, customers, business partners, suppliers, and the wider communities that we serve.

The Board fully appreciates the need for increased awareness for responsibility, transparency and professionalism in management of the Organisation. The Board believes that Corporate Governance is not an end, it is just the beginning towards growth of the Company for long term prosperity. Continuous efforts taken towards strong governance practice have rewarded the Company in the sphere of stakeholders' confidence, valuation, market capitalisation and high credit rating.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") as applicable, with regard to corporate governance.

2. Board of Directors:

The primary role of the Board of Directors ("the Board") is that of trusteeship – to protect and enhance shareholders value. The Board has a fiduciary responsibility to ensure that the Company's actions and objectives are aligned to sustainable growth and long-term value creation.

The Board is entrusted and empowered to oversee the management, direction and performance of the Company with a view to protect the interest of the stakeholders and enhance value for shareholders. The Board monitors the strategic direction of the Company.

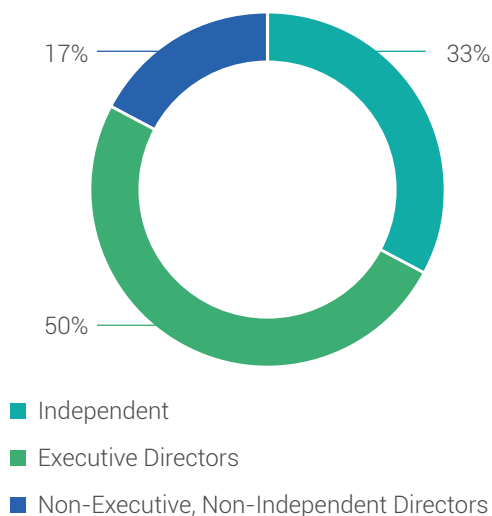
• Composition –

The Board comprises members having varied skills, experience and knowledge. The Board has a mix of both Independent and Non-independent Directors. As on close of business hours of March 31, 2024, the Board comprises Twelve (12) Directors, out of which 6 (Six) are Executive Directors, 2 (Two) are Non- Executive Non-Independent Directors and 4 (Four) are Independent Directors (including one Woman Independent Director). The Chairperson of the Company is Non-Executive, Independent Director. As on March 31, 2024 and as on date of this Report, the Company is in compliance with the provisions of Section 149(4) of the Companies Act, 2013 read with Regulation 17(1)(a) and 17(1)(b) of the Listing Regulations.

None of the Directors on the Board:

- holds directorships in more than ten public companies;
- serves as Director or as Independent Directors in more than seven listed entities; and
- who are the Executive Directors serve as Independent Directors in more than three listed entities.

Composition of the Board



- **Independent Directors –**

In terms of Section 149(7) of the Companies Act, 2013, the Independent Directors have given a declaration to the Company that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and the Listing Regulations. The Board confirms that the Independent Directors fulfill the conditions specified in terms of the Companies Act, 2013 and the Listing Regulations and that they are Independent of the management of the Company. All the Directors are in compliance with the limit on Independent Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations. The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company as required in terms of Regulation 46 of the Listing Regulations.

All the Directors have confirmed that they are not members of more than 10 Committees and Chairperson of more than 5 Committees (as specified under

Regulation 26(1) of the Listing Regulations) across all the companies in which they are Directors.

- **Board procedure –**

The Board Meeting is conducted at least once in every quarter to discuss the agenda items set for the meeting including performance, policies and the strategies required, from time to time. Agenda of the business(es) to be transacted at the Board Meeting along with explanatory notes thereto are drafted and circulated well in advance to the Board of Directors of the Company. Every Board Member is free to suggest the inclusion of any item on the agenda and hold due discussions thereto.

- **Meetings held during the Financial Year 2023-24 –**

4 (Four) Board Meetings were held during the year under review and the gap between two meetings did not exceed 120 days. Requisite quorum was present for all the meetings. The meetings were held on the following dates.

Board Meeting Dates	May 19, 2023	August 09, 2023	November 08, 2023	February 13, 2024
Start Timing	12:00 Noon	12:00 Noon	12:00 Noon	11:30 A.M.
Mode of Meeting	Meeting held Physically	Meeting held Physically	Meeting held Physically	Meeting held Physically

- **Attendance, Directorships and Committee positions –**

The names and categories of the Directors on the Board, their Directorship in other Companies, their attendance record, the committee positions in other Companies as on March 31, 2024, are as under:

Name of the Director	Category	Shareholding as on March 31, 2024		Directorships as on March 31, 2024		Attendance at meetings held during the financial year 2023-24		Number of Committee Membership in other Companies (excluding Valiant Organics Limited)	
		No. of Equity Shares	% of Shareholding	Total no. of Directorships as on March 31, 2024 (excluding Valiant Organics Limited)	Directorship held in other listed entity	Board (out of 4)	AGM held on September 15, 2023	Chairperson	Member
Shri. Arvind K. Chheda (DIN: 00299741) (upto April 19,2024)*	Promoter, Managing Director	433476	1.57	1	None	4	√	-	-
Shri. Mahek M. Chheda (DIN: 06763870)	Executive Director	67200	0.24	2	None	3	√	-	-
Shri. Vishnu J. Sawant (DIN: 03477593) (upto May 31,2024)**	Executive Director	100	0.00	0	None	3	√	-	-
Shri. Sathiababu K. Kallada (DIN: 02107652)	Executive Director	9600	0.03	2	None	2	√	-	-

Name of the Director	Category	Shareholding as on March 31, 2024		Directorships as on March 31, 2024		Attendance at meetings held during the financial year 2023-24		Number of Committee Membership in other Companies (excluding Valiant Organics Limited)	
		No. of Equity Shares	% of Shareholding	Total no. of Directorships as on March 31, 2024 (excluding Valiant Organics Limited)	Directorship held in other listed entity	Board (out of 4)	AGM held on September 15, 2023	Chairperson	Member
Shri. Nemin M. Savadia (DIN: 00128256)	Executive Director	60226	0.22	1	None	3	√	-	-
Shri. Siddharth D. Shah (DIN: 07263018)	Executive Director	71542	0.26	0	None	3	√	-	-
Dr. Kiritkumar H. Desai (DIN: 08610595)	Non-Executive (Non) Independent Director	8600	0.03	0	None	4	√	-	-
Shri. Santosh S. Vora (DIN: 07633923)	Non-Executive (Non) Independent Director	157315	0.57	1	Valiant Laboratories Limited	4	√	-	1
Shri. Navin C. Shah (DIN: 01415556)	Independent Director	0	0.00	1	Aarti Drugs Limited	4	√	1	2
Smt. Sonal A. Vira (DIN: 09505883)	Independent Director	0	0.00	1	Valiant Laboratories Limited	2	√	0	2
Shri. Mulesh M. Savla (DIN: 07474847)	Independent Director	0	0.00	2	Aarti Surfactants Limited and Valiant Laboratories Limited	4	√	1	2
Dr. Sudhirprakash B. Sawant (DIN: 02343218) (appointed w.e.f. May 19,2023)**	Independent Director	0	0.00	0	None	3	√	-	-
Shri. Velji K. Gogri (DIN: 02714758) [upto July 05,2023]§	Independent Director	0	0.00	1	Valiant Laboratories Limited	1	-	2	2

*Shri. Arvind K. Chheda retired as a Managing Director w.e.f. April 19, 2024.

** Shri. Vishnu J. Sawant resigned as an Executive Director w.e.f. May 31, 2024.

***Dr. Sudhirprakash B. Sawant was appointed as an Independent Director w.e.f. May 19, 2023. His appointment was subsequently approved by the members vide resolution passed through Postal Ballot on July 11, 2023.

§ Due to end of the term as an Independent Director Shri. Velji Gogri ceased to be a Director of the Company.w.e.f July 05, 2023.

Shri. Parimal H. Desai was appointed as an Additional Non- Executive Director w.e.f. May 24, 2024

Notes:

- Promoter includes Promoter Group;
- While considering the total number of directorships, directorships in LLP, directorships in private companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013 have been excluded;
- While calculating Number of Committee Membership in other Companies, positions in the Audit Committee, and the Stakeholders' Relationship Committee of Public Companies (listed and unlisted) are only considered;
- In terms of Part C of Schedule V of the Listing Regulations, it is hereby disclosed that there is no inter-se relationship amongst the Directors.

5) The number of Directorship, Chairpersonship/ Membership in Committees of all Directors is within prescribed limit under the Companies Act, 2013 and Regulation 26 of the Listing Regulations.

• **Skills / expertise / competencies of the Board of Directors –**

The table below summarises the broad list of core skills / expertise / competencies identified by the Board of Directors, as required in the context of the Company's business / sector and the said skills are available with the Board members. Absence of mention regarding an area of expertise against a Board member's name does not necessarily mean that the member does not possess the corresponding qualification or skill.

List of core skills/expertise/competencies identified by the board of directors as required in the context of the business(es) and sector(s)		Names of directors who have such skills / expertise / competencies
Industry Experience	Experience in Speciality Chemical & Pharmaceutical industry	All the Executive Directors, Dr. Kiritkumar H. Desai Dr. Sudhirprakash B. Sawant Shri. Santosh S. Vora Shri. Velji K. Gogri
Operations, Technology, Sales and Marketing	Experience in sales and marketing management based on understanding of the consumer & consumer goods industry	Shri. Arvind K. Chheda Shri. Mahek M. Chheda Shri. Vishnu J. Sawant Dr. Kiritkumar H. Desai Shri. Nemin M. Savadia
Leadership	Extensive leadership experience of an organisation for practical understanding of the organisation, its processes, strategic planning, risk management for driving change and long-term growth	Shri. Mahek M. Chheda Shri. Arvind K. Chheda Shri. Sathiababu K. Kallada
Understanding of Global Business	Owing to presence across the globe, their understanding of global business & market is seen as pivotal.	Shri. Siddharth D. Shah
Finance and Banking	Finance field skills/competencies/ expertise is seen as important for intricate and high quality financial management and financial reporting processes	Shri. Arvind K. Chheda Shri. Mulesh M. Savla Shri. Mahek M. Chheda Shri. Navin C. Shah Smt. Sonal A. Vira
Legal / Governance / Compliance	In order to strengthen and maintain the governance levels & practices in the organisation	Shri. Mulesh M. Savla Shri. Mahek M. Chheda Shri. Navin C. Shah Dr. Kiritkumar H. Desai

• **Selection and Appointment of New Directors -**

The task of creating the Board's competency standards has been delegated to the Nomination and Remuneration Committee (the "NRC"), based on the Company's strategy and industry. The examination of the Board's composition reveals a thorough knowledge of the business, including its tactics, operations, the environment, the financial situation, and conditions for conformity. The Board is advised by the NRC on the appointment of Directors and their reappointment, and additionally carry out regular gap evaluations to update the Board. Then examining the profiles of possible prospects to make sure they possess the necessary skills.

Additionally, the NRC conducts research and due diligence prior to hiring, evaluates and meets possible candidates' suggestions for the Board. The new hire is informed on the precise prerequisites for the job, including expected level of expertise once a qualified applicant is determined. As on March 31, 2024, there were no Senior Managerial Personnel identified by the NRC / Board of the Company.

PROCESS OF APPOINTMENT OF A DIRECTOR



- Certificate from Company Secretary in Practice –**
 Certificate as required under Part C of Schedule V of the Listing Regulations, received from CS Sunil M. Dedhia, proprietor of Sunil M. Dedhia & Co., Practicing Company Secretaries, that none of Directors on the Board of the Company have been debarred and disqualified from being appointed or continuing as Directors of the Company by an order from the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority.
 - KYC of Directors –**
 Pursuant to the Companies (Appointment and Qualification of Directors) Fourth Amendment Rules, 2018, all the Directors of the Company have completed the KYC for the Financial Year 2023-24.
 - Independent Directors Databank registration –**
 Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all Independent Directors have completed the registration with the Independent Directors Databank. The requisite disclosures have been received from the Directors in this regard.
 - Code of ethics –**
 The Company has prescribed a code of ethics for its Directors and senior management. The code of ethics of the Company has been posted on its website <https://www.valiantorganics.com/assets/investors/code-of-conduct.pdf>
 - Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information and code of conduct to regulate, monitor and report trading by insiders -**
 In Compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a “Code on Prohibition of Insider Trading” to regulate, monitor and report trading by Designated Persons identified by the Company and their Immediate Relatives. The Code lays down procedures to be followed and disclosures to be made while trading in the Company’s shares from time to time. Also this code includes practices and procedures for fair disclosure of unpublished price sensitive information. The same is posted on the Company’s website at <https://www.valiantorganics.com/assets/investors/Code-of-Insider-Trading-Regulations-2015.pdf>
 - Familiarisation Programme –**
 At the time of appointment, the Independent Directors are made aware of their roles and responsibilities through a formal letter of appointment which stipulates various terms and conditions. At Board and Committee meetings, the Independent Directors are regularly being familiarised on the business model, strategies, operations, functions, policies and procedures of the Company and its subsidiaries. Details of familiarisation Programmes imparted to Independent Directors are disclosed on the Company’s website <https://www.valiantorganics.com/assets/investors/details-of-familiarisation-programme-2023-24.pdf>
 - Separate meeting of Independent Directors –**
 In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors was held on March 31, 2024 without the participation of Non-Independent Directors and the members of the management. The Independent Directors discussed various aspects, viz. performance
- The declaration from the Managing Director in terms of Regulation 34(3) read with Part D of Schedule V of the Listing Regulations, stating that as of March 31, 2024, the Board members and the senior management personnel have affirmed the compliance with the Code of Ethics laid down by the Company which forms integral part of this Report.

of the Non-Independent Directors and the Board as a whole, performance of the Chairperson of the Company, quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform duties.

3. Committees of Board:

In compliance with the requirements of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has constituted five Statutory Committees namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. In addition to above, the Board has constituted the Finance and Investment Committee to deal with routine operational matters. These Committees are entrusted with such powers and functions as detailed in their respective terms of reference.

The composition, meetings, attendance and the detailed terms of reference of various Committees of the Board are as under:

(i) Audit Committee –

The Audit Committee of the Company is qualified and independent as per Regulation 18 of the Listing Regulations, read with the provisions of Section 177 of the Companies Act, 2013. All the Members of the Audit Committee are financially literate and capable of analysing Financial Statements of the Company.

• Composition, Meetings and Attendance –

During the Financial Year 2023–24, the Audit Committee met Four (4) times. The Composition of the Committee, date of the meetings and attendance of Audit Committee members in the said meetings is given below -

Name of Members	Category	Meeting Dates	May 19, 2023	August 09, 2023	November 08, 2023	February 13, 2024
		Mode of Meeting	Physical			
		Start Timing	10:30 A.M	10:30 A.M	10:30 A.M	10:00 A.M
		No. of Meetings attended				
Shri. Mulesh M Savla (Chairperson)	Independent Director	4	√	√	√	√
Shri. Navin C. Shah (Member)	Independent Director	4	√	√	√	√
Smt. Sonal A. Vira (Member)	Independent Director	2	√	-	-	√
Shri. Arvind K. Chheda (Member upto April 19, 2024)	Managing Director	4	√	√	√	√
Shri. Sathiababu K. Kallada (Member)	Executive Director	2	-	-	√	√
Dr. Sudhirprakash B. Sawant (Member)	Independent Director	2	-	-	√	√
Shri. Velji K. Gogri (Member upto May 19, 2023)	Independent Director	1	√	-	-	-

The Chief Financial Officer, Functional Heads, Representatives of the Statutory Auditors, Internal Auditors, Cost Auditor, as and when required attend the meetings of the Audit Committee from time to time. The Company Secretary of the Company acts as the Secretary to the Audit Committee. The Chairperson of the Audit Committee attended the 18th Annual General Meeting held on September 15, 2023.

• Terms of Reference:

The brief terms of reference of the Audit Committee includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

- Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Modified opinion(s) in the draft audit report;
 - Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 - 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 utilised 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;
 - Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - Approval or any subsequent modification of transactions of the listed entity with related parties;
 - Scrutiny of inter-corporate loans and investments;
 - Valuation of undertakings or assets of the listed entity, wherever it is necessary;
 - Evaluation of internal financial controls and risk management systems;
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - 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;
 - Discussion with internal auditors of any significant findings and follow up there on;
 - 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;
 - 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;
 - 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;
 - To review the functioning of the whistle blower mechanism;
 - Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
 - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee. Reviewing the utilisation 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.
- Mandatorily review the following information:**
- Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal audit reports relating to internal control weaknesses;
 - The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee.

- Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
 - Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

During the year under review, the Audit Committee also reviewed and approved the related party transactions from time to time.

Members	Category	Meeting Date	May 19, 2023	August 09, 2023
		Mode of Meeting	Physical	
		Start Timing	10:00 A.M.	10:00 A.M.
Shri. Mulesh M. Savla (Chairperson)	Independent Director	2	✓	✓
Shri. Navin C. Shah (Member w.e.f. May 19, 2023)	Independent Director	2	✓	✓
Shri. Velji K. Gogri (Member upto May 19, 2023)	Independent Director	1	✓	-
Shri. Santosh S. Vora (Member)	Non-Executive Non-Independent Director	2	✓	✓

- Terms of reference** – The brief terms of reference of the Nomination and Remuneration Committee shall, inter alia, include the following:
 - Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees;
 - Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
 - Devising a policy on diversity of Board of Directors;
 - Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
 - Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
 - Recommend to the board, all remuneration, in whatever form, payable to senior management

(ii) Nomination and Remuneration Committee –

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

• Composition, Meetings and Attendance –

During the Financial Year 2023–24, Nomination and Remuneration Committee met 2 (two) times.

The Composition of the Committee, date of the meetings and attendance of Nomination and Remuneration Committee members in the said meetings is given below–

- Oversee the implementation of Employee Stock Option Scheme(s) / Plan(s) as per SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and perform the function of overall administration and superintendence of the scheme.

• Nomination and Remuneration policy –

I. Criteria and Qualification for Nomination & Appointment:

A person to be appointed as Director, Key Managerial Personnel (KMP) or at Senior Management level should possess adequate and relevant qualification, expertise and experience for the position that he/she is being considered for.

II. Policy on Remuneration:

The Company considers human resources as its invaluable assets. The remuneration policy endorses equitable remuneration to all directors, key managerial personnel and employees of the Company consistent with the goals of the Company.

The Remuneration policy for all the employees are designed in a way to attract talented executives and remunerate them fairly and responsibly, this being a continuous ongoing exercise at each level in the Organisation.

- **Remuneration of Directors - Executive Directors**

The Company remunerates its Executive Directors by way of salary and commission based on performance of the Company. Remuneration is paid within the limits as approved by the shareholders within the stipulated limits of the Companies Act, 2013 and the Rules made thereunder. The remuneration paid to the Executive Director is determined keeping in view the industry benchmark and the performance of the Company.

Non-Executive Directors

Non-Executive Directors are presently receiving sitting fees (including reimbursement of expenses) for attending the meeting of the Board and its Committees as per the provisions of the Companies Act, 2013 and the rules made thereunder. Further, they are entitled for stock

options pursuant to Employee Stock Option Scheme of the Company.

The Non-executive Directors are also entitled to reimbursement of expenses for participation in the Board and other meetings in terms of the Companies Act, 2013.

Key Managerial Personnel [KMP] and other employees -

The remuneration of KMP and other employees largely consists of basic salary, perquisites, allowances and performance incentives (wherever paid). Perquisites and retirement benefits are paid according to the Company policy. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/ merits, and performance of each employee.

I. Remuneration to Executive Directors –

(₹ in Lakhs)			
Name of Director(s)	Salary and other Perquisites (including Bonus)	Commission (For FY 2022-23)	Total Remuneration
Shri. Arvind K. Chheda	36.00	30.45	66.45
Shri. Vishnu J. Sawant	24.00	0	24.00
Shri. Mahek M. Chheda	24.00	0	24.00
Shri. Sathiababu K. Kallada	83.45*	0	83.45*
Shri. Nemin M. Savadia	21.43	0	21.43
Shri. Siddharth D. Shah	23.78	0	23.78

* Remuneration to Shri. Sathiababu K. Kallada includes the salary of ₹33.00 Lakhs and perquisites value of ₹50.45 Lakhs arising out of exercise of stock options.

II. Remuneration to Non - Executive Directors –

The Non- executive Directors are paid remuneration in the form of sitting fees for attending the meetings of the Board and / or Committees thereof which is within the limits prescribed by the Companies Act, 2013. The details of the sitting fees paid, stock options granted and shares held by the Non - Executive Directors during the financial year 2023-24 are as under:

Name of Director(s)	Sitting fees (₹ in Lakhs)
Dr. Kiritkumar H. Desai	51.05*
Shri. Santosh S. Vora	0.75
Shri. Velji K. Gogri	0.38
Shri. Mulesh M. Savla	1.50
Smt. Sonal A. Vira	0.60
Shri. Navin C. Shah	1.35

* Remuneration to Dr. Desai includes the Sitting fees of ₹0.60 Lakhs and perquisites value of ₹50.45 Lakhs arising out of exercise of stock options.

During the year, pursuant to exercise of stock options, value of remuneration paid to Dr. Kiritkumar H. Desai exceeds the permissible limit of remuneration for the Non-Executive Directors under the relevant provisions of the Companies Act, 2013 read with Schedule V thereof and applicable provisions of the Listing Regulations, as the Company incurred loss during the financial year 2023-24. As per the provisions of the Companies Act, 2013 and the Listing Regulations, a special resolution for waiver of recovery of excess remuneration paid to Dr. Desai has been placed as item no. 11 in the Notice of Annual General Meeting of the Company, for the approval of the shareholders.

- Employee Stock Options:**

Details of Stock options granted to the Directors under the 'Valiant - Employees Stock Option Plan 2022' of the Company are as under:

Name of Director(s)	Category	Date of Grant	Options Granted	Vesting Period	Exercise Period
Dr. Kiritkumar H. Desai	Non-Executive Director	August 09, 2023	12,000	1 year	3 years from the date of vesting.
Shri. Sathiababu K. Kallada	Executive Director	August 09, 2023	12,000		

The perquisite values, which may arise after exercise of aforesaid stock options by these Directors would also be considered as remuneration and such remuneration, along with sitting fees may also exceed the specified limits for remuneration payable to the Executive and Non-Executive Directors, under the applicable provisions of the Companies Act, 2013. In this connection, specific approval from the shareholders of the Company, by way of special resolution is being sought in the ensuing AGM of the Company and forms part of the Notice.

- Transactions with the Non-executive Directors –**

The Company does not have material pecuniary relationship or transactions with its Non-executive Directors except the payment of sitting fees for attending the meetings of Board / Committees and grant of stock options, as disclosed in this Report.

Board evaluation –

The process for evaluation of performance of the Board has been established. Accordingly, an annual evaluation has been carried out through a questionnaire having qualitative parameters in terms of the provisions of the Companies Act, 2013, Regulations 17 and 25 of the Listing Regulations. The performance was evaluated on the basis of the criteria such as the composition, attendance, participation, quality and value of contributions, knowledge, skills, experience, etc.

Independent Directors Evaluation –

The criteria for performance evaluation includes areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness.

The performance evaluation of Independent Directors is carried out by the Board of Directors without the presence of the Director being evaluated.

(iii) Stakeholders Relationship Committee –

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

- Composition, Meetings and Attendance –**

During the Financial Year 2023-24 Stakeholders Relationship Committee met 1(one) time. Chairperson of the Committee was present at the previous AGM to address stakeholders' grievances. The Composition of the Committee, date of the meeting and attendance of Stakeholders Relationship Committee members in the said meeting is given below –

Members	Category	Meeting Date	February 13, 2024
		Mode of Meeting	Physical
		Start Timing	09:30 A.M.
Shri. Mulesh M. Savla (Chairperson)	Independent Director	1	✓
Shri. Navin C. Shah (Member)	Independent Director	1	✓
Shri. Arvind K. Chheda (Member upto April 19, 2024)	Managing Director	1	✓

- Terms of Reference –**

The brief terms of reference of the Stakeholders Relationship Committee shall, inter alia, include the following:

- Resolving the grievance of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend

warrants/annual reports/ statutory notices by the shareholders of the Company;

- Such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations") and / or such other regulatory provisions, as amended from time to time, as also as the Board of Directors of the Company may consider think fit.

Name, designation and contact details of the Compliance Officer – Shri. Kaustubh Kulkarni, Company Secretary (ICSI M. No. A52980), is the Compliance Officer of the Company.

The Compliance Officer can be contacted at the Registered office of the Company at:

109, Udyog Kshetra, First Floor,
Mulund Goregaon Link Road,
Mulund (West), Mumbai-400080,
Maharashtra, India;

- Composition, Meetings and Attendance –** During the Financial Year 2023–24, CSR Committee met 1 (one) time. The Composition of the Committee, date of the meeting and attendance of Corporate Social Responsibility Committee members in the said meeting is given below –

Name of Director (s)	Category	Meeting Date	August 9, 2023
		Mode of Meeting	Physical
		Start Timing	09: 45 A.M.
Shri. Navin C. Shah (Chairperson w.e.f May 19, 2923)*	Independent Director	1	√
Shri. Arvind K. Chheda (Member upto April 19, 2024)	Managing Director	1	√
Shri. Mahek M. Chheda (Member)	Executive Director	1	√
Shri. Velji K. Gogri (Chairperson) (upto May 19,2023)	Independent Director	-	-

* Shri. Navin C. Shah has been inducted as member and subsequently elected as a Chairperson of the Committee w.e.f. May 19, 2023.

- Terms of reference –**
The brief terms of reference of CSR Committee includes the following:
 - Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013, as amended, read with Rules framed thereunder;
 - Recommend the amount of expenditure to be incurred on such activities; and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

Tel.: +91 22 67976683;
Email: investor@valiantorganics.com;
Website: www.valiantorganics.com

- Separate email-id for redressal of investors' complaints –**

As per Regulation 6 of the Listing Regulations, the Company has designated a separate email id (investor@valiantorganics.com) exclusively for registering complaints by investors. During the year, no complaints were received by the Company through above email ID.

- Status of investors' complaints as on March 31, 2024–**

During the year, no Complaints were received through the SCORES portal of the SEBI. No request for Share Transfer or Dematerialisation was pending for approval as on March 31, 2024.

- (iv) Corporate Social Responsibility Committee –**

The Corporate Social Responsibility (CSR) Committee has been constituted as per the requirements of Section 135 of the Companies Act, 2013.

The Board has also approved CSR Policy. The Annual Report on CSR Activities as required to be given under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in an Annexure which forms part of the Directors' Report.

- v) Risk Management Committee –**

The Board of Directors have constituted a Risk Management Committee and also approved Risk Management Policy in accordance with the provisions of Regulation 21 of the Listing Regulations.

Composition, Meetings and Attendance –

During the Financial Year 2023–24, Risk Management Committee met 2 (Two) times. The Composition of the Committee, date of the meetings and attendance of Risk Management Committee members in the said meeting is given below –

Name of Director(s)	Category	Meeting Date	July 24, 2023	January 10, 2024
		Mode of Meeting	Physical	
		Start Timing	09:45 A.M.	09:45 A.M.
Shri. Mulesh M. Savla (Chairperson w.e.f. May 19, 2023)	Independent Director	2	√	√
Shri. Velji K. Gogri (Chairperson upto May 19,2023)	Independent Director	-	-	-
Shri. Arvind K. Chheda (Member upto April 19, 2024)	Managing Director	2	√	√
Shri. Mahek M. Chheda (Member)	Executive Director	2	√	√

* Shri. Mulesh M. Savla has been inducted as member and subsequently elected as a Chairperson of the Committee w.e.f. May 19, 2023.

Terms of Reference-

The brief terms of reference of the Risk Management Committee shall, inter alia, include the following:

- 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.
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- Keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

4. General Body Meetings:

i. Details of Last three Annual / Extra-Ordinary General Meetings are as under:

Financial Year / AGM / EGM	Day, Date & Time	Venue	Special Resolutions passed for
2020-2021 (16th AGM)	Wednesday, September 29, 2021, 11:30 a.m. (IST)	(through Video Conferencing)	a) Re-appointment of Shri. Mulesh M. Savla (DIN: 07474847) as an Independent Director for a period of 3 (Three) years w.e.f. April 20, 2022.
2021-2022 (17th AGM)	Wednesday, September 28, 2022, 11:30 a.m. (IST)	(through Video Conferencing)	a) Appointment of Shri. Navin C. Shah (DIN: 01415556) as an Independent Director for a period of 3 (Three) years with effect from August 04, 2022. b) Appointment of Smt. Sonal A. Vira (DIN: 09505883) as an Independent Director for a period of 3 (Three) years with effect from August 04, 2022.
2022-2023 (18th AGM)	Friday, September 15, 2023 11:30 a.m. (IST)	(through Video Conferencing)	None

The Special Resolutions, proposed to be passed are part of the Notice of the AGM, which is an integral part of this Annual Report.

ii. Details of resolutions passed by way of Postal Ballot:

As per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, during the year under review, the following resolutions were passed by members of the Company through Postal Ballot.

Sr. No	Particulars of Resolution	Resolution Type
1.	Approval of Material Related Party Transaction(s) with Aarti Industries Limited	Ordinary
2.	Approval of Material Related Party Transaction(s) with Valiant Laboratories Limited	Ordinary
3.	Appointment of Dr. Sudhirprakash B. Sawant (DIN: 02343218) as an Independent Director of the Company	Special

In compliance with provisions of Section 108, Section 110 and other applicable provisions of the Companies Act, 2013 read with the Management Rules, the Company had provided remote e-voting facility to all the Members of the Company.

The Company has engaged the services of National Securities Depository Limited (NSDL) for facilitating e-voting to enable the Members to cast their votes electronically. The Board of Directors had appointed Shri. Sunil M. Dedhia, Practicing Company Secretary (FCS 3483, COP 2031), Proprietor of Sunil M. Dedhia and Co., Company Secretaries, as Scrutiniser for conducting the Postal Ballot. The voting period commenced on Monday, June 12, 2023 at 9.00 a.m. (IST) and ended on Tuesday, July 11, 2023 at 5.00 p.m. (IST) the cut-off date, for the purpose of determining the number of Members was Friday, June 02, 2023 and the total number of Members as on cut-off date was 45,554.

The Scrutiniser, after the completion of scrutiny, submitted his report to the Chairperson of the Company in accordance with the provisions of the Companies Act, 2013, the Rules framed thereunder and the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India.

5. Means of Communication:

Quarterly Results	The Company communicates to the Stock Exchanges about the quarterly financial results within 30 minutes from the conclusion of the Board Meeting in which the same is approved. The results are usually published in the Financial Express (English) edition and Lakshdeep (Marathi) edition. These results are also available on the website of the Company at www.valiantorganics.com .
Website	All the information and disclosures required to be disseminated as per Regulation 46(2) of the Listing Regulations and Companies Act, 2013 are being posted at Company's website at www.valiantorganics.com The official news releases and presentations to the institutional investors or analysts, if made any are disseminated to the Stock Exchange at www.nseindia.com and www.bseindia.com and the same is also uploaded on the website of the Company at www.valiantorganics.com
Designated E-mail address for investor services	The designated e-mail address for investors complaints is investor@valiantorganics.com

6. General Shareholders Information:

AGM day, date, time and Venue	Wednesday, August 21, 2024, 11:30 A.M. (IST) by way of video conferencing/ other audio visual means
Financial Year	April to March
Cut –off Date	Monday, August 12, 2024.
Registered Office	109, Udyog Kshetra, First Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai- 400080
Corporate Identification Number	L24230MH2005PLC151348
Name and Address of Stock Exchanges where Company's securities are listed	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, India National Stock Exchange of India Limited Exchange Plaza Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, India. Securities of the Company remained listed throughout the year and were not suspended.
Stock Code / Symbol	BSE Limited: 540145 National Stock Exchange of India Limited: VALIANTORG
Listing fees	The Annual Listing fees for the financial year 2024-25 have been paid to the respective Stock Exchanges.

Share Registrar and Transfer Agents	Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India Tel No.: +91-22-4918 6270 Fax No.: +91-22-4918 6060 Investor query registration: mt.helpdesk@linkintime.co.in
Company Secretary and Compliance officer	Shri. Kaustubh Kulkarni

Tentative Financial Calendar:

Financial Year	April 01, 2024 to March 31, 2025
Adoption of Quarterly Results for the quarter ending:	
June, 2024	1st/2nd week of August, 2024
September, 2024	1st/2nd week of November, 2024
December, 2024	1st/2nd week of February, 2025
March, 2025	1st/2nd/3rd week of May, 2025

Market Price Data (high, low in each month in last Financial Year:

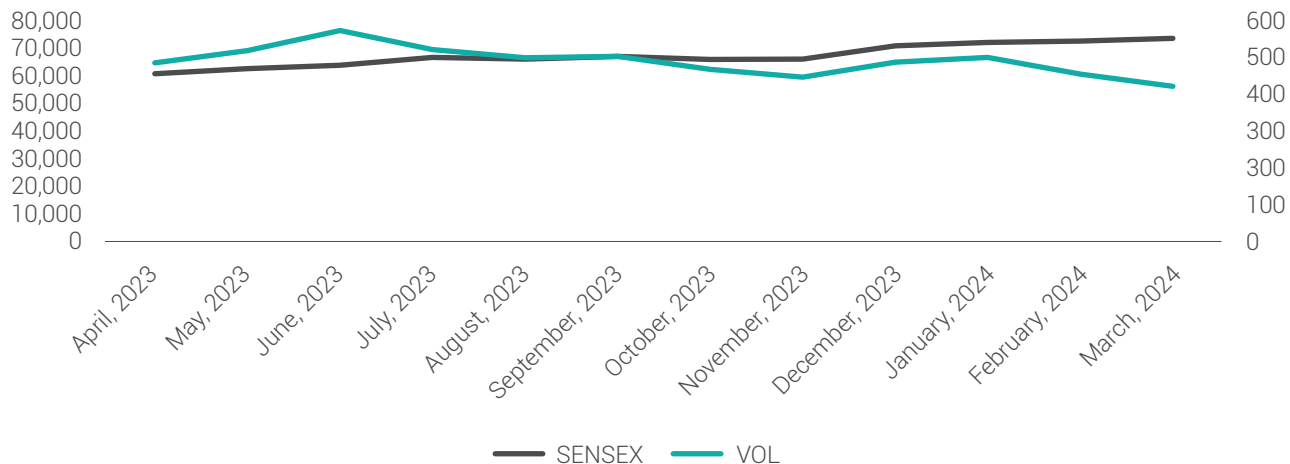
Month	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2023	528.00	411.00	3,54,342	528.00	420.05	34,23,951
May, 2023	607.00	461.00	4,82,332	607.00	460.00	55,64,975
June, 2023	635.20	540.05	2,16,664	635.00	540.75	22,94,298
July, 2023	568.00	487.30	1,74,410	568.00	487.10	17,39,084
August, 2023	560.00	453.10	9,45,789	557.80	453.40	27,70,059
September, 2023	531.10	464.05	2,25,454	530.95	463.45	16,17,286
October, 2023	492.00	431.00	1,43,599	492.35	431.05	8,95,443
November, 2023	475.30	423.40	1,09,928	477.65	423.50	13,50,524
December, 2023	517.95	460.05	1,94,017	516.95	460.10	19,59,176
January, 2024	519.00	477.00	78,653	516.10	481.00	13,05,842
February, 2024	419.15	420.80	1,00,308	494.50	425.00	11,46,336
March, 2024	480.00	373.95	2,73,049	469.70	377.00	22,28,932

Performance in comparison to broad based indices:

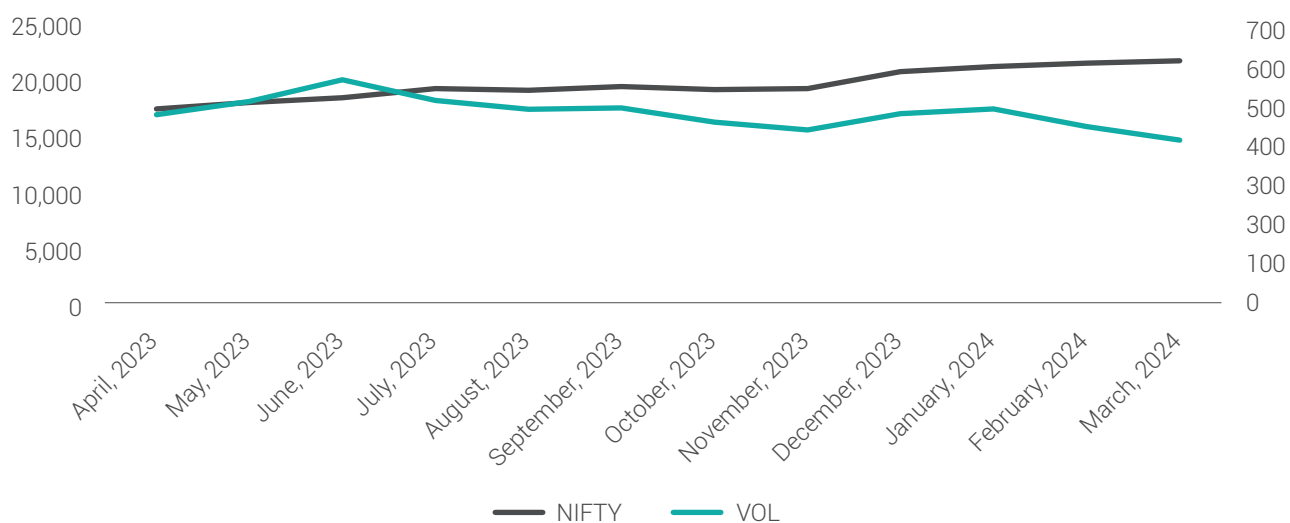
Period	VOL	SENSEX	VOL	NIFTY
April, 2023	480.47	60,011.70	480.67	17,710.68
May, 2023	514.69	61,921.88	514.93	18,307.05
June, 2023	571.30	63,134.73	571.45	18,726.77
July, 2023	517.50	66,110.14	517.33	19,586.00
August, 2023	494.52	65,411.41	494.58	19,438.29
September, 2023	498.35	66,438.75	498.29	19,786.05
October, 2023	461.92	65,307.98	461.49	19,481.67
November, 2023	440.75	65,426.55	440.92	19,599.17
December, 2023	482.61	70,448.11	482.74	21,165.99
January, 2024	495.52	71,695.45	495.77	21,631.89
February, 2024	449.27	72,244.39	449.52	21,947.28
March, 2024	414.98	73,180.67	414.73	22,187.31



VOL v/s Sensex



VOL v/s Nifty



Share Transfer System:

In terms of Regulation 40(1) of the Listing Regulations, as amended, securities can be transferred only in dematerialised form w.e.f. April 1, 2019, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfer of Equity Shares in electronic form are effected through the depositories with no involvement of the Company.

Shareholding Pattern (Equity) as on March 31, 2024:

Category	No. of Shares	%
Promoters	1,04,14,391	37.77
Mutual Funds	1,18,929	0.43
Foreign Portfolio Investor	3,15,385	1.14
Public	1,25,52,896	45.52
Bodies Corporate	4,98,864	1.82
Others	36,74,584	13.32
Total	2,75,75,049	100

Distribution of Shareholding as on March 31, 2024:

Range	Shareholders		Equity Shares	
	Number	%	Number	%
1 to 5000	51,523	99.5652	56,14,099	20.3593
5001 to 10000	92	0.1778	6,62,816	2.4037
10001 to 20000	41	0.0792	5,57,713	2.0225
20001 to 30000	14	0.0271	3,51,985	1.2765
30001 to 40000	13	0.0251	4,41,962	1.6028
40001 to 50000	9	0.0174	3,97,691	1.4422
50001 to 100000	14	0.0271	8,98,063	3.2568
100001 to 9999999999	42	0.0812	1,86,50,720	67.6362
Total	51748	100	2,75,75,049	100

Dematerialisation of shares and liquidity

100% of the Paid-up Capital is held in Dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on March 31, 2024 under ISIN No: INE565V01010

Particulars	NSDL	CDSL	Physical	Total
Shares (nos.)	184,08,193	87,61,295	0	2,71,69,488*
Shares (%)	66.76%	31.77%	0	100%

* Total issued capital of the Company as on March 31, 2024 was 2,75,75,049 (including 4,05,561 equity shares allotted pursuant to conversion of OCPS into equity on December 06, 2023). Since the trading approval from one of the Stock Exchanges was pending, the Company could not be able to proceed for the corporate action as on March 31, 2024. On May 10, 2024, the Company has received the trading approval from the Exchange and thereafter, corporate action was completed. As on the date of this report, entire 2,75,75,049 equity shares are listed with stock exchanges.

ADRs/GDRs/Warrants

The Company has not issued any ADRs/GDRs/Warrants.

Commodity Price Risk or Foreign exchange risk and hedging activities

During the year 2023-24, the Company had managed the foreign exchange risk and hedged 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 the Annual Accounts.

Plant Locations

- Plot Nos.2906, 752/755, GIDC Estate, Phase III, Sarigam, Vapi – 396 195, Dist. Valsad, Gujarat.
- Plot No. M-7 MIDC Tarapur, Boisar, Taluka Palghar-401506

- Plot no, 286/2, A-1 322/11, 2nd Phase, Vapi -396195, Gujarat
- Plot No. 775,776,777, 915,918,919 GIDC, Jhagadia, Dist-Bharuch, Gujarat-393110
- Plot No. A-210,231,232.233,235,236, GIDC Estate, Phase-II, Vatva, Ahmedabad, Gujarat, 382445

List of all credit rating

Following is the summary of latest credit ratings obtained by the Company:

Facilities	CRISIL Rating
Long Term Issuers Rating Covering various term loan and Working Capital	CRISIL A-/Negative
Short Term Rating	CRISIL A2+

Address for correspondence:

Registered Office:

109, Udyog Kshetra, First Floor, Mulund-Goregaon Link Road, Mulund (West), Mumbai-400 080

Details with respect to Demat Suspense Account/Unclaimed Suspense Account as per Regulation 34(3) of Listing Regulations:

Particulars	Demat		Physical	
	No. of Shareholders	No. of equity shares	No. of Shareholders	No. of equity shares
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on April 1, 2023	Nil	Nil	Nil	Nil
Number of shareholders who approached the Company for transfer of shares from suspense accounts during the year	-	-	-	-
Number of shareholders to whom shares were transferred from the suspense account during the year	-	-	-	-
Shares Transferred to IEPF A/c	-	-	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2024	Nil	Nil	Nil	Nil

CEO/CFO Certification

As required under Regulations 17(8) and 33(2)(a) of the Listing Regulations, certificates are duly signed by Shri. Sathiababu K. Kallada, Managing Director and Shri. Mahek M. Chheda, Chief Financial Officer were placed at the Meeting of the Board of Directors held on May 24, 2024 copy of which is attached in this Annual Report.

7. Other Disclosures:

I. Disclosures on Materially Significant Related Party Transactions that may have potential conflict with the interests of the Company

The related party transactions, in case of our Company are generally not materially significant which requires Members' approval and wherever transactions are of a material nature, specific approval of shareholders is obtained. However, the Management, Audit Committee and the Board ensures such transactions are at arm's length basis.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with related party transactions. The said policy

is also available on the website of the Company. The weblink thereto is <https://www.valiantorganics.com/assets/investors/Related-Party-Transactions-Policy.pdf>

II. Details of Non-Compliance by the Company, Penalties, Strictures imposed on the Company by Stock Exchange(s) or the Board or any Statutory Authority, on any matter related to Capital Markets, during the last three years

There was No Non-Compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI), or any statutory authority on any matter related to the capital markets during the last three years.

III. Disclosure of Vigil Mechanism/ Whistle Blower Policy and access to the Chairperson of the Audit Committee

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for Vigil Mechanism for Directors and Employees to report to the Management about the unethical behaviour, fraud or violation of Company's code of conduct. The same has

been hosted on the website of the Company on following web-link: <http://www.valiantorganics.com/assets/investors/Whistle%20Blower%20Policy.pdf>

The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the people have been denied access to the Audit Committee.

IV. The Company has complied with all the mandatory requirements under the Listing Regulations.

V. Policy for determining 'Material' Subsidiaries

To determine 'Material Subsidiary', the Company has adopted a 'Policy for Determining Material Subsidiary' and the same has been hosted on the website of the Company on the following web link; <https://www.valiantorganics.com/assets/investors/Policy-for-Material-Subsidiary.pdf>

VI. There were no instances during the financial year 2023-24 wherein the Board had not accepted recommendations made by any committee of the Board.

VII. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the Statutory Auditor is part during the Financial Year 2023-24.

8. Discretionary Requirements:

The status of compliance with discretionary requirements of Part E of Schedule II of the Listing Regulations with Stock Exchanges is provided below:

Sr. No.	Particulars	Remarks
1.	Non-Executive Chairperson's Office	The Company has a Non-executive Chairperson.
2.	Shareholders' Rights	As the quarterly and half-yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the members.
3.	Audit Qualifications	Audit Report on the financial statement for the year 2023-24 is unmodified.
4.	Separate posts of Chairperson and CEO	The Company has separate post of Chairperson and MD/CEO.
5.	Reporting of Internal Auditor	The Internal Auditor reports to Chairperson & Managing Director and has direct access to the Audit Committee.

Particulars	(in ₹ Lakhs)
Audit Fees	12.50
Certification Charges	0.55
Out of pocket expenses	0.75
Total	13.80

VIII. Disclosures in relation to Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

IX. The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

X. With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a code of Conduct to regulate, monitor and report trading by Insiders.

XI. Other disclosure requirements specified under Clause 10 (g), (h), (m), (n) of the Schedule V of the Listing Regulations are not applicable to the Company for the financial year 2023-24.

For and on Behalf of the Board

Sd/-

Shri. Sathiababu K. Kallada

Managing Director

DIN: 02107652

Sd/-

Shri. Mahek M. Chheda

Executive Director and CFO

DIN: 06763870

Place: Mumbai

Date: May 24, 2024



Code of Conduct Declaration

[Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

All Directors and Senior Management personnel of the Company have affirmed compliance with Code of Conduct, as applicable to them, for the financial year ended March 31, 2024.

For and on Behalf of the Board

Sd/-

Shri. Sathiababu K. Kallada

Managing Director

DIN: 02107652

Sd/-

Shri. Mahek M. Chheda

Executive Director and CFO

DIN: 06763870

Place: Mumbai

Date: May 24, 2024

Auditors' Certificate on Corporate Governance

To

The Members of Valiant Organics Limited

109, Udyog Kshetra, 1st Floor,
Mulund Goregaon Link Road,
Mulund - West, Mumbai,
Maharashtra, 400080

Dear Members,

Background:

We, Gokhale & Sathe, Chartered Accountants, being the Statutory Auditors of Valiant Organics Limited ("the Company") are issuing this certificate as required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company. The Corporate Governance Report prepared by Valiant Organics Limited, contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ("applicable criteria") with respect to Corporate Governance for the year ended 31 March 2024.

Management Responsibility:

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility:

Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.

We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by

the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control for Firms that Perform Audits and Review Historical Financial Information, and Other Assurance and Related Services Engagements.

The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. We have examined (a) the minutes of the meetings of the board of directors of the Company (the "Board") and of committees of the Board, the annual general meeting of the shareholders of the Company; (b) declarations made by the Board under relevant statutory / regulatory requirements; (c) relevant statutory registers maintained by the Company; and (d) such other documents and records of the Company as we deemed necessary, in connection with ascertaining compliance with the conditions of corporate governance by the Company, as prescribed under the, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations").

The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion:

Based on our examination of the relevant records and according to the information and explanations provided to us

and the representations provided by the Management, in our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with SEBI Listing Regulations, and the rules made thereunder, each as amended on Corporate Governance except that pursuant to exercise of stock option under ESOP scheme approved by the members of the Company by special resolution, value of remuneration paid to one of its non-executive director has exceeded maximum permissible limit of remuneration as per the provisions of Companies Act, 2013 read with schedule V, as the Company incurred loss during F.Y. 2023-24.

Restriction on use:

The Certificate is issued to the company solely for their consideration and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Disclaimer:

Such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Yours faithfully,
For **Gokhale & Sathe**,
Chartered Accountants,
Firm Registration No.: 103264W

Sd/-
Ravindra More
Partner
Membership No.: 153666
UDIN: 24153666BKDADF5259

Date: 26 July 2024
Place: Mumbai

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

[Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We hereby certify that:

- A. We have reviewed Financial Statements and the Cash Flow Statement for the Financial Year ended March 31, 2024 and to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent or 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 the 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. There have been no significant changes in the above-mentioned internal controls over financial reporting during the relevant period;
 - ii. That there have been no significant changes in the accounting policies during the relevant period; and
 - iii. We have not noticed any significant fraud particularly those involving the management or an employee having a significant role in the Company's internal control system over Financial Reporting.

For and on Behalf of the Board

Sd/-

Shri. Sathiababu K. Kallada

Managing Director

DIN: 02107652

Sd/-

Shri. Mahek M. Chheda

Executive Director and CFO

DIN: 06763870

Place: Mumbai

Date: May 24, 2024

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,

Valiant Organics Limited

(CIN: L24230MH2005PLC151348)

109, Udyog Kshetra, 1st Floor,

Mulund Goregaon Link Road,

Mulund (W), Mumbai 400080

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Valiant Organics Limited** having CIN:L24230MH2005PLC151348 and having registered office at 109, Udyog Kshetra, 1st Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai 400080 (hereinafter referred to as 'the Company'), produced before me 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 my opinion and to the best of my 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 me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below as on the **Financial Year ended on 31st March, 2024** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

DIN/PAN	Name of Director	Designation	Begin date
00128256	NEMIN MAHESH SAVADIA	Wholetime Director	01/05/2022
00299741	ARVIND KANJI CHHEDA	Managing Director	16/02/2005
01415556	NAVIN CHAPSHI SHAH	Director	04/08/2022
07263018	SIDHHARTH DINESH SHAH	Wholetime Director	01/06/2022
07633923	SANTOSH SHANTILAL VORA	Director	01/05/2022
02107652	SATHIABABU KRISHNAN KALLADA	Wholetime Director	23/11/2020
03477593	VISHNU JOTIRAM SAWANT	Wholetime Director	06/04/2011
06763870	MAHEK CHHEDA MANOJ	Wholetime Director	06/07/2017
07474847	MULESH MANILAL SAVLA	Director	20/04/2019
08610595	KIRITKUMAR HARIBHAI DESAI	Director	14/08/2021
09505883	SONAL AMIT VIRA	Director	04/08/2022
02343218	SUDHIRPRAKASH BABURAO SAWANT	Director	19/05/2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My 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.

CS Sunil M. Dedhia

Proprietor, Sunil M. Dedhia & Co.

Company Secretaries

FCS No: 3483 C.P. No. 2031

UDIN: F003483F000813996

Place: Mumbai

Date: July 24, 2024

Independent Auditor's Report

To the Members of
Valiant Organics Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone Financial Statements of Valiant Organics Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements including summary of material accounting policies) and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

BASIS OF OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us 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 judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
<p>Accuracy, Completeness, and disclosure with reference to Ind AS-16 of Property, Plant and Equipment (including Capital Work-in-Progress)</p> <p>The carrying value of property, plant and equipment (including capital work-in-progress) as on 31 March 2024 of Rs. 71,585.27 lakhs (as on 31 March 2023 Rs. 67,937.76 lakhs) include Rs. 5,769.52 lakhs capitalised /transferred from capital work in progress during the year. (FY 2023 Rs. 14,700.71 lakhs)</p> <p>Capital expenditure involves management's technical estimates and judgement about capitalisation, estimated useful life, impairment which has material impact on balance sheet and operating results of the Company.</p> <p>Refer Note no. 04 to the Standalone Financial Statements.</p>	<p>Our audit procedures, amongst others, include the following –</p> <ul style="list-style-type: none"> ▪ Obtained an understanding of operating effectiveness of management's internal controls over capital expenditure. ▪ We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including Capital Work in Progress with reference to Indian Accounting Standard 16 - Property, Plant and Equipment. ▪ We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment as well as its assessment that the asset is ready for its intended use. ▪ We have verified the capitalisation of borrowing cost incurred on qualifying assets in accordance with the Indian Accounting Standard 23 - Borrowing Costs. ▪ Confirmed adequacy of disclosures in the Standalone Financial Statements.

INFORMATION OTHER THAN FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and

Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the 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 to the extent available to us for verification as on the date of this report and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Board of Directors of the Company 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, the Management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF 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 judgement 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 financial 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of use of the going concern basis of accounting by the Management 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 Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a

matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 (the Order), issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, based on our audit, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024, from being appointed as a director in terms of section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls with reference to standalone financial statements.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, pursuant to exercise of stock options, value of remuneration paid to one of its Non-Executive directors during the year exceeds the permissible limit of remuneration for the Non-Executive Directors under the relevant provisions of the Companies Act, 2013 read with Schedule V thereof by Rs. 22.12 lakhs. The Company had already passed a Special Resolution in the general meeting approving the ESOP scheme, pursuant to which the stock options had been granted to such Non-Executive Director. In view of the relevant provisions of the Companies Act, 2013, the Nomination and Remuneration Committee and Board of Directors of the Company, in their respective meeting held on 24 May 2024, have proposed to pass a special resolution for waiver of recovery of excess remuneration paid to such director and the said resolution will be placed before the shareholders for their approval in forthcoming general meeting.
- 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 no 36 to the Standalone financial statements).
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has 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, as disclosed in Note no 41 (d) (i) to the standalone financial statements, 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 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 Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in Note no. 41 (d) (ii) to the standalone financial statements, no funds have been received by the Company from any persons or entities, 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 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) above contain any material misstatement.
 - (v) The Board of Directors of the Company has not proposed and/or paid any dividend (interim or final) in the current and previous year, hence section 123 of the Act is not applicable in this regard.
 - (vi) Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, and proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April 2023.

Based on our examination which included test checks, the Company has used accounting software for maintaining books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year except that the the Company is in the process of implementing feature of recording audit trail at at database level to log any direct changes for the accounting software used for maintaining the books of accounts.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules,

2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

Tejas Parikh
Partner
Membership Number: 123215
UDIN: - 24123215BKBOAH3773

Place: Mumbai
Date: 24 May 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

(Referred to in para 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of the Company's Property Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Capital Work in Progress.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of verification of Property, Plant and Equipment so to cover all the items once in 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification which were not properly dealt with in the books of accounts in the current year.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds of self-constructed buildings and title deeds of all immovable properties (other than properties where the Company is lessee and lease agreements are duly executed in favour of the Company), disclosed in the financial statements included under Property Plant and Equipment are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed separately in Property Plant & Equipment in the financial statements, the lease agreements are in the name of the Company except the below:

Description of Property	Gross Carrying Value (Rs. in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held (since)	Reason for not being held in the name of company also indicate if in dispute and period for which it has been held
Factory land Plot No. 231 to 236 VATVA (these are survey numbers) - Plot Nos. 228 to 239	16.84	Dispo Dyechem Private Limited	No	October 2018	Properties were acquired through amalgamation/merger, the name change in the name of the Company is pending.
Land - Plot No. A1/322-11, Vapi Industrial Area.	57.44	Amarjyot Chemical Limited	No	October 2018	
Plot No C-1 + 2/B, GIDC Estate, DAHEJ, Tal. Vagra, Dist. Bharuch, Gujarat.	300.00	Aarti Industries Limited	No	August 2019	Application is already filed for change in title of the property.

- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended 31 March 2024.
- (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) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate; Discrepancies noticed were less than 10% for each class of inventory.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs 5 crores, in aggregate, from banks on the basis of security of current assets. As mentioned in note no. 18(4) to the Standalone Financial Statements, the difference between the quarterly returns filed by the Company with banks and books of accounts are on account of explainable items and not in material in nature.
- (iii) The Company has not granted loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year, and hence sub-clauses 3 (iii) (a), (d), (e), (f) of the Order are not applicable.
- The Company has made investment of Rs. 101.20 Lakhs in a company other than the subsidiary companies, during the year. The investments made by the Company during the year are not prima -facie prejudicial to the interest of the Company.

- (iv) The Company has not provided any loans or advances or provided guarantees and securities and hence compliance with provisions of section 185 of the Act is not applicable. The Company's investment during the year is in compliance with section 186 of the Act.
- (v) The Company has not accepted deposits or amounts which are deemed to be deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provision of section 73 to 76 any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regards to the deposits accepted from the public are not applicable.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2024 on account of disputes are given below:

Name of Statute	Nature of Dues	unpaid amount (Rs. in lakhs)	period to which the amount relates	Forum where dispute is pending
GST Act	GST (Interest and Penalty)	111.98	FY 2017-18	Assistant Commissioner
Stamp Duty	Stamp Duty (Interest and Penalty)	199.87	FY 2020-21	The Chief Controlling Revenue Authority, Inspector General of Registration and Controller of Stamps
Income Tax	Income Tax	2,875.37	AY 2014 to 2021	Commissioner of Income-tax (Appeals)

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- (vii) In respect of statutory dues:
- (a) Based on examination of records of the Company, amount deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities during the year except in one instance there was delay in payment of TDS
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2024 for a period of more than six months from the date.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under Sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Indian accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of Sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.
- (xxi) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

Tejas Parikh
Partner
Membership Number: 123215
UDIN: - 24123215BKBOAH3773

Place: Mumbai
Date: 24 May 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to standalone financial statements of **Valiant Organics Limited** (the "Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2024, based on the criteria for internal financial control over financial reporting 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 ICAI.

Managements' Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the

"Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and



that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to 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.

For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

Tejas Parikh
Partner
Membership Number: 123215
UDIN: - 24123215BKBOAH3773

Place: Mumbai
Date: 24 May 2024

Standalone Balance Sheet

as at March 31, 2024

(₹ In Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I. ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	62,971.38	60,917.28
(b) Capital work-in-progress	4	8,613.89	7,020.48
(c) Right of Use assets	5	53.40	41.53
(d) Other Intangible Assets	6	23.75	21.31
(e) Financial Assets			
(i) Investment in Subsidiaries	7A	4,891.51	4,892.94
(ii) Other Investments	7B	525.50	366.81
(iii) Other Financial Assets	8A	540.78	551.89
(f) Other non-current assets	9A	558.02	427.41
Total Non-Current Assets		78,178.24	74,239.66
Current assets			
(a) Inventories	10	11,423.24	11,367.82
(b) Financial Assets			
(i) Investments	7C	-	20.23
(ii) Trade Receivables	11	20,936.22	21,177.95
(iii) Cash and Cash Equivalents	12	325.63	626.45
(iv) Bank Balances Other than Cash & Cash Equivalents	13	31.95	31.95
(v) Loans	14	62.32	71.33
(vi) Other Financial Assets	8B	292.99	291.46
(c) Other Current Assets	9B	1,708.13	1,982.49
(d) Current Tax Assets (Net)	15	1,269.14	769.99
Total Current Assets		36,049.61	36,339.67
TOTAL ASSETS		1,14,227.85	1,10,579.33
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16B	2,757.50	2,715.35
(b) Optionally Convertible Preference Shares	16B	-	40.56
(c) Other Equity	17	63,730.40	63,847.85
Total Equity		66,487.90	66,603.76
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
- Borrowings	18A	7,416.10	5,886.20
- Lease Liabilities	19A	32.40	23.76
(b) Provisions	20A	185.99	153.04
(c) Deferred Tax Liabilities (net)	21	2,915.94	3,257.89
Total non-current liabilities		10,550.43	9,320.89
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18B	14,103.48	16,020.38
(ii) Lease Liabilities	19B	22.65	19.81
(iii) Trade Payables	22		
A) Total Outstanding Dues of Micro enterprises and Small Enterprises; and		465.12	1,675.04
B) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises		20,279.39	14,754.35
(iv) Other Financial Liabilities	23	1,731.24	1,793.85
(b) Other Current Liabilities	24	219.83	112.91
(c) Provisions	20B	367.82	278.35
Total Current Liabilities		37,189.53	34,654.68
TOTAL EQUITY AND LIABILITIES		1,14,227.85	1,10,579.33

Notes forming part of the financial statements [Note No. 1 - 43]

The accompanying notes are an integral part of the Ind AS financial statements.

Previous year figures have been recasted/restated wherever necessary.

For **Gokhale & Sathe**
Chartered Accountants
(Firm Regn No.103264W)

For and on behalf of the Board of Directors

Sd/-
Tejas Parikh
Partner
Membership No. 123215

Sd/-
Shri. Sathiababu K. Kallada
(Managing Director)
DIN: 02107652

Sd/-
Mr. Kaustubh Kulkarni
(Company Secretary)
ICSI M. No. A52980

Sd/-
Mr. Mahek Chheda
(Executive Director and CFO)
DIN: 06763870

Date: May 24, 2024
Place: Mumbai

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

(₹ In Lakhs)

Particulars	Note No.	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
I Revenue from operations	25	67,719.21	91,161.80
II Other Income	26	292.54	290.65
III Total Revenue (I + II)		68,011.75	91,452.45
IV Expenses			
Cost of materials consumed	27	44,831.29	59,359.05
Purchase of stock-in-trade	28	623.05	1,385.22
Changes in inventories of finished goods, work-in-progress and stock in trade	29	138.44	(474.39)
Employee benefits expense	30	4,750.22	4,181.48
Finance costs	31	1,937.99	1,053.89
Depreciation, Amortization and Impairment Expenses	32	3,397.32	2,762.62
Other expenses	33	13,422.37	13,709.86
IV Total Expenses		69,100.69	81,977.74
V Profit before exceptional items and tax (III - IV)		(1,088.94)	9,474.71
VI Exceptional Items	43	575.00	489.78
VII Profit before tax (III - IV)		(513.93)	9,964.49
VIII Tax expense:			
Current tax		120.52	1,757.07
Short/(Excess) Provision of earlier year		-	0.01
Deferred tax charge		(330.11)	649.42
Total Tax Expense		(209.59)	2,406.50
IX Profit for the period (V - VI)		(304.34)	7,557.99
X Other comprehensive income:			
a) (i) Items that will not be reclassified to profit or loss in subsequent year			
Re-measurement of the net defined benefit plan		(7.89)	(25.10)
Fair value changes of various Financial instruments		66.80	(104.45)
(ii) Income tax relating to items that will not be reclassified to profit & loss			
Re-measurement of the net defined benefit plan		19.52	6.32
Fair value changes of various Financial instruments		(7.68)	11.79
XI Total other comprehensive income for the period, net of tax		70.74	(111.44)
XII Total comprehensive income for the period (VII + VIII) (Total of profit and other comprehensive income for the period)		(233.60)	7,446.55
Earnings per equity share of ₹ 10/- each (PY: ₹ 10/- each)			
(1) Basic		(1.12)	27.83
(2) Diluted		(1.09)	27.02

Notes forming part of the financial statements [Note No. 1 - 43]

The accompanying notes are an integral part of the Ind AS financial statements.

Previous year figures have been recasted/restated wherever necessary.

For **Gokhale & Sathe**
Chartered Accountants
(Firm Regn No.103264W)

For and on behalf of the Board of Directors

Sd/-
Tejas Parikh
Partner
Membership No. 123215

Sd/-
Shri. Sathiababu K. Kallada
(Managing Director)
DIN: 02107652

Sd/-
Mr. Kaustubh Kulkarni
(Company Secretary)
ICSI M. No. A52980

Sd/-
Mr. Mahek Chheda
(Executive Director and CFO)
DIN: 06763870

Date: May 24, 2024
Place: Mumbai

Statement of Changes in Equity

for the year ended March 31, 2024

A. Equity Share Capital Current Reporting Period

(₹ in Lakhs)

Particulars	Balance as on April 1, 2023	Changes in equity share capital due to prior period errors	Restated Balance at the current reporting periods	Changes in equity share capital during the period	Balance as on March 31, 2024
Ordinary Equity Shares	2,715.35	-	2,715.35	40.56	2,755.90
Optionally Convertible Equity Shares (Instruments entirely equity in nature)	40.56	-	40.56	(40.56)	-
Employee Stock Option Plant			-	1.60	1.60
Total	2,755.90	-	2,755.90	1.60	2,757.50

Previous Reporting Period

(₹ in Lakhs)

Particulars	Balance as on April 1, 2022	Changes in equity share capital due to prior period errors	Restated Balance at the current reporting periods	Changes in equity share capital during the period	Balance as on March 31, 2023
Ordinary Equity Shares	2,715.35	-	2,715.35	-	2,715.35
Optionally Convertible Equity Shares (Instruments entirely equity in nature)	40.56	-	40.56	-	40.56
Total	2,755.90	-	2,755.90	-	2,755.90

Footnote: Pursuant to the scheme of arrangement with Amarjyot Chemical Limited, OCPS were supposed to be converted into equity shares or Redeemable Preference Shares (RPS) before February 2022. After obtaining consent from OCPS shareholders for conversion into equity shares, the Company filed a Settlement Application with SEBI on December 19, 2022. Following SEBI's settlement order dated September 18, 2023, received by the Company on September 20, 2023, 4,05,561 OCPS were converted into equity shares on December 6, 2023. The Company has received both listing and trading approval of these equity shares from BSE and NSE. These converted equity shares are eligible to receive bonus equity shares in a 1:1 ratio, as previously declared.

B. Other Equity

(₹ in Lakhs)

Particulars	Reserve and surplus					Equity instruments through Other Comprehensive Income	Employee Stock Option Plan	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained earnings			
Balance as at April 01, 2022 -	7,846.30			3,910.88	45,507.52	292.46		57,557.16
Changes in accounting policies and prior periods errors								
Restated balance at April 2022								
Net profit for the year	-			-	7,557.99	-		7,557.99
Fair value changes of various Financial instruments (net off tax)	-			-	-	(92.66)		(92.66)
Remeasurement Gain/(Loss) on defined benefit plan (net off tax)	-			-	(18.78)	-		(18.78)
Amount utilized for Dividend and Dividend Distribution Tax	-			-	(1,221.91)	-		(1,221.91)
ESOP exercised during the period							66.06	66.06
Transfer from Retained Earning to Capital Redemption Reserve		38.40			(38.40)			-
Balance as at March 31 2023	7,846.30	38.40		3,910.88	51,786.42	199.80	66.06	63,847.86

Statement of Changes in Equity

for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Reserve and surplus					Equity instruments through Other Comprehensive Income	Employee Stock Option Plan	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained earnings			
Changes in accounting policies and prior periods errors								
Restated balance at April 2023								
Net profit for the year	-			-	(304.34)	-		(304.34)
Fair value changes of various Financial instruments (net off tax)	-			-		59.11		59.11
Remeasurement Gain/(Loss) on defined benefit plan (net off tax)	-			-	11.63	-		11.63
ESOPs Exercised during the period							115.83	115.83
Transfers from ESOP reserves to Securities Premium	-		100.89	-	-	-	(100.89)	0.00
Amount utilised for Dividend	-			-	-	-		-
Transfer to retained earnings on disposal of FVOCI equity instruments					-	-		-
Bonus Issue during the year	-			-	-	-		-
Balance as at March 31, 2024	7,846.30	38.40	100.89	3,910.88	51,494.02	258.91	81.00	63,730.40

- The above Statement of Changes in Equity be read in conjunction with the accompanying notes.
- Previous Year's figures are regrouped / rearranged wherever required.
- Retained Earnings include Remeasurement Loss (net of tax) on Defined Benefit Plans to the extent of ₹ 62.66 Lakhs (PY ₹ 51.03 Lakhs).

C. Notes forming part of the financial statements [Note No. 1 - 43]

The accompanying notes are an integral part of the Ind AS financial statements.
Previous year figures have been recasted/restated wherever necessary.

For **Gokhale & Sathe**
Chartered Accountants
(Firm Regn No.103264W)

For and on behalf of the Board of Directors

Sd/-
Tejas Parikh
Partner
Membership No. 123215

Sd/-
Shri. Sathiababu K. Kallada
(Managing Director)
DIN: 02107652

Sd/-
Mr. Kaustubh Kulkarni
(Company Secretary)
ICSI M. No. A52980

Sd/-
Mr. Mahek Chheda
(Executive Director and CFO)
DIN: 06763870

Date: May 24, 2024
Place: Mumbai

Statement of Cash Flows

for the year ended March 31, 2024

	(₹ In Lakhs)	
	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(A) Cash Flow from Operating Activities		
Net Profit Before Tax	(1,088.94)	9,474.71
Adjustments		
Add:		
Finance Cost	1,937.99	1,053.89
Provision for Expenses	160.35	66.06
Depreciation, Amortization and Impairment Expenses	3,397.32	2,762.62
Forex Loss / (Gain)	(78.55)	79.12
Loss on Investment in Subsidiary	1.44	117.49
Less:		
Interest Income	183.17	10.92
Gains on Sale/Redemption of Investments	13.08	
Fair value changes on financial instruments	56.59	
Gain/(Loss) on disposal of Property, Plant and Equipment (PPE)	(1.75)	(1.59)
Dividend Income	0.56	0.89
Operating Profit Before Working Capital Changes	4,077.97	13,543.68
Adjustments		
Add/(Less):		
(Increase)/Decrease in Trade Receivables	241.73	4,138.33
(Increase)/Decrease in Inventories	(55.42)	(1,633.45)
(Increase)/Decrease Loans	20.12	(55.13)
(Increase)/Decrease Other Current Assets	91.12	70.42
(Increase)/Decrease Other non-Current Assets	(227.02)	(281.16)
Increase/(Decrease) in Trade Payable	4,315.12	3,645.11
Increase/(Decrease) in Provisions	122.42	81.62
Increase/(Decrease) in Other Current Liabilities	106.93	21.21
Increase/(Decrease) in Financial Liabilities	(62.61)	480.64
Cash Generated from Operation	8,630.36	20,011.27
Direct Taxes Paid	(120.52)	(1,757.08)
Net Cash From Operating Activities (A)	8,509.84	18,254.19
(B) Cash Flow From Investing Activities		
Addition to Property, Plant and Equipment/CWIP(net)	(7,362.40)	(10,730.46)
Sales Proceeds of Property, Plant and Equipment (PPE)	876.99	2,119.22
Bank Balances not considered as cash and Cash Equivalent	-	1.60
Capital Advances	(130.61)	(313.70)
Interest Income	183.17	10.92
Purchase of investments	(101.20)	(151.80)
Sales of investments	33.31	-
Investment in Subsidiary	1.43	-
Dividend Income	0.56	0.89
Net Cash from Investing Activities (B)	(6,498.75)	(9,063.34)
(C) Cash Flow From Financing Activities		
Proceeds / (Repayment) of Short Term Borrowings	(1,916.90)	(5,987.42)
Proceeds/(Repayment) of Long Term Borrowings	1,529.89	(2,600.36)
Payment for Lease Liability	11.48	2.59
Dividend & Tax thereon	-	(1,221.91)
Interest Paid	(1,937.99)	(1,053.89)
Proceeds from Issue of Share Capital	1.60	-
Net Cash from Financing Activities (C)	(2,311.92)	(10,860.99)
Net Increase in Cash and Cash Equivalents (A+B+C)	(300.82)	(1,670.14)
Opening Balance of Cash and Cash Equivalents	626.45	2,296.58
Closing Balance of Cash and Cash Equivalents	325.63	626.44

- The above statement of Cash Flows should be read in conjunction with the accompanying notes.
- Previous Year's figures are regrouped / rearranged wherever required.

Statement of Cash Flows

for the year ended March 31, 2024

3. Figures in brackets indicate cash outgo.
4. The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS 7 Statement of Cash Flow.
5. Cash flows from operating activities include ₹ 213.49 lakhs (March 31, 2023: ₹ 310.00 lakhs) being expenses towards Corporate Social Responsibility initiatives.

6. Cash and Cash Equivalents comprises of:

	(₹ In Lakhs)	
	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
a. Cash on Hand	4.58	3.29
b. Balances with Banks	321.04	623.15
Total	325.63	626.45

Particulars	As at April 1, 2023	Net Cash Flow Receipts	Non-Cash Flow Changes			As at March 31, 2024
			Net Addition / Accrued Interest	Forex Loss / (Gain)	Other Changes	
Non-current Financial Liabilities						
- Borrowings	5,886.20	1,520.20	-	9.69	-	7,416.10
- Lease Liabilities	23.75	30.12	-	-	(21.47)	32.40
Current Financial Liabilities						
- Borrowings	16,020.39	28,450.03	(30,366.94)	-	-	14,103.48
- Lease Liabilities	19.81	-	(18.63)	-	21.47	22.65

Particulars	As at April 1, 2022	Net Cash Flow	Non-Cash Flow Changes			As at March 31, 2023
			Net Addition / Accrued Interest	Forex Loss / (Gain)	Other Changes	
Non-current Financial Liabilities						
- Borrowings	9,397.35	775.30	-	93.53	(4,379.98)	5,886.20
- Lease Liabilities	21.83		25.35	-	(23.43)	23.75
Current Financial Liabilities						
- Borrowings	21,097.02	(9,456.61)		-	4,379.98	16,020.39
- Lease Liabilities	19.15	(27.65)	4.89	-	23.43	19.81

The accompanying notes are an integral part of the Ind AS financial statements.

Previous year figures have been recasted/restated wherever necessary.

For **Gokhale & Sathe**
Chartered Accountants
(Firm Regn No.103264W)

For and on behalf of the Board of Directors

**Sd/-
Tejas Parikh**
Partner
Membership No. 123215

**Sd/-
Shri. Sathiababu K. Kallada**
(Managing Director)
DIN: 02107652

**Sd/-
Mr. Kaustubh Kulkarni**
(Company Secretary)
ICSI M. No. A52980

**Sd/-
Mr. Mahek Chheda**
(Executive Director and CFO)
DIN: 06763870

Date: May 24, 2024
Place: Mumbai

Notes to the Financial Statements

for the year ended March 31, 2024

STATEMENT OF MATERIAL ACCOUNTING POLICIES

1 Corporate Information

Valiant Organics Limited ("VOL" or "The Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at 109 UDYOG KSHETRA 1ST FLOOR MULUND GOREGAON LINK ROAD MULUND (W) MUMBAI MH 400080 INDIA, The Company is engaged in manufacturing and dealing in Speciality Chemicals and Pharmaceuticals in India and broad.

These standalone financial statements were approved for issue in accordance with the resolution of the Board of Directors on May 24, 2024.

2 SUMMARY OF BASIS OF COMPLIANCE, BASIS OF PREPARATION AND PRESENTATION, AND CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

2.1 Basis of Compliance

The company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of Section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except if compliance with other statutory promulgations require a different treatment. These financial statements have been approved by the Board of Directors at their meeting held on May 24, 2024.

2.2 Basis of Preparation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows".

The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as

prescribed in Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Ind AS and in accordance with guidelines issued by the Securities and Exchange Board of India ("SEBI").

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- (i) Certain financial instruments measured at fair value (refer accounting policy regarding financial instruments); and
- (ii) Employee's Defined Benefit Plan as per actuarial valuation.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the status of realisability and expected settlement in cash and cash equivalents of the respective assets and liabilities and other criteria set out in the Schedule III to the Companies Act 2013, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

Functional & Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values in the financial statements are rounded off to the nearest rupees in lakhs except otherwise indicated.

2.3 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of these financial statements in conformity with the recognition and measurement

Notes to the Financial Statements

for the year ended March 31, 2024

principles of Ind AS requires the management of the Company to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented along with the accompanying disclosures

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected.

The following are the critical estimates, assumptions and judgments that the management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the financial statements:

2.3.i. Provision for Income Tax and Deferred Tax Assets:

The Company uses estimates and judgements based on the relevant rulings in the areas of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax at the end of each reporting period."

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.3.ii. Useful Lives of Property, Plant and Equipment ("PPE"):

Property, plant and equipment represents a significant proportion of the asset base of the Company. The change in respect of periodic depreciation is derived after

determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

2.3.iii Defined Benefit Plans (Gratuity):

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 and is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.3.iv Provisions and Contingent Liabilities:

The Company estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.3.v Provision against Obsolete and Slow-Moving Inventories:

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use at each balance sheet date. Company estimates the net realisable value for such inventories

Notes to the Financial Statements

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based primarily on the latest invoice prices and current market conditions.

2.3.vi Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as market risk, liquidity risk and credit risk.

2.3.vii Allowance for Credit Losses on Receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates.

2.3.viii 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. 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 other available fair value indicators.

2.3.ix Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgment in assessing the lease term and the applicable discount rate.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Classification of Current versus Non-Current:

All assets and liabilities in the financial statements have been classified as current or non-current as per the Company's normal operating cycle of up to twelve months.

For the purpose of Balance Sheet, an asset is classified as current if:

- (i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to realise the asset within twelve months after the reporting period; or
- (iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- (i) It is expected to be settled in the normal operating cycle; or

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- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

3.2 Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use less accumulated depreciation and accumulated impairment losses, if any. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs is capitalised in accordance with the company's accounting policy.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

Long term lease arrangements of land are treated as PPE, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected with the carrying amount of any component accounted for as a separate asset is derecognised when replaced. Gains or losses arising from de-recognition of a PPE 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.

Depreciation methods, estimated useful lives and residual value:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided using straight line method, so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation on additions/ disposals is provided on a pro-rata basis i.e. from/ upto the date on which asset is ready for use/ disposed.

The Company uses different useful lives than those prescribed in Schedule II to the Act for some of the assets. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

The company has used the following useful lives to provide depreciation on the following assets:

PARTICULARS	DEPRECIATION
Factory Building	Over a period of 30 years
Plant & Machinery	Over its useful life as technically assessed, i.e over a period of 19 years
Vehicle	Over a period of 10 years
Computers	Over a period of 3 years
Furniture and Fixtures	Over a period of 10 years
Office Equipment	Over a period of 5 years
Leasehold Land	Over the tenure of lease

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for the year ended March 31, 2024

3.3 Capital Work-in-Progress

Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. The same is carried at cost, comprising of direct costs, related incidental expenses and attributable borrowing costs. Project expenses pending allocation are apportioned to the PPE of the project proportionately on capitalisation.

3.4 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the company and cost of the assets can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are carried at cost less any accumulated amortisation and cumulative impairment losses. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is charged to the statement of profit or loss in the period in which the expenditure is incurred.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation:

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 assets are considered to modify the amortisation period or method, as appropriate, and are treated as change in accounting estimates. Amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another assets.

Intangible Assets without finite life are tested for impairment at each Balance sheet date and impairment provision, if any are debited to profit and loss.

The estimated useful lives of the amortisable intangible assets are as follows:

PARTICULARS	AMORTISATION
computer software	3 year

3.5 Business Combinations and Goodwill:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. The consideration transferred does not include amount related to the settlement of pre-existing relationships with the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in statement of profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the relevant Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent

Notes to the Financial Statements

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reporting dates and any difference subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the fair value of identifiable assets acquired net of fair value of liabilities assumed. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence, of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise, the gain is recognised directly in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the entities' cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

3.6 Impairment of Non-Financial Assets

The Company assesses at each reporting date, whether there is an indication that a non-financial asset may

be impaired. If any indication exists, or when annual impairment testing for such asset is required, the Company estimates the asset's recoverable amount in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount which is higher of asset's (or cash generating unit's) net selling price or the value in use. The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset (or cash generating unit) and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset (or cash generating units).

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit). A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

3.7 Inventories:

Inventories are valued, after providing for obsolescence as given below:

Raw Materials, Packing Materials and Stores and Spares:

Raw materials, packing materials and stores and spares are valued at lower of Cost or net realizable

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value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on FIFO method.

Work-in-process:

Work-in-process is valued at the lower of cost and net realizable value. The cost is computed on FIFO method.

Finished Goods, Semi-Finished Goods and Traded Goods:

Finished goods, Semi-finished goods and traded goods are valued at lower of cost and net realisable value. The cost is computed on FIFO method

Cost is determined on FIFO basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit), cost of conversion and other costs incurred in acquiring the inventories to their present location and condition

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. "

3.8 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid financial instruments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value with an original maturity of three months or less.

3.9 Employee Benefits

(a) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages short-term compensated absences, expected cost of bonus, etc. are recognised in the period in which the employee renders the related services.

(b) Post-employment benefits:

(i) Defined Contribution Plan:

The Company makes defined contribution to Employee Provident Fund, Employee Pension Fund, Employee Deposit Linked Insurance, and

Superannuation Schemes. The contribution paid/payable under these schemes is recognised during the period in which the employee renders the related service which are recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services.

(ii) Defined Benefit Plan

The gratuity liability of the company is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. The Company's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

(c) Long term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, actuarial valuations being carried out at each Balance Sheet date.

(d) Employee Stock Option Plan

The Company recognizes compensation expense relating to share-based payments in net profit based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the Statement of Profit

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and Loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding accounts"

3.10 Provisions, Contingent Liabilities and Contingent Assets

Provisions

The Company recognizes a provision when it has a present legal or constructive obligation as a result of past events, it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reasonably estimated. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

Contingent Liabilities

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefit will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Onerous Contracts:

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

3.11 Taxes:

The tax expenses comprise of current tax and deferred income tax charge or credit. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive

Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity

Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period

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.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date

Deferred tax liabilities are recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.

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The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded in other comprehensive income or in equity along with the tax as applicable.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

3.12 Revenue Recognition

Revenue from Operations:

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

To recognise revenues, the Company applies the following five step approach in accordance with Ind AS 115:

- (a) identify the contract with a customer
- (b) identify the performance obligations in the contract
- (c) determine the transaction price
- (d) allocate the transaction price to the performance obligations in the contract and
- (e) recognise revenues when a performance obligation is satisfied.

Sale of Goods:

The Company recognises revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers.

Revenue excludes taxes collected from customers on behalf of the government.

Sale of Services:

Revenue from services is recognised when the performance obligation is met and the right to receive income is established.

Interest Income:

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. 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 and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividend Income:

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Export Incentives:

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

Other Income:

Revenue with respect to Other Operating Income and Other Income including insurance and other claims are recognised when a reasonable certainty as to its realisation exists.

3.14 Leases:

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

As a Lessee:

The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to

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- (a) control the use of an identified asset
- (b) obtain substantially all the economic benefits from use of the identified asset, and
- (c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Right-of-Use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-of-Use asset or the end of the lease term. The estimated useful lives of Right-of-Use assets are determined on the same basis as those of property, plant and equipment. In addition, the Right-of-Use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral,

market terms and conditions, as applicable in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease payments included in the measurement of the lease liability comprises fixed payments, including amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option. The lease liability is subsequently measured at amortised cost using the effective interest method.

Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Finance charges are recognised as finance costs in the statement of profit and loss.

As a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.15 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred. 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.

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In determining the amount of borrowing costs eligible for capitalization, any income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.16 Foreign Currency Transactions

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.17 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources

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.

3.18 Exceptional items

When items of income or expense within the statement of profit & loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period,

the nature and amount of such material items are disclosed separately as exceptional items.

3.19 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity. The Company determines the classification of its financial assets and liabilities at initial recognition.

XI Initial Recognition:

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the transaction values, at fair values. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from as the case may be, from the fair value of on initial recognition.

XII Classification and Subsequent Measurement of Financial Assets:

The Company classifies financial assets, subsequently at amortised cost, Fair Value through Other Comprehensive Income ("FVTOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

the entity's business model for managing the financial assets and

the contractual cash flow characteristics of the financial asset

(a) Financial Assets measured at Amortised Cost

A Financial Asset is measured at amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding. (b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI): A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling

Notes to the Financial Statements

for the year ended March 31, 2024

Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

(c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL): FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL."

Classification and Subsequent Measurement of Financial Liabilities:

(a) Financial liabilities measured at Fair Value Through Profit or Loss (FVTPL)

Financial liabilities are classified as FVTPL when the financial liability is held for trading or is a derivative (except for effective hedge) or are designated upon initial recognition as FVTPL. Gains or Losses, including any interest expense on liabilities held for trading are recognised in the Statement of Profit and Loss.

(b) Other Financial liabilities:

Other financial liabilities (including loans and borrowings, bank overdraft and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Debt and Equity Instruments:

Debt and equity instruments issued by the Company

are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investments in subsidiaries:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

De-recognition of Financial Instruments:

The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset,

Notes to the Financial Statements

for the year ended March 31, 2024

the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

A Financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract 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 between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Impairment of Financial Assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of all Financial Assets subsequent to initial recognition other than financial assets measured at fair valued through profit and loss (FVTPL). For Trade Receivables and all lease receivables resulting from transactions within the scope of Ind AS 116 the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. For other financial assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk since its initial recognition. If there is significant increase in credit risk since its initial recognition full lifetime ECL is used. The impairment losses and reversals are recognised in Statement of Profit and Loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. 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.

Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and it is intended to either settle them on net basis or to realise the asset and settle the liability simultaneously.

Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Financial instruments by category are separately disclosed indicating carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative Financial Instruments:

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

Notes to the Financial Statements

for the year ended March 31, 2024

4 Property, Plant and Equipment (PPE)

Particulars	(₹ in Lakhs)											
	Land	Factory Building	Plant & Machinery	Power Plant	Electrical Installation	Laboratory Equipment	Furniture & Fixture	Vehicle	Computer	Office Equipment	Total	Capital Work in Progress (CWIP)
Year ended March 31, 2023 Gross carrying amount												
Opening gross carrying amount as at April 1, 2022	4,236.23	12,807.40	41,820.61	180.01	247.36	40.45	447.60	288.37	158.09	166.68	60,392.80	11,016.27
Addition	1,059.21	702.52	12,766.50	-	-	29.18	67.91	10.17	25.07	40.16	14,700.71	6,138.40
Assets capitalised during the period from CWIP	-	-	-	-	-	-	-	-	-	-	-	(10,134.19)
Disposals	(1,331.78)	(80.16)	(630.48)	-	-	-	-	(7.54)	-	-	(2,049.96)	-
Closing gross carrying amount	3,963.66	13,429.76	53,956.63	180.01	247.36	69.62	515.51	291.00	183.16	206.84	73,043.55	7,020.48
Accumulated depreciation												
Opening accumulated depreciation	126.19	952.34	7,856.68	44.13	62.56	14.16	112.43	149.64	133.24	92.53	9,543.89	-
Depreciation charge during the period	44.69	409.98	2,132.15	9.00	22.39	3.79	43.88	20.65	21.03	26.27	2,733.84	-
Disposals	(21.56)	(40.68)	(81.68)	-	-	-	-	(7.54)	-	-	(151.45)	-
Closing accumulated depreciation	149.32	1,321.65	9,907.15	53.13	84.96	17.95	156.31	162.76	154.27	118.79	12,126.28	-
Net carrying amount Year ended March 31, 2023	3,814.34	12,108.11	44,049.49	126.87	162.41	51.68	359.20	128.25	28.89	88.04	60,917.28	7,020.48
March 31, 2024 Gross carrying amount												
Opening gross carrying amount as at April 1, 2023	3,963.66	13,429.76	53,956.63	180.01	247.36	69.62	515.51	291.00	183.16	206.84	73,043.55	7,020.48
Addition	1.19	423.97	4,346.03	-	1.71	2.19	18.07	66.03	13.18	26.27	4,898.64	2,464.29
Assets capitalised during the period from CWIP			870.88								870.88	(870.88)
Disposals	(300.00)	-	-	-	-	-	-	(39.20)	-	0	(339.20)	-
Closing gross carrying amount	3,664.85	13,853.72	59,173.54	180.01	249.07	71.82	533.58	317.83	196.34	233.11	78,473.87	8,613.89
Accumulated depreciation												
Opening accumulated depreciation	149.32	1,321.65	9,907.15	53.13	84.96	17.95	156.31	162.76	154.27	118.79	12,126.28	-
Depreciation charge during the period	48.24	433.59	2,775.82	9.00	22.29	4.97	48.63	20.13	20.57	28.42	3,411.67	-
Disposals	-	-	-	-	-	-	-	(35.47)	-	0	(35.47)	-
Closing accumulated depreciation	197.57	1,755.24	12,682.97	62.13	107.24	22.92	204.94	147.42	174.84	147.22	15,502.48	-
Net carrying amount March 31, 2024	3,467.29	12,098.49	46,490.57	117.87	141.83	48.89	328.63	170.41	21.50	85.89	62,971.38	8,613.89



Notes to the Financial Statements

for the year ended March 31, 2024

Footnotes:

(a) Title deeds of Immovable Property not held in the name of the Company

Relevant line item in Balance Sheet	Description of item of property	Gross Carrying Value		Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
		As at March 31, 2024	As at March 31, 2023				
Land	Factory land Plot No. 231 VATVA (these are survey numbers) - Plot Nos. 228 to 239	3.30	3.30	Dispo Dyechem Private Limited	No	October 2018	Property was acquired through amalgamation/merger, the name change in the name of the Company is pending.
Land	Factory Land Plot No. 232 VATVA (these are survey numbers) - Plot Nos. 228 to 239	3.30	3.30	Dispo Dyechem Private Limited	No	October 2018	Property was acquired through amalgamation/merger, the name change in the name of the Company is pending.
Land	Factory Land Plot No. 233 VATVA (these are survey numbers) - Plot Nos. 228 to 239	3.65	3.65	Dispo Dyechem Private Limited	No	October 2018	Property was acquired through amalgamation/merger, the name change in the name of the Company is pending.
Land	Factory Land Plot No. 235 VATVA (these are survey numbers) - Plot Nos. 228 to 239	3.30	3.30	Dispo Dyechem Private Limited	No	October 2018	Property was acquired through amalgamation/merger, the name change in the name of the Company is pending.
Land	Factory Land Plot No. 236 VATVA (these are survey numbers) - Plot Nos. 228 to 239	3.30	3.30	Dispo Dyechem Private Limited	No	October 2018	Property was acquired through amalgamation/merger, the name change in the name of the Company is pending.
Land	Plot No C-1 + 2/B, GIDC Estate, DAHEJ, Tal. Vagra, Dist. Bharuch, Gujarat.	300.00	300.00	Aarti Industries Limited	No	August 2019	Application is already filed for change in title of the property.
Land	Land - Plot No. A1/322-11, Vapi Industrial Area.	57.44	57.44	Amariyot Chemical Limited	No	October 2018	Property was acquired through amalgamation/merger, the name change in the name of the Company is pending.

Notes to the Financial Statements

for the year ended March 31, 2024

(b) Capital Work-In-Progress (CWIP) Ageing Schedule

As at March 31, 2024

(₹ in Lakhs)

	< 1 Year	1- 2 Years	2- 3 Years	> 3 Years	Total
Projects in progress	1,183.42	1,249.08	4,830.07	1,351.31	8,613.89
Projects temporarily suspended	-	-	-	-	-
Total	1,183.42	1,249.08	4,830.07	1,351.31	8,613.89

As at March 31, 2023

(₹ in Lakhs)

	< 1 Year	1- 2 Years	2- 3 Years	> 3 Years	Total
Projects in progress	2,365.70	1,244.88	3,409.91	-	7,020.48
Projects temporarily suspended	-	-	-	-	-
Total	2,365.70	1,244.88	3,409.91	-	7,020.48

(c) There are no material projects whose completion is overdue as compared to its original plan as at March 31, 2023.

(d) There were no material projects which have exceeded their original plan cost as at March 31, 2024.

5 Right-of-Use Asset-

(₹ in Lakhs)

Particulars	Right-of-Use Asset Building
Year ended March 31, 2023 Gross carrying amount	
Opening gross carrying amount as at April 1, 2022	108.54
Addition	27.25
Disposals	-
Closing gross carrying amount	135.79
Accumulated depreciation	
Opening accumulated depreciation	69.89
Depreciation charge during the period	24.37
Disposals	-
Closing accumulated depreciation	94.26
Net carrying amount as on March 31, 2023	41.52
March 31, 2024 Gross carrying amount	
Opening gross carrying amount as at April 1, 2023	135.79
Addition	32.99
Disposals	-
Closing gross carrying amount	168.78
Accumulated depreciation	
Opening accumulated depreciation	94.26
Depreciation charge during the period	21.11
Disposals	-
Closing accumulated depreciation	115.38
Net carrying amount March 31, 2024	53.40

Notes to the Financial Statements

for the year ended March 31, 2024

6 Intangible Assets

(₹ in Lakhs)

Particulars	Technical Knowhow	Computer Software	Total
Year ended March 31, 2023 Gross carrying amount			
Opening gross carrying amount as at April 1, 2022	150.00	4.12	154.12
Addition	-	25.54	25.54
Disposals	-	-	-
Closing gross carrying amount	150.00	29.66	179.66
Accumulated depreciation			
Opening accumulated depreciation	150.00	3.94	153.94
Depreciation charge during the period	-	4.41	4.41
Disposals	-	-	-
Closing accumulated depreciation	150.00	8.35	158.35
Net carrying amount as on March 31, 2023	-	21.31	21.31
March 31, 2024 Gross carrying amount			
Opening gross carrying amount as at April 1, 2023	150.00	29.66	179.66
Addition	-	12.32	12.32
Disposals	-	-	-
Closing gross carrying amount	150.00	41.98	191.98
Accumulated depreciation			
Opening accumulated depreciation	150.00	8.35	158.35
Depreciation charge during the period	-	9.88	9.88
Disposals	-	-	-
Closing accumulated depreciation	150.00	18.23	168.23
Net carrying amount as on March 31, 2024	-	23.75	23.75

7 Investments

7A Investments (Non- Investment)

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Unquoted Investments		
Investment in subsidiaries - measured at cost		
Investment in subsidiary companies	25.00	25.00
Investment in Limited Liability Partnership	4,866.51	4,867.94
Total	4,891.51	4,892.94

	March 31, 2024		March 31, 2023	
	No of Shares	Amount	Amount	No of Shares
Investments carried at cost/deemed cost:				
Equity Shares of Subsidiary Companies (Unquoted)				
Valiant Speciality Chemicals Ltd	2,50,000	25.00	2,50,000	25.00
Investments in Limited Liability Partnership (Unquoted)				
Dhanvallah Ventures LLP	N.A.	4,866.51	N.A.	4,867.94
Total Investment in Subsidiaries	2,50,000	4,891.51	2,50,000	4,892.94

Footnote: Aggregate value of Unquoted Investments is ₹ 4,891.51 lakhs (PY 4,892.94 lakhs).

Notes to the Financial Statements

for the year ended March 31, 2024

7B Other Investments (non-current)

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Quoted Investments - FVTOCI		
Quoted Investments		
-Investments in Equity Shares	232.29	176.13
-Investments in Preference Shares	40.16	38.83
Unquoted Investments		
-Investments in Equity Shares	253.00	151.80
	525.45	366.76
Other Investments - Amortised Cost		
Unquoted Investments		
-Share in Co-operative Society	0.05	0.05
	0.05	0.05
Total Other Investments (non-current)	525.50	366.81

	March 31, 2024		March 31, 2023	
	No of Shares	Amount	No of Shares	Amount
I. Investments carried at fair value through OCI:				
Investments in Equity Shares (Quoted)				
- Aarti Industries Limited (FV ₹ 5)	30,000	199.67	30,000	176.13
- Aarti Pharma labs (FV ₹ 5)	7,500	32.62	-	-
Investments in Preference Shares (Quoted)				
- Aarti Surfactant - 4% redeemable preference shares	20,500	40.16	20,500	38.83
		272.45		214.96
Investments in Equity Shares (Unquoted)				
- Renew Green (GJ Six) Private Limited (FV ₹ 10)	25,30,000	253.00	15,18,000	151.80
		253.00		151.80
II. Investments carried at amortised cost:				
Unquoted				
- Share in Co-operative Society		0.05	50	0.05
		0.05		0.05
Total		525.50		366.81

Footnotes:

- Aggregate value of quoted investments and its market value is ₹ 272.25 lakhs (PY 214.96 lakhs).
- Aggregate value of unquoted investments is ₹ 253.25 lakhs (PY 151.85 lakhs).

7C Investments (Current)

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Quoted Investments		
Investment in Equity Shares (Quoted) - Measured at FVOCI	-	20.23
Total	-	20.23

Notes to the Financial Statements

for the year ended March 31, 2024

			(₹ in Lakhs)	
	No of Shares	March 31, 2024	No of Shares	March 31, 2023
Investments - in Equity Shares (Quoted)				
Other Companies - measured at FVOCI				
Elantas Beck India (FV ₹ 10)			400	20.15
Orchid Pharma Limited (FV ₹ 10)			22	0.08
Total	-	-	422	20.23

8 Other Financial Assets

8A Non-current (at amortised cost)

			(₹ in Lakhs)	
Particulars		March 31, 2024		March 31, 2023
Security Deposits				
Unsecured, Considered Good		540.78		551.89
Total		540.78		551.89

8B Current (at amortised cost)

			(₹ in Lakhs)	
Particulars		March 31, 2024		March 31, 2023
Unsecured, Considered Good				
Security Deposits		-		-
Interest Receivable		12.27		10.77
Insurance Receivable		280.73		280.69
Total		292.99		291.46

9 Other Assets

9A Non-current

(Unsecured, unless otherwise stated)

			(₹ in Lakhs)	
Particulars		March 31, 2024		March 31, 2023
Capital Advances		558.02		427.41
Total		558.02		427.41

9B Current

(Unsecured, considered good, unless otherwise stated)

			(₹ in Lakhs)	
Other Current Assets		March 31, 2024		March 31, 2023
Balance with Statutory / Government Authorities		1,211.20		1,164.27
Advances to Suppliers		443.11		778.18
Prepaid Expenses		53.81		40.04
Total		1,708.13		1,982.49

Notes to the Financial Statements

for the year ended March 31, 2024

10 Inventories

Particulars	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
Raw Material (incl In-transit stock)	5,661.02	5,703.67
Fuel	86.07	134.06
Stores & Spares	746.92	467.93
Packing Materials	53.61	48.12
Work-in-Progress	1,023.31	1,047.03
Finished Goods	3,852.30	3,967.02
Total	11,423.24	11,367.82

10.1 In-transit Inventories:

Particulars	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
Raw Material (In Transit Stock)	33.72	690.75
Total	33.72	690.75

11 Trade Receivables (current) (at amortised cost)

Particulars	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
Trade Receivables	21,156.35	21,398.07
Less - Impairment Allowance	(220.13)	(220.13)
Trade Receivables (Net)	20,936.22	21,177.95
Break up of Security Details		
(i) Unsecured, Considered good	20,936.22	21,177.95
(ii) Unsecured, Credit impaired	220.13	220.13
	21,156.35	21,398.07
Less - Impairment Allowance	(220.13)	(220.13)
	20,936.22	21,177.95

Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables. The Company follows the simplified approach for recognition of impairment allowance on trade receivables. The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) recognised during the period is recognised in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

Notes to the Financial Statements

for the year ended March 31, 2024

TRADE RECEIVABLES

As at March 31, 2024

(₹ in Lakhs)

Particulars	Not Due	Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	TOTAL
(i) Undisputed Trade Receivable - Considered Good	8353.743	5,954.01	1,901.27	4,695.94	86.65	48.79	21,040.39
(ii) Undisputed Trade Receivables – credit impaired						-	-
(iii) Disputed Trade Receivables– considered good							-
(iv) Disputed Trade Receivables – credit impaired						115.95	115.95
Sub 'Total Trade Receivable	8353.74	5,954.01	1,901.27	4,695.94	86.65	164.74	21,156.34
Unbilled Trade Receivables	151.95						
Less: Impairment Allowance	(220.13)						
Total Trade Receivable		5,954.01	1,901.27	4,695.94	86.65	164.74	20,936.22

As at March 31, 2023

(₹ in Lakhs)

Particulars	Not Due	Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	TOTAL
(i) Undisputed Trade Receivable - Considered Good	19,286.64	623.57	1,041.66	167.66	1.03	5.69	21,126.23
(ii) Undisputed Trade Receivables – credit impaired						-	-
(iii) Disputed Trade Receivables– considered good							-
(iv) Disputed Trade Receivables – credit impaired						119.89	119.89
Sub 'Total Trade Receivable	19,286.64	623.57	1,041.66	167.66	1.03	125.58	21,246.13
Unbilled Trade Receivables	151.95	151.95					151.95
Less: Impairment Allowance	(220.13)						(220.13)
Total Trade Receivable							21,177.95

(d) Movement in expected credit loss allowance of trade receivables

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Balance at the beginnig of the year	220.13	235.42
Allowances/(write back) during the year	-	-
Written off against past provision	-	(15.29)
Balance at the end of the year	220.13	220.13

Notes to the Financial Statements

for the year ended March 31, 2024

12 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Cash & Cash Equivalents		
Cash on hand	4.58	3.29
Balances with Banks	321.04	623.15
Total	325.63	626.45

13 Bank Balances Other than Cash & Cash Equivalents

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Fixed Deposits	31.95	31.95
Total	31.95	31.95

14 Current Financial Assets - Loans

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Unsecured, Considered Good		
Loan to Employees	62.32	71.33
Total	62.32	71.33

15 Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Advance Tax and Tax Deducted at Source (Net of Provision)	1,269.14	769.99
Total	1,269.14	769.99

16 Equity Share Capital

A. Authorised Share Capital

Particulars	March 31, 2024	March 31, 2023
Authorised:		
3,71,00,000 Equity Shares of ₹ 10/- each (PY - 3,71,00,000)	3,710.00	3,760.00
5,00,000 Redeemable Preference Shares of 10 each.(PY - 5,00,000)	50.00	
20,00,000 Optionally Convertible Preference Shares of ₹ 10 each (PY - 20,00,000)	200.00	200.00
40,000 Redeemable Non-Cumulative Preference Shares of ₹ 100 each (PY - 40,000)	40.00	40.00
Total	4,000.00	4,000.00

B. Issued, Subscribed & Paid Up:

Particulars	March 31, 2024	March 31, 2023
Equity Share Capital	2,715.35	2,715.35
Add: Equity Shares allotted during the period	1.60	-
Add: Conversion of Optionally Convertible Preference Shares	40.56	
	2,757.50	2,715.35
Optionally Convertible Preference Shares	40.56	40.56
Less: Converted to Equity Shares during the year	(40.56)	
	-	40.56
Total (A+B)	2,757.50	2,755.90

Notes to the Financial Statements

for the year ended March 31, 2024

Rights, preferences and restrictions attached to equity shares

Ordinary Equity Shares

The Company has only one class of Shares referred to as Equity Shares having par value of ₹ 10. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend 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 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.

Optionally Convertible Preference Shares (OCPS)

Convertible at the option of the holder within 18 months from the date of receipt of trading approval from BSE Limited.

Equity Shares issued and allotted, pursuant to Conversion will be listed on the Stock Exchange.

The Equity shares issued and allotted, upon conversion shall rank pari passu in all respects including dividend with the existing Equity shares of the Company.

Pursuant to the scheme of arrangement with Amarjyot Chemical Limited, OCPS were supposed to be converted into equity shares or Redeemable Preference Shares (RPS) before February 2022. After obtaining consent from OCPS shareholders for conversion into equity shares, the Company filed a Settlement Application with SEBI on December 19, 2022. Following SEBI's settlement order dated September 18, 2023, received by the Company on September 20, 2023, 4,05,561 OCPS were converted into equity shares on December 6, 2023. The Company has received both listing and trading approval of these equity shares from BSE and NSE. These converted equity shares are eligible to receive bonus equity shares in a 1:1 ratio, as previously declared.

C. Reconciliation of Equity Shares Outstanding

(a) Reconciliation of number of ordinary equity shares outstanding

Ordinary Equity Shares Outstanding	March 31, 2024		March 31, 2023	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,71,53,488	2,715.35	2,71,53,488	2,715.35
Add: Equity Shares ESOP allotted	16,000	1.60	-	-
Add: Conversion of Optionally Convertible Preference Shares	4,05,561	40.56	-	-
Shares outstanding at the end of the year	2,75,75,049	2,757.50	2,71,53,488	2,715.35

(b) Reconciliation of number of optionally convertible preference shares outstanding (Instruments entirely equity in nature)

Optionally Convertible Preference Shares Outstanding	March 31, 2024		March 31, 2023	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	4,05,561	40.56	4,05,561	40.56
Less: Conversion in to ordinary Equity Shares during the year	(4,05,561)	(40.56)	-	-
Shares outstanding at the end of the year	-	-	4,05,561	40.56

Notes to the Financial Statements

for the year ended March 31, 2024

D. Details of Shares held by each shareholder holding more than 5% shares

(a) Ordinary Equity Shares

	March 31, 2024		March 31, 2023	
	Number	% of Holding	Number	% of Holding
Jaya Chandrakant Gogri	23,09,644	8.38	23,09,644	8.51
Arti Rajendra Gogri	19,77,814	7.17	19,77,814	7.28
Manisha Rashesh Gogri	15,89,114	5.76	15,89,114	5.85
Nikhil Parimal Desai	25,11,611	9.11	24,55,869	9.04

(b) Optionally Convertible Preference Shares (Instruments entirely equity in nature)

	March 31, 2024		March 31, 2023	
	Number	% of Holding	Number	% of Holding
Bhavesh B.Mehta	-	-	23,814	5.87
Dilesh Roadline Pvt. Ltd	-	-	1,82,404	44.98
Nikhil Parimal Desai	-	-	55,742	13.74
Tarla Parimal Desai	-	-	3,508	0.86

E. Details of Shares held by each Promoters

(a) Ordinary Equity Shares

	March 31, 2024		March 31, 2023		% change during the year
	Number	% of Holding	Number	% of Holding	
Chandrakant Vallabhaji Gogri	82,954	0.30	82,954	0.31	(0.01)
Jaya Chandrakant Gogri	23,09,644	8.38	23,09,644	8.51	(0.13)
Arti Rajendra Gogri	19,77,814	7.17	19,77,814	7.28	(0.11)
Manisha Rashesh Gogri	15,89,114	5.76	15,89,114	5.85	(0.09)
Mirik Rajendra Gogri	6,69,334	2.43	6,69,334	2.47	(0.04)
Vicky Hemchand Gala	2,59,106	0.94	4,76,016	1.75	(0.81)
Arvind Kanji Chheda	4,33,476	1.57	4,33,476	1.60	(0.03)
Hiral Arvind Chheda	4,05,100	1.47	4,05,100	1.49	(0.02)
Hetal Gogri Gala	2,50,000	0.91	2,50,000	0.92	(0.01)
Hemchand Lalji Gala	1,17,079	0.42	1,17,079	0.43	(0.01)
Dhanvanti Hemchand Gala	50,858	0.18	50,858	0.19	(0.01)
Dilesh Roadlines Private Limited	6,16,126	2.23	4,33,722	1.60	0.63
Aarti Corporate Services Limited	1,02,026	0.37	99,412	0.37	0.00
Alchemie Financial Services Limited	55,826	0.20	54,396	0.20	(0.00)
Alchemie Finserv Private Limited	35,477	0.13	34,568	0.13	0.00
Aakansha Pharmachem LLP	5,214	0.02	5,080	0.02	0.00
DrI Cargo Carriers Private Limited	16,820	0.06	1,952	0.01	0.05
Tulip Family Trust	6,12,000	2.22	6,12,000	2.25	(0.03)
Ujjwal Business Trust	6,00,000	2.18	6,00,000	2.21	(0.03)
Paridhi Business Trust	1,29,924	0.47	1,29,924	0.48	(0.01)
Pooja Renil Gogri	57,334	0.21	57,334	0.21	(0.00)
Indira Madan Dedhia	36,000	0.13	36,000	0.13	(0.00)
Vijayanka Chhotalal Shah	1,000	-	1,000	0.00	(0.00)
Devang Shah	750	-	750	0.00	(0.00)
Rashesh Chandrakant Gogri	600	-	600	0.00	(0.00)

Notes to the Financial Statements

for the year ended March 31, 2024

	March 31, 2024		March 31, 2023		% change during the year
	Number	% of Holding	Number	% of Holding	
Heena Jatin Chheda	-	-	-	-	-
Neelam Hemang Shah	335	-	335	0.00	(0.00)
Forum Devang Shah	250	-	250	0.00	(0.00)
Hemang Chhotalal Shah	205	-	205	0.00	(0.00)
Pooja Hitendra Gala	-	-	-	-	-
Kirti L Gangar	20	-	20	0.00	(0.00)
Damayanti Laxmichand Shah	4	-	4	0.00	(0.00)
Nehal K Gangar	1	-	1	0.00	(0.00)
Raj Jatin Chheda	-	-	-	-	-
Jatin Moraji Chheda	-	-	-	-	-
Total	1,04,14,391	37.75	1,04,28,942	38.41	(0.66)

(b) Details of Shares held by each Promoters

Optionally Convertible Preference Shares (Instruments entirely equity in nature)	March 31, 2024		March 31, 2023		% change during the year
	Number	% of Holding	Number	Amount	
Alchemie Finserv Pvt. Ltd.			909	0.22	(0.22)
Alchemie Financial Service Limited			1,430	0.35	(0.35)
Aarti Corporate Services Limited			2,614	0.64	(0.64)
Aakansha Pharmachem LLP			134	0.03	(0.03)
Dilesh Roadlines Pvt. Ltd.			1,82,404	44.98	(44.98)
DRL Cargo Carrier Pvt. Ltd.			14,868	3.67	(3.67)
Total	-	-	2,02,359	49.90	(49.90)

F. DISTRIBUTION MADE AND PROPOSED

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Cash Dividends on Equity Shares declared and/or paid:		
Final Dividend for the year ended March 31, 2022: ₹ 3.50 per share	-	950.37
Interim Dividend for the year ended March 31, 2023: ₹ 1 (March 31, 2022 - NIL)	-	271.53
	-	1,221.91

Footnote: The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is in place and available on the website of the Company (<https://www.valiantorganics.com/assets/investors/dividend-distribution-policy.pdf>).

17 Other Equity

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
a. Capital Reserve	7,846.30	7,846.30
b. Capital Redemption Reserve	38.40	38.40
c. Security Premium	100.89	-
d. General Reserve	3,910.88	3,910.88
e. Retained Earning	51,494.01	51,786.41
f. Other Comprehensive Income	258.91	199.80
g. Employee Stock Option Plan	81.00	66.06
Total, Other Equity	63,730.40	63,847.85

Notes to the Financial Statements

for the year ended March 31, 2024

Nature and Purpose of Reserves

Capital Reserve

During amalgamation/merger/acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

Capital Redemption Reserve

Transferred to Capital Redemption Reserve on redemption of Redeemable Preference Shares during the year.

General Reserve

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Retained Earning

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, any transfers from or to other comprehensive income, dividends or other distributions paid to shareholders.

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

Employee Stock Option Plan

The share options outstanding account is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium, upon exercise of stock options, and transferred to general reserve on account of stock options not exercised by employees.

MOVEMENT IN OTHER EQUITY DURING THE YEAR

a. Capital Reserve

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Opening Balance	7,846.30	7,846.30
Closing Balance	7,846.30	7,846.30

b. Capital Redemption Reserve

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Opening Balance	38.40	
Add - Transfer from ESOP		38.40
Closing Balance	38.40	38.40

c. Security Premium

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Opening Balance		
Add - Transfer from ESOP	100.89	-
Closing Balance	100.89	-

Notes to the Financial Statements

for the year ended March 31, 2024

d. General Reserve

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Opening Balance	3,910.88	3,910.88
Closing Balance	3,910.88	3,910.88

e. Retained Earning

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Retained Earning		
Opening Balance (Surplus in Profit & Loss)	51,786.74	45,507.52
Add: Net Profit for the year	(304.34)	7,557.99
Less: Remeasurement Gain/(Loss) on defined benefit plan (net off tax)	11.63	(18.78)
Amount available for appropriation	51,494.02	53,046.73
Appropriation:		
Dividend	-	(1,221.91)
Capital Redemption Reserve	-	(38.40)
Closing Balance	51,494.01	51,786.41

f. Other Comprehensive Income (OCI)

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Opening Balance	199.80	292.46
Add: Fair value changes of various Financial instruments (net off tax)	59.11	(92.66)
Closing Balance	258.91	199.80

g. Employee Stock Option Plan

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Opening Balance	66.06	
Add: ESOPs Exercised during the period	14.94	66.06
Closing Balance	81.00	66.06

18 Borrowings

18A Non-current

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Secured loan		
Term Loans from Banks		
- Foreign currency loan - ECB/FCNR	4,500.01	1,446.18
- Indian currency loan	2,916.09	4,440.03
Total Borrowings - Non Current	7,416.10	5,886.20

Notes to the Financial Statements

for the year ended March 31, 2024

18B Current

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
(A) Repayable on demand from Banks (secured)		
- Cash Credit Facility	1,223.40	122.89
- Working Capital Demand Loan	9,385.17	11,517.51
	10,608.58	11,640.40
(B) Current Maturity of Long Term Debt (secured)		
Current Maturity of Long Term Debt	3,494.90	4,379.98
	3,494.90	4,379.98
Total Borrowings - Current	14,103.48	16,020.38

Footnotes:

- As at March 31, 2024, ₹ 21,519.58 lakhs (March 31, 2023: ₹ 21,876.58 lakhs) of the total outstanding borrowings were secured by a charge on property, plant and equipment, inventories, receivables and other current assets.
- The security details of major borrowings as at March 31, 2024 is as below:

- Foreign currency term loans as on 31 March 2024, amounting to ₹ 4500.01 lakhs were secured by a charge on immovable & movable properties including movable machinery, spares, tools & accessories, ranking pari passu inter-se. The term loans were drawn in different tranches over the period and were originally payable across 16 equal quarterly instalments starting from May 2020 till February 2025 as mentioned in the table below:

	Interest Rate	Quarterly Instalment (Principal)	Repayment Start Date	Repayment End Date
Term Loan of USD 55,68,704	L + 160bps	USD 3,48,044	May 2021	February 2025
Term Loan of USD 15,00,000	L + 200bps	USD 93,750	May 2020	February 2024
Term Loan of USD 10,00,000		USD 62,500	July 2020	February 2024
Term Loan of USD 17,00,000		USD 1,06,250	December 2020	September 2024
Term Loan of USD 17,00,000		USD 1,06,250	December 2020	September 2024

- Rupee term loans as on March 31, 2023, amounting to ₹ 6,504.91 lakhs were secured by a charge on immovable & movable properties including movable machinery, spares, tools & accessories, ranking pari passu inter-se. The term loan was originally payable across 16 equal quarterly instalments starting from January 2022 till September 2026 as mentioned in the table below:

	Interest Rate	Quarterly Instalment (Principal)	Repayment Start Date	Repayment End Date
Term Loan of ₹ 19,99,97,345/-	Repo + 225bps	₹ 1,24,99,834/-	September 2022	June 2026
Term Loan of ₹ 59,97,26,282/-	T-Bill + 185-225bps	₹ 3,74,82,893/-	January 2022	September 2026

- Working capital facilities from banks as at March 31, 2024 amounting to ₹ 10608.58 lakhs (March 31, 2023 of ₹ 11640.40 lakhs) were secured by a first pari passu charge on the stock of raw materials, finished goods, stock in process, consumable stores and book debts of the Company. These credit facilities carry average interest rates in the range of 7.62% to 9.75% (March 31, 2023: 5.60% to 9.25%).
- The Company do not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

Notes to the Financial Statements

for the year ended March 31, 2024

- 4 There are no material differences between the quarterly statements of stock filed by the company with banks and the books of accounts.
- 5 The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- 6 Currency and interest exposure of borrowings including current maturities is as below:

	As at March 31, 2024			As at March 31, 2023		
	Fixed Rate	Floating Rate	Total	Fixed Rate	Floating Rate	Total
(a) Indian National Rupee (INR) - Total	-	17,019.57	17,019.57	-	18,175.31	18,175.31
(b) United States Dollar (USD) - Total	-	4,500.01	4,500.01	-	3,731.28	3,731.28
	-	21,519.58	21,519.58	-	21,906.58	21,906.58
(a) Indian National Rupee (INR) - Hedged (interest rate swaps)	-	-	-	-	-	-
(b) United States Dollar (USD) - Hedged (interest rate swaps)	-	(4,500.01)	(4,500.01)	-	(3,731.28)	(3,731.28)
	-	(4,500.01)	(4,500.01)	-	(3,731.28)	(3,731.28)
(a) Indian National Rupee (INR) - Unhedged	-	17,019.57	17,019.57	-	18,175.31	18,175.31
(b) United States Dollar (USD) - Unhedged	-	-	-	-	-	-
	-	17,019.57	17,019.57	-	18,175.31	18,175.31
% of Total Borrowings	0.00%	100.00%	100.00%	8.20%	91.80%	100.00%

- 7 All the floating rate borrowings are bank borrowings bearing interest rates based on Marginal Cost of Lending Rate (MCLR), Repo rate, T-Bill and LIBOR. Of the total floating rate borrowings as at March 31, 2024, ₹ 4500.01 lakhs (March 31, 2023: ₹ 3,731.28 lakhs) has been hedged using interest rate swaps with contracts covering period of more than one year.
- 8 f the total floating rate borrowings as at March 31, 2024, ₹ 6141.26 lakhs (March 31, 2023: ₹ 2,683.01 lakhs) has been hedged using currency swaps with contracts covering period of more than one year.
- 9 Maturity profile of borrowings including current maturities is as below:

	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
(a) Not later than one year or on demand	14,103.48	16,020.38
(b) Later than one year but not two years	2,334.29	3,445.49
(c) Later than two years but not three years	1,735.77	1,778.74
(d) Later than three years but not four years	1,111.11	624.66
(e) Later than four years but not five years	1,111.11	37.32
(f) Later than five years but not six years	1,111.11	-
	21,506.88	21,906.58

Notes to the Financial Statements

for the year ended March 31, 2024

19 Lease Liabilities

19A Non -Current

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Long term maturities of lease obligations	32.40	23.76
Total Provisions - Non Current	32.40	23.76

19B Current

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Current maturities of finance lease obligations	22.65	19.81
Total Provisions - Non Current	22.65	19.81

Footnotes:

- (i) The Company has lease contracts for its office premises and godowns with lease term between 1 year to 3 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of office premises and godowns with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

- (a) The movement in lease liabilities during the year ended March 31, 2024 and March 31, 2023 is as follows:

(₹ in lakhs)

	March 31, 2024	March 31, 2023
Balance at the beginning	43.56	40.97
Additions	38.55	25.35
Accretion of interest	2.79	4.90
Payment of lease liabilities	(29.85)	(27.65)
Balance at the end	55.06	43.56
Non-current	32.40	23.76
Current	22.65	19.81

- (b) The following are the amounts recognised in profit or loss:

(₹ in lakhs)

	March 31, 2024	March 31, 2023
Depreciation on right-of-use assets	21.11	24.37
Interest expense on lease liabilities	2.79	4.90
Expense relating to short-term leases	97.45	84.80
Total amount recognised in statement of profit and loss	121.35	114.07

- (c) Details of carrying amount of right-of-use assets and movement during the period is disclosed under Note 5.

- (i) The maturity analysis of lease liabilities are disclosed in Note 38C (ii) 'Liquidity Risk Management'.
- (ii) The effective interest rate for lease liabilities is 9%, with maturity between 2022-2024.
- (iii) Expense relating to short-term leases are disclosed under the head Miscellaneous Expenses in other expenses (Refer Note 32).

Notes to the Financial Statements

for the year ended March 31, 2024

20 Provisions

20A Non Current Provisions

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Provision For Employees Benefit		
Provision for Leave Salary	185.99	153.04
Total Provisions - Non Current	185.99	153.04

20B Current Provisions

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Provision For Employees Benefits		
- Provision for Gratuity	115.73	71.49
- Provision for Leave Salary	30.40	22.24
- Provision for Sick leave Salary	2.67	2.37
- Provision for Bonus	219.00	182.25
Total Current Provisions	367.82	278.35

Footnotes:

- The Company presents provision for gratuity and leave salaries as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employees, etc.
- Detailed disclosure in respect of post-retirement defined benefit scheme is provided in note 30.

21 Deferred Tax Liabilities (net)

A. The major components of deferred tax liabilities / assets on account of temporary differences are as follows:

(₹ in lakhs)

Particulars	As on dated April 1, 2023	Charge / (Credit) to Statement of Profit and Loss	Charge / (Credit) to Other Comprehensive Income	As on dated March 31, 2024
Deferred tax liabilities, on account of				-
On Depreciation and amortisation	3,400.18	2.23	-	3,402.40
Deferred tax assets, on account of	-			-
Provision for expense allowed for tax purpose on payment basis (Net)	(151.26)	(10.60)		(161.86)
Remeasurement of the defined benefit plans through OCI	(15.97)		(19.52)	(35.48)
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	26.05		3.93	33.73
Difference in Right-of-use asset and lease liabilities	(1.12)	(28.89)		(30.01)
MSME dues outstanding at the end of accounting period		(117.06)		(117.06)
Business loss for the year		(175.78)		(175.78)
Deferred tax expense/(benefit) for the year	-	(330.11)	(15.58)	
Total	3,257.89			2,915.94

Notes to the Financial Statements

for the year ended March 31, 2024

(₹ in lakhs)

Particulars	As on dated April 01, 2022	Charge / (Credit) to Statement of Profit and Loss	Charge / (Credit) to Other Comprehensive Income	As on dated March 31, 2023
Deferred tax liabilities, on account of				
Difference between WDV of depreciable fixed assets as per the books of accounts and Income Tax Act, 1961	2,736.97	663.20	-	3,400.18
Deferred tax assets, on account of				
Provision for expenses allowed for tax purpose on payment basis (Net)	(137.63)	(13.63)		(151.25)
Remeasurement of the defined benefit plans through OCI	(9.65)		(6.32)	(15.97)
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	37.84		(11.79)	26.05
Difference in Right-of-use asset and lease liabilities	(0.96)	(0.16)		(1.12)
Deferred tax expense/(benefit) for the year	-	649.42	(18.11)	
Total	2,626.57			3,257.89

B. Reconciliation of tax expense and accounting profit for the year:

(₹ in lakhs)

	As on dated March 31, 2024	As on dated March 31, 2023
Profit before tax	(513.93)	9,964.49
Income tax expense calculated at 25.168%	(129.35)	2,507.86
Tax effect on non-deductible expenses	1,076.23	793.86
Effect of concessions (depreciation under income tax act)	(839.23)	(1,515.54)
Effect of Income which is taxed at special rates	(120.52)	(63.07)
Effect of Income which is exempted from tax	(0.36)	29.57
Others	133.75	4.39
Total	120.52	1,757.07
Adjustment of tax relating to earlier periods	-	0.01
Tax expense as per Statement of Profit and Loss	120.52	1,757.08

Deferred tax assets/ liabilities are the amounts of income taxes recoverable/ payable in future periods in respect of taxable temporary differences, respectively.

22 Trade payables

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Trade & Non-Trade Payables		
A) Total Outstanding Dues of Micro enterprises and Small Enterprises; and	465.12	1,675.04
B) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	20,279.39	14,754.35
Total Trade Payables	20,744.51	16,429.38

Notes to the Financial Statements

for the year ended March 31, 2024

Footnotes:

(i) Trade payables ageing:

As at March 31, 2024

(₹ in lakhs)

	Outstanding for the following periods from due date of payment						TOTAL
	Unbilled	Not Due	< 1 year	1 Year - 2 Years	2-3 Years	> 3 Years	
(i) MSME	-	-	465.12	-	-	-	465.12
(ii) Others	-	1,424.18	17,867.00	240.83	725.83	21.55	20,279.39
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
	-	1,424.18	18,332.12	240.83	725.83	21.55	20,744.51

As at March 31, 2023

(₹ in lakhs)

	Outstanding for the following periods from due date of payment						TOTAL
	Unbilled	Not Due	< 1 year	1 Year - 2 Years	2-3 Years	> 3 Years	
(i) MSME	-	1,076.19	544.42	54.20	-	0.24	1,675.04
(ii) Others	-	5,327.22	8,700.51	42.57	80.95	4.25	14,754.35
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
	-	7,002.26	9,244.92	96.77	80.95	4.49	16,429.39

(ii) Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (as amended)

(₹ in lakhs)

	March 31, 2024	March 31, 2023
(i) (a) Principal amount remaining unpaid to any supplier	465.12	1,675.04
(b) Interest on (i)(a) above	-	-
(ii) The amount of interest paid along with the principal payment made to the supplier	-	-
(iii) Amount of interest due and payable on delayed payments	-	-
(iv) Amount of further interest remaining due and payable for the earlier years	-	-
(v) Total outstanding dues of Micro and Small Enterprises	-	-
- Principal	465.12	1,675.04
- Interest	-	-

23 Other Current Financial Liabilities

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Creditors for Capital Goods	1,073.67	1,291.80
Unclaimed Dividends	3.92	3.76
Salaries and Wages	266.36	182.14
Other Current Liabilities	387.29	316.16
Total Other Current Financial Liabilities	1,731.24	1,793.85

a. There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2024.

Notes to the Financial Statements

for the year ended March 31, 2024

24 Other Current Liabilities

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Statutory Dues	118.55	110.62
Revenue Received in Advance	101.28	2.28
Total Other Current Liabilities	219.83	112.91

25 Revenue from operations

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(a) Sale of Manufactured Products	61,686.62	82,904.71
(b) Sale of Traded Products	634.14	1,506.46
(c) Sale of Services	5,398.45	6,750.64
Total revenue from operations	67,719.21	91,161.80

Footnotes:

- Disaggregate revenue information
Refer Note 35 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".
- In case of Domestic Sales, payment terms range from 60 days to 100 days based on geography and customers. In case of Export Sales these are either against documents at sight, documents against acceptance or letters of credit - 60 days to 90 days. There is no significant financing component in any transaction with the customers.
- The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.
- The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration

26 Other Income

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(a) Interest Income		
Investments in debt instruments measured at fair value through OCI	1.32	1.33
Other financial assets carried at amortised cost	181.85	9.58
	183.17	10.92
(b) Dividend Income		
Dividends from quoted equity investments measured at fair value through OCI	0.56	0.89
	0.56	0.89
(c) Other Non-operating Income		
Export Benefits	11.83	30.07
Sale of Scrap	46.92	207.60
Miscellaneous Expenses	50.05	42.77
	108.81	280.44
(d) Other Gains and Losses		
Net gain on sale of property, plant and equipment	-	(1.59)
	-	(1.59)
Total other income	292.54	290.65

Notes to the Financial Statements

for the year ended March 31, 2024

27 Cost of Materials Consumed

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(a) Raw Materials Consumed		
Opening Stock (including goods-in-transit)	5,837.73	4,634.02
Add: Purchases	39,167.59	53,268.20
	45,005.32	57,902.22
Less: Closing Stock (including goods-in-transit)	5,747.10	5,751.79
	39,258.22	52,150.43
(b) Packing Materials Consumed		
Opening Stock	48.12	137.21
Add: Purchases	5,578.56	7,205.46
	5,627.04	7,342.67
Less: Closing Stock	53.60	134.06
	5,573.07	7,208.62
Total cost of materials consumed	44,831.29	59,359.05

28 Purchase of Stock in Trade

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Purchases of stock-in-trade	623.05	1,385.22
Total Purchases of Stock-in-Trade	623.05	1,385.22

29 Changes in inventories of finished goods, work-in- progress and stock-in -trade

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Stock at the beginning of the year		
Finished Goods (including goods-in-transit)	3,967.02	3,165.35
Work-in-Progress	1,047.03	1,374.32
Total	5,014.05	4,539.66
Stock at the end of the year		
Finished Goods (including goods-in-transit)	3,852.30	3,967.02
Work-in-Progress	1,023.31	1,047.03
Total	4,875.61	5,014.05
(Increase)/decrease in inventories of Finished Goods, Stock-in-Trade and Work-in-P	138.44	(474.39)

30 Employee Benefits Expenses

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(a) Salaries and wages	3,680.37	3,303.99
(b) Contribution to provident and other funds	395.31	407.42
(c) Staff welfare expenses	558.71	404.01
(d) Employee Stock Option Plan	115.83	66.06
Total employee benefits expens	4,750.22	4,181.48

Notes to the Financial Statements

for the year ended March 31, 2024

A. Post-employment benefits

(i) Provident Fund (defined contribution plan)

The company has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan are ₹ 174.36 lakhs (PY ₹ 155.42 lakhs).

(ii) Retirement Gratuity (defined benefit plans)

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, salary risk and longevity risk.

- (i) **Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit.
- (ii) **Interest risk:** A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the value of plan's debt investments.
- (iii) **Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.
- (iv) **Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Details of defined benefit obligations and plan assets (Gratuity)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
	(₹ in lakhs)	
Change in defined benefit obligations:		
Obligation at the beginning of the year	414.40	364.64
Current service cost	54.61	47.46
Past Service Cost	-	-
Interest costs	31.04	26.66
Remeasurement (gain)/loss	13.18	48.35
Benefits paid	(23.19)	(72.71)
Obligation at the end of the year	490.04	414.40

Notes to the Financial Statements

for the year ended March 31, 2024

Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Change in plan assets:		
Fair value of plan assets at the beginning of the year	342.91	336.52
Interest income	25.68	24.60
Return on Plan Assets, Excluding Interest Income	5.28	23.25
Employers' contribution	25.17	31.25
Benefits paid	(24.75)	(72.71)
Fair value of plan assets at the end of the year	374.30	342.91

Amounts recognised in the balance sheet consist of:

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Present Value of Obligation	490.04	414.40
Fair Value of Plan Assets	(374.30)	(342.91)
	115.74	71.49
Recognised as:		
Provision for Gratuity (non-current)		-
Provision for Gratuity (current)	115.74	71.49

Expense/(gain) recognised in the statement of profit and loss consists of:

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Employee benefits expenses:		
Current service cost	54.61	47.46
Past Service Cost	-	-
Net interest expense	5.35	2.06
	59.97	49.52
Other comprehensive income		
Return on Plan Assets, Excluding Interest Income	(5.28)	(23.25)
Actuarial (Gains)/Losses on Obligation For the Period	13.18	48.35
	7.90	25.10
Expense/(gain) recognised in the statement of profit and loss	67.86	74.62

The major categories of plans assets are as follows:

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Asset category		
Insurance fund	374.30	342.91
Total	374.30	342.91

Notes to the Financial Statements

for the year ended March 31, 2024

Key assumptions used in the measurement of retiring gratuity is as below:

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Financial Assumptions:		
Discount Rate	7.49%	7.31%
Rate of escalation in Salary	5.50%	5.50%
Demographic Assumptions:		
Rate of Employee Turnover	3.00%	3.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Maturity profile of defined benefit obligation

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
1st following year	88.28	77.00
2nd following year	19.07	15.19
3rd following year	33.37	26.69
4th following year	36.65	35.43
5th following year	24.62	33.36
Sum of year 6 To 10	147.81	133.48
Sum of years 11 and above	871.09	706.70

Sensitivity analysis for significant assumptions:

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Projected Benefit Obligation on Current Assumptions	490.03	414.40
Delta Effect of +1% Change in Rate of Discounting	(40.96)	(32.79)
Delta Effect of -1% Change in Rate of Discounting	49.00	39.00
Delta Effect of +1% Change in Rate of Salary Increase	49.36	39.40
Delta Effect of -1% Change in Rate of Salary Increase	(41.93)	(33.65)
Delta Effect of +1% Change in Rate of Employee Turnover	5.74	5.42
Delta Effect of -1% Change in Rate of Employee Turnover	(6.95)	(6.50)

Footnotes:

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes to the Financial Statements

for the year ended March 31, 2024

- v) **The Company is expected to contribute ₹ 126.10 lakhs to defined benefit plan obligations funds for the year ended March 31, 2024.**

Expected return on assets is determined by multiplying the opening fair value of the plan assets by the expected rate of return determined at the start of the annual reporting period, taking account of expected contributions & expected settlements during the reporting period.

The Weighted Average Duration of the Plan works out to 9 years.

Asset Liability matching strategy:

The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance Company. The insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy. There is no compulsion on the part of the Company to fully prefund the liability of the Plan.

B. Other long-term employee benefits

Annual Leave and Sick Leave

The liability towards compensated absences (annual leave and sick leave) for the year ended March 31, 2024 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 3.47 lakhs. (FY 2022-23: increased by ₹ 54.97 lakhs).

(a) Financial Assumptions

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Discount Rate	7.49%	7.31%
Salary increases allowing for Price inflation	5.50%	5.50%

(b) Demographic Assumptions

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Employee Turnover	3.00%	3.00%
Leave Availment Ratio	2.00%	2.00%

31 Finance Costs

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Interest expense:		
(a) on borrowings from banks and others	1,935.20	1,048.99
(b) on lease obligations	2.79	4.90
Total finance costs	1,937.99	1,053.89

Footnotes:

- (a) Finance costs incurred on various projects being qualifying assets is capitalised in accordance with Ind AS 23.
- (b) On adoption of Ind AS 116 Leases, the Company has recognised Right-of-use assets and created lease obligation representing present value of future minimum lease payments. Unwinding of such obligation is recognised as interest expense.

Notes to the Financial Statements

for the year ended March 31, 2024

32 Depreciation, Amortisation and Impairment Expenses

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(a) Depreciation on Property, Plant and Equipment	3,376.21	2,738.25
(b) Depreciation on Right-of-use assets	21.11	24.37
Total depreciation and amortisation expenses	3,397.32	2,762.62

33 OTHER EXPENSES

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(a) Consumption of stores and spare parts	669.53	845.76
(b) Consumption of Power & Steam	3,606.59	2,829.06
(c) Freight Octroi & Cartage	968.76	970.81
(d) Repairs & Maintenance		
(e) - Building	26.04	42.97
(f) - Plant & Machinery	1,830.78	1,994.95
(g) Insurance Charges	359.09	223.43
(h) Water & Drainage Charges	208.00	189.97
(i) Effluent Treatment Plant Charge	1,211.66	1,623.33
(j) Boiler Operating charges	440.98	438.69
(k) Labour Charges	1,592.31	1,505.92
(l) Loading & Unloading charges	677.01	608.97
(m) Laboratory charges	57.98	53.97
(n) Consultancy Charges	327.92	446.96
(p) Auditor's Remuneration	13.80	11.75
(q) Foreign Exchange Loss	(41.60)	79.12
(r) Freight & Forwarding Charges	276.00	649.99
(s) Export Expenses	152.99	106.62
(t) Safety & Security Charges	120.08	99.59
(u) Provision for Bad and Doubtful Debts	44.53	-
(v) Rate & Taxes	78.70	199.32
(w) - Corporate Social Responsibility (refer note no. 44)	284.78	320.16
(x)* Miscellaneous Expenses	516.42	468.52
Total other expenses	13,422.37	13,709.86

Footnotes:

(a) Details of payments to Auditors (excluding GST)

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Payment to Auditors		
- For Statutory Audit	12.50	11.00
- For Other Services - Certification	0.55	0.30
- For Out of Pocket Exps	0.75	0.75
Total payment to auditors	13.80	12.05

Notes to the Financial Statements

for the year ended March 31, 2024

(b) Corporate Social Responsibility

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(A) Gross amount required to be spent by the Company during the year	259.09	302.35
(B) Amount approved by the Board to be spent during the year		
Construction / acquisition of any asset	-	-
On purposes other than above	284.78	310.00
Total		
(C) Amount spent during the year		
Construction / acquisition of any asset	-	-
On purposes other than above	284.78	310.00
Total		
(D) Details of ongoing project and other than ongoing project		
(i) In case of Section 135(6) (ongoing project)		
Opening Balance - With Company		-
- In Separate CSR Unspent A/c	-	-
Amount required to be spent during the year	-	-
Amount spent during the year - From Company's bank A/c'	-	-
- From Separate CSR Unspent A/c	-	-
Closing Balance - With Company	-	-
- In Separate CSR Unspent A/c	-	-
(ii) In case of Section 135(5) (other than ongoing project)		
Opening Balance	(59.82)	(52.17)
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	259.09	302.35
Amount spent during the year	284.78	310.00
Closing balance (Excess spent)	(85.51)	(59.82)
(E) Details related to spent / unspent obligations:		
(i) Education and skill Development	182.78	202.85
(ii) Livestock Development	-	20.00
(iii) Medical Grants, Healthcare Facilities	37.00	-
(iv) Rural and socially backward society Development	-	8.00
(v) Tribal Welfare	-	20.00
(vi) Women Empowerment And Livelihood	30.00	-
(vii) Health Care	-	52.15
(viii) Disaster Relief	-	7.00
(ix) General Welfare Activities	35.00	-
(x) Unspent amount in relation to:	-	-
- Ongoing projects	-	-
- Other than ongoing projects		

Notes to the Financial Statements

for the year ended March 31, 2024

34 EARNING PER SHARE (EPS):

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(a) Net Profit available for Equity Shareholders	(304.34)	7,557.99
(b) No. of Equity Shares as per financial statement	2,75,75,049	2,71,53,488
(c) Weighted average number of Equity Shares for Basic Earnings Per Share* (nos.) (Previous year numbers include Bonus Shares issued during current year)	2,72,92,680	2,71,53,488
(d) Weighted average number of Equity Shares for Diluted Earnings Per Share** (nos.) (Previous year numbers include Bonus Shares issued during current year)	2,79,89,158	2,79,73,340
(e) Basic Earnings Per Share (in ₹)	(1.12)	27.83
(f) Diluted Earnings Per Share (in ₹)	(1.09)	27.02

Footnotes:

- Basic EPS is calculated by dividing profit for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.
- Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.
- Number of Shares for Computation of EPS**

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Basic EPS (in Nos)		
Existing number of equity shares	2,71,53,488.00	2,71,53,488.00
OCPS Conversion	1,28,890.62	
ESOPs	10,301.37	
Weighted average number of Equity Shares	2,72,92,679.99	2,71,53,488.00
Diluted Earnings Per Share (in Nos)		
Existing number of equity shares	2,71,53,488.00	2,71,53,488.00
OCPS (Pending for Conversion to equity) **	8,11,121.62	8,11,122.00
ESOP (with effect from August 4, 2022)	24,548.4	8,730.0
Weighted average number of Equity Shares	2,79,89,157.99	2,79,73,340.00

35 Stock option schemes

i) Terms:

The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options are vested over a period of 1 years, subject to the discretion of the management and fulfillment of certain conditions.

Options can be exercised anytime within a period of 2.5 years from the date of vesting and would be settled by way of issue of equity shares.

Notes to the Financial Statements

for the year ended March 31, 2024

ii) The details of the grants under the aforesaid schemes under various series are summarised below:

Sr No	Particulars	2023-24
1	Grant price - (R)	₹ 10 Per option
2	Grant dates	09-08-23
3	Vesting commences on	09-08-24
4	Options granted and outstanding at the beginning of the year	-
5	Options lapsed	-
6	Options granted	24,000
7	Options exercised	-
8	Options granted and outstanding at the end of the year, of which	24,000
9	Options vested	24,000
10	Options yet to vest	-
11	Weighted average remaining contractual life of options (in years)	

Expense on Employee Stock Option Schemes debited to the Statement of Profit and Loss during 2022-23 is ₹ 66.06 Lakh (previous year: Nil), pursuant to the employee stock option schemes. The entire amount pertains to equity-settled employee share-based payment plans.

The fair value of the options granted during the year has been calculated as per the Black-Scholes Option Pricing Model using the following significant assumptions and inputs:

Sr No	Particulars	2023-24
1	Risk-free interest rate	7.28%
2	Expected life of options	2.5 year
3	Expected volatility	0.4723
4	Expected dividends over the life of the option	0.19%
5	Share price as on grant date	536.5 per share
6	Exercise price	10 per option
7	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.

4,05,561 OCPS have been converted into Equity shares on December 06,2023 pursuant to SEBI settlement order dated September 18, 2023 received by the Company on September 20,2023. The Company has received In-principle approval for listing of said Equity shares from NSE on December 22,2023. Diluted E/I'S figures have been calculated after considering converted OCPS shares into equity shares being eligible to receive Bonus equity shares in the ratio of 1:1

36 Contingent Liabilities and Commitments (To the extent not provided for)

(a) Contingent Liabilities

(₹ in lakhs)

	March 31, 2024	March 31, 2023
Claims against the Company not acknowledged as debts		
GST matters	111.98	111.98
Income tax matters	2,875.37	2,875.37
Labour laws related matters (ESIC)		
Stamp Duty	199.87	199.87
Bank Guarantees issued against the notices received from Statutory Authorities.	25.13	9.02
Total	3,212.35	3,196.25

Notes to the Financial Statements

for the year ended March 31, 2024

Commitments

	(₹ in lakhs)	
	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	524.15	1,558.34
Total	524.15	1,558.34

37 Segment Information

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the Chief Operating Decision Makers. The board responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. Chemicals.

(a) Revenue from Type of Product and Services

There is only one operating segment of the Company which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

(b) Geographical Information

	(₹ in lakhs)	
	March 31, 2024	March 31, 2023
Segment Revenue - External Turnover		
Within India	63,807.17	84,738.80
Outside India	3,912.04	6,423.00
Total	67,719.21	91,161.80
Non-Current Assets*		
Within India	72,220.45	68,428.01
Outside India	-	-
Total	72,220.45	68,428.01

* includes property plant and equipment, intangible assets, capital work-in-progress and other non-financial non-current assets.

(c) Information about major customers

Ind AS 108 Segment Reporting Requires Disclosure of its major customers if revenue from transactions with single external customer amounts to 10 per cent or more of company's total revenue. Company's total Revenue of ₹ 67719.21 Lakhs (FY 2022-23: ₹ 91,161.80 Lakhs) include sales of ₹ 10712.09 Lakhs (FY 2022-23: ₹ 34582.66 Lakhs) to two large customers with whom the company is having long standing Relationship.

38 Related Party Transactions

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below:

(a) Subsidiaries (where control exists):

Name of the entity	Country of Incorporation	% of Holding as at 31.03.2024	% of Holding as at 31.03.2023
(i) Valiant Speciality Chemical Limited	India	100.00%	100.00%
(ii) Dhanvallabh Ventures LLP	India	73.15%	73.15%
(iii) Valiant Laboratories limited (Through Dhanvallabh Ventures LLP as a partner. However the Company ceases to be a Subsidiary Company w.e.f October 06,2024)	India	46.84%	62.50%
(iii) Valiant Advanced Sciences Private Limited (Through Valiant laboratories limited, Through Dhanvallabh Ventures LLP as a partner.However the Company ceases to be a Subsidiary Company w.e.f October 06,2024)	India	46.84%	62.50%

Notes to the Financial Statements

for the year ended March 31, 2024

(b) Key Managerial Personnel:

Name	Designation
Mr. Arvind K. Chheda	Managing Director (Retired w.e.f April 19, 2024)
Mr. Vishnu J. Sawant	Whole Time Director (Resigned May 24, 2024)
Mr. Mahek M. Chheda	Whole Time Director & Chief Financial Officer
Mr. Nemin M. Savadia	Whole Time Director (w.e.f May 05, 2022)
Mr. Siddharth D. Shah	Whole Time Director (w.e.f. June 01, 2022)
Mr. Sathiababu Krishnan Kallada	Managing Director (w.e.f. May 24, 2024)
Mr. Kirit H. Desai	Non-Executive Director (w.e.f. August 14,2021)
Mr Santosh Shantilal Vora	Non- Executive Director (w.e.f. May 01, 2022)
Mr. Sudhirprakash Baburao Sawant	Independent Director (w.e.f May 19, 2023)
Mr Navin Chapshi Shah	Independent Director (w.e.f. August 04, 2022)
Mr. Mulesh M. Savla	Independent Director (w.e.f. April 04, 2019)
Mrs. Sonal Vira	Independent Director (w.e.f. August 04, 2022)
Mr. Velji K. Gogri	Independent Director (upto July 05, 2023)
Ms. Avani Lakhani	Company Secretary (upto April 15, 2024)
Mr. Kaustubh Kulkarni	Company Secretary (w.e.f May 24, 2024)

(c) Close family members of Key Managerial Personnel who are under the employment of the Company:

- (i) Mr. Pankaj S. Shah (w.e.f. June 01, 2022)
- (ii) Mr. Siddharth D. Shah (upto May 30, 2022)
- (iii) Mr. Shevantilal P. Shah (upto May 30, 2022)
- (iv) Mr. Nemin M. Savadia (upto April 30, 2022)
- (v) Mr. Mahesh M. Savadia (w.e.f. May 01, 2022)
- (vi) Mr. Dinesh S. Shah (w.e.f. June 01,2022)

(d) Other entities/persons where significant influence exist:

- (i) Post employment-benefit plan entity:
 - Abhilasha Tex Chem P. Ltd. Gratuity Trust
 - Valiant Organics Limited Gratuity Trust
 - Amarjyot Chemicals P. Limited Gratuity Trust
- (ii) Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promoters/ Group of Promoters
 - Aarti Industries Limited
 - Aarti Pharmalabs Limited
 - Aarti Drugs Limited
 - Alchemie Speciality Chemicals Pvt. Ltd
 - Ganesh Polychem Limited
 - Dilesh Logistics India Private Limited
 - Shanti Intermediates Pvt. Ltd.
 - Dinesh Dyestuff Industries
 - Ganesh Polychem Limited

Notes to the Financial Statements

for the year ended March 31, 2024

Compensation of key management personnel of the Company:

(₹ in lakhs)

	March 31, 2024	March 31, 2023
(i) Short-term employee benefits	190.33	205.98
(ii) Post-employment benefits	-	29.07
(ii) Director Sitting fees	5.93	4.25
Total compensation paid to key management personnel	196.26	239.29

Note

Provision towards gratuity and leave encashment expenses are determined actuarially for the Company as a whole on an annual basis and accordingly have not been considered in the above information."

Details of transactions with and balances outstanding of subsidiaries:

(₹ in lakhs)

Name of related party	Nature of transaction	March 31, 2024		March 31, 2023	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Valiant Speciality Chemical Limited	Equity Investment		25.00	-	25.00
Dhanvallabh Ventures LLP	Investment (Partner's Fix Capital)		0.37	-	0.37
	Investment (Partner's Current Capital)		4,866.14	-	4,985.07
	Share in Gain/(Loss) of Subsidiary	(1.43)	N.A.	225.34	N.A.
Valiant Laboratories Limited	Revenue from Sale of Products	11,610.75	2,218.52	22,646.83	4,604.92
	Purchase of Asset	25.49	-	-	-
Valiant Advanced Sciences Private Limited	Sales of Land	-	-	1,811.01	-

Details of transactions with and balances outstanding of Key Managerial Personnel (KMP) / Close Family Members of Key Managerial Personnel:

(₹ in lakhs)

Name of Related Party	Nature of transaction	March 31, 2024		March 31, 2023	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Mr. Arvind K. Chheda	Remuneration	36.00	-	32.50	-
	Commission on Profit	-	-	47.45	30.45
Mr. Vishnu J. Sawant	Remuneration	24.00	-	22.00	-
Mr. Mahek M. Chheda	Remuneration	24.00	-	22.00	-
Mr. Mahesh M. Savadia	Remuneration	-	-	11.50	-
Mr. Dinesh S. Shah	Remuneration	-	-	8.47	-
Mr. Bijal D. Modi	Remuneration	-	-	18.55	-
Mr. Sathiababu Krishnan Kallada	Remuneration	33.00	-	27.50	-
Mr. Sathiababu Krishnan Kallada	Director Sitting fees	-	-	0.10	-
Mr. Sathiababu Krishnan Kallada	ESOP	50.45	-	-	-
Mr. Sudhirprakash Baburao Sawant	Director Sitting fees	0.75	-	-	-
Mr. Velji K. Gogri	Director Sitting fees	0.38	-	1.00	-

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for the year ended March 31, 2024

(₹ in lakhs)

Name of Related Party	Nature of transaction	March 31, 2024		March 31, 2023	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Mr. Mulesh M. Savla	Director Sitting fees	1.50	-	0.90	-
Mr. Dhirajlal D. Gala	Director Sitting fees	-	-	0.25	-
Mrs. Jeenal K. Savla	Director Sitting fees	-	-	0.30	-
Mrs. Sonal Vira	Director Sitting fees	0.60	-	0.20	-
Mr. Kirit H. Desai	Director Sitting fees	0.60	-	0.50	-
Mr. Kirit H. Desai	ESOP	50.45	-	-	-
Mr Santosh Shantilal Vora	Director Sitting fees	0.75	-	0.45	-
Mr Navin Chapshi Shah	Director Sitting fees	1.35	-	0.55	-
Mrs. Avani Lakhani	Remuneration	11.92	-	12.00	-
Mr. Siddharth D. Shah	Remuneration	23.78	1.39	20.23	-
Mr. Nemin M. Savadia	Remuneration	21.43	1.15	12.84	-
Mr. Mahesh M. Savadia	Professional Fees	14.73	1.10	13.50	1.10
Mr. Dinesh S. Shah	Professional Fees	15.00	1.13	12.50	-
Mr. Pankaj S. Shah	Remuneration	16.20	1.35	1.25	-

Details of transactions with and balances outstanding of Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promoters/ Group of Promoters

(₹ in lakhs)

Name of related party	Nature of transaction	March 31, 2024		March 31, 2023	
		Transaction value	Balance as on 31.03.2024	Transaction value	Balance as on 31.03.2023
Abhilasha Tex Chem P. Ltd. Gratuity Trust	Contribution to the Gratuity Funds	-	-	-	61.18
Valiant Organics Limited Gratuity Trust	Contribution to the Gratuity Funds	30.30	374.30	25.17	226.38
Amarjyot Chemicals P. Limited Gratuity Trust	Contribution to the Gratuity Funds	-	-	6.08	55.36
Shanti Intermediates Pvt. Ltd.	Revenue from Sale of Products	338.52	36.93	590.76	20.16
Dinesh Dyestuff Industries	Rent Paid	8.48	-	8.48	-
	Purchase of Goods	13.28	(3.30)	-	-
Alchemie Speciality Chemicals Pvt. Ltd.	Purchase of Goods	17.38	(264.32)	100.08	-
Alchemie Speciality Chemicals Pvt. Ltd.	Rent Received	14.16	0	14.16	-
Alchemie Speciality Chemicals Pvt. Ltd.	Interest Receivables	170.27	170.27	-	-
Alchemie Speciality Chemicals Pvt. Ltd.	Revenue from Sale of Products	1,602.82	2,095.27	3,076.28	2,687.67
Aarti Industries Limited	Revenue from Sale of Products	7,917.49	6,469.94	15,390.43	-
Aarti Industries Limited	Sale of Asset	875.00	-	-	-
Aarti Industries Limited	Interest Payable	390.00	(390.00)	-	-
Aarti Industries Limited	Purchase of Goods	24,773.03	(19,122.03)	37,097.60	9,316.24
Aarti Drugs Limited	Revenue from Sale of Products	1,883.41	320.76	1,647.17	269.13

Notes to the Financial Statements

for the year ended March 31, 2024

(₹ in lakhs)

Name of related party	Nature of transaction	March 31, 2024		March 31, 2023	
		Transaction value	Balance as on 31.03.2024	Transaction value	Balance as on 31.03.2022
Aarti Drugs Limited	Purchase of Goods	-	-	195.04	-
Aarti Pharmed Labs Limited	Revenue from Sale of Products	3,299.55	3,523.59	453.30	-
Aarti Pharmed Labs Limited	Purchase of Goods	1,938.78	(3,210.69)	971.60	686.10
Ganesh Polychem Limited	Purchase of Goods	943.83	(91.27)	1,475.21	65.99
Ganesh Polychem Limited	Revenue from Sale of Products	-	-	29.50	-
Dilish Logistics India Private Limited	Purchase of Goods	64.11	(22.08)	220.69	20.86
Mr Hemchand Gala	Gratuity Payment	-	-	44.56	-

39 Financial Instruments - Accounting Classification and Fair values

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Category-wise classification for applicable financial assets:

(₹ in lakhs)

	Current/ Non-Current	As at March 31, 2024				As at March 31, 2023			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets									
Financial assets measured at cost									
Investment in Subsidiaries	Non-Current	4,891.51	N.A	N.A	N.A	4,892.94	N.A	N.A	N.A
Financial assets measured at amortised cost									
Security Deposits	Non-Current	540.78	N.A	N.A	N.A	551.89	N.A	N.A	N.A
Trade Receivables	Current	20,936.22	N.A	N.A	N.A	21,177.95	N.A	N.A	N.A
Cash on hand	Current	4.58	N.A	N.A	N.A	3.29	N.A	N.A	N.A
Balance with Banks	Current	321.04	N.A	N.A	N.A	623.15	N.A	N.A	N.A
Other Fixed Deposits	Current	31.95	N.A	N.A	N.A	31.95	N.A	N.A	N.A
Security Deposits	Current	-	N.A	N.A	N.A	-	N.A	N.A	N.A
Loans to employees	Current	62.32	N.A	N.A	N.A	71.33	N.A	N.A	N.A
Interest Receivable	Current	12.27	N.A	N.A	N.A	10.77	N.A	N.A	N.A
Other Receivables	Current	280.73	N.A	N.A	N.A	280.69	N.A	N.A	N.A
		27,081.40				27,643.97	-	-	-
Financial assets measured at fair value through other comprehensive income (FVTOCI)									
Investments in Equity Shares and Preference Shares	Non-Current	525.45	232.29	253.00	40.16	366.81	176.13	151.80	38.88
Investments in Equity Shares	Current	-	-	-	-	20.23	20.23	-	-
		525.45	232.29	253.00	40.16	387.04	196.36	151.80	38.88
Total Financial Assets		27,606.85	232.29	253.00	40.16	28,031.02	196.36	151.80	38.88

Notes to the Financial Statements

for the year ended March 31, 2024

(₹ in lakhs)

	Current/ Non- Current	As at March 31, 2024				As at March 31, 2023			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Liabilities									
Financial liabilities measured at amortised cost									
Long term borrowings - Term Loans from Banks	Non-Current	7,416.10	N.A	N.A	N.A	5,856.20	N.A	N.A	N.A
Long-term maturities of lease obligations	Non-Current	32.40	N.A	N.A	N.A	23.76	N.A	N.A	N.A
Short term borrowings - Working capital loans from Banks	Current	14,103.48	N.A	N.A	N.A	16,020.38	N.A	N.A	N.A
Trade Payables									
- Due to Micro, Small and Medium Enterprises	Current	465.12	N.A	N.A	N.A	1,675.04	N.A	N.A	N.A
- Due to Others	Current	20,279.39	N.A	N.A	N.A	14,754.35	N.A	N.A	N.A
Creditors for Capital Goods	Current	1,073.67	N.A	N.A	N.A	1,291.80	N.A	N.A	N.A
Unclaimed Dividends	Current	3.92	N.A	N.A	N.A	3.76	N.A	N.A	N.A
Current maturities of finance lease obligations	Current	22.65	N.A	N.A	N.A	19.81	N.A	N.A	N.A
Other Current Liabilities	Current	653.65	N.A	N.A	N.A	528.30	N.A	N.A	N.A
Total Financial Liabilities		44,050.38	-	-	-	40,173.39	-	-	-

Fair value hierarchy

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, listed redeemable preference shares for which sufficient observable market data was not available during the year, etc. included in level 3

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level followed is given in the table above.

Notes to the Financial Statements

for the year ended March 31, 2024

40 Financial risk management objectives and policies

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's Risk Management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables and other payables.

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments, such as cross currency swaps and interest rate swaps to hedge foreign currency risk and interest rate risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

A. 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 risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in market interest rates. Company's interest rate risk arises from borrowings.

The following table demonstrates the sensitivity on the Company's profit before tax, to a reasonably possible change in interest rates of variable rate borrowings on that portion of loans and borrowings affected, with all other variables held constant:

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax

	(₹ in lakhs)	
	FY 2023-24	FY 2022-23
50 BPS increase would (decrease) the Profit before Tax by	85.10	90.88
50 BPS decrease would increase the Profit before Tax by	(85.10)	(90.88)

(ii) 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 transacts in several currencies and consequently the Company is exposed to foreign exchange risk through its sales outside India, and purchases from overseas suppliers in various foreign currencies. The company also has borrowings in foreign currency. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates / depreciates against these currencies. Foreign currency exchange rate exposure is partly balanced by purchase of raw materials and services in the respective currencies.

Notes to the Financial Statements

for the year ended March 31, 2024

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

	As at March 2024		As at March 2023	
	Amount in foreign currency - USD	Amount in Rupees- INR	Amount in foreign currency - USD	Amount in Rupees- INR
Liabilities				
United States Dollar (USD)	(82.34)	(6,865.05)	(80.27)	(6,428.32)
	(82.34)	(6,865.05)	(80.27)	(6,428.32)
Assets				
United States Dollar (USD)	8.42	702.27	18.90	1,554.24
CNY	-	-	14.38	172.07
	8.42	702.27	33.28	1,726.30
Net foreign currency denominated monetary liability/(asset) (total)				
United States Dollar (USD)	(73.92)	(6,162.79)	(61.37)	(4,874.09)
CNY	-	-	14.38	172.07
Foreign exchange derivatives				
USD (Hedged) - Currency swaps against foreign currency borrowings	(73.66)	(6,141.26)	(34.72)	(2,683.01)
Net foreign currency denominated monetary liability/(asset) (unhedged)				
United States Dollar (USD)	(0.26)	(21.53)	(26.66)	(2,191.08)

Foreign Currency Risk Sensitivity

The following tables demonstrate foreign currency sensitivity on unhedged exposure (1% increase / decrease in foreign exchange rates will have the following impact on profit before tax).

	FY 2023-24		FY 2022-23	
	+ 100 BPS	- 100 BPS	+ 100 BPS	- 100 BPS
United States Dollar (USD)	(0.22)	0.22	(21.91)	21.91

(iii) Equity Price Risk

The Company's investments in listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's Board of Directors reviews and approves all equity investment decisions.

Notes to the Financial Statements

for the year ended March 31, 2024

The following table summarises the sensitivity to change in the price of equity securities held by the Company on the Company's Equity and OCI. These changes would not have an effect on profit or loss.

(₹ in lakhs)

	Impact on other components of equity (OCI)	
	As at March 31, 2024	As at March 31, 2023
5% increase	11.67	9.82
5% decrease	(11.67)	(9.82)

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily for trade receivables and deposits with banks and other financial assets. The Company ensures that sales of products are made to customers with appropriate creditworthiness. Outstanding customer receivables are regularly monitored by the management. An impairment analysis is performed at each reporting date on an individual basis for major customers. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks.

Refer footnotes (c) and (d) below note no. 12 for ageing of trade receivables and movement in credit loss allowance.

C. Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations without incurring unacceptable losses. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company have access to undrawn lines of committed borrowing/facilities. The Company invests its surplus funds in bank fixed deposits and in mutual funds, which carry no or low market risk. The company consistently generates sufficient cash flows from operations or from cash and cash equivalents to meet its financial obligations including lease liabilities as and when they fall due.

(i) Financing arrangements

(₹ in lakhs)

	March 31, 2024	March 31, 2023
Secured borrowing facilities		
- Amount used	27,391.19	28,423.01
- Amount unused	12,283.81	11,251.99
Total	39,675.00	37,942.13

Notes to the Financial Statements

for the year ended March 31, 2024

(ii) Maturity profile of financial liabilities

	(₹ in lakhs)		
	Less than 1 year	Between 1 to 5 years	Over 5 years
As on March 31, 2024			
Borrowings	14,103.48	6,292.28	1,111.11
Lease Liabilities	22.65	32.40	-
Trade Payables	20,744.51	-	-
Other Financial Liabilities	1,731.24	-	-
	36,601.88	6,324.69	1,111.11
As on March 31, 2023			
Borrowings	16,020.38	5,886.20	-
Lease Liabilities	19.81	23.76	-
Trade Payables	16,429.38	-	-
Other Financial Liabilities	1,793.85	-	-
	34,263.43	5,909.96	-

D. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value, safeguard business continuity and support the growth of the Company. The Company manages its capital structure and makes suitable adjustments in light of changes in economic conditions.

	(₹ in lakhs)	
	March 31, 2024	March 31, 2023
Borrowings - Current and Non-Current	21,519.58	21,906.58
Long-term maturities of Lease obligations	32.40	23.76
Current maturities of Lease obligations	22.65	19.81
Less: cash and cash equivalent	(325.63)	(626.45)
Less: other balances with banks	(31.95)	(31.95)
Less: current investments	-	(20.23)
Net Debts	21,217.05	21,271.53
Total Equity	66,487.90	66,603.76
% Net debt to equity ratio	31.91%	31.94%

41 Additional regulatory information required by schedule III to the Companies Act, 2013

- The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- The Company does not have any transactions or relationships with any companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

Notes to the Financial Statements

for the year ended March 31, 2024

- (d) Utilisation of borrowed funds and share premium:
- (i) 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:
 - 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 to or on behalf of the ultimate beneficiaries.
 - (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - 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.
- (e) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (f) The Company has not traded or invested in crypto currency or virtual currency during the year.

42 Ratio Analysis

Sr. No.	Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Change	Reason for variance
1	Current ratio	Current Assets	Current Liabilities = Total current liabilities - Current maturities of non-current borrowings and lease obligations	1.07	1.20	-10.87%	Current Assets decreased more than Current Liabilities. Current Assets decreased on account of Trade Receivables & Cash & Equivalents while Current Liabilities decreased on account of short term borrowings
2	Net Debt-Equity ratio	Net debt = Non-current borrowings + Current borrowings + Non-current and current lease liabilities - Current investments - Cash and cash equivalents - Other balances with banks (including non-current earmarked balances)	Equity [Equity = Equity share capital + Other equity]	0.32	0.32	-0.08%	Borrowings decreased on account of repayments and dependency on short term funding
3	Debt Service Coverage ratio	Earnings before interest, tax, Depreciation & Amortisation	Total debt service [Total debt service = Finance Cost + Long Term Borrowings + Current Portion of Long Term Borrowings + Lease Liabilities]	0.33	1.17	-71.94%	EBITDA decreased more than the total debt service. Decrease in Long Term Borrowing was compensated by increase in Finance cost and current maturities of LTB

Notes to the Financial Statements

for the year ended March 31, 2024

Sr. No.	Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Change	Reason for variance
4	Return on Equity ratio	Profit after tax	Average total equity [Equity = Equity share capital + Other equity]	-0.46%	11.91%	-103.84%	Profits decreased mainly due to subdued demand in dyes & pigments industry, price correction across products and the fire incident; while Average Total Equity increased compared to the previous year
5	Inventory Turnover ratio	Cost of goods sold	Average Inventory	4.00	5.71	-29.96%	While Raw Material Consumption decreased; average inventory increased significantly due to market conditions
6	Trade Receivable Turnover ratio	Revenue from Sale of Products and Services	Average Trade Receivable	3.22	3.92	-17.99%	Revenue from operations decreased while average trade receivables increased. Au contraire, trade receivables for FY'23 decreased from FY'22 resulting in turnover ratio of 4.30 and 3.75 respectively
7	Trade Payable Turnover ratio	Adjusted Expenses [Adjusted Expenses = Total Expenses - Finance Cost - Depreciation and Amortisation Expense - Employee Benefit Expenses - Other expenses with respect to Rates & Taxes, Provision for Doubtful Debts, Sundry Balances Written-off, CSR and Foreign Exchange Gain/Loss]	Average Trade Payables	3.16	5.04	-37.33%	Adjusted expenses remained almost constant while average trade payables increased
8	Net Capital Turnover ratio	Revenue from Operations	Average Working capital = Current assets - Current liabilities	248.48	29.09	754.11%	Revenue from operations decreased more compared to average working capital

Notes to the Financial Statements

for the year ended March 31, 2024

Sr. No.	Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Change	Reason for variance
9	Net Profit ratio	Profit after tax	Revenue from operations	-0.45%	8.29%	-105.42%	Profits decreased mainly on account of overall fall in chemical industry
10	Return on Capital Employed	Earnings before interest and tax	Average Capital Employed [Capital Employed = Total Assets - Current Liabilities]	1.11%	14.19%	-92.18%	Profits decreased due to reduction in the revenue while average capital employed increased
11	Return on Investment	Income generated from Investments	Average Investments	1.26%	-3.91%	-132.13%	This is mainly due to reconstitution of step-subsiary from Partnership Firm to a Limited Liability Company since share of profit in subsidiary is recognised in the standalone financials of the holding company only on distribution.

43 Exceptional Item includes Profit on Sale of Land amounting to Rs. 575 Lakhs

Independent Auditor's Report

To the Members of
Valiant Organics Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated Financial Statements of Valiant Organics Limited ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries and an associate company together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity, for the year then ended and notes to the financial statements including a summary of material accounting policies and other explanatory information (herein after referred as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, and their consolidated loss, consolidated total comprehensive loss, consolidated cash flows and consolidated changes in equity for the year ended on that date.

BASIS OF OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence 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 judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
<p>Accuracy, Completeness, and disclosure with reference to Ind AS-16 of Property, Plant and Equipment (including Capital Work-in-Progress)</p> <p>The carrying value of property, plant and equipment (including capital work-in-progress) as on 31 March 2024 of Rs. 71,585.27 lakhs (as on 31 March 2023 Rs. 72,734.79 lakhs) include</p> <p>Rs. 5,855.16 lakhs as on 31 March 2024 capitalised / transferred from capital work in progress during the year. (FY 2023 Rs. 17,791.03 lakhs)</p> <p>Capital expenditure involves management's technical estimates and judgement about capitalisation, estimated useful life, impairment which has material impact on balance sheet and operating results of the Company.</p> <p>Refer Note no. 4 to the Consolidated Financial Statements.</p>	<p>Our audit procedures, amongst others, include the following –</p> <ul style="list-style-type: none"> ▪ Obtained an understanding of operating effectiveness of management's internal controls over capital expenditure. ▪ We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including Capital Work in Progress with reference to Indian Accounting Standard 16 - Property, Plant and Equipment. ▪ We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment as well as its assessment that the asset is ready for its intended use. ▪ We have verified the capitalisation of borrowing cost incurred on qualifying assets in accordance with the Indian Accounting Standard 23 - Borrowing Costs. • Confirmed adequacy of disclosures in the Consolidated Financial Statements

INFORMATION OTHER THAN FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, 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 to the extent available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding 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 Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including Other Comprehensive Income), Consolidated Cash Flows and Consolidated Changes in Equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors and Management of the companies and other entities included in the Group are responsible for maintenance of adequate accounting records in

accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate

accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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.

In preparing the Consolidated Financial Statements, the respective Board of Directors and Management of the companies and other entities included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors and Management either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors and Management of the Companies included in the Group are also responsible for overseeing the financial reporting process of their respective entities.

AUDITORS' RESPONSIBILITY FOR THE AUDIT OF 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 a part of an audit in accordance with SAs, we exercise professional judgement 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section

143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies and an associate company, which are companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of use of the going concern basis of accounting by the Management 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 matter that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for direction, supervision, and performance of the audit of the Financial Statements or business activities of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statement, which have been audited by other Auditors, such other Auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of

our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 MATTERS

We did not audit the Financial Statements/financial information of 1 subsidiary and 1 step down subsidiary (including its wholly owned subsidiary up to 3rd October 2023), whose annual financial statements reflect total assets of Rs. 7,758.78 lakhs as at 31 March 2024, total revenue from operations for the year ended of Rs. 11,095.45 lakhs, total net profit for the year of Rs. 508.15 lakhs and net cash inflows amounting to Rs. 0.63 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other Auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors. One of the subsidiaries is a non-corporate entity, whose primary financial statements have been prepared under Indian GAAP but the management of Holding Company

has passed necessary adjustment entries to align the same with accounting policies of Holding Company, which has been audited by us.

The consolidated audited financial statements also include the Group's share of loss after tax of Rs 156.46 lakhs for the period 4 October 2023 to 31 March 2024, as considered in the Statement, in respect of 1 indirect associate (including its wholly owned subsidiary). This financial information has been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this entity is based solely on the report of such auditors.

Our opinion on the consolidated financial statements above 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 other auditors and the financial statements/financial information certified/approved by the respective Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. With respect to matters specified in paragraph 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order" or "CARO"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, there are no qualifications or adverse remarks in the Companies (Auditor's Report) Order of the subsidiaries which is required to be included in the consolidated financial statements.
2. As required by section 143(3) of the Act, based on our audit, 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 purpose of our audit of the aforesaid Consolidated Financial Statements.
 - b. In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated

Changes in Equity dealt with by this report are in agreement with the underlying books of account maintained by the Holding Company and its subsidiaries companies and an associate company for the purpose of preparation of the Consolidated Financial Statements.

- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors who are appointed under section 139 of the Act of its subsidiary companies and an associate company, none of the directors of the Group's companies, is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements.
- g. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries companies and an associate company incorporated in India, value of remuneration paid by the Holding Company to one of its non-executive directors during the year exceeds the permissible limit of remuneration for the Non-Executive Directors under the relevant provisions of the Companies Act, 2013 read with Schedule V thereof by Rs. 22.12 lakhs.
- h. The Holding Company had already passed a Special Resolution in the general meeting approving the ESOP scheme, pursuant to which the stock options had been granted to such Non-Executive Director. In view of the relevant provisions of the Companies Act, 2013, the Nomination and Remuneration Committee and Board of Directors of the Holding Company, in their respective meeting held on 24 May 2024, have proposed to pass a special resolution

for waiver of recovery of excess remuneration paid to such director and the said resolution will be placed before the shareholders for their approval in forthcoming general meeting.

i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note no 37 to the Consolidated Financial Statements).

(ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries and an associate company incorporated in India during the year ended 31 March 2024.

(iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note no 43 (d) (i) to the consolidated financial statements, 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 its Subsidiaries or an associate company incorporated in India 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 Holding Company or its Subsidiaries incorporated in India ("Ultimate Beneficiaries") or provide any

guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in Note no. 43 (d) (ii) to the consolidated financial statements, no funds have been received by the Holding Company or its Subsidiaries or an associate company incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its Subsidiaries incorporated in India 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 and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Board of Directors of the Holding Company has not proposed and/or paid any dividend (interim or final) in the current and previous year, hence section 123 of the Act is not applicable in this regard.

The Board of Directors of the subsidiary companies have not proposed any final dividend for the FY 2023-24.

(vi) Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, and proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April 2023.



Based on our examination which included test check, the Holding Company has used accounting software for maintaining books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year except that

- (a) In case of the Holding Company and its subsidiary company, the Company is in the process of implementing feature of recording audit trail at database level to log any direct changes for the accounting software used for maintaining the books of accounts..
- (b) In case of the associate company, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account relating to payroll, consolidation process and certain non editable fields/ tables of the accounting software used for maintaining general ledger.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

Tejas Parikh
Partner
Membership Number: 123215
UDIN: 24123215BKBOAI7764

Place: Mumbai
Date: 24 May 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the Valiant Organics Limited as on 31 March 2024 in conjunction with our audit of the Consolidated Financial Statements of Valiant Organics Limited (hereinafter referred to as "the Holding Company") and its subsidiaries and an associate company (the Holding Company and its subsidiaries and an associate company together referred to as "the Group") for the year ended that date.

In our opinion, to the best of our information and according to the explanations given to us, the Group has, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2024, based on the criteria for internal financial control over financial reporting 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 ICAI.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiaries and an associate company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 policies of the Company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial

statements of the Holding Company and its subsidiaries and an associate company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting 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 judgement of the Auditor, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements of the Holding Company and its subsidiary companies and an associate company, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

The internal financial control over financial reporting of the Company 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. The internal financial control over financial reporting of the Company includes those policies and procedures that

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group

- (ii) 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
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of assets of the Group that could have a material effect on the Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated

financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the subsidiary companies incorporated in India, to the extent applicable and an associate company, is based on the corresponding report of the auditor of such companies . Our opinion is not modified in respect of this matter.

For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

Tejas Parikh
Partner
Membership Number: 123215
UDIN: 24123215BKBOAI7764

Place: Mumbai
Date: 24 May 2024

Consolidated Balance Sheet

as at March 31, 2024

(₹ In Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I. ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	62,971.38	65,646.30
(b) Capital work-in-progress	4	8,613.89	7,088.49
(c) Right to Use assets	5	53.40	124.31
(d) Other Intangible Assets	6	23.75	21.32
(e) Goodwill on consolidation		1,232.76	1,232.76
(f) Financial Assets			
(i) Other Investments	7A	9,529.66	366.81
(ii) Other Financial Assets	8A	540.78	675.35
(g) Other non-current assets	9A	558.02	1,662.85
Total Non-Current Assets		83,523.65	76,818.17
Current assets			
(a) Inventories	10	11,423.24	12,622.18
(b) Financial Assets			
(i) Investments	7B	330.00	3,752.09
(ii) Trade Receivables	11	20,936.22	25,429.87
(iii) Cash and Cash Equivalents	12	348.23	775.08
(iv) Other Balances with Banks	13	31.95	39.95
(v) Loans	14	4,923.93	78.38
(vi) Other Financial Assets	8B	292.99	363.69
(c) Other Current Assets	9B	1,717.13	3,083.71
(d) Current Tax Assets (Net)	15	1,269.14	959.51
Total Current Assets		41,272.82	47,104.45
TOTAL ASSETS		1,24,796.48	1,23,922.62
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16B	2,757.50	2,715.35
(b) Optionally Convertible Preference Shares	16B	-	40.56
(c) Other Equity	17	70,171.78	66,161.81
(d) Non Controlling Interests	18	0.13	5,088.50
Total Equity		72,929.42	74,006.22
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
- Borrowings	19A	7,416.10	7,060.72
- Lease Liabilities	20A	32.40	107.81
(b) Provisions	21A	185.99	153.04
(c) Deferred Tax Liabilities (net)	22	2,915.94	3,324.50
Total non-current liabilities		10,550.43	10,646.08
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19B	18,230.24	20,179.21
(ii) Lease Liabilities	20B	22.65	17.52
(iii) Trade Payables	23		
A) Total Outstanding Dues of Micro enterprises and Small Enterprises; and		465.12	1,678.81
B) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises		20,279.39	14,880.88
(iii) Other Financial Liabilities	24	1,731.58	1,998.86
(b) Other Current Liabilities	25	219.83	217.09
(c) Provisions	21B	367.82	297.95
Total Current Liabilities		41,316.63	39,270.32
TOTAL EQUITY AND LIABILITIES		1,24,796.48	1,23,922.62

Notes forming part of the financial statements

1-45

The accompanying notes are an integral part of the Ind AS financial statements.

Previous year figures have been recasted/restated wherever necessary. Previous year figures are not comparable since one of the step down subsidiary became stepdown associate- refer note 7

As per our report of even date attached.

For **Gokhale & Sathe**
Chartered Accountants
(Firm Regn No.103264W)

For and on behalf of the Board of Directors

Sd/-
Tejas Parikh
Partner
Membership No. 123215

Sd/-
Shri. Sathiababu K. Kallada
(Managing Director)
DIN: 02107652

Sd/-
Mr. Kaustubh Kulkarni
(Company Secretary)
ICSI M. No. A52980

Sd/-
Mr. Mahek Chheda
(Executive Director and CFO)
DIN: 06763870

Date: May 24, 2024

Place: Mumbai

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(₹ In Lakhs)

Particulars		Note No.	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
I	Revenue from operations	26	72,305.94	1,05,180.48
II	Other income	27	930.07	803.26
III	Total Revenue (I + II)		73,236.01	1,05,983.74
IV	Expenses			
	Cost of materials consumed	28	48,340.20	67,960.92
	Purchase of stock-in-trade	29	623.05	1,385.22
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(104.39)	(498.52)
	Employee benefits expense	31	4,934.73	4,633.16
	Finance costs	32	1,634.34	1,079.27
	Depreciation, Amortization and Impairment Expenses	33	3,492.49	2,918.93
	Other expenses	34	14,687.35	15,276.52
IV	Total Expenses		73,607.78	92,755.50
V	Profit before Exceptional items and tax (III - IV)		(371.76)	13,228.24
VI	Share of Profit/(Loss) of Associates		(156.46)	
VII	Exceptional Items	45	(341.09)	489.78
VIII	Profit before tax (V - VI-VII)		(869.32)	13,718.02
IX	Tax expense:			
	Current tax		313.75	2,637.07
	(Excess) / Short Provision of earlier year		-	160.15
	Deferred tax charge / (credit)		(343.42)	664.33
	Total tax Expense		(29.67)	3,461.55
X	Profit for the year (V - VI)		(839.65)	10,256.47
XI	Other comprehensive income:			
	Items that will not be reclassified to profit or loss in subsequent year			
	Re-measurement of the net defined benefit plan (net of taxes)		11.63	(15.59)
	Fair value changes of various Financial instruments (net of taxes)		59.11	30.81
XII	Total other comprehensive income / (loss) for the year, net of tax		70.74	15.23
XIII	Total comprehensive income for the year (VII + VIII)		(768.91)	10,271.70
	(Total of profit and other comprehensive income for the year)			
	Profit for the year			
	Attributable to:			
	Non-controlling interests		(0.53)	1,444.33
	Owners of the Parent		(839.13)	8,812.14
	Total other comprehensive income for the year			
	Attributable to:			
	Non-controlling interests		(0.53)	1,513.09
	Owners of the Parent		(768.38)	8,758.61
	Earnings per equity share of ₹ 10/- each (Previous Year: ₹ 10/- each)			
	(1) Basic		(3.07)	32.45
	(2) Diluted		(3.00)	31.50

Notes forming part of the financial statements 1-45

The accompanying notes are an integral part of the Ind AS financial statements.

Previous year figures have been recasted/restated wherever necessary. Previous year figures are not comparable since one of the step down subsidiary became stepdown associate- refer note 7

As per our report of even date attached.

For **Gokhale & Sathe**
Chartered Accountants
(Firm Regn No.103264W)

For and on behalf of the Board of Directors

Sd/-
Tejas Parikh
Partner
Membership No. 123215

Sd/-
Shri. Sathiababu K. Kallada
(Managing Director)
DIN: 02107652

Sd/-
Mr. Kaustubh Kulkarni
(Company Secretary)
ICSI M. No. A52980

Sd/-
Mr. Mahek Chheda
(Executive Director and CFO)
DIN: 06763870

Date: May 24, 2024
Place: Mumbai

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

A. Equity Share Capital Current Reporting Period

(₹ in Lakhs)

Particulars	Balance as on April 1, 2023	Changes in equity share capital during the period	Balance as on March 31, 2024
Ordinary Equity Shares	2,715.35	40.56	2,755.90
Optionally Convertible Equity Shares (Instruments entirely equity in nature)	40.56	(40.56)	-
Equity Shares under ESOP	-	1.60	1.60
Total	2,755.90	-	2,757.50

Previous Reporting Period

(₹ in Lakhs)

Particulars	Balance as on April 1, 2022	Changes in equity share capital during the period	Balance as on March 31, 2023
Ordinary Equity Shares	2,715.35	-	2,715.35
Optionally Convertible Equity Shares (Instruments entirely equity in nature)	40.56	-	40.56
Total	2,755.90	-	2,755.90

Footnote: Pursuant to the scheme of arrangement with Amarjyot Chemical Limited, OCPS were supposed to be converted into equity shares or Redeemable Preference Shares (RPS) before February 2022. After obtaining consent from OCPS shareholders for conversion into equity shares, the Company filed a Settlement Application with SEBI on December 19, 2022. Following SEBI's settlement order dated September 18, 2023, received by the Company on September 20, 2023, 4,05,561 OCPS were converted into equity shares on December 6, 2023. The Company has received both listing and trading approval of these equity shares from BSE and NSE. These converted equity shares are eligible to receive bonus equity shares in a 1:1 ratio, as previously declared.

B. Other Equity

(₹ in Lakhs)

Particulars	Reserve and surplus					Equity instruments through Other Comprehensive Income	Employee Stock Option Plan	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained earnings			
Opening Balance as at April 01, 2022	7,846.30	38.40	-	3,910.88	46,468.32	295.14	-	58,559.05
Net profit for the year					8,812.14			8,812.14
Fair value changes of various Financial instruments (net off tax)						(36.21)		(36.21)
Remeasurement Gain/(Loss) on defined benefit plan (net of tax)					(17.32)			(17.32)
Amount utilized for Dividend and Dividend Distribution Tax					(1,221.91)			(1,221.91)
ESOPs Recognised during the period							66.06	66.06
Balance as at March 31, 2023	7,846.30	38.40	-	3,910.88	54,041.23	258.93	66.06	66,161.81

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Reserve and surplus					Equity instruments through Other Comprehensive Income	Employee Stock Option Plan	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained earnings			
Net profit for the year					(839.69)			(839.69)
Fair value changes of various Financial instruments (net off tax)						59.11		59.11
Remeasurement Gain / (Loss) on defined benefit plan (net off tax)					11.63			11.63
Fair value adjustment on account of dilution of control(refer note 7)	4,663.07							4,663.07
Transfers from ESOP reserves to Securities Premium			100.89				(100.89)	0.00
ESOPs Recognised during the period							115.83	115.83
Balance as at March 31, 2024	12,509.37	38.40	100.89	3,910.88	53,213.17	318.04	81.00	70,171.76

- The accompanying notes are an integral part of the Ind AS financial statements.
- Previous year figures have been recasted/restated wherever necessary.
- Retained Earnings include Remeasurement Loss (net of tax) on Defined Benefit Plans to the extent of ₹ 62.66 Lakhs (PY ₹ 54.82 Lakhs).

C. Notes forming part of the financial statements [Note No. 1 - 45]

As per our report of even date.

For **Gokhale & Sathe**
Chartered Accountants
(Firm Regn No.103264W)

For and on behalf of the Board of Directors

Sd/-
Tejas Parikh
Partner
Membership No. 123215

Sd/-
Shri. Sathiababu K. Kallada
(Managing Director)
DIN: 02107652

Sd/-
Mr. Kaustubh Kulkarni
(Company Secretary)
ICSI M. No. A52980

Sd/-
Mr. Mahek Chheda
(Executive Director and CFO)
DIN: 06763870

Date: May 24, 2024
Place: Mumbai

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

	(₹ In Lakhs)	
	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(A) Cash Flow from Operating Activities		
Net Profit Before Tax	(869.32)	13,718.02
Adjustments		
Add:-		
Loss of controlling interest in step down subsidiary	(916.09)	-
Finance Cost	1,941.82	1,079.27
Foreign Exchange Loss	(41.60)	
Depreciation and Amortization and Impairment Expense	3,492.49	2,918.93
Less:-		
Interest Income	183.17	39.38
Fair Value Changes on Financial Instruments	56.59	
Gain on revaluation of investments due to Ind AS Adjustments	13.08	
Profit/(Loss) on sales of Assets	(1.75)	(47.16)
Dividend Income	0.56	0.89
Operating Profit Before Working Capital Changes	3,355.67	17,723.11
Adjustments		
Add/(Less):		
(Increase) / Decrease in Trade Receivables	4,493.65	6,663.81
(Increase) / Decrease in Inventories	1,198.95	(1,258.46)
(Increase) / Decrease Loans	(4,640.29)	(383.73)
(Increase) / Decrease other Current Assets	509.21	(18.37)
(Increase) / Decrease other non-Current Assets	(227.02)	(42.27)
Increase / (Decrease) in Trade Payable	4,184.82	3,440.19
Increase / (Decrease) in Provisions	102.81	102.02
Increase / (Decrease) in Other Current Liabilities	2.74	(20.37)
Increase / (Decrease) in Financial Liabilities	(266.76)	383.95
Cash Generated from Operation	8,713.77	26,589.88
Direct Taxes Paid	(313.75)	(2,797.22)
Net Cash From Operating Activities (A)	8,400.02	23,792.66
(B) Cash Flow From Investing Activities		
Addition to Property, Plant and Equipment and CWIP(net)	(7,362.40)	(13,621.59)
Sales Proceeds of Property, Plant and Equipment (PPE)	876.99	2,158.22
Bank Balances not considered as Cash and Cash Equivalents	-	1,993.60
Purchase of investments	(101.20)	(3,295.60)
Capital Advances	(130.61)	(1,549.13)
Interest Income	183.17	39.38
Sales of investments	34.74	-
Dividend Income	0.56	0.89
Net Cash from Investing Activities (B)	(6,498.75)	(14,274.23)
(C) Cash Flow From Financing Activities		
Proceeds / (Repayment) from Short Term Borrowings	(1,916.90)	(5,501.45)
Proceeds / (Repayment) from Long Term Borrowings	1,529.89	(3,516.13)
Payment of Lease Liability	11.48	54.21
Dividend & Tax thereon	-	(1,221.91)
Interest Paid	(1,937.99)	(1,062.75)
Proceeds from issue of share capital	1.60	
Net Cash from / (Used) in Financing Activities (C)	(2,311.92)	(11,248.03)
Net Increase / (Decrease): in Cash and Cash Equivalents (A+B+C)	(410.65)	(1,729.58)
Opening Balance of Cash and Cash Equivalents	775.08	2,504.68
Loss of controlling interest in step down subsidiary	(16.20)	
Closing Balance of Cash and Cash Equivalents	348.23	775.08

Notes forming part of the financial statements [Note No. 1 - 43]

1. The accompanying notes are an integral part of the Ind AS financial statements.

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

- Previous year figures have been recasted/restated wherever necessary including those as required in keeping with revised Schedule III amendments.
- Figures in brackets indicate cash outgo.
- The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS 7 Statement of Cash Flow.
- Cash flows from operating activities include ₹ 213.49 lakhs (March 31, 2021: ₹ 337.15 lakhs) being expenses towards Corporate Social Responsibility initiatives.

6. Cash and Cash Equivalents comprises of:

	(₹ In Lakhs)	
	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
a. Cash on Hand	4.83	10.74
b. Balances with Banks	343.40	764.34
Total	348.23	775.08

7. Changes in liabilities arising from financing activities

FY 2023-24

Particulars	As at April 1, 2023	Net Cash Flow	Non-Cash Flow Changes			As at March 31, 2024
			Net Addition / Accrued Interest	Forex Loss / (Gain)	Other Changes	
Non-current Financial Liabilities						
- Borrowings	7,060.72	1,520.20	(1,174.52)	9.69	-	7,416.09
- Lease Liabilities	107.81	-	(53.94)	-	(21.47)	32.40
Current Financial Liabilities						
- Borrowings	20,179.21	28,450.03	(30,399.00)	-	-	18,230.24
- Lease Liabilities	17.51	-	(16.33)	-	21.47	22.65

Particulars	As at April 1, 2022	Net Cash Flow Receipts	Non-Cash Flow Changes			As at March 31, 2023
			Net Addition / Accrued Interest	Forex Loss / (Gain)	Other Changes	
Non-current Financial Liabilities						
- Borrowings	10,576.85	770.32	-	93.53	(4,379.98)	7,060.72
- Lease Liabilities	54.06	-	69.35	-	(15.60)	107.81
Current Financial Liabilities						
- Borrowings	25,680.66	(9,881.43)	-	-	4,379.98	20,179.21
- Lease Liabilities	31.46	(39.66)	10.12	-	15.60	17.51

The accompanying notes are an integral part of the Ind AS financial statements.

Previous year figures have been recasted/restated wherever necessary.

As per our report of even date attached.

For **Gokhale & Sathe**
Chartered Accountants
(Firm Regn No.103264W)

For and on behalf of the Board of Directors

**Sd/-
Tejas Parikh**
Partner
Membership No. 123215

**Sd/-
Shri. Sathiababu K. Kallada**
(Managing Director)
DIN: 02107652

**Sd/-
Mr. Kaustubh Kulkarni**
(Company Secretary)
ICSI M. No. A52980

**Sd/-
Mr. Mahek Chheda**
(Executive Director and CFO)
DIN: 06763870

Date: May 24, 2024

Place: Mumbai

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

STATEMENT OF MATERIAL ACCOUNTING POLICIES

1 Corporate Information

Valiant Organics Limited ("VOL" or "The Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at 109 UDYOG KSHETRA 1ST FLOOR MULUND GOREGAON LINK ROAD MULUND (W) MUMBAI MH 400080 INDIA, The Company is engaged in manufacturing and dealing in Speciality Chemicals and Pharmaceuticals in India and broad. The Company & its Subsidiaries are referred to as Group here under.

These consolidated financial statements were approved for issue in accordance with the resolution of the Board of Directors on May 24, 2024.

Name of the entity	Country of Incorporation	% of Holding as at 31.03.2024
Valiant Speciality Chemical Limited	India	100.00%
Dhanvallabh Ventures LLP	India	73.15%
Valiant Laboratories limited (Through Dhanvallabh Ventures LLP as a partner. However the Company ceases to be a Subsidiary Company w.e.f October 06, 2023)	India	46.84%
Valiant Advanced Sciences Private Limited (Through Valiant laboratories limited, Through Dhanvallabh Ventures LLP as a partner. However the Company ceases to be a Subsidiary Company w.e.f October 06, 2023)	India	46.84%

2 SUMMARY OF BASIS OF COMPLIANCE, BASIS OF PREPARATION AND PRESENTATION, AND CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

2.1 Basis of Compliance

The company's consolidated financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by

Ministry of Corporate Affairs in respect of Section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except if compliance with other statutory promulgations require a different treatment. These financial statements have been approved by the Board of Directors at their meeting held on May 24, 2024.

2.2 Basis of Preparation of Financial Statements

The Consolidated Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows".

The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Ind AS and in accordance with guidelines issued by the Securities and Exchange Board of India ("SEBI").

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- (i) Certain financial instruments measured at fair value (refer accounting policy regarding financial instruments); and
- (ii) Employee's Defined Benefit Plan as per actuarial valuation.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.

Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries as at the reporting date.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

Subsidiaries

Subsidiaries include all the entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns through its involvement in the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date control commences until the date control ceases.

The Consolidated Financial Statements have been prepared on the following basis:

The financial statements of the Company and its Subsidiaries have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transactions and resulting unrealised profit or losses, unless cost cannot be recovered, as per the applicable Indian Accounting Standards. Accounting Policies of the respective subsidiaries are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

In case of subsidiaries which are non-corporate entities, whose primary financial statements have been prepared under Indian GAAP, the management of Holding Company has passes necessary adjustment entries to align the same with accounting policies of Holding Company.

The results of subsidiaries acquired or disposed during the year are included in the Consolidated Financial Statements from the effective date of acquisition and up to the effective of disposal, as appropriate.

The Consolidated Financial Statements are presented, to the extent applicable, in accordance with the requirements of Schedule III of the Companies Act, 2013 as applicable to the Company's Standalone Financial Statements.

Non-Controlling Interest ('NCI') in the net assets of the subsidiaries that are consolidated consists of the amount of equity attributable to non-controlling investors at the reporting date.

Goodwill on Consolidation is measured as the excess of the sum of the consideration transferred, the amount of NCI in the subsidiary and any previous interest held

by the holding company over the net of acquisition date fair value of identifiable assets acquired and liabilities assumed.

Profit and Loss and each component of OCI are attributed to the equity holders of the holding company and to the NCI, even if this results in the NCI having a deficit balance.

Changes in Ownership Interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiaries. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate because of loss of control, any retained interest in the entity is remeasured to its fair value with the change of subsequent accounting for the retained interest as an associate, joint venture, or financial asset, as appropriate.

During the year share of profit from step down associate has been accounted using equity method of accounting as per INDAS-28

Functional & Presentation Currency:

The consolidated financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values in the financial statements are rounded off to the nearest rupees in lakhs except otherwise indicated.

2.3 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented along with the accompanying disclosures

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected.

The following are the critical estimates, assumptions and judgments that the management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the financial statements:

2.3.i. Provision for Income Tax and Deferred Tax Assets:

The Company uses estimates and judgements based on the relevant rulings in the areas of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax at the end of each reporting period.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.3.ii. Useful Lives of Property, Plant and Equipment ("PPE"):

Property, plant and equipment represents a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

2.3.iii Defined Benefit Plans (Gratuity):

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 and is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.3.iv Provisions and Contingent Liabilities:

The Company estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.3.v Provision against Obsolete and Slow-Moving Inventories:

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use at each balance sheet date. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions.

2.3.vi Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as market risk, liquidity risk and credit risk.

2.3.vii Allowance for Credit Losses on Receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates.

2.3.viii 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. 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 other available fair value indicators.

2.3.ix Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgment in assessing the lease term and the applicable discount rate.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or

terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Classification of Current versus Non-Current:

All assets and liabilities in the financial statements have been classified as current or non-current as per the Company's normal operating cycle of up to twelve months.

For the purpose of Balance Sheet, an asset is classified as current if:

- (i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to realise the asset within twelve months after the reporting period; or
- (iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the

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issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

3.2 Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use less accumulated depreciation and accumulated impairment losses, if any. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs is capitalised in accordance with the company's accounting policy.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

Long term lease arrangements of land are treated as PPE, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected with the carrying amount of any component accounted for as a separate asset is derecognised when replaced. Gains or losses arising from de-recognition of a PPE 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.

Depreciation methods, estimated useful lives and residual value:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is

provided using straight line method, so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation on additions/ disposals is provided on a pro-rata basis i.e. from/ upto the date on which asset is ready for use/ disposed.

The Company uses different useful lives than those prescribed in Schedule II to the Act for some of the assets. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

The company has used the following useful lives to provide depreciation on the following assets:

PARTICULARS	DEPRECIATION
Factory Building	Over a period of 30 years
Plant & Machinery	Over its useful life as technically assessed, i.e over a period of 19 years
Vehicle	Over a period of 10 years
Computers	Over a period of 3 years
Furniture and Fixtures	Over a period of 10 years
Office Equipment	Over a period of 5 years
Leasehold Land	Over the tenure of lease

3.3 Capital Work-in-Progress

Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. The same is carried at cost, comprising of direct costs, related incidental expenses and attributable borrowing costs. Project expenses pending allocation are apportioned to the PPE of the project proportionately on capitalisation.

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3.4 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the company and cost of the assets can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are carried at cost less any accumulated amortisation and cumulative impairment losses. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is charged to the statement of profit or loss in the period in which the expenditure is incurred.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation:

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 assets are considered to modify the amortisation period or method, as appropriate, and are treated as change in accounting estimates. Amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss

unless such expenditure forms part of carrying value of another assets.

Intangible Assets without finite life are tested for impairment at each Balance sheet date and impairment provision, if any are debited to profit and loss.

The estimated useful lives of the amortisable intangible assets are as follows:

PARTICULARS	AMORTISATION
computer software	3 year

3.5 Business Combinations and Goodwill:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. The consideration transferred does not include amount related to the settlement of pre-existing relationships with the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in statement of profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the relevant Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and any difference subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the fair value of identifiable assets acquired net of fair value of liabilities assumed. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists

Notes to the Consolidated Financial Statements

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clear evidence, of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise, the gain is recognised directly in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the entities' cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

3.6 Impairment of Non-Financial Assets

The Company assesses at each reporting date, whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for such asset is required, the Company estimates the asset's recoverable amount in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount which is higher of asset's (or cash generating unit's) net selling price or the value in use. The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset (or cash generating unit) and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset (or cash generating units).

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit). A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

3.7 Inventories:

Inventories are valued, after providing for obsolescence as given below:

Raw Materials, Packing Materials and Stores and Spares:

Raw materials, packing materials and stores and spares are valued at lower of Cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on FIFO method.

Work-in-process:

Work-in-process is valued at the lower of cost and net realizable value. The cost is computed on FIFO method.

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Finished Goods, Semi-Finished Goods and Traded Goods:

Finished goods, Semi-finished goods and traded goods are valued at lower of cost and net realisable value. The cost is computed on FIFO method. Cost is determined on FIFO basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit), cost of conversion and other costs incurred in acquiring the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.8 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid financial instruments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value with an original maturity of three months or less.

3.9 Employee Benefits

(a) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages short-term compensated absences, expected cost of bonus, etc. are recognised in the period in which the employee renders the related services.

(b) Post-employment benefits:

(i) Defined Contribution Plan:

The Company makes defined contribution to Employee Provident Fund, Employee Pension Fund, Employee Deposit Linked Insurance, and Superannuation Schemes. The contribution paid/payable under these schemes is recognised during the period in which the employee renders the related service which are recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services.

(ii) Defined Benefit Plan

The gratuity liability of the company is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under

which the annual contribution is paid to LIC. The Company's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

(c) Long term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, actuarial valuations being carried out at each Balance Sheet date.

(d) Employee Stock Option Plan:

The Company recognizes compensation expense relating to share-based payments in net profit based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding accounts"

3.10 Provisions, Contingent Liabilities and Contingent Assets Provisions

The Company recognizes a provision when it has a present legal or constructive obligation as a result of past events, it is likely that an outflow of resources will

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for the year ended March 31, 2024

be required to settle the obligation; and the amount has been reasonably estimated. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

Contingent Liabilities

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefit will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Onerous Contracts:

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

3.11 Taxes:

The tax expenses comprise of current tax and deferred income tax charge or credit. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity

Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period

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.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date

Deferred tax liabilities are recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded in other comprehensive income or in equity along with the tax as applicable.

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Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

3.12 Revenue Recognition

Revenue from Operations:

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

To recognise revenues, the Company applies the following five step approach in accordance with Ind AS 115:

- (a) identify the contract with a customer
- (b) identify the performance obligations in the contract
- (c) determine the transaction price
- (d) allocate the transaction price to the performance obligations in the contract and
- (e) recognise revenues when a performance obligation is satisfied.

Sale of Goods:

The Company recognises revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Sale of Services:

Revenue from services is recognised when the performance obligation is met and the right to receive income is established.

Interest Income:

For all debt instruments measured either at amortised cost or at fair value through other comprehensive

income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. 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 and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividend Income:

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Export Incentives:

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

Other Income:

Revenue with respect to Other Operating Income and Other Income including insurance and other claims are recognised when a reasonable certainty as to its realisation exists.

3.14 Leases:

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

As a Lessee:

The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to

- (a) control the use of an identified asset
- (b) obtain substantially all the economic benefits from use of the identified asset, and
- (c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option."

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The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Right-of-Use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-of-Use asset or the end of the lease term. The estimated useful lives of Right-of-Use assets are determined on the same basis as those of property, plant and equipment. In addition, the Right-of-Use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease payments included in the measurement of the lease liability comprises fixed payments, including amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease

payments in an optional renewal period if the Company is reasonably certain to exercise an extension option. The lease liability is subsequently measured at amortised cost using the effective interest method.

Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Finance charges are recognised as finance costs in the statement of profit and loss.

As a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.15 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred. 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.

In determining the amount of borrowing costs eligible for capitalization, any income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.16 Foreign Currency Transactions

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each

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Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.17 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources

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.

3.18 Exceptional items

When items of income or expense within the statement of profit & loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such material items are disclosed separately as exceptional items.

3.19 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity. The Company determines the classification of its financial assets and liabilities at initial recognition.

XI Initial Recognition:

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the transaction values, at fair values. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from as the case may be, from the fair value of on initial recognition.

XII Classification and Subsequent Measurement of Financial Assets:

The Company classifies financial assets, subsequently at amortised cost, Fair Value through Other Comprehensive Income ("FVTOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset

(a) Financial Assets measured at Amortised Cost:

A Financial Asset is measured at amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

(b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

(c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the

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criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Classification and Subsequent Measurement of Financial Liabilities:

(a) Financial liabilities measured at Fair Value Through Profit or Loss (FVTPL):

Financial liabilities are classified as FVTPL when the financial liability is held for trading or is a derivative (except for effective hedge) or are designated upon initial recognition as FVTPL. Gains or Losses, including any interest expense on liabilities held for trading are recognised in the Statement of Profit and Loss.

(b) Other Financial liabilities:

Other financial liabilities (including loans and borrowings, bank overdraft and trade and other payables) are subsequently measured at amortised cost using the effective interest method. "

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Debt and Equity Instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a

Company are recognised at the proceeds received, net of direct issue costs.

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investments in subsidiaries:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

De-recognition of Financial Instruments:

The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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A Financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract 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 between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Impairment of Financial Assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of all Financial Assets subsequent to initial recognition other than financial assets measured at fair valued through profit and loss (FVTPL). For Trade Receivables and all lease receivables resulting from transactions within the scope of Ind AS 116 the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. For other financial assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk since its initial recognition. If there is significant increase in credit risk since its initial recognition full lifetime ECL is used. The impairment losses and reversals are recognised in Statement of Profit and Loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of

the lifetime ECL which results from default events that are possible within 12 months after the reporting date. 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.

Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and it is intended to either settle them on net basis or to realise the asset and settle the liability simultaneously.

Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Financial instruments by category are separately disclosed indicating carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative Financial Instruments:

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

Notes to the Financial Statements

for the year ended March 31, 2024

4 Property, Plant and Equipment (PPE)

Particulars	(₹ in Lakhs)											
	Land	Factory Building	Plant & Machinery	Power Plant	Electrical Installations	Laboratory Equipment	Furniture & Fixture	Vehicle	Computer	Office Equipment	Total	Capital Work in Progress (CWIP)
Year ended March 31, 2023												
Gross carrying amount												
Opening gross carrying amount as at April 1, 2022	4,673.61	13,952.38	44,095.53	180.01	247.36	237.99	456.36	437.59	168.55	174.82	64,196.83	11,160.73
Addition during the year	2,874.15	758.40	3,564.16	-	-	14.53	73.13	10.17	27.94	44.04	7,366.51	6,352.28
Assets capitalised during the year from CWIP	399.11	10,025.41	(660.05)	-	-	-	-	(7.54)	-	-	10,424.52	(10,424.52)
Disposals during the year	(1,331.78)	(80.16)	(660.05)	-	-	-	-	-	-	-	(2,079.53)	-
Closing gross carrying amount	6,215.97	15,029.73	57,025.05	180.01	247.36	252.52	529.49	440.22	196.49	218.86	79,908.32	7,088.49
Accumulated depreciation												
Opening accumulated depreciation	197.64	1,346.86	8,973.62	44.13	62.56	76.59	116.51	221.89	141.54	95.92	11,170.58	-
Depreciation charge during the year	51.95	440.85	2,231.75	9.00	22.39	24.01	44.71	29.71	22.46	27.94	2,873.37	-
Disposals during the year	(21.56)	(40.68)	(111.25)	-	-	-	-	(7.54)	-	-	(181.03)	-
Closing accumulated depreciation	228.03	1,747.03	11,094.11	53.13	84.96	100.60	161.23	244.07	164.00	123.85	13,862.92	-
Net carrying amount year ended March 31, 2023	5,987.94	13,282.70	45,930.94	126.87	(84.96)	151.92	368.27	196.15	32.49	95.01	66,045.40	7,088.49
Year ended March 31, 2024 Gross carrying amount												
Opening gross carrying amount as at April 1, 2023 (before adjustment)	6,215.97	15,029.73	57,025.05	180.01	-	252.52	529.49	440.22	196.49	218.86	79,908.32	-
Adjustment (refer note 7)	(2,252.31)	(1,599.97)	(3,068.42)	-	247.36	(182.89)	(13.98)	(149.22)	(13.33)	(12.03)	(6,864.77)	-
Opening gross carrying amount as at April 1, 2023 (after adjustment)	3,963.66	13,429.76	53,956.63	180.01	247.36	69.62	515.51	291.00	183.16	206.84	73,043.55	7,020.48
Addition during the year	1.19	423.97	4,431.67	-	1.71	2.19	18.07	66.03	13.18	26.27	4,984.28	2,464.29
Assets capitalised during the year from CWIP	(300.00)	-	870.88	-	-	-	-	(39.20)	-	0	870.88	(870.88)
Disposals during the year	-	-	-	-	-	-	-	-	-	-	(339.20)	-
Closing gross carrying amount	3,664.85	13,853.72	59,259.18	180.01	249.07	71.82	533.58	317.83	196.34	233.11	78,559.51	8,613.89
Accumulated depreciation												
Opening gross carrying amount as at April 1, 2023 (before adjustment)	228.03	1,747.03	11,094.11	53.13	84.96	100.60	161.23	244.07	164.00	123.85	13,862.92	-
Adjustment (refer note 7)	(78.71)	(425.38)	(1,217.61)	-	-	(82.65)	(4.92)	(81.31)	(9.73)	(5.06)	(1,736.64)	-
Opening accumulated depreciation (after adjustment)	149.32	1,321.65	9,876.51	53.13	84.96	17.95	156.31	162.76	154.27	118.79	12,126.28	-
Depreciation charge during the year	48.24	433.59	2,892.10	9.00	22.29	4.97	48.63	20.13	20.57	28.42	3,497.31	-
Disposals during the year	-	-	-	-	-	-	-	(35.47)	-	0	(35.47)	-
Closing accumulated depreciation	197.57	1,755.24	12,768.61	62.13	107.24	22.92	204.94	147.42	174.84	147.22	15,588.12	-
Net carrying amount year ended March 31, 2024	3,467.29	12,098.49	46,490.57	117.87	141.83	48.89	328.63	170.41	21.50	85.89	62,971.38	8,613.89

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

Footnotes:

(a) Title deeds of Immovable Property not held in the name of the Company

Relevant line item in Balance Sheet	Description of item of property	Gross Carrying Value		Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
		As at March 31, 2023	As at March 31, 2022				
Land	Factory land Plot No. 231 VATVA (these are survey numbers) - Plot Nos. 228 to 239	3.30	3.30	Dispo Dyechem Private Limited	No	October 2018	Property was acquired through amalgamation/merger, the name change in the name of the Company is pending.
Land	Factory Land Plot No. 232 VATVA (these are survey numbers) - Plot Nos. 228 to 239	3.30	3.30	Dispo Dyechem Private Limited	No	October 2018	Property was acquired through amalgamation/merger, the name change in the name of the Company is pending.
Land	Factory Land Plot No. 233 VATVA (these are survey numbers) - Plot Nos. 228 to 239	3.65	3.65	Dispo Dyechem Private Limited	No	October 2018	Property was acquired through amalgamation/merger, the name change in the name of the Company is pending.
Land	Factory Land Plot No. 235 VATVA (these are survey numbers) - Plot Nos. 228 to 239	3.30	3.30	Dispo Dyechem Private Limited	No	October 2018	Property was acquired through amalgamation/merger, the name change in the name of the Company is pending.
Land	Factory Land Plot No. 236 VATVA (these are survey numbers) - Plot Nos. 228 to 239	3.30	3.30	Dispo Dyechem Private Limited	No	October 2018	Property was acquired through amalgamation/merger, the name change in the name of the Company is pending.
Land	Plot No C-1 + 2/B, GIDC Estate, DAHEJ, Tal. Vagra, Dist. Bharuch, Gujarat.	300.00	300.00	Aarti Industries Limited	No	August 2019	Application is already filed for change in title of the property.
Land	Land - Plot No. A1/322-11, Vapi Industrial Area.	57.44	57.44	Amarjyot Chemical Limited	No	October 2018	Property was acquired through amalgamation/merger, the name change in the name of the Company is pending.



(b) Capital Work-In-Progress (CWIP) Ageing Schedule
As at March 31, 2024

(₹ in Lakhs)

	< 1 Year	1- 2 Years	2- 3 Years	> 3 Years	Total
Projects in progress	1,183.42	1,249.08	4,830.07	1,351.31	8,613.89
Projects temporarily suspended	-	-	-	-	-
Total	1,183.42	1,249.08	4,830.07	1,351.31	8,613.89

As at March 31, 2023

(₹ in Lakhs)

	< 1 Year	1- 2 Years	2- 3 Years	> 3 Years	Total
Projects in progress	2,433.70	1,244.88	3,409.91	-	7,088.49
Projects temporarily suspended	-	-	-	-	-
Total	2,433.70	1,244.88	3,409.91	-	7,088.49

(c) There are no material projects whose completion is overdue as compared to its original plan as at March 31, 2024

(d) There were no material projects which have exceeded their original plan cost as at March 31, 2024.

5 Right-of-Use Assets

(₹ in Lakhs)

Particulars	Right-of-Use Asset Building
Year ended March 31, 2023 Gross carrying amount	
As at April 01, 2022	206.88
Addition during the year	81.43
Disposals during the year	-
Closing gross carrying amount	288.31
Accumulated depreciation	
Opening accumulated depreciation	122.85
Depreciation charge during the year	41.15
Disposals during the year	-
Closing accumulated depreciation	164.00
Net carrying amount as at March 31, 2023	124.31
March 31, 2024 Gross carrying amount	
As at April 01, 2023(Before Adjustment)	288.31
Adjustment(refer note 3 of schedule 7A)	(187.65)
As at April 01, 2023(After Adjustment)	100.66
Addition during the year	43.60
Disposals during the year	-
Closing gross carrying amount	144.26
Accumulated depreciation	
Opening accumulated depreciation(Before Adjustment)	164.00
Adjustment(refer note 3 of schedule 7A)	(103.79)
Opening accumulated depreciation(After Adjustment)	60.21
Depreciation charge during the year	30.64
Disposals during the year	-
Closing accumulated depreciation	90.86
Net carrying amount year ended March 31, 2024	53.40

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

6 Intangible Assets

(₹ in Lakhs)

Particulars	Technical Knowhow	Computer Software	Total
Year ended March 31, 2023 Gross carrying amount			
As at April 1, 2022	150.00	4.12	154.12
Addition during the year	-	25.54	25.54
Disposals during the year			-
Closing gross carrying amount		29.66	179.66
Accumulated depreciation			
As at April 1, 2022	150.00	3.94	153.94
Amortisation charge for the year		4.41	4.41
Disposals			-
Closing accumulated depreciation		8.35	158.35
Net carrying amount as at March 31, 2023		21.32	21.32
Year ended March 31, 2024 Gross carrying amount			
As at April 1, 2023	150.00	29.66	179.66
Addition		12.32	12.32
Disposals			-
Closing gross carrying amount		41.98	191.98
Accumulated depreciation			
As at April 1, 2023	150.00	8.35	158.35
Amortisation charge for the year	-	9.88	9.88
Disposals			-
Closing accumulated depreciation	150.00	18.23	168.23
Net carrying amount as at March 31, 2024		23.75	23.75

7 Investments

7A Other Investments (non-current)

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Quoted Investments - FVTOCI		
Quoted Investments		
- Investments in Equity Shares	232.09	176.13
- Investments in Preference Shares	40.16	38.83
Unquoted Investments		
- Investments in Equity Shares	253.20	151.80
	525.45	366.76
Other Investments - Amortised Cost		
Investment in Associate through LLP	9,004.17	-
Unquoted Investments		
- Share in Co-operative Society	0.05	0.05
	9,004.22	0.05
Total	9,529.66	366.81

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

	March 31, 2024		March 31, 2023	
	No of Shares	Amount	Amount	No of Shares
I. Investments carried at fair value through OCI:				
Investments in Equity Shares (Quoted)				
- Aarti Industries Limited (FV ₹ 5)	30,000	199.66	30,000	176.13
Investments in Equity Shares (Quoted)				
- Aarti Pharmed Labs Limited (FV ₹ 5)	7,500	32.62		
Investments in Preference Shares (Quoted)				
- Aarti Surfactants Limited- 4% redeemable preference shares	20,500	40.16	20,500	38.83
		272.44		214.96
Investments in Equity Shares (Unquoted)				
- Renew Green (GJ Six) Private Limited (FV ₹ 10)	25,30,000	253.00	15,18,000	151.80
		253.00		151.80
I. Investments carried at amortised cost:				
Investment in Associate through LLP*	2,03,50,000	9,004.17		
Unquoted				
- Share in Co-operative Society	50	0.05	50	0.05
		9,004.22		0.05
Total		9,529.66		366.81

Footnotes:

- Aggregate value of quoted investments and its market value is ₹ 9,243.79 lakhs (PY 214.96 lakhs)
- Aggregate value of unquoted investments is ₹ 253.25 lakhs ((PY 151.85 lakhs).
- Pursuant to the allotment of further equity shares through IPO by the Company's material step down subsidiary namely, Valiant laboratories limited ("VIL"), the stake of Company's subsidiary Dhanvalabh Ventures LLP in VLL has been diluted to 46.84% and accordingly VIL has ceased to be a step down subsidiary of the Company and has become an associate company w.e.f. October 04, 2023. Further the loss of Rs.916.09 lakhs on account of dilution in stake has been considered in Profit & Loss Account for the year ended 31-03-24 and has been disclosed as an Exceptional Items. Investment in Valiant Laboratories Limited has been Fair valued based on NAV and accounted as per Equity method of accountancy as per applicable Ind AS post October 2013. Hence, consolidated financials of previous quarters and Year-to-Date results are not comparable

* Investment in Valiant Laboratories limited through Dhanvalabh ventures LLP

7B Investments (current)

Particulars	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
Quoted Investments		
-Investments in Equity Shares	-	20.23
-Investments in Mutual Funds	330.00	3,731.86
Total	330.00	3,752.09

	(₹ in Lakhs)			
	No of Shares/Units of Mutual Funds	March 31, 2024	No of Shares/Units of Mutual Funds	March 31, 2023
Investments carried at fair value through OCI:				
Other Companies - measured at FVOCI				
Elantas Beck India (FV ₹ 10)	-	-	400	20.15

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(₹ in Lakhs)

	No of Shares/Units of Mutual Funds	March 31, 2024	No of Shares/Units of Mutual Funds	March 31, 2023
Orchid Pharma Limited (FV ₹ 10)	-	-	22	0.08
Bank Bee (FV ₹ 10)			-	-
Investments - in Mutual fund (Quoted)				
Mutual Fund - 4measured at FVTPL				
- Axis Mutual Fund	18,402	330.00	18,402	330.00
- Kotak Liquid Fund Regular Growth Fund			35,441	1,659.46
- SBI Liquid Fund Regular Growth Fund			48,236	1,742.40
Total	18,402.15	330.00	1,02,501.03	3,752.09

8 Other Financial Assets

8A Non-current (at amortised cost)

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Security Deposit		
Unsecured, Considered Good:	540.78	675.35
Total	540.78	675.35

8B Current (at amortised cost)

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Unsecured, Considered Good		
Interest Receivable	12.27	10.77
Insurance Receivable	280.73	352.92
Total	292.99	363.69

9 Other Assets

9A Non-current

(Unsecured, unless otherwise stated)

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Capital Advances	558.02	1,662.85
Total Other Assets (non-current)	558.02	1,662.85

9B Current

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Other Current Assets	March 31, 2024	March 31, 2023
Balance with Statutory / Government Authorities	1,211.20	1,802.58
Advances to Suppliers	452.11	1,188.92
Export Benefits Receivable	-	-
Prepaid Expenses	53.81	92.21
Receivable - Others		
Total Other Assets (current)	1,717.13	3,083.71

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

10 Inventories (at lower of cost and net realisable value)

Particulars	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
Raw Material	5,661.02	6,441.18
Fuel	86.07	134.06
Stores & Spares	746.92	473.72
Packing Materials	53.61	50.54
Work-in-Progress	1,023.31	1,047.03
Finished Goods	3,852.31	4,475.66
Total	11,423.24	12,622.18

In-transit Inventories:

Particulars	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
Included above, goods-in-transit:		
Raw Material	33.72	739.48
	33.72	739.48

11 Trade Receivables (current) (at amortised cost)

Particulars	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
Trade Receivables	21,156.35	25,674.40
Less: Impairment Allowance	(220.13)	(244.54)
Trade Receivables (net)	20,936.22	25,429.87
Break-up of security details		
(i) Unsecured, considered good	20,936.22	25,429.87
(ii) Unsecured, credit impaired	220.13	244.54
	21,156.35	25,674.41
Less: Impairment Allowance	(220.13)	(244.54)
	20,936.22	25,429.87

- (a) Due to the short nature of credit period given to customers, there is no financing component in the contract.
- (b) The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables. The Company follows the simplified approach for recognition of impairment allowance on trade receivables. The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) recognised during the period is recognised in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(c) Trade receivables (current) ageing: As at 31 March, 2024

(₹ in Lakhs)

Particulars	Not Due	Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	TOTAL
(i) Undisputed Trade Receivables - considered good	8,353.74	5,954.01	1,901.27	4,695.94	86.65	48.79	21,040.39
(ii) Undisputed Trade Receivables - credit impaired		-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good		-	-	-	-	-	-
(iv) Disputed Trade Receivables - credit impaired	-	-	-	-	-	115.95	115.95
		5,954.01	1,901.27	4,695.94	86.65	164.74	21,156.34
Unbilled Trade Receivables							98.41
Less: Impairment Allowance							(220.13)
Total Trade Receivables							20,936.22

As at 31 March, 2023

(₹ in Lakhs)

Particulars	Not Due	Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	TOTAL
(i) Undisputed Trade Receivables - considered good	23,485.23	669.58	1,051.65	167.66	1.03	27.42	25,402.56
(ii) Undisputed Trade Receivables - credit impaired		-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good		-	-	-	-	-	-
(iv) Disputed Trade Receivables - credit impaired		-	-	-	-	119.89	119.89
		669.58	1,051.65	167.66	1.03	147.31	25,522.46
Unbilled Trade Receivables							151.95
Less: Impairment Allowance							(244.54)
Total Trade Receivables							25,429.87

(d) Movement in expected credit loss allowance of trade receivables

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of the year	244.53	235.41
Allowances/(write back) during the year	-	24.41
Written off against past provision	(24.40)	(15.29)
Balance at the end of the year	220.13	244.53

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

12 Current Financial Assets - Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Cash & Cash Equivalents		
Cash on hand	4.83	10.74
Balances with Banks	343.40	764.34
Total Cash & Cash Equivalents	348.23	775.08

13 Other Balances with Banks

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Fixed Deposits	31.95	39.95
Total Other Balances with Banks	31.95	39.95

14 Loans (current) (at amortised cost)

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Unsecured, Considered Good	4,861.61	
Loan to Employees	62.32	78.38
Total Loans (current)	4,923.93	78.38

15 Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Advance Tax and Tax Deducted at Source (Net of Provision)	1,269.14	959.51
Total Current Tax Assets (Net)	1,269.14	959.51

16 Equity Share Capital

A. Authorized:

Particulars	March 31, 2024	March 31, 2023
Authorized:		
3,71,00,000 Equity Shares of ₹ 10/- each (PY - 3,71,00,000)	3,710.00	3,710.00
5,00,000 Redeemable Preference Shares of 10 each.(PY - 5,00,000)	50.00	50.00
20,00,000 Optionally Convertible Preference Shares of ₹ 10 each (PY - 20,00,000)	200.00	200.00
40,000 Redeemable Non-Cumulative Preference Shares of ₹ 100 each (PY - 40,000)	40.00	40.00
Total	4,000.00	4,000.00

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

B Issued, Subscribed & Paid Up:

Particulars	March 31, 2024		March 31, 2023	
	Number	Amount	Number	Amount
Equity Share Capital		2,715.35		2,715.35
Add: Equity Shares allotted under ESOP		1.60		-
Add: Conversion of Optionally Convertible Preference Shares		40.56		-
Closing Balance of Equity Share Capital at the year end (A)		2,757.50		2,715.35
Optionally Convertible Preference Shares		40.56		40.56
Less: Converted to Equity Shares during the year		(40.56)		-
Closing Balance of Optionally Convertible Preference Shares at the year end (B)		-		40.56
Total (A+B)		2,757.50		2,755.90

Rights, preferences and restrictions attached to equity shares

Ordinary Equity Shares

The Company has only one class of Shares referred to as Equity Shares having par value of ₹ 10. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend 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 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.

Optionally Convertible Preference Shares (OCPS)

Convertible at the option of the holder within 18 months from the date of receipt of trading approval from BSE Limited.

Equity Shares issued and allotted, pursuant to Conversion will be listed on the Stock Exchange.

The Equity shares issued and allotted, upon conversion shall rank pari passu in all respects including dividend with the existing Equity shares of the Company.

Pursuant to the scheme of arrangement with Amarjyot Chemical Limited, OCPS were supposed to be converted into equity shares or Redeemable Preference Shares (RPS) before February 2022. After obtaining consent from OCPS shareholders for conversion into equity shares, the Company filed a Settlement Application with SEBI on December 19, 2022. Following SEBI's settlement order dated September 18, 2023, received by the Company on September 20, 2023, 4,05,561 OCPS were converted into equity shares on December 6, 2023. The Company has received both listing and trading approval of these equity shares from BSE and NSE. These converted equity shares are eligible to receive bonus equity shares in a 1:1 ratio, as previously declared.

C Reconciliation of Equity Shares Outstanding

(a) Reconciliation of number of ordinary equity shares outstanding

Ordinary Equity Shares Outstanding	March 31, 2024		March 31, 2023	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,71,53,488	2,715.35	2,71,53,488	2,715.35
Add: Equity Shares allotted to the investors	16,000	1.60		
Add: Conversion of Optionally Convertible Preference Shares	4,05,561	40.56		
Shares outstanding at the end of the year	2,75,75,049	2,757.50	2,71,53,488	2,715.35

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(b) Reconciliation of number of optionally convertible preference shares outstanding (Instruments entirely equity in nature)

Optionally Convertible Preference Shares Outstanding	March 31, 2024		March 31, 2023	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	4,05,561.00	40.56	4,05,561	40.56
Less: Conversion in to ordinary Equity Shares during the year	(4,05,561.00)	(40.56)		
Shares outstanding at the end of the year	-	-	4,05,561	40.56

D. Details of Shares held by each shareholder holding more than 5% shares

a) Ordinary Equity Shares

	March 31, 2024		March 31, 2023	
	Number	% of Holding	Number	% of Holding
Jaya Chandrakant Gogri	23,09,644	8.38	23,09,644	8.51
Arti Rajendra Gogri	19,77,814	7.17	19,77,814	7.28
Manisha Rashesh Gogri	15,89,114	5.76	15,89,114	5.85
Nikhil Parimal Desai	25,11,611	9.11	24,55,869	9.04

b) Optionally convertible preference shares outstanding (Instruments entirely equity in nature)

	March 31, 2024		March 31, 2023	
	Number	% of Holding	Number	% of Holding
Bhaves B. Mehta			23,814	5.87
Dilesh Roadline Pvt. Ltd			1,82,404	44.98
Nikhil Parimal Desai			55,742	13.74

E. Details of shares held by promoter / promoter group

(a) Ordinary Equity Shares

	March 31, 2024		March 31, 2023		% change during the year
	Number	% of Holding	Number	% of Holding	
Chandrakant Vallabhaji Gogri	82,954	0.30	82,954	0.31	(0.01)
Jaya Chandrakant Gogri	23,09,644	8.38	23,09,644	8.51	(0.13)
Arti Rajendra Gogri	19,77,814	7.17	19,77,814	7.28	(0.11)
Manisha Rashesh Gogri	15,89,114	5.76	15,89,114	5.85	(0.09)
Mirik Rajendra Gogri	6,69,334	2.43	6,69,334	2.47	(0.04)
Vicky Hemchand Gala	2,59,106	0.94	4,76,016	1.75	(0.81)
Arvind Kanji Chheda	4,33,476	1.57	4,33,476	1.60	(0.03)
Hiral Arvind Chheda	4,05,100	1.47	4,05,100	1.49	(0.02)
Hetal Gogri Gala	2,50,000	0.91	2,50,000	0.92	(0.01)
Hemchand Lalji Gala	1,17,079	0.42	1,17,079	0.43	(0.01)
Dhanvanti Hemchand Gala	50,858	0.18	50,858	0.19	(0.01)
Dilesh Roadlines Private Limited	6,16,126	2.23	4,33,722	1.60	0.63
Aarti Corporate Services Limited	1,02,026	0.37	99,412	0.37	0.00
Alchemie Financial Services Limited	55,826	0.20	54,396	0.20	(0.00)
Alchemie Finserv Private Limited	35,477	0.13	34,568	0.13	0.00
Aakansha Pharmachem LLP	5,214	0.02	5,080	0.02	0.00
Drl Cargo Carriers Private Limited	16,820	0.06	1,952	0.01	0.05

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

	March 31, 2024		March 31, 2023		% change during the year
	Number	% of Holding	Number	% of Holding	
Tulip Family Trust	6,12,000	2.22	6,12,000	2.25	(0.03)
Ujjwal Business Trust	6,00,000	2.18	6,00,000	2.21	(0.03)
Paridhi Business Trust	1,29,924	0.47	1,29,924	0.48	(0.01)
Pooja Renil Gogri	57,334	0.21	57,334	0.21	(0.00)
Indira Madan Dedhia	36,000	0.13	36,000	0.13	(0.00)
Vijayanka Chhotalal Shah	1,000	-	1,000	0.00	(0.00)
Devang Shah	750	-	750	0.00	(0.00)
Rashesh Chandrakant Gogri	600	-	600	0.00	(0.00)
Heena Jatin Chheda	-	-	-	-	-
Neelam Hemang Shah	335	-	335	0.00	(0.00)
Forum Devang Shah	250	-	250	0.00	(0.00)
Hemang Chhotalal Shah	205	-	205	0.00	(0.00)
Pooja Hitendra Gala	-	-	-	-	-
Kirti L Gangar	20	-	20	0.00	(0.00)
Damayanti Laxmichand Shah	4	-	4	0.00	(0.00)
Nehal K Gangar	1	-	1	0.00	(0.00)
	1,04,14,391	37.75	1,04,28,942	38.41	(0.66)

(b) **Optionally convertible preference shares outstanding (Instruments entirely equity in nature)**

Optionally Convertible Preference Shares (Instruments entirely equity in nature)	March 31, 2024		March 31, 2023		% change during the year
	Number	% of Holding	Number	Amount	
Alchemie Finserv Pvt. Ltd.			909	0.22	(0.22)
Alchemie Financial Service Limited			1,430	0.35	(0.35)
Aarti Corporate Services Limited			2,614	0.64	(0.64)
Aakansha Pharmachem LLP			134	0.03	(0.03)
Dilesh Roadlines Pvt. Ltd.			1,82,404	44.98	(44.98)
DRL Cargo Carrier Pvt. Ltd.			14,868	3.67	(3.67)
	-	-	2,02,359	49.90	(50)

F. DISTRIBUTION MADE AND PROPOSED

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Cash Dividends on Equity Shares declared and/or paid		
Final Dividend for the year ended March 31, 2023: NIL		950.37
Interim Dividend for the year ended March 31, 2024: Nil		271.53
	-	1,221.91
Proposed Dividend on Equity Shares:		
Dividend for the year ended March 31, 2024: ₹ : Nil (March 31, 2023: ₹ Nil)	-	-
	-	-

Footnote: The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is in place and available on the website of the Company (<https://www.valiantorganics.com/assets/investors/dividend-distribution-policy.pdf>).

2-The Board of Directors of the Holding Company and subsidiary companies has not proposed any final dividend for the FY 2023-24.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

17 Other Equity

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
a. Capital Reserve	12,509.37	7,846.30
b. General Reserve	3,910.88	3,910.88
c. Retained Earning	53,213.17	54,041.23
d. Other Comprehensive Income	318.04	258.93
e. Security Premium	100.89	-
f. Employee Stock Option Plan	81.00	66.06
g. Capital Redemption Reserve	38.40	38.40
Total, Other Equity	70,171.76	66,161.81

Nature and Purpose of Reserves

Capital Reserve

During amalgamation/merger/acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

Capital Redemption Reserve

Transferred to Capital Redemption Reserve on redemption of Redeemable Preference Shares during the year.

General Reserve

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Retained Earning

Retained earning are the profits that the Company has earned till date, less any transfers to general reserve, any transfers from or to other comprehensive income, dividends or other distributions paid to shareholders.

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

Employee Stock Option Plan

The share options outstanding account is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium, upon exercise of stock options, and transferred to general reserve on account of stock options not exercised by employees.

MOVEMENT IN OTHER EQUITY DURING THE YEAR

a) Capital Reserve

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Opening Balance	7,846.30	7,846.30
Addition:	-	-
Fair value adjustment on account of dilution of control(refer note 7)	4,663.07	
Closing Balance	12,509.37	7,846.30

The Fair value adjustment on account of dilution from stepdown subsidiary to stepdown associate has been given in the consolidated financial statement- refer note 7

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

b) Capital Redemption Reserve

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Opening Balance	38.40	38.40
Add: Transferred from Surplus in Statement of Profit & Loss	-	-
Closing Balance	38.40	38.40

c) General Reserve

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Opening Balance	3,910.88	3,910.88
Add: Transferred from Surplus in Statement of Profit & Loss	-	-
Closing Balance	3,910.88	3,910.88

d) Retained Earning

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Retained Earning		
Opening Balance (Profit & Loss Account)	54,041.23	46,468.32
Add - Net Profit for the year	(839.65)	8,812.14
Less: Remeasurement Gain/(Loss) on defined benefit plan (net off tax)	11.63	(17.32)
Amount available for appropriation	53,213.17	55,263.14
Deduction:		
Interim Dividend / Proposed Dividend	-	(1,221.91)
Closing Balance	53,213.17	54,041.23

e) Equity Instruments through Other Comprehensive Income (OCI)

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Opening Balance	258.93	295.14
Add: Fair value changes of various Financial instruments (net off tax)	59.11	(36.21)
Less: Transfer to retained earnings on disposal of FVOCI equity instruments	-	-
Closing Balance	318.04	258.93

f) Security Premium

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Opening Balance		
Add: Transfer from Employee Stock option plan	100.89	
Closing Balance	100.89	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

g) Employee Stock Option Plan

(₹ in lakhs)		
Particulars	March 31, 2024	March 31, 2023
Opening Balance	66.06	-
Add: ESOPs Exercised during the period	14.94	66.06
Less:		-
Closing Balance	81.00	66.06

18 Non - Controlling Interest

(₹ in lakhs)		
Particulars	March 31, 2024	March 31, 2023
(a) Dhanvallabh Venture LLP	0.13	0.13
(b) Valiant laboratories limited	-	5,088.37
(c) Valiant Specility Chemical Limited	-	-
	0.13	5,088.50

19 Non-current borrowings

19A Non-current borrowings

(₹ in lakhs)		
Particulars	March 31, 2024	March 31, 2023
(a) Secured		
Term Loan from Banks		
- Foreign currency loan	4,500.01	1,446.18
- Indian currency loan	2,916.09	4,410.03
	7,416.10	5,856.20
(b) Unsecured		
From Others		
- Indian currency loan	-	1,204.52
	-	1,204.52
Total Borrowings (non-current)	7,416.10	7,060.72

19B Current

(₹ in lakhs)		
Particulars	March 31, 2024	March 31, 2023
(a) Repayable on demand from Banks (secured)		
- Cash Credit Facility	1,223.40	122.89
- Working Capital Demand Loan	9,385.17	11,517.51
	10,608.58	11,640.40
(b) Current Maturity of Long Term Debt (secured)		
- Foreign currency loan	1,400.03	2,285.10
- Indian currency loan	2,094.88	2,094.88
	3,494.90	4,379.98
(c) Unsecured		
From Others		
- Indian currency loan	4,126.76	4,158.83
	4,126.76	4,158.83
Total Borrowings (current)	18,230.24	20,179.21

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

Footnotes:

1 As at March 31, 2024, ₹ 21,519.58 lakhs (March 31, 2023: ₹ 21,876.58 lakhs) of the total outstanding borrowings were secured by a charge on property, plant and equipment, inventories, receivables and other current assets.

2 The security details of major borrowings as at March 31, 2024 is as below:

(i) Foreign currency term loans as on 31 March 2024, amounting to ₹ 5900.03 lakhs (non-current + current) were secured by a charge on immovable & movable properties including movable machinery, spares, tools & accessories, ranking pari passu inter-se. The term loans were drawn in different tranches over the period and were originally payable across 16 equal quarterly instalments starting from May 2020 till February 2025 as mentioned in the table below:

	Interest Rate	Quarterly Instalment (Principal)	Repayment Start Date	Repayment End Date
(a) Term Loan of USD 55,68,704	L + 160bps	USD 3,48,044	May 2021	February 2025
(b) Term Loan of USD 15,00,000	L + 200bps	USD 93,750	May 2020	February 2024
(c) Term Loan of USD 10,00,000		USD 62,500	July 2020	February 2024
(d) Term Loan of USD 17,00,000		USD 1,06,250	December 2020	December 2024
(e) Term Loan of USD 17,00,000		USD 1,06,250	December 2020	December 2024

(ii) Rupee term loans as on 31 March 2024, amounting to ₹ 6,504.91 lakhs were secured by a charge on immovable & movable properties including movable machinery, spares, tools & accessories, ranking pari passu inter-se. The term loan was originally payable across 16 equal quarterly instalments starting from January 2022 till September 2026 as mentioned in the table below

	Interest Rate	Quarterly Instalment (Principal)	Repayment Start Date	Repayment End Date
(a) Term Loan of ₹ 19,99,97,345/-	Repo + 225bp	₹ 1,24,99,834/-	September 2022	June 2026
(b) Term Loan of ₹ 59,97,26,282/-	T-Bill + 185-225bps	₹ 3,74,82,893/-	January 2022	September 2026

(iii) Working capital facilities from banks as at March 31, 2024 amounting to ₹ 10,608.58 lakhs (March 31, 2023 of ₹ 11,640.40 lakhs) were secured by a first pari passu charge on the stock of raw materials, finished goods, stock in process, consumable stores and book debts of the Company. These credit facilities carry average interest rates in the range of 5.60% to 9.25% (31 March, 2023: 5.50% to 9.25%).

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) There are no material differences between the quarterly statements of stock filed by the company with banks and the books of accounts.

(v) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(vi) Currency and interest exposure of borrowings including current maturities is as below:

	As at March 31, 2024			As at March 31, 2023		
	Fixed Rate	Floating Rate	Total	Fixed Rate	Floating Rate	Total
(a) Indian National Rupee (INR) - Total		19,746.31	19,746.31		23,508.65	23,508.65
(b) United States Dollar (USD) - Total		5,900.03	5,900.03		3,731.28	3,731.28
	-	25,646.34	25,646.34	-	27,239.93	27,239.93
(a) Indian National Rupee (INR) - Hedged (interest rate swaps)			-			-
(b) United States Dollar (USD) - Hedged (interest rate swaps)		(5,900.03)	(5,900.03)		(3,731.28)	(3,731.28)
	-	(5,900.03)	(5,900.03)	-	(3,731.28)	(3,731.28)
(a) Indian National Rupee (INR) - Unhedged	-	19,746.31	19,746.31	-	23,508.65	23,508.65
(b) United States Dollar (USD) - Unhedged	-	-	-	-	-	-
	-	19,746.31	19,746.31	-	23,508.65	23,508.65
% of Total Borrowings	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%

(vii) All the floating rate borrowings are bank borrowings bearing interest rates based on Marginal Cost of Lending Rate (MCLR), Repo rate, T-Bill and LIBOR. Of the total floating rate borrowings as at March 31, 2024, ₹ 5,900.03 lakhs (March 31, 2023: ₹ 3,731.28 lakhs) has been hedged using interest rate swaps with contracts covering period of more than one year.

(viii) Maturity profile of borrowings including current maturities is as below:

	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
(a) Not later than one year or on demand	18,242.94	20,179.21
(b) Later than one year but not two years	2,334.29	3,445.49
(c) Later than two years but not three years	1,735.77	1,778.74
(d) Later than three years but not four years	1,111.11	624.66
(e) Later than four years but not five years	1,111.11	1,211.84
(f) Later than five years but not six years	1,111.11	
	25,646.34	27,239.94

20 Lease Liabilities

20A Lease Liabilities

	(₹ in lakhs)	
Particulars	March 31, 2024	March 31, 2023
Long term maturities of finance lease obligations	32.40	107.81
Total lease liabilities (non-current)	32.40	107.81

20B Current

	(₹ in lakhs)	
Particulars	March 31, 2024	March 31, 2023
Current maturities of finance lease obligations	22.65	17.52
Total lease liabilities (current)	22.65	17.52

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

Footnotes:

- (i) The Company has lease contracts for its office premises and godowns with lease term between 1 year to 3 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of office premises and godowns with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

- a) The movement in lease liabilities during the year ended 31 March, 2024 and 31 March, 2023 is as follows:

	(₹ in lakhs)	
	March 31, 2024	March 31, 2023
Balance at the beginning	43.56	85.52
Additions	38.55	69.35
Accretion of interest	2.79	10.12
Payment of lease liabilities	(29.85)	(39.66)
Balance at the end	55.05	125.33
Non-current	32.40	107.81
Current	22.65	17.52

- (b) The following are the amounts recognised in profit or loss:

	(₹ in lakhs)	
	March 31, 2024	March 31, 2023
Depreciation on right-of-use assets	21.11	41.15
Interest expense on lease liabilities	2.79	10.12
Expense relating to short-term leases	97.45	96.80
Total amount recognised in statement of profit and loss	121.35	148.08

- (c) Details of carrying amount of right-of-use assets and movement during the period is disclosed under Note 5.

- (ii) The maturity analysis of lease liabilities are disclosed in Note 39C (ii) 'Liquidity Risk Management'.
- (iii) The effective interest rate for lease liabilities is 9%, with maturity between 2022-2024.
- (iv) Expense relating to short-term leases are disclosed under the head Miscellaneous Expenses in other expenses (Refer Note 32).

21 Provisions

21A Non Current Provisions

	(₹ in lakhs)	
Particulars	March 31, 2024	March 31, 2023
Provision For Employees Benefit		
(a) Provision for Leave Salary	185.99	153.04
Total Provisions (non-current)	185.99	153.04

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

21B Current

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Provision For Employees Benefits		
(a) Provision for Gratuity	115.73	66.84
(b) Provision for Leave Salary	33.08	32.95
(c) Provision for Bonus	219.00	198.15
Total Provisions (current)	367.82	297.95

Footnotes:

- (i) Current Provision for Gratuity includes advance gratuity paid by step-down subsidiary.
- (ii) The Company presents provision for gratuity and leave salaries as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employees, etc.
- (ii) Detailed disclosure in respect of post-retirement defined benefit schemes is provided in note 29.

22 Deferred Tax Liabilities (net)

A. The major components of deferred tax liabilities / assets on account of temporary differences are as follows:

(₹ in lakhs)

Particulars	As on dated April 1, 2023	Charge / (Credit) to Statement of Profit and Loss	Charge / (Credit) to Other Comprehensive Income	As on dated March 31, 2024
Deferred tax liabilities, on account of				
On Depreciation and amortisation	3,400.18	2.23	-	3,402.40
Deferred tax assets, on account of	-			-
Provision for expense allowed for tax purpose on payment basis (Net)	(151.26)	-10.60		(161.86)
Remeasurement of the defined benefit plans through OCI	(15.97)		(19.52)	(35.48)
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	26.05		3.93	33.73
Difference in Right-of-use asset and lease liabilities	(1.12)	-28.89		(30.01)
MSME dues outstanding at the end of accounting period		-117.06		(117.06)
Business loss for the year		-175.78		(175.78)
Deferred tax expense/(benefit) for the year		(330.11)	(15.58)	
Total	3,257.88			2,915.94

(₹ in lakhs)

Particulars	As on dated April 01, 2022	Charge / (Credit) to Statement of Profit and Loss	Charge / (Credit) to Other Comprehensive Income	As on dated March 31, 2023
Deferred tax liabilities, on account of				
On Depreciation and amortisation	2,769.89	708.37	-	3,478.26
Deferred tax assets, on account of	-			-
Provision for expense allowed for tax purpose on payment basis (Net)	(136.97)	(63.83)		(200.80)
Remeasurement of the defined benefit plans through OCI	(11.59)	(3.92)	(3.11)	(18.62)
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	40.68	19.21	7.11	66.99
Difference in Right-of-use asset and lease liabilities	(0.96)	(0.36)		(1.32)
Deferred tax expense/(benefit) for the year		664.33	3.99	
Total	2,661.05			3,324.50

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

B Reconciliation of tax expense and accounting profit for the year:

(₹ in lakhs)

	As on dated March 31, 2024	As on dated March 31, 2023
Profit before tax	(869.32)	13,718.02
Income tax expense calculated at 25.168%	(218.79)	3,467.68
Tax effect on non-deductible expenses	1,076.23	848.89
Effect of concessions (depreciation under income tax act)	(839.23)	(1,487.24)
Effect of Income which is taxed at special rates	(120.52)	(136.43)
Effect of Income which is exempted from tax	(0.36)	(60.36)
Others	416.42	4.54
Total	313.75	2,637.08
Adjustment of tax relating to earlier periods	-	160.15
Tax expense as per Statement of Profit and Loss	313.75	2,797.22

Deferred tax assets/ liabilities are the amounts of income taxes recoverable/ payable in future periods in respect of taxable temporary differences, respectively.

23 Trade payables

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Trade & Non-Trade Payables		
A) Total Outstanding Dues of Micro enterprises and Small Enterprises; and	465.12	1,678.81
B) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	20,279.39	14,880.88
Total Trade Payables	20,744.51	16,559.69

Footnotes:

(i) Trade payables ageing: As at March 31, 2024

(₹ in lakhs)

	Outstanding for the following periods from due date of payment					TOTAL
	Not Due	< 1 year	1 Year - 2 Years	2-3 Years	> 3 Years	
(i) MSME	-	465.12	-	-	-	465.12
(ii) Others	1,424.18	17,867.00	240.83	725.83	21.55	20,279.39
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
	1,424.18	18,332.12	240.83	725.83	21.55	20,744.51

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

As at March 31, 2023

(₹ in lakhs)

	Outstanding for the following periods from due date of payment					TOTAL
	Not Due	< 1 year	1 Year - 2 Years	2-3 Years	> 3 Years	
(i) MSME	1,079.96	544.42	54.20	-	0.24	1,678.82
(ii) Others	6,041.28	8,707.23	45.17	82.95	4.25	14,880.88
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
	7,121.24	9,251.65	99.37	82.95	4.49	16,559.69

(ii) Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (as amended)

(₹ in lakhs)

	March 31, 2024	March 31, 2023
(i) (a) Principal amount remaining unpaid to any supplier	465.12	1,678.81
(b) Interest on (i)(a) above	-	-
(ii) The amount of interest paid along with the principal payment made to the supplier	-	-
(iii) Amount of interest due and payable on delayed payments	-	-
(iv) Amount of further interest remaining due and payable for the earlier years	-	-
(v) Total outstanding dues of Micro and Small Enterprises	-	-
- Principal	465.12	1,678.81
- Interest	-	-

24 Other Current Financial Liabilities

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
(a) Creditors for Capital Goods	1,073.67	1,337.01
(b) Unclaimed Dividends	3.92	3.76
(c) Salaries and Wages Payable	266.36	242.03
(d) Outstanding Expenses	387.63	416.06
Total Other Current Financial Liabilities	1,731.58	1,998.86

a. There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2024.

25 Other Current Liabilities

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
(a) Statutory Dues	118.55	130.68
(b) Revenue Received in Advance	101.28	86.42
Total Other Current Liabilities	219.83	217.09

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

26 Revenue from operations

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(a) Sale of Manufactured Products	66,273.34	96,923.38
(b) Sale of Traded Products	634.14	1,506.46
(c) Sale of Services	5,398.45	6,750.64
Total revenue from operations	72,305.94	1,05,180.48

Footnotes:

(a) Disaggregate revenue information

Refer Note 36 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".

(b) In case of Domestic Sales, payment terms range from 60 days to 100 days based on geography and customers. In case of Export Sales these are either against documents at sight, documents against acceptance or letters of credit - 60 days to 90 days. There is no significant financing component in any transaction with the customers.

(c) The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.

(d) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

27 Other Income

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(a) Interest Income		
Investments in debt instruments measured at fair value through OCI		
Other financial assets carried at amortised cost	16.00	39.38
	16.00	39.38
(b) Dividend Income		
Dividends from quoted equity investments measured at fair value through OCI	0.56	0.89
	0.56	0.89
(c) Other Non-operating Income		
Export Benefits	11.54	30.07
Sale of Scrap	15.78	217.81
Miscellaneous Expenses	550.90	267.36
	578.22	515.24
(d) Other Gains and Losses		
Net gain on sale of property, plant and equipment	34.43	6.41
Net gains (Losses) on fair value changes through FVTPL	300.86	241.34
	335.30	247.75
Total other income	930.07	803.26

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

28 Cost of materials consumed

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(a) Raw Materials Consumed		
Opening Stock (including goods-in-transit)	6,575.23	5,756.77
Add: Purchases	47,671.26	67,750.56
	54,246.49	73,507.34
Less: Closing Stock (including goods-in-transit)	5,747.10	6,575.23
	47,082.03	66,932.11
(b) Packing Materials Consumed		
Opening Stock	50.54	90.19
Add: Purchases	1,266.35	989.17
	1,316.89	1,079.35
Less: Closing Stock	53.61	50.54
	1,258.17	1,028.81
Total cost of materials consumed	48,340.20	67,960.92

29 Purchase of Stock in Trade

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Purchases of stock-in-trade	623.05	1,385.22
Total Purchases of Stock-in-Trade	623.05	1,385.22

30 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Stock at the beginning of the year		
Finished Goods	4,475.66	3,649.85
Work-in-Progress	1,047.03	1,374.32
Total	5,522.70	5,024.17
Adjustment (refer note 7)	751.47	
Stock at the end of the year		
Finished Goods	3,852.30	4,475.66
Work-in-Progress	1,023.31	1,047.03
Total	4,875.61	5,522.70
(Increase)/decrease in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	(104.39)	(498.52)

31 Employee Benefits Expenses

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(a) Salaries and wages	3,936.47	3,720.32
(b) Contribution to provident and other funds	312.83	426.58
(c) Staff welfare expenses	569.60	420.20
(d) Employee Stock Option Plan	115.83	66.06
Total employee benefits expenses	4,934.73	4,633.16

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

A. Post-employment benefits

(i) Provident Fund (defined contribution plan)

The company has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan are ₹ 174.36 lakhs (PY ₹ 191.20 lakhs).

(ii) Retirement Gratuity (defined benefit plans)

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, salary risk and longevity risk.

- (i) **Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit.
- (ii) **Interest risk:** A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the value of plan's debt investments.
- (iii) **Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.
- (iv) **Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Details of defined benefit obligations and plan assets (Gratuity)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	(₹ in lakhs)	
	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Change in defined benefit obligations:		
Obligation at the beginning of the year	414.40	455.86
Current service cost	54.61	51.98
Past Service Cost	-	-
Interest costs	31.04	33.25
Remeasurement (gain)/loss	13.18	41.83
Benefits paid	(23.19)	(86.75)
Obligation at the end of the year	490.04	496.18

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Change in plan assets:		
Fair value of plan assets at the beginning of the year	342.91	428.54
Interest income	25.68	31.25
Return on Plan Assets, Excluding Interest Income	5.28	23.13
Employers' contribution	25.17	33.17
Benefits paid	(24.75)	(86.75)
Fair value of plan assets at the end of the year	374.30	429.35

Amounts recognised in the balance sheet consist of:

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Present Value of Obligation	490.04	496.18
Fair Value of Plan Assets	(374.30)	(429.35)
	115.74	66.83
Recognised as:		
Provision for Gratuity (non-current)	-	-
Provision for Gratuity (current)	115.74	66.84

Expense/(gain) recognised in the statement of profit and loss consists of:

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Employee benefits expenses:		
Current service cost	54.61	51.98
Past Service Cost	-	-
Net interest expense	5.35	2.00
	59.97	53.98
Other comprehensive income		
Return on Plan Assets, Excluding Interest Income	(5.28)	(23.13)
Actuarial (Gains)/Losses on Obligation For the Period	13.18	41.83
	7.90	18.70
Expense/(gain) recognised in the statement of profit and loss	67.86	72.68

The major categories of plans assets are as follows:

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Asset category		
Insurance fund	374.30	429.35
Total	374.30	429.35

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

Key assumptions used in the measurement of retiring gratuity is as below:

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Financial Assumptions:		
Discount Rate	7.21%	7.49%
Rate of escalation in Salary	5.50%	7.49%
Demographic Assumptions:		
Rate of Employee Turnover	3.00%	5.50%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Maturity profile of defined benefit obligation

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
1st following year	88.28	82.31
2nd following year	19.07	25.89
3rd following year	33.37	32.99
4th following year	36.65	42.58
5th following year	24.62	40.94
Sum of year 6 To 10	147.81	173.46
Sum of years 11 and above	871.09	776.71

Sensitivity analysis for significant assumptions:

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Defined Benefit Obligation on Current Assumptions	490.03	496.19
Delta Effect of +1% Change in Rate of Discounting	(40.96)	(37.62)
Delta Effect of -1% Change in Rate of Discounting	49.00	44.41
Delta Effect of +1% Change in Rate of Salary Increase	49.36	44.86
Delta Effect of -1% Change in Rate of Salary Increase	(41.93)	(38.61)
Delta Effect of +1% Change in Rate of Employee Turnover	5.74	6.00
Delta Effect of -1% Change in Rate of Employee Turnover	(6.95)	(7.15)

Footnotes:

- (i) The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
- (ii) The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

- (iii) Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
- (iv) There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.
- (v) The Company is expected to contribute ₹ 126.10 lakhs to defined benefit plan obligations funds for the year ended March 31, 2024.
- (vi) Expected return on assets is determined by multiplying the opening fair value of the plan assets by the expected rate of return determined at the start of the annual reporting period, taking account of expected contributions & expected settlements during the reporting period.
- (vii) The Weighted Average Duration of the Plan works out to 10 years.
- (viii) Asset Liability matching strategy:

The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance Company. The insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy. There is no compulsion on the part of the Company to fully prefund the liability of the Plan.

B. Other long-term employee benefots

Annual Leave and Sick Leave

The liability towards compensated absences (annual leave and sick leave) for the year ended March 31, 2024 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 3.47 lakhs. (FY 2022-23: increased by ₹ 54.97 lakhs).

(a) Financial Assumptions

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Discount Rate	7.21%	7.49%
Salary increases allowing for Price inflation	5.50%	5.50%

(b) Demographic Assumptions

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Employee Turnover	3.00%	3.00%
Leave Availment Ratio	2.00%	2.00%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

32 Finance Costs

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Interest expense:		
(a) on borrowings from banks and others	1,627.79	1,069.14
(b) on lease obligations	6.54	10.12
Total finance costs	1,634.34	1,079.27

Footnotes:

- Finance costs incurred on various projects being qualifying assets is capitalised in accordance with Ind AS 23.
- On adoption of Ind AS 116 Leases, the Company has recognised Right-of-use assets and created lease obligation representing present value of future minimum lease payments. Unwinding of such obligation is recognised as interest expense.

33 Depreciation, Amortisation and Impairment Expenses

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(a) Depreciation/Impairment on Property, Plant and Equipment	3,461.85	2,876.45
(b) Depreciation on Right-of-use assets	30.64	42.48
Total depreciation, amortisation and impairment expenses	3,492.49	2,918.93

34 OTHER EXPENSES

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Consumption of Store & Spare	675.33	858.50
Consumption of Power & Steam	4,048.29	3,555.06
Freight and handling charges	1,170.81	975.64
Repair & Maintenance	-	-
- Plant & Machinery	1,926.63	2,136.50
Insurance Charges	369.74	238.15
Water & Drainage Charges	214.25	205.79
Effluent Treatment Plant	1,220.68	1,637.64
Boiler Operating cost	440.98	438.69
Labour Charges	1,731.42	1,723.92
Loading & Unloading charges	677.01	608.97
Laboratory Expenses	62.20	74.67
Consultancy Charges (Mfg)	-	189.83
Legal & Professional Fees	358.35	489.70
Auditor's Remuneration	14.78	16.61
Foreign Exchange Loss	(41.60)	53.57
Freight & Forwarding Charges	138.69	756.92
Safety & Security Charges	125.41	105.78

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Export Expenses	152.99	106.62
Provision for Bad and Doubtful Debts	44.53	24.41
Director Sitting Fees	4.63	5.95
Commission and Incentives on sales	69.48	242.01
- Corporate Social Responsibility (refer note no. 44)	284.78	372.91
Miscellaneous Expenses	997.97	648.50
Total	14,687.35	15,276.52

Footnotes:

(a) Details of payments to Auditors (excluding GST)

(₹ in lakhs)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Payment to Auditors		
(a) for Statutory Audit	13.48	12.54
(b) for Other Services - Certification	0.55	3.32
(c) for Out of Pocket Exps	0.75	0.75
Total payment to auditors	14.78	16.61

(b) Corporate Social Responsibility

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(A) Gross amount required to be spent by the Company during the year	259.09	362.46
(B) Amount approved by the Board to be spent during the year		
Construction / acquisition of any asset	-	-
On purposes other than above	284.78	372.91
Total		
(C) Amount spent during the year		
Construction / acquisition of any asset	-	-
On purposes other than above	284.78	372.91
Total		
(D) Details of ongoing project and other than ongoing project		
(i) In case of Section 135(6) (ongoing project)		
Opening Balance- With Company	-	-
- In Separate CSR Unspent A/c	-	-
Amount required to be spent during the year	-	-
Amount spent during the year - From Company's bank A/c'	-	-
- From Separate CSR Unspent A/c	-	-
Closing Balance - With Company	-	-
- In Separate CSR Unspent A/c	-	-
(ii) In case of Section 135(5) (other than ongoing project)		
Opening Balance	(62.62)	(52.17)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	259.09	362.46
Amount spent during the year	284.78	372.91
Closing balance (Excess spent)	(88.31)	(62.62)
(E) Details related to spent / unspent obligations:		
(i) Education and skill Development	182.78	202.85
(ii) Covid-19 Relief	-	-
(iii) Livestock Development	-	20.00
(iv) Medical Grants, Healthcare Facilities	37.00	-
(v) Rural and socially backward society Development	-	8.00
(vi) Tribal Welfare	-	20.00
(vii) Water Management Conservation	30.00	-
(viii) Women Empowerment And Livelihood	-	-
(ix) Green Environment Project	-	-
(ix) Health Care	-	52.15
(x) General Welfare Activities	35.00	7.00
(xii) Unspent amount in relation to:	-	62.91
- Ongoing p	-	-
- Other than ongoing projects	-	-

35 EARNING PER SHARE (EPS):

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Net Profit available for Equity Shareholders	(839.13)	8,812.14
No. of Equity Shares as per financial statement	27,57,50,490	2,71,53,488
Weighted average number of Equity Shares for Basic Earnings Per Share* (nos.) (Previous year numbers include Bonus Shares issued during current year)	2,72,92,680	2,71,53,488
Weighted average number of Equity Shares for Diluted Earnings Per Share** (nos.) (Previous year numbers include Bonus Shares issued during current year)	2,79,89,158	2,79,73,337
Basic Earnings Per Share (in ₹)	(3.07)	32.45
Diluted Earnings Per Share (in ₹)	(3.00)	31.50

Footnotes:

- Basic EPS is calculated by dividing profit for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.
- Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Basic EPS (in Nos)		
Existing number of equity shares	2,71,53,488.00	2,71,53,488.00
Conversion of OCPS to Equity Shares	1,28,890.62	
ESOP shares	10,301.37	
Total Number of shares after conversion	2,72,92,679.99	2,71,53,488.00
Diluted Earnings Per Share (in Nos)		
Existing number of equity shares	2,72,92,679.99	2,71,53,488.00
OCPS (Pending for Conversion to equity) **	6,82,231.00	8,11,122.00
ESOP	14,247.00	8,727.27
Total Number of share after Bonus issue	2,79,89,157.99	2,79,73,337.27

36 Stock option schemes

- i) The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options are vested over a period of 1 years, subject to the discretion of the management and fulfillment of certain conditions.

Options can be exercised anytime within a period of 3 years from the date of vesting and would be settled by way of issue of equity shares.

- ii) **The details of the grants under the aforesaid schemes under various series are summarised below:**

Sr No	Particulars	2023-24	2022-23
1	Grant price - (R)	₹ 10 Per option	₹ 10 Per option
2	Grant dates	09-08-23	04-08-22
3	Vesting commences on	09-08-24	04-08-23
4	Options granted and outstanding at the beginning of the year		-
5	Options lapsed		-
6	Options granted	24,000	16,000
7	Options exercised		-
8	Options granted and outstanding at the end of the year, of which	24,000	16,000
9	Options vested		-
10	Options yet to vest	24,000	16,000
11	Weighted average remaining contractual life of options (in years)		

Expense on Employee Stock Option Schemes debited to the Statement of Profit and Loss during 2023-24 is ₹ Lakh (previous year: 66.06 lakhs), pursuant to the employee stock option schemes. The entire amount pertains to equity-settled employee share-based payment plans.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

The fair value of the options granted during the year has been calculated as per the Black-Scholes Option Pricing Model using the following significant assumptions and inputs:

Sr No	Particulars	2023-24	2022-23
1	Risk-free interest rate	7.28%	6.68%
2	Expected life of options	2.5 year	2.5 year
3	Expected volatility	0.4723	0.4851
4	Expected dividends over the life of the option	0.19%	0.39%
5	Share price as on grant date	536.5 per share	645.25 per share
6	Exercise price	10 per option	10 per option
7	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.

37 Contingent Liabilities and Commitments (To the extent not provided for)

(a) Contingent Liabilities

	(₹ in lakhs)	
	March 31, 2024	March 31, 2023
Claims against the Company not acknowledged as debts		
(i) GST matters	111.98	111.98
(ii) Income tax matters	2,875.37	2,875.37
(iii) Labour laws related matters (ESIC)	-	-
(iv) Stamp Duty	199.87	199.87
(v) Bank Guarantees issued against the notices received from Statutory Authorities.	25.13	12.02
Total	3,212.35	3,199.25

(b) Commitments

	(₹ in lakhs)	
	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	524.15	1,597.77
Total	524.15	1,597.77

38 Segment Information

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the Chief Operating Decision Makers (CODM). The board responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. Chemicals.

(a) Revenue from Type of Product and Services

There is only one operating segment of the Company which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(b) Geographical Information

	(₹ in lakhs)	
	March 31, 2024	March 31, 2023
Segment Revenue - External Turnover		
Within India (include Deemed Export)	68,393.90	98,627.13
Outside India	3,912.04	6,553.35
Total	72,305.94	1,05,180.48
Non-Current Assets*		
Within India	73,453.20	75,776.00
Outside India	-	-
Total	73,453.20	75,776.00

* includes property plant and equipment, intangible assets, capital work-in-progress and other non-financial non-current assets.

(c) Information about major customers

Ind AS 108 Segment Reporting Requires Disclosure of its major customers if revenue from transactions with single external customer amounts to 10 per cent or more of company's total revenue. Company's total Revenue of ₹ 67,719.21 Lakhs (FY 2022-23: ₹ 91,161.80 Lakhs) include sales of ₹ 34,582.66 Lakhs (FY 2022-23: ₹ 34,582.66 Lakhs) to two large customers with whom the company is having long standing Relationship.

39 Related Party Transactions

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below:

(a) Key Managerial Personnel: KMPs of Subsidiaries to be disclosed.

Name	Designation
Mr. Arvind K. Chheda	Managing Director (Retired w.e.f April 19, 2024)
Mr. Vishnu J. Sawant	Whole Time Director (Resigned May 24, 2024)
Mr. Mahek M. Chheda	Whole Time Director & Chief Financial Officer (w.e.f. July 6, 2017)
Mr. Nemin M. Savadia	Whole Time Director (w.e.f May 05, 2022)
Mr. Siddharth D. Shah	Whole Time Director (w.e.f. June 01, 2022)
Mr. Sathiababu Krishnan Kallada	Whole Time Director (w.e.f. November 23, 2023)
Mr. Kirit H. Desai	Non-Executive Director (w.e.f. August 14, 2021)
Mr Santosh Shantilal Vora	Non- Executive Director (w.e.f. May 01, 2022)
Mr. Sudhirprakash Baburao Sawant	Independent Director (w.e.f May 19, 2023)
Mr Navin Chapshi Shah	Independent Director (w.e.f. August 04, 2022)
Mr. Mulesh M. Savla	Independent Director (w.e.f. April 04, 2019)
Mrs. Sonal Vira	Independent Director (w.e.f. August 04, 2022)
Mr. Velji K. Gogri	Independent Director (upto July 05, 2023)
Ms. Avani Lakhani	Company Secretary (upto April 15, 2024)
Mr. Kaustubh Kulkarni	Company Secretary (w.e.f May 24, 2024)

(c) Close family members of Key Managerial Personnel who are under the employment of the Company:

- (i) Mr. Pankaj S. Shah (upto May 30, 2022)
- (ii) Mr. Siddharth D. Shah (upto May 30, 2022)
- (iii) Mr. Shevantilal P. Shah (upto May 30, 2022)
- (iv) Mr. Nemin M. Savadia (upto April 30, 2022)
- (v) Mr. Mahesh M. Savadia (w.e.f. May 01, 2022)
- (vi) Mr. Dinesh S. Shah (w.e.f. June 01, 2022)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(d) Other entities where significant influence exist:

(i) Post employment-benefit plan entity:

Abhilasha Tex Chem P. Ltd. Gratuity Trust
 Valiant Organics Limited Gratuity Trust
 Amarjyot Chemicals P. Limited Gratuity Trust
 The Trust Valiant Laboratories Limited

(ii) Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promoters/ Group of Promoters

Aarti Industries Limited
 Aarti Pharmalabs Limited
 Aarti Drugs Limited
 Alchemie Speciality Chemicals Pvt. Ltd
 Ganesh Polychem Limited
 Dilesh Logistics India Private Limited
 Shanti Intermediates Pvt. Ltd.
 Dinesh Dyestuff Industries
 Ganesh Polychem Limited

Compensation of key management personnel of the Company:

(₹ in lakhs)

	March 31, 2024	March 31, 2023
(i) Short-term employee benefits	190.33	205.98
(ii) Post-employment benefits	-	29.07
(ii) Director Sitting fees	5.93	4.25
Total compensation paid to key management personnel	196.26	239.29

Details of transactions with and balances outstanding of Key Managerial Personnel (KMP) / Close Family Member of Key Managerial Personnel:

(₹ in lakhs)

Name of Related Party	Nature of transaction	March 31, 2024		March 31, 2023	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Mr. Arvind K. Chheda	Remuneration	36.00	-	32.50	-
	Commission on Profit			47.45	30.45
Mr. Vishnu J. Sawant	Remuneration	24.00	-	22.00	-
Mr. Mahek M. Chheda	Remuneration	24.00	-	22.00	-
Mr. Mahesh M. Savadia	Remuneration		-	11.50	-
Mr. Dinesh S. Shah	Remuneration		-	8.47	-
Mr. Bijal D. Modi	Remuneration		-	18.55	-
Mr. Sathiababu Krishnan Kallada	Remuneration	33.00	-	27.50	-
Mr. Sathiababu Krishnan Kallada	Director Sitting fees		-	0.10	-
Mr. Sathiababu Krishnan Kallada	ESOP	50.45			

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(₹ in lakhs)

Name of Related Party	Nature of transaction	March 31, 2024		March 31, 2023	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Mr. Sudhirprakash Baburao Sawant	Director Sitting fees	0.75	-	-	-
Mr. Velji K. Gogri	Director Sitting fees	0.38	-	1.00	-
Mr. Mulesh M. Savla	Director Sitting fees	1.50	-	0.90	-
Mr. Dhirajlal D. Gala	Director Sitting fees	-	-	0.25	-
Mrs. Jeenal K. Savla	Director Sitting fees	-	-	0.30	-
Mrs. Sonal Vira	Director Sitting fees	0.60	-	0.20	-
Mr. Kirit H. Desai	Director Sitting fees	0.60	-	0.50	-
Mr. Kirit H. Desai	Director Sitting fees	50.45	-	-	-
Mr Santosh Shantilal Vora	Director Sitting fees	0.75	-	0.45	-
Mr Navin Chapshi Shah	Director Sitting fees	1.35	-	0.55	-
Mrs. Avani Lakhani	Remuneration	11.92	-	12.00	-
Mr. Siddharth D. Shah	Remuneration	23.78	1.39	20.23	-
Mr. Nemin M. Savadia	Remuneration	21.43	1.15	12.84	-
Mr. Mahesh M. Savadia	Professional Fees	14.73	1.10	13.50	1.10
Mr. Dinesh S. Shah	Professional Fees	15.00	1.13	12.50	-
Mr. Pankaj S. Shah	Remuneration	16.20	1.35	1.25	-

Details of transactions with and balances outstanding of Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promoters/ Group of Promoters.

(₹ in lakhs)

Name of related party	Nature of transaction	March 31, 2024		March 31, 2023	
		Transaction value	Balance as on 31.03.2023	Transaction value	Balance as on 31.03.2022
Abhilasha Tex Chem P. Ltd. Gratuity Trust	Contribution to the Gratuity Funds	-	-	-	61.18
Valiant Organics Limited Gratuity Trust	Contribution to the Gratuity Funds	30.30	374.30	25.17	226.38
Amarjyot Chemicals P. Limited Gratuity Trust	Contribution to the Gratuity Funds	-	-	6.08	55.36
Shanti Intermediates Pvt. Ltd.	Revenue from Sale of Products	338.52	36.93	590.76	20.16
Dinesh Dyestuff Industries	Rent Paid	8.48	-	8.48	-
Dinesh Dyestuff Industries	Purchase of Goods	13.28	(3.30)	-	-
Alchemie Speciality Chemicals Pvt. Ltd.	Purchase of Goods	17.38	(264.32)	100.08	-
Alchemie Speciality Chemicals Pvt. Ltd.	Rent Received	14.16	-	14.16	-
Alchemie Speciality Chemicals Pvt. Ltd.	Interest Receivables	170.27	170.27	-	-
Alchemie Speciality Chemicals Pvt. Ltd.	Revenue from Sale of Products	1,602.82	2,095.27	3,076.28	2,687.67
Aarti Industries Limited	Revenue from Sale of Products	7,917.49	6,469.94	15,390.43	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(₹ in lakhs)

Name of related party	Nature of transaction	March 31, 2024		March 31, 2023	
		Transaction value	Balance as on 31.03.2023	Transaction value	Balance as on 31.03.2022
Aarti Industries Limited	Sale of Asset	875.00	-		
Aarti Industries Limited	Interest Payable	390.00	(390.00)		
Aarti Industries Limited	Purchase of Goods	24,773.03	(19,122.03)	37,097.60	9,316.24
Aarti Drugs Limited	Revenue from Sale of Products	1,883.41	320.76	1,647.17	269.13
Aarti Drugs Limited	Purchase of Goods	-	-	195.04	-
Aarti Pharmalabs Limited	Revenue from Sale of Products	3,299.55	3,523.59	453.30	-
Aarti Pharmalabs Limited	Purchase of Goods	1,938.78	(3,210.69)	971.60	686.10
Ganesh Polychem Limited	Purchase of Goods	943.83	(91.27)	1,475.21	65.99
Ganesh Polychem Limited	Revenue from Sale of Products	-	-	29.50	-
Dilesh Logistics India Private Limited	Purchase of Goods	64.11	(22.08)	220.69	20.86
Mr Hemchand Gala	Gratuity Payment	-	-	44.56	-
The Trust Valiant Laboratories Limited	Contribution to the Gratuity Funds	14.47	-	1.92	86.43

Details of transactions with Subsidiaries Companies and balances outstanding of Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promoters/ Group of Promoters.

(₹ in lakhs)

Name of related party	Nature of transaction	March 31, 2024		March 31, 2023	
		Transaction value	Balance as on 31.03.2024	Transaction value	Balance as on 31.03.2023
Aarti Industries Limited	Rent Received	-	-	106.2	0
	Sale of Goods	-	-	24.39	-
	Purchase of Goods	-	-	42.03	-
	Deposit	-	-	-	-
	Others - Reimbursement	-	-	36.74	-
Aarti Pharmalabs Limited	Rent Received	-	-	106.20	65.18
	Sale of Goods	-	-	-	-
	Purchase of Goods	-	-	213.97	-
	Deposit	-	-	-	96.10
	Others - Reimbursement	-	-	19.20	-
Valiant Speciality Chemical Limited	Equity Investment	-	25.00	-	25.00
Dhanvallabh Ventures LLP	Investment (Partner's Fix Capital)	-	0.37	-	0.37
	Investment (Partner's Current Capital)	-	4,866.14	-	4,985.07
	Share in Gain/(Loss) of Subsidiary	(1.43)	-	(117.49)	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

40 Financial Instruments - Accounting Classification and Fair values

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Category-wise classification for applicable financial assets:

(₹ in lakhs)

	Current/ Non- Current	As at March 31, 2024				As at March 31, 2023			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets									
Financial assets measured at cost									
Investment in Subsidiaries	Non- Current	-	N.A	N.A	N.A	-	N.A	N.A	N.A
Financial assets measured at amortised cost									
Loans to others	Non- Current	4,861.61	N.A	N.A	N.A		N.A	N.A	N.A
Security Deposits	Non- Current	540.78	N.A	N.A	N.A	675.35	N.A	N.A	N.A
Trade Receivables	Current	20,936.22	N.A	N.A	N.A	25,429.87	N.A	N.A	N.A
Cash on hand	Current	4.83	N.A	N.A	N.A	10.74	N.A	N.A	N.A
Balance with Banks	Current	343.40	N.A	N.A	N.A	764.34	N.A	N.A	N.A
Other Fixed Deposits	Current	31.95	N.A	N.A	N.A	39.95	N.A	N.A	N.A
Security Deposits	Current	-	N.A	N.A	N.A	-	N.A	N.A	N.A
Loans to employees	Current	62.32	N.A	N.A	N.A	78.38	N.A	N.A	N.A
Interest Receivable	Current	12.27	N.A	N.A	N.A	10.77	N.A	N.A	N.A
Other Receivables	Current	280.73	N.A	N.A	N.A	352.92	N.A	N.A	N.A
		27,074.10				27,362.31	-	-	-
Financial assets measured at fair value through profit or loss (FVTPL)									
Investment in Mutual Funds (Quoted)	Current	330.00	330.00	-	-	3,731.86	3,731.86	-	-
Financial assets measured at fair value through other comprehensive income (FVTOCI)									
Investments in Equity Shares and Preference Shares	Non- Current	525.44	232.28	253.00	40.16	366.76	176.13	151.80	38.83
Investments in Equity Shares	Current	-	-			20.23	20.23		
		525.44	232.28	253.00	40.16	386.99	196.36	151.80	38.83
Total Financial Assets		27,929.54	562.28	253.00	40.16	31,481.16	3,928.22	151.80	38.83
Financial Liabilities									
Financial liabilities measured at amortised cost									
Long term borrowings - Term Loans from Banks	Non- Current	7,416.10	N.A	N.A	N.A	5,856.20	N.A	N.A	N.A
Unsecured Loans	Non- Current	-	N.A	N.A	N.A	1,204.52	N.A	N.A	N.A
Long-term maturities of lease obligations	Non- Current	32.40	N.A	N.A	N.A	107.81	N.A	N.A	N.A
Short term borrowings - Working capital loans from Banks	Current	14,103.48	N.A	N.A	N.A	16,020.38	N.A	N.A	N.A
Unsecured Loans	Current	4,126.76				4,158.83			

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(₹ in lakhs)

	Current/ Non- Current	As at March 31, 2024				As at March 31, 2023			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Trade Payables									
- Due to Micro, Small and Medium Enterprises	Current	465.12	N.A	N.A	N.A	1,678.81	N.A	N.A	N.A
- Due to Others	Current	20,279.39	N.A	N.A	N.A	14,880.88	N.A	N.A	N.A
Creditors for Capital Goods	Current	1,073.67	N.A	N.A	N.A	1,337.01	N.A	N.A	N.A
Unclaimed Dividends	Current	3.92	N.A	N.A	N.A	3.76	N.A	N.A	N.A
Current maturities of finance lease obligations	Current	22.65	N.A	N.A	N.A	17.52	N.A	N.A	N.A
Other Current Liabilities	Current	653.99	N.A	N.A	N.A	658.09	N.A	N.A	N.A
Total Financial Liabilities		48,177.48	-	-	-	45,923.81	-	-	-

Fair value hierarchy

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities etc. included in level 3

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level followed is given in the table above.

41 Financial risk management objectives and policies

The Holding Company's Board of Directors and the management of respective subsidiaries have overall responsibility for the establishment and oversight of the Group's Risk Management framework. The Board of Directors of the Holding Company has established the Risk Management Committee, which is responsible for developing and monitoring the Risk Management policies. The Committee reports regularly to the Board of Directors on its activities.

The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables and other payables.

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments, such as cross currency swaps and interest rate swaps to hedge foreign currency risk and interest rate risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

A. 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 risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in market interest rates. Group's interest rate risk arises from borrowings.

The following table demonstrates the sensitivity on the Group's profit before tax, to a reasonably possible change in interest rates of variable rate borrowings on that portion of loans and borrowings affected, with all other variables held constant:

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax.

	(₹ in lakhs)	
	FY 2023-24	FY 2022-23
50 BPS increase would (decrease) the Profit before Tax by	(98.73)	90.88
50 BPS decrease would increase the Profit before Tax by	98.73	(90.88)

(ii) 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 transacts in several currencies and consequently the Group is exposed to foreign exchange risk through its sales outside India, and purchases from overseas suppliers in various foreign currencies. The Group also has borrowings in foreign currency. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are affected as the rupee appreciates / depreciates against these currencies. Foreign currency exchange rate exposure is partly balanced by purchase of raw materials and services in the respective currencies.

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

	As at March 2024		As at March 2023	
	Amount in foreign currency - USD	Amount in Rupees- INR	Amount in foreign currency - USD	Amount in Rupees- INR
Liabilities				
United States Dollar (USD)	(8.68)	(723.80)	(80.27)	(6,428.32)
	(8.68)	(723.80)	(80.27)	(6,428.32)
Assets				
United States Dollar (USD)	8.42	702.27	23.65	1,944.90
CNY			14.43	172.67
	8.42	702.27	38.08	2,117.57

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

	As at March 2024		As at March 2023	
	Amount in foreign currency - USD	Amount in Rupees- INR	Amount in foreign currency - USD	Amount in Rupees- INR
Net foreign currency denominated monetary liability/(asset) (total)				
United States Dollar (USD)	(0.26)	(21.53)	(56.62)	(4,483.42)
CNY	-	-	14.43	172.67
Foreign exchange derivatives				
USD (Hedged) - Currency swaps against foreign currency borrowings			(34.72)	(2,683.01)
Net foreign currency denominated monetary liability/(asset) (unhedged)				
United States Dollar (USD)	(0.26)	(21.53)	(21.90)	(623.30)

Foreign Currency Risk Sensitivity

The following tables demonstrate foreign currency sensitivity on unhedged exposure (1% increase / decrease in foreign exchange rates will have the following impact on profit before tax).

	As at March 2024		As at March 2023	
	+ 100 BPS	- 100 BPS	+ 100 BPS	- 100 BPS
United States Dollar (USD)	0.22	(0.22)	6.23	(6.23)

(iii) Equity Price Risk

The Group's investments in listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Holding Company's Board of Directors and the management of the respective subsidiaries reviews and approves all equity investment decisions.

The following table summarises the sensitivity to change in the price of equity securities held by the Group on the Group's Equity and OCI. These changes would not have an effect on profit or loss.

(₹ in lakhs)

	Impact on other components of equity (OCI)	
	As at March 31, 2024	As at March 31, 2023
5% increase	28.10	196.41
5% decrease	(28.10)	(196.41)

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily for trade receivables and deposits with banks and other financial assets. It is ensured that sales of products are made to customers with appropriate creditworthiness. Outstanding customer receivables are regularly monitored by the respective management of the Group Companies. An impairment analysis is performed at each reporting date on an individual basis for major customers. Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks.

Refer footnotes (c) and (d) below note no. 11 for ageing of trade receivables and movement in credit loss allowance.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

C. Liquidity Risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations without incurring unacceptable losses. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generates sufficient cash flows from operations or from cash and cash equivalents to meet its financial obligations including lease liabilities as and when they fall due.

(i) Financing arrangements

	(₹ in lakhs)	
	March 31, 2024	March 31, 2023
Secured borrowing facilities		
- Amount used	28,423.01	28,423.01
- Amount unused	16,451.99	16,451.99
Total	44,875.00	44,875.00

(ii) Maturity profile of financial liabilities

	(₹ in lakhs)		
	Less than 1 year	Between 1 to 5 years	Over 5 years
As on March 31, 2023			
Borrowings	18,242.94	6,292.28	1,111.11
Lease Liabilities	22.65	32.40	-
Trade Payables	20,744.51	-	-
Other Financial Liabilities	1,731.58	-	-
	40,741.68	6,324.69	1,111.11
As on March 31, 2022			
Borrowings	20,179.21	7,060.72	-
Lease Liabilities	17.52	107.81	-
Trade Payables	16,559.69	-	-
Other Financial Liabilities	1,998.86	-	-
	38,755.28	7,168.53	-

D. Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital of the Holding Company, and all other equity reserves attributable to the equity shareholders of the Holding Company. The primary objective of the Group's capital management is to maximise the shareholder value, safeguard business continuity and support the growth of the Group as a whole. The Group manages its capital structure and makes suitable adjustments in light of changes in economic conditions.

The Holding Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Holding Company includes within net debt outstanding liabilities towards Borrowings, obligations towards lease less cash and cash equivalents, other unrestricted balances with banks and current investments.

	(₹ in lakhs)	
	March 31, 2024	March 31, 2023
Borrowings - Current and Non-Current	25,646.34	27,239.93
Long-term maturities of Lease obligations	32.40	107.81
Current maturities of Lease obligations	22.65	17.52
Less: cash and cash equivalent	(348.23)	775.08
Less: other balances with banks	(31.95)	39.95
Less: current investments	(330.00)	3,752.09
Net Debts	24,991.22	31,932.38
Total Equity	72,929.40	74,006.22
% Net debt to equity ratio	34.27%	43.15%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

42 Disclosure of additional information pertaining to the parent, subsidiary and joint venture companies as per Schedule III of the Companies Act, 2013

(₹ In Lakhs)

Name of Entities	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)	As % of consolidated other comprehensive income	Amount (₹ in Lakhs)	As % of consolidated total comprehensive income	Amount (₹ in Lakhs)
Holding Company								
Valiant Organics Limited	93.84%	66,487.90	110.77%	(304.34)	80.13%	70.74	125.27%	(233.60)
Indian Subsidiaries								
1. Dhanvallabh Venture LLP*	0.00%	0.50	0.71%	(1.96)	0.00%	-	1.05%	(1.96)
2. Valiant laboratories limited (Through Dhanvallabh Ventures LLP as a partner)*	6.13%	4,345.00	-11.63%	31.96	19.87%	17.54	-26.54%	49.50
3. Valiant Speciality Chemical Limited	0.03%	20.78	0.15%	(0.41)	0.00%	-	0.22%	(0.41)
Total [A]		70,854.18		(274.76)		88.28		(186.48)
(a) Adjustments arising out of consolidation		2,075.09		(564.90)		51.22		(513.68)
(b) Non-controlling Interest		0.13		0.53		(68.76)		(68.23)
Total [B]		2,075.22		(564.37)		(17.54)		(581.91)
Consolidated [A + B]		72,929.41		(839.13)		70.74		(768.39)

Notes:

- Net Assets of Partnership firms represents total fixed capital of partners. Current account of partners are reflected in short-term borrowings in consolidated financial statements.
- Profit attributable to minority interest is reflected in current account of partners as subsidiary entities are partnership firms.
- Holding Company being partner, its share of profits in subsidiary entities is reflected in its standalone financial statements.

43 Additional regulatory information required by schedule III to the Companies Act, 2013

- The Company and its Indian Subsidiaries does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- The parent and its Indian Subsidiaries does not have any transactions or relationships with any companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

- (c) The Company and its Indian Subsidiaries has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- (d) Utilisation of borrowed funds and share premium:
- (i) The Company and its Indian Subsidiaries 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:
- 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 to or on behalf of the ultimate beneficiaries.
- (ii) The Company and its Indian Subsidiaries has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- 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.
- (e) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (f) The Company has not traded or invested in crypto currency or virtual currency during the year.

44 Ratio Analysis

Sr. No.	Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Change	Reason for variance
1	Current ratio	Current Assets	Current Liabilities = Total current liabilities - Current maturities of non-current borrowings and lease obligations	1.79	1.35	32.56%	Current assets increased on account of Trade Receivables and Cash & equivalents significantly, while current liabilities increased but to a lower extent.
2	Net Debt-Equity ratio	Net debt = Non-current borrowings + Current borrowings + Non-current and current lease liabilities - Current investments - Cash and cash equivalents - Other balances with banks (including non-current earmarked balances)	Average Equity [Equity = Equity share capital + Other equity]	0.34	0.31	9.73%	Borrowings increased significantly (mainly short term borrowings) as compared to average equity increase.
3	Debt Service Coverage ratio	Earnings before interest, tax, Depreciation & Amortisation	Total debt service [Total debt service = Finance Cost + Long Term Borrowings + Current Portion of Long Term Borrowings + Lease Liabilities]	0.17	1.51	-88.48%	Earnings decreased mainly due to increase in Raw Material Cost while Long Term debt increased as compared to previous year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

Sr. No.	Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Change	Reason for variance
4	Return on Equity ratio	Profit after tax	Average total equity [Equity = Equity share capital + Other equity]	-1.14%	14.77%	-107.74%	Profits decreased mainly due to increase in costs such as Raw Material Costs, depreciation and other expenses while Average Total Equity also increased as compared to previous year.
5	Inventory Turnover ratio	Cost of goods sold	Average Inventory	4.06	5.74	-29.20%	Raw Material Cost increased significantly along with increase in inventory due to market volatility.
6	Trade Receivable Turnover ratio	Revenue from Sale of Products and Services	Average Trade Receivable	3.12	3.66	-14.78%	Revenue increased on account of higher pricing & new products as well as Trade receivables.
7	Trade Payable Turnover ratio	Adjusted Expenses [Adjusted Expenses = Total Expenses - Finance Cost - Depreciation and Amortisation Expense - Employee Benefit Expenses - Other expenses with respect to Rates & Taxes, Provision for Doubtful Debts, Sundry Balances Written-off, CSR and Foreign Exchange Gain/Loss]	Average Trade Payables	3.39	5.63	-39.78%	Raw Material Cost increased much more than the average Trade Payables.
8	Net Capital Turnover ratio	Revenue from Operations	Average Working capital = Current assets - Current liabilities	18.56	10.73	73.00%	Revenue increased on account of higher pricing & new products as compared to increase in average working capital.
9	Net Profit ratio	Profit after tax	Revenue from operations	-1.16%	9.75%	-111.91%	Profits decreased mainly due to increase in costs such as Raw Material Costs, depreciation, and other expenses even though the revenue from operations increased.
10	Return on Capital Employed	Earnings before interest and tax	Average Capital Employed [Capital Employed = Total Equity + Total Debt]	1.26%	17.56%	-92.80%	Profits decreased mainly due to increase in costs such as Raw Material Costs, depreciation, and other expenses while Average Capital Employed increased.
11	Return on Investment	Income generated from Investments	Average Investments	5.16%	8.41%	-38.66%	This is mainly due to reconstitution of step-subsiary from Partnership Firm to a Limited Liability Company since share of profit in subsidiary is recognised in the standalone financials of the holding company only on distribution.

45 Exceptional Items includes Profit on Sale of Land amounting to Rs. 575 Lakhs. And the loss of Rs.916.09 lakhs on account of dilution in stake has been considered in Profit & Loss Account for the year ended 31--03-24 under exceptional item



CIN: L24230MH2005PLC151348

Regd. Off.: 109, Udyog Kshetra, Mulund-Goregaon Link Road, Mulund (W), Mumbai 400080

Website: - www.valiantorganics.com Email:- investor@valiantorganics.com

Telephone: -91-22-6797 6683

Notice of Annual General Meeting

Notice is hereby given that the Nineteenth Annual General Meeting ("AGM") of the Members of **Valiant Organics Limited** (the "Company") will be held on **Wednesday, August 21, 2024 at 11:30 a.m. (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses. The venue of the AGM shall be deemed to be the Registered Office of the Company.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2024 together with the Reports of the Board of Directors' and the Auditors' thereon.
2. To appoint a Director in place of Shri. Nemin M. Savadia (DIN: 00128256), who is liable to retire by rotation and being eligible, offered himself for re-appointment.
3. To appoint a Director in place of Shri. Santosh S. Vora (DIN: 07633923), who is liable to retire by rotation and being eligible, offered himself for re-appointment.

SPECIAL BUSINESS:

4. To approve revision in terms and conditions of appointment of Shri. Mahek M. Chheda (DIN: 06763870), Executive Director of the Company:

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

"RESOLVED THAT pursuant to provisions of sections 197, 198 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and in accordance with the recommendation of the Nomination and Remuneration Committee of the Board and subject to other approvals, if any, consent of the members of the Company be and is hereby accorded for revision in the terms of appointment pertaining to Remuneration of Executive Director, Shri. Mahek M. Chheda (DIN: 06763870) from ₹ 24 Lakhs to ₹ 25.44 Lakhs for the Financial Year 2024-25.

RESOLVED FURTHER THAT except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members, and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the aforesaid resolution."

5. To approve revision in terms and conditions of appointment of Shri. Nemin M. Savadia (DIN: 00128256), Executive Director of the Company:

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

"RESOLVED THAT pursuant to provisions of sections 197, 198 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and in accordance with the recommendation of the Nomination and Remuneration Committee of the Board and subject to other approvals, if any, consent of the members of the Company be and is hereby accorded for revision in the terms of appointment pertaining to Remuneration of Executive Director, Shri. Nemin M. Savadia (DIN: 00128256) from ₹ 24 Lakhs to ₹ 25.44 Lakhs for the Financial Year 2024-25.

RESOLVED FURTHER THAT except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members, and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as

may be considered necessary, usual or expedient, to give effect to the aforesaid resolution."

6. To approve revision in terms and conditions of appointment of Shri. Siddharth D. Shah (DIN: 07263018), Executive Director of the Company:

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

"RESOLVED THAT pursuant to provisions of sections 197, 198 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and in accordance with the recommendation of the Nomination and Remuneration Committee of the Board and subject to other approvals, if any, consent of the members of the Company be and is hereby accorded for revision in the terms of appointment pertaining to Remuneration of Executive Director, Shri. Siddharth D. Shah (DIN: 07263018) from ₹ 24 Lakhs to ₹ 25.44 Lakhs for the Financial Year 2024-25.

RESOLVED FURTHER THAT except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members, and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the aforesaid resolution."

7. To approve revision in terms and conditions of appointment of Shri. Sathiababu K. Kallada (DIN: 02107652), Executive Director of the Company:

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

"RESOLVED THAT pursuant to provisions of sections 197, 198 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with the recommendation of the Nomination and Remuneration Committee of the Board and subject to other approvals, if any, consent of the members of the Company be and is hereby accorded for revision in the terms of appointment

pertaining to remuneration of Shri. Sathiababu K. Kallada (DIN: 02107652) as the Executive Director of the Company from ₹ 33 Lakhs to ₹ 34.98 Lakhs per annum effective from April 1, 2024 till May 23, 2024, in addition to options granted and to be granted from time to time under Valiant - Employees Stock Option Plan 2022 as approved by the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the aforesaid resolution."

8. To approve the Appointment and Re-designation of Shri. Sathiababu K. Kallada (DIN: 02107652), Executive Director as the Managing Director of the Company:

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under read with Schedule V of the Companies Act, 2013, the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any amendments thereto or statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors, consent of the members of the Company be and is hereby accorded for appointment / re-designation of Shri. Sathiababu K. Kallada (DIN: 02107652), Executive Director as the Managing Director of the Company, not liable to retire by rotation, with effect from May 24, 2024, for a period of three (3) years as per the terms and conditions as set out in the Explanatory Statement annexed to this Notice with power to the Board to alter and vary the terms and conditions of the said appointment including remuneration in such manner as may be agreed between the Board and Shri. Sathiababu K. Kallada.

RESOLVED FURTHER THAT consent of the members be and is also hereby accorded that in case of no profit or inadequate profit in any financial year, the aggregate of salary payable to Shri. Sathiababu K. Kallada, together with perquisites, allowance, benefits and amenities payable, including by way of stock options not exceeding the limits specified in Valiant Employee Stock Option Plan 2022 or any other plan or Scheme as may be approved by the Board from time to time as the perquisite value arising out of exercise of such stock options (already granted or as may be granted from time to time) may be in excess of limits prescribed under the applicable laws/ regulations and rules stated herein above in this resolution.

RESOLVED FURTHER THAT the Key Managerial Personnel be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. To approve the Appointment and continuation of Shri. Parimal H. Desai (DIN: 00009272) as a Non-Executive Director of the Company, on completion of 75 years of age:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and any other applicable provisions, if any of the Companies Act, 2013 and the rules made there under, Regulation 17(1A) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any amendments thereto or statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company and pursuant to recommendation of the Nomination and Remuneration Committee approved by the Board of Directors, Shri. Parimal H. Desai (DIN: 00009272), who was appointed as an Additional Director in the category of Non – Executive Director of the Company effective from May 24, 2024, be and is hereby appointed as Non-Executive Director of the Company, liable to retire by rotation, who would attain the age of 75 years on May 29, 2024.

RESOLVED FURTHER THAT the Key Managerial Personnel be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. To approve the remuneration payable to Dr. Kiritkumar H. Desai (DIN: 08610595), Non-Executive Director of the Company for Financial Year 2024-25:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of sections 197, 198, Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder, Regulation 17(6)(a), (c), and (ca) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, consent of the members of the Company be and is hereby accorded to pay remuneration to Dr. Kiritkumar H. Desai (DIN: 08610595), Non- Executive Director of the Company, by way of 12,000 stock options granted within the limit of Valiant Employee Stock Option Plan 2022, approved by the members, in addition to the sitting fees and reimbursement of expenses payable to him for attending the meetings of the Board of Directors and / or other meetings, which may exceed 1% of the net profit of the Company computed in the manner stipulated in section 198 of the Act and / or over-all limit of 11% of net profit on managerial remuneration specified in section 197, in the event of loss or inadequacy of profits during Financial Year 2024-25.

RESOLVED FURTHER THAT the Key Managerial Personnel be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11. To approve excess Remuneration paid to Dr. Kiritkumar H. Desai (DIN: 08610595), Non-Executive Director of the Company for Financial Year 2023-24:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company and provisions of sections 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and Rules made thereunder read with Regulation 17(6)(ca) and other applicable regulations of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments(s) thereof for the time being in force), consent of the members of the Company be and is hereby accorded to 8,000 stock options granted based on recommendation of Nomination and Remuneration Committee and approved by the Board of Directors to Dr. Kiritkumar H. Desai (DIN: 08610595), Non-Executive Director being eligible under the Valiant Employee Stock Option Plan 2022, approved by the members, during the financial year 2022-23, in addition to the sitting fees and reimbursement of expenses payable to him for attending the meetings of the Board of Directors and / or other meetings and further waive off the recovery of excess remuneration amounting to ₹ 22,11,560/-, being perquisite value arising out of exercise of the said stock options upon vesting during the financial year 2023-24, which has exceeded the limits prescribed under the law and regulations aforesaid in view of the loss incurred during the financial year 2023-24.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to delegate all or any of the powers conferred on it to any Committee of Directors and/or Managing/Whole-time Director(s) of the Company and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

12. Ratification of Remuneration to the Cost Auditor for the Financial Year 2024-25:

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

"RESOLVED THAT pursuant to Section 148 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications(s) or re-enactment(s) thereof, for the time being in force, the remuneration of ₹ 1,75,000/- (Rupees One Lakh Seventy-Five Thousand only) plus Tax as applicable and reimbursement for out of pocket expenses to be paid to Smt. Ketki D. Visariya, Cost Accountant (Membership Number: 16028), appointed by the Board of Directors based on the recommendation of the Audit Committee, as Cost Auditor of the Company to conduct the audit of cost records of the Company for the financial year 2024-25, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Executive Directors & Key Managerial Personnel be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Registered Office:

109, Udyog Kshetra, First Floor,
Mulund Goregaon Link Road,
Mulund (W), Mumbai-400080

Place: Mumbai
Date: May 24, 2024

By order of the Board

Sd/-
Kaustubh Kulkarni
Company Secretary
ICSI M No.: A52980

NOTES:

1. In terms of General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs ('MCA') and Circular no. SEBI/HO/CFD/PoD2/P/CIR/2023/4 dated January 05, 2023 and Circular dated October 7, 2023 issued by the Securities and Exchange Board of India (collectively referred to as 'Circulars'), the Annual General Meeting ('AGM') is being held through Video Conferencing ('VC') facility / Other Audio Visual Means ('OAVM') without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 (the "Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the Circulars, the 19th AGM of the Company is being held through VC/OAVM on Wednesday, August 21, 2024 at 11:30 a.m.(IST). The deemed venue for the 19th AGM shall be the Registered Office of the Company.
2. In accordance with the provisions of the Act, read with the Rules made thereunder and pursuant to Circulars, since the AGM of the Company is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations (as amended), and the Circulars issued by the MCA dated April 8, 2020, April 13, 2020 and May 5, 2020, 9/2023 dated September 25, 2023, the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means and for participation in the AGM, as the authorized agency. The facility of casting votes by a member using remote e-Voting system, as well as voting on the date of the AGM will be provided by NSDL.
5. In compliance with the MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company's Registrar and Share Transfer Agent / Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website at www.valiantorganics.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 and also on the website of NSDL (agency for providing the Remote e-Voting facility) at www.evoting.nsdl.com.
6. Members holding shares of the Company as on Monday, August 12, 2024, shall be entitled to vote at the Annual General Meeting of the Company. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
7. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM through e-voting.
8. The Explanatory Statement pursuant to Section 102 of the Act in respect of the Special Business item nos. 4 to 12 is annexed hereto and forms part of the Notice.
9. Statement giving details of the Directors seeking appointment and re-appointment is also annexed with this Notice pursuant to the requirement of Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meeting ("SS-2").
10. At the 18th AGM, M/s Gokhale & Sathe, Chartered Accountants, (Firm Registration No. 103264W) were re-appointed as Statutory Auditors of the Company for a period of 5 years i.e. until the conclusion of the 23rd AGM of the Company.
11. All the relevant documents referred to in this AGM Notice and Explanatory Statement etc., Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act and other documents shall be available for inspection electronically by the members on all working days during 11:00 a.m. (IST) to 1:00 p.m. (IST) till the date of the AGM. Members seeking to inspect such documents can send an e-mail to investor@valiantorganics.com from their registered e-mail address.

12. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send the scan copy of the relevant Resolution / Authorisation letter to the Scrutiniser by email through its registered email address to sunil@sunildedhia.com with a copy marked to evoting@nsdl.co.in authorising its representative to attend the AGM through VC/OAVM.
13. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP).
14. The Company is concerned about the environment. We request you to update your email address with your Depository Participants to enable us to send you communications via email. The Members who have not registered their e-mail addresses, so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.
15. As per the provisions of Section 72 of the Act, the facility for making nominations is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.valiantorganics.com. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form. Further, if Members desire to opt out / cancel the nomination and to record a fresh nomination, are requested to submit Form SH-14 in case of shares held in electronic mode.
16. Members seeking any information with regards to Financial Statements or any matters to be placed at the AGM, are requested to write to the Company on or before August 19, 2024 through email at investor@valiantorganics.com. The same will be replied by the Company suitably.
17. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>).

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

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 the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has availed services of National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using a remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.

The remote e-voting period begins on Sunday, August 18, 2024 at 9:00 A.M. (IST) and ends on Tuesday, August 20, 2024 at 5:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **Monday, August 12, 2024**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

The details of the process and manner for remote e-voting are explained herein below:

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





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

Step 1: Access to NSDL e-Voting system:

i) Login method for remote e-voting and joining virtual meetings for Individual shareholders holding securities in demat mode

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around;">   </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also link provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from the e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also be able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

ii) Login Method for e-Voting for joining virtual meeting for Shareholders other than Individual shareholders holding securities in demat mode.

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

- Visit the e-Voting website of NSDL. Open a 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, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****

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

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?

- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
- If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

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

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

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

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

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

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

How to cast your vote electronically and join General Meeting NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Valiant Organics Limited. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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

1. Please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor@valiantorganics.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (i) i.e. Login method for e-Voting for Individual members holding securities in demat mode.
2. Alternatively, shareholder / members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

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

The instructions for members for e-voting on the day of the AGM are as under:

- The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
- Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free No. 022-48867000 and 022-24997000 or send a request to Mr. Amit Vishal, Asst. Vice President - NSDL at evoting@nsdl.co.in.

GENERAL GUIDELINES FOR MEMBERS

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free No. 022-48867000 or 022-24997000 or send a request to Mr. Amit Vishal, Asst. Vice President - NSDL at evoting@nsdl.co.in.

Other Instructions:

- The Company has appointed CS Sunil M. Dedhia, Practising Company Secretary (Membership No.F3483 and Certificate of Practice No.2031), Proprietor of Sunil M. Dedhia and Co., Company Secretaries, as scrutiniser

(the 'Scrutiniser') for conducting the e-voting and remote e-voting process for the AGM in a fair and transparent manner.

- The Scrutiniser shall within 2 working days of conclusion of the meeting submit a consolidated scrutiniser report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company www.valiantorganics.com and on the website of NSDL www.evoting.nsdl.com. The Company shall simultaneously forward the results to NSE and BSE, where the shares of the Company are listed.

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

- Members will be able to attend the AGM through VC / OAVM at www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of the Company will be displayed.
- Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
- Members are encouraged to join the AGM through Laptops for better experience. Further Members will be required to allow Camera and use the Internet with a good speed to avoid any disturbance during the meeting.
- Members 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.
- The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on a first come first served basis. This will not include Large Shareholders (Shareholders holding 2% or

more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. Members who need assistance before or during the AGM, can contact NSDL on evoting.nsdl.com/ 1800-222- 990.
7. Members who would like to express their views or ask questions during the meeting may register themselves as a speaker by sending their request from their registered email ID mentioning their name, demat account number/ folio number, PAN, mobile number at investor@valiantorganics.com at least 5 days before the date of

AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

8. Members can raise questions at the AGM through a chat box and they are requested to frame their questions precisely. Once the Member clicks the link for VC/ OAVM in shareholder / members login where the EVEN of Company will be displayed, Members will be able to view AGM VC/OAVM proceedings along with the chat box. The questions raised by the Members will be replied to by the Company suitably.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

The following Explanatory sets out all the material facts relating to the items of special business mentioned in the Notice.

Item No. 4:

Shri. Mahek M. Chheda has been Director of the Company since July 06, 2017. He is B.Sc. in Business from college affiliated with University of London having more than 9 years of work experience in the field of Finance, Marketing and Business Development and perform such duties as shall from time to time be entrusted to him by the Board of Directors.

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on May 24, 2024 approved a revision in the remuneration of Shri. Mahek M. Chheda for the Financial Year 2024-25 from ₹ 24 Lakhs to ₹ 25.44 Lakhs, subject to approval of the members.

Except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members, and which are not dealt in the Resolution set out at Item No. 4 of the Notice, shall remain unchanged and continue to be effective.

Except Shri. Mahek M. Chheda and / or his relatives, none of the Directors and Key Managerial Personnel of the Company and / or their relatives is, concerned or interested, financially or otherwise, in the said resolution.

Considering Shri. Mahek M. Chheda's experience, increased responsibilities and the trend in the industry, the terms of his remuneration are considered to be fair, just and reasonable.

The Board of Directors recommends passing of the resolution as set out at item no. 4 of this Notice as an Ordinary Resolution.

Item No. 5:

Shri. Nemin M. Savadia has been Director of the Company since May 01, 2022. He has been in the chemical industry for more than 16 years and manages the business administration of the Tarapur Plant of the Company.

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on May 24, 2024 approved a revision in the remuneration of Shri. Nemin M. Savadia for the Financial Year 2024-25 from ₹ 24 Lakhs to ₹ 25.44 Lakhs, subject to approval of the members.

Except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment,

as approved earlier by the Members, and which are not dealt with in the Resolution set out at Item No. 5 of the Notice, shall remain unchanged and continue to be effective.

Except Shri. Nemin M. Savadia and / or his relatives, none of the Directors and Key Managerial Personnel of the Company and/or their relatives is, concerned or interested, financially or otherwise, in the said resolution.

Considering Shri. Nemin M. Savadia's experience, increased responsibilities and the trend in the industry, the terms of his remuneration are considered to be fair, just and reasonable.

The Board of Directors recommends passing of the resolution as set out at item no. 5 of this Notice as an Ordinary Resolution.

Item No. 6:

Shri. Siddharth D. Shah has been Director of the Company since June 01, 2022. He is a bachelor in Chemical Engineering and completed his MBA in Global Business from Scotland, Heriott Watt University. He has a vast experience of more than 16 years in the field of chemicals, including production, factory administration, project management, operations and process development in the chemical industry.

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on May 24, 2024 approved a revision in the remuneration of Shri. Siddharth D. Shah for the Financial Year 2024-25 from ₹ 24 Lakhs to ₹ 25.44 Lakhs, subject to approval of the members.

Except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members, and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

Except Shri. Siddharth D. Shah and/or his relatives, none of the Directors and Key Managerial Personnel of the Company and/or their relatives is, concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 6 of this Notice as an Ordinary Resolution.

Item Nos. 7 and 8:

Shri. Sathiababu K. Kallada has been Director of the Company since November 23, 2020. He has been acting as the Executive Director since May 01, 2022. He has an experience of more than 38 years in the field of Chemical Industry. His experience

has helped the Company to emerge as one of the leading Speciality Chemicals Company in the Country.

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on May 24, 2024 approved a revision in the remuneration of Shri. Sathiababu K. Kallada as the Executive Director of the Company effective from April 1, 2024 till May 23, 2024 as set out in the draft resolution proposed at Item No. 7 of the accompanying Notice and further, approved the appointment and re-designation of Shri. Sathiababu K. Kallada (DIN: 02107652), Executive Director as the Managing Director of the Company not liable to retire by rotation in terms of Articles of Association of the Company for a period of 3 (Three) years w.e.f. May 24, 2024 upon the terms and conditions as hereunder with power to the Board to alter and vary the terms and conditions of the said appointment including remuneration in such manner as may be agreed between the Board and Shri. Sathiababu K. Kallada, subject to approval of the members.

As regards revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members, and which are not dealt with in the Resolution set out at Item No. 7 of the Notice shall remain unchanged and continue to be effective.

Shri. Sathiababu K. Kallada has confirmed his eligibility to act as a Director and he is not debarred from holding office of Director of the Company, by virtue of any SEBI Order or any other such authority. He further has consented to act as the Managing Director. The Board of Directors has taken on record all required declarations and confirmations submitted by Shri. Sathiababu K. Kallada.

Considering the qualifications, experience, past association, the Board of Directors is of the opinion that it would be of immense benefit to the Company and it is desirable to avail his services as the Managing Director in terms of the requirements of the provisions of Companies Act, 2013, subject to the approval of the Shareholders and upon the terms & conditions of appointment, as agreed between the Company and him.

The material terms and conditions of appointment as the Managing Director effective from May 24, 2024 are as under:

1. **Period of Agreement:** 3 (three) years effective from May 24, 2024 to May 23, 2027;
2. **Remuneration:**
 - a) **Salary:** ₹ 34.98 Lakhs per annum effective May 24, 2024. Yearly revision for the remaining period of 2 (two) years (during FY 2025-26 and FY 2026-27) shall be payable subject to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and shareholders of the Company.
 - b) **Perquisites / Allowances:**
 - The Managing Director shall be entitled to annual privilege leave on full salary for a period of thirty days and shall be entitled to accumulate such leave. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites;
 - Reimbursement of Telephone bills;
 - Reimbursement of traveling, hotel and the other expenses incurred by him in India and abroad exclusively on the business of the company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors;
 - Stock options not exceeding the limits specified in Valiant Employee Stock Option Plan 2022 or any other plan or Scheme as may be approved by the Board from time to time;
 - Reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the company in accordance with the rules and regulation of the Company in force from time to time or as may be approved by the Board of Directors;
3. No sitting fee shall be payable to the Managing Director for attending the Meetings of the Board of Directors or Committee thereof.
4. Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration and perquisites as hereinabove as minimum remuneration subject to ceiling limits applicable as per Schedule V to the Companies Act, 2013.

5. As long as Shri. Sathiababu K. Kallada functions as the Managing Director, he shall not become interested or otherwise concerned in any selling agency of the Company except with the consent of the Company as per the provisions of the law in force.
6. The Board Directors will have authority to alter and vary the terms and conditions of the said appointment including remuneration as it may deem fit and as be acceptable to the Managing Director subject to the same not exceeding the Limits specified under schedule V of the Companies Act, 2013 or any statutory modification or re-enactment thereof.
7. The said appointment including the remuneration payable to him is subject to the approval of the Company and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made / approved as aforesaid.

Details pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are given in **Annexure - I** annexed herewith.

The members may note that, pursuant to section 197 of the Companies Act, 2013, the total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of that company for that financial year computed in the manner laid down in section 198. Further, the company in general meeting may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.

Further, except with the approval of the company in general meeting by a special resolution, the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five percent of the net profits of the company.

Shri. Sathiababu K. Kallada has been granted 12,000 stock options as per Valiant Employee Stock Option Plan 2022 which are pending for vesting/exercise. Perquisite arising out of exercise of stock options would also be considered as remuneration.

It is, therefore, proposed to seek the approval of members of the Company by way of a special

resolution in terms of the provisions of section 197 read with schedule V of the Companies Act, 2013 and rules made thereunder to pay the remuneration to Shri. Sathiababu K. Kallada as specified above and stock options not exceeding the limits specified in Valiant Employee Stock Option Plan 2022 or any other plan or Scheme as may be approved by the Board from time to time, as the perquisite value arising out of exercise of such stock options (already granted or as may be granted from time to time) and other remuneration which may be in excess of limits prescribed thereunder.

The members may further note that in case the Company has no profits or its profits are inadequate, in any financial year during his tenure as such, the aforesaid remuneration payable to Shri. Sathiababu K. Kallada may exceed five percent of the net profits and / or the total managerial remuneration may also exceed eleven percent of the net profits of the Company for the respective year. Nevertheless, the remuneration specified herein above including value of stock options shall be payable to Shri. Sathiababu K. Kallada as minimum remuneration in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactments(s) thereof, as may, for the time being, in force.

Information required under Section II, Part II of Schedule V of the Companies Act, 2013 is enclosed as **Annexure – II** to the Notice.

Except Shri. Sathiababu K. Kallada, none of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolutions proposed at Item Nos. 7 and 8 of this Notice. The relatives of Shri. Sathiababu K. Kallada may be deemed to be interested in the said resolutions, to the extent of their respective shareholding, if any, in the Company.

The Board of Directors recommends passing of the resolution as set out at item no. 7 of this Notice as an Ordinary Resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 8 of this Notice as a Special Resolution.

Item No. 9:

Pursuant to the provisions of sections 152, 160, 161 and other applicable provisions of the Companies Act, 2013 read with applicable Rules framed there under and pursuant to the recommendation of the Nomination and Remuneration

Committee, The Board of Directors in their Meeting held on May 24, 2024 appointed Shri. Parimal H. Desai (DIN: 00009272) as an Additional Director in the category of Non-Executive Director with effect from May 24, 2024.

The Securities and Exchange Board of India has amended the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 vide circular dated May 9, 2018, which requires continuance of any Non-Executive Director who has attained the age of 75 years only after seeking the prior approval of shareholders by way of a Special Resolution.

Shri. Parimal H. Desai shall complete the age of 75 years on May 29, 2024, hence approval by way of a Special Resolution is placed before the shareholders in order to comply with the aforesaid circular.

Brief Profile: Shri. Parimal H. Desai (DIN: 00009272) holds a bachelor's degree in Chemical Engineering from UDCI, Mumbai. He is a proven technocrat with rich experience of nearly five decades in Chemical Industry, including Product Development, Project Commissioning & Implementation.

The Board is of the opinion that Shri. Parimal H. Desai's rich and diverse experience is a valuable asset to the Company which adds value and enriched point of view during Board discussions and decision making. He is also a person of integrity who possesses required expertise and his association will be beneficial to the Company.

Shri. Parimal H. Desai has confirmed his eligibility to act as a Director and he is not debarred from holding office of Director of the Company, by virtue of any SEBI Order or any other such authority. He further has consented to act as a Non-Executive Director. The Board of Directors has taken on record all required declarations and confirmations submitted by Shri. Parimal H. Desai.

Shri. Parimal H. Desai will be paid remuneration by way of sitting fees for attending the meetings of the Board of Directors and/or its Committees, reimbursement of expenses for participating in the Board and other meetings.

Details pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are given in **Annexure - I** annexed herewith. The Board of Directors of the Company are of the opinion that his association would be of immense benefit to the Company and it is desirable to avail his services as a Non- Executive Director.

Except Shri. Parimal H. Desai, none of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution. The relatives of Shri. Parimal H. Desai may be deemed to be interested in the said resolution, to the extent of their respective shareholding, if any, in the Company.

Shri. Parimal H. Desai shall, as a Non-Executive Director, liable to retire by rotation in terms of the provisions of the Companies Act, 2013.

The Board of Directors recommends passing of the resolution as set out at item no. 9 of this Notice as a Special Resolution.

Item No. 10:

Dr. Kiritkumar H. Desai (DIN: 08610595) has been Director of the Company since August 2021 and has an experience of more than 35 years in the field of Chemical and Pharma Industry. With a high level of expertise and sound experience in functional areas such as business strategy, business development, he has been making valuable contributions towards the growth of the Organisation.

Since the corporate governance norms have been strengthened, the role and responsibilities of the Board particularly the Non-executive directors have increased more, requiring greater time commitments and attention, which reflects in the financial performance.

The members may note that, pursuant to section 197 of the Companies Act, 2013, the total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of that company for that financial year computed in the manner laid down in section 198. Further, the company in general meeting may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.

Further, except with the approval of the company in general meeting, by a special resolution the remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed one percent of the net profits of the company, if there is a managing or whole-time director or manager.

During the financial year 2023-24, Dr. Kiritkumar H. Desai, being eligible, has been granted 12,000 stock options as per Valiant Employee Stock Option Plan 2022 approved by the shareholders, which are pending for vesting / exercise. So far in aggregate, 20,000 stock options have been granted to Dr. Desai.

As per the provisions of the Companies Act, 2013, perquisite arising out of exercise of stock options is considered as remuneration.

It is, therefore, proposed to seek the approval of members of the Company by way of a special

resolution in terms of the provisions of section 197 read with schedule V of the Companies Act, 2013 and rules made thereunder for the value of the stock options which may on exercise of options exceed limits of managerial remuneration specified under the Companies Act, 2013 read with schedule V thereof.

Remuneration payable to Dr. Kiritkumar H. Desai as Non-Executive Director will exceed more than 50% (fifty percent) of total remuneration payable to all the Non-Executive Directors of the Company for the financial year 2024-25 on account of exercise of stock options on vesting in the financial year 2024-25. Hence, approval by way of a special resolution is also being sought under relevant regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the same.

Information required under Section II, Part II of Schedule V of the Companies Act, 2013 is enclosed as **Annexure – II** to the Notice.

Except Dr. Kiritkumar H. Desai, none of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution. The relatives of Dr. Kiritkumar H. Desai may be deemed to be interested in the said resolution, to the extent of their respective shareholding, if any, in the Company.

The Board of Directors recommends passing of the resolution as set out at item no. 10 of this Notice as a Special Resolution.

Item No. 11:

Considering the knowledge, rich experience in the domain and valuable contribution given towards the growth of the Organisation, Dr. Kiritkumar H. Desai, being eligible, had been granted 8,000 stock options during the financial year 2022-23, within the limit as per Valiant Employee Stock Option Plan 2022, approved by the members. Upon vesting of stock options granted, 8,000 equity shares were allotted to him during the financial year 2023-24.

As per the provisions of the Companies Act, 2013 ("Act") perquisite arising out of exercise of stock options is considered as remuneration. Consequently, value of remuneration paid to Dr. Desai worked out to ₹ 50,44,560/-, being perquisite value arising out of exercise of the said stock options upon

vesting during the Financial Year 2023-24, which exceeds the permissible limit under for the Non-Executive Director under the relevant provisions of the said Act read with Schedule V thereof as the Company incurred loss during the financial year 2023-24.

As per section 197 read with Schedule V of the Act, the Company with the approval of the Members, by way of a special resolution, can authorise the payment of remuneration exceeding the relevant limits prescribed thereunder and also waive off the recovery of excess managerial remuneration paid.

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meeting held on May 24, 2024, approved and recommended proposal for waiving off the excess managerial remuneration which works out at ₹ 22,11,560/- for Dr. Kiritkumar H. Desai as the Non-Executive Director, as specified in the resolution set out in this Notice subject to approval of the members in terms of Section 197(10) of the said Act.

In terms of provisions of the Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members is also being sought by way of special resolution for 8,000 stock options granted based on recommendation of Nomination and Remuneration Committee and approved by the Board of Directors to Dr. Kiritkumar H. Desai (DIN: 08610595), Non-Executive Director, being eligible under the Valiant Employee Stock Option Plan 2022, approved by the members, during the Financial year 2022-23, since the value of remuneration exceeds 50% (fifty percent) of total remuneration paid to all Non-Executive Directors of the Company for the financial year 2023-24.

The members are requested to consider and approve waiver of the recovery of the excess managerial remuneration amounting to ₹ 22,11,560/- accrued / paid to Dr. Kiritkumar H. Desai for the financial year 2023-24 in terms of relevant provisions of applicable law and regulations aforesaid.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

Except Dr. Kiritkumar H. Desai, none of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution. The relatives of Dr. Kiritkumar H. Desai may be deemed to be interested in the said resolution, to the extent of their respective shareholding, if any, in the Company.

The Board of Directors recommends passing of the resolution as set out at item no. 11 of this Notice as a Special Resolution.

Item No. 12:

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Board on the recommendation of the Audit Committee, in its meeting held on Friday, May 24, 2024 has approved the re-appointment of Ms. Ketki D. Visariya (Membership No. 16028), Cost Accountant at the Board Meeting as the Cost Auditor at a remuneration of ₹1,75,000/- per annum plus taxes as applicable; to conduct the audit of cost records of the Company for the financial year 2024- 25. Ms. Ketki D. Visariya has confirmed her eligibility for appointment as Cost Auditor. As per Rule 14 of Companies (Audit and Auditors) Rules 2014, remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year 2024-25 by passing an Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relatives is, in any way concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors recommends passing of the resolution as set out at item no.12 of this Notice as an Ordinary Resolution.

Registered Office:

109, Udyog Kshetra, First Floor,
Mulund Goregaon Link Road,
Mulund (W), Mumbai-400080

Place: Mumbai

Date: May 24, 2024

By order of the Board

Sd/-
Kaustubh Kulkarni
Company Secretary
ICSI M No.: A52980

ANNEXURE – I: (TO ITEM NO. 2, 3, 8 & 9 OF THE NOTICE)

DETAILS OF DIRECTORS SEEKING APPOINTMENT IN THE GENERAL MEETING, FURNISHED IN TERMS OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Name of the Director	Shri. Nemin M. Savadia	Shri. Santosh S. Vora	Shri. Sathiababu K. Kallada	Shri. Parimal H. Desai
Director Identification Number (DIN)	00128256	07633923	02107652	00009272
Date of Birth	12/08/1978	25/07/1994	11/02/1962	29/05/1949
Age	46 Years	30 Years	62 years	75 years
Date of appointment/ reappointment on the Board	May 01, 2022	May 01, 2022	November 23, 2020	May 24, 2024
Qualifications	M.Sc. , Ph. D in Chemistry	B.com, University of Mumbai and Post Graduate Programme, ISB, Hyderabad.	B. Sc.	Chemical Engineer from UDCT, Mumbai.
Experience and expertise in specific functional areas	He has been in the chemical industry for more than 16 years and manages the business administration of the Tarapur Plant of the Company.	He has experience of over 8 years in Chemical & Pharmaceutical industry.	He has an experience of more than 38 years in the field of Chemical Industry.	He has more than 5 decades of experience in Development and project implementation in the Chemical industry
Remuneration last drawn (including sitting fees, if any)	Refer to Directors' Report and Corporate Governance Report forming part of the Annual Report.			N.A.
Remuneration proposed to be paid	As mentioned in the explanatory statement to Item No. 5 of the Notice.	Sitting Fees for attending the Board / Committee Meetings.	As mentioned in the explanatory statement to Item No. 8 of the Notice.	Sitting Fees for attending the Board / Committee Meetings.
Terms and Conditions of appointment / reappointment	Re-appointment as an Executive Director pursuant to section 152(6) of the Companies Act, 2013.	Re-appointment as a Non-Executive, Non Independent Director pursuant to section 152(6) of the Companies Act, 2013.	Appointment as a Managing Director pursuant to section 196, 197, 203 read with Schedule V of the Companies Act, 2013 w.e.f May 24, 2024.	Appointment as a Non-Executive, Non Independent Director liable to retire by rotation.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None	None	None
Number of meetings of the Board attended during the year	3	4	2	-
Directorships held in other companies (Directorships in LLP, private companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013 have been excluded)	1. Abhilasha Tex-Chem Limited.	1. Valiant Laboratories Limited.	1. Innovative Envirocare Jhagadia Limited. 2. Valiant Speciality Chemical Limited.	1. Aarti Pharmed Labs Limited. 2. Aarti Corporate Services Limited. 3. Aarti HPC Limited. 4. Anushakti Chemicals And Drugs Limited. 5. Aarti Industries Ltd.

Name of the Director	Shri. Nemin M. Savadia	Shri. Santosh S. Vora	Shri. Sathiababu K. Kallada	Shri. Parimal H. Desai
Memberships/ Chairmanships of committees of other companies	0	Valiant Laboratories Limited • Stakeholders' Relationship Committee (Member)	0	Aarti Pharmed Labs Limited • Risk Management Committee (Member) • Finance and Investment Committee (Member) Aarti Industries Limited • Audit Committee (Member) • Finance and Investment Committee (Member)
Names of Listed Companies from which the Director has resigned in the past three years	None	None	1	0
No. of shares held in the Company	60,226	1,53,830	9,600	-

ANNEXURE – II: (TO ITEM NO. 8 & 10 OF THE NOTICE)

Information required under Section II, Part II of Schedule V of the Companies Act, 2013

I. General Information:		
Nature of Industry	Valiant Organics Limited is a chemical manufacturing company with its focus on manufacturing and marketing of specialty chemicals. The products find several applications mainly in the agro-chemical, pharmaceutical, rubber, dyes, pigment and in the making of veterinary drugs.	
Date or expected date of commencement of commercial production	The business was originally set up in 1984 as a partnership concern under the name of Valiant Chemical Corporation. It was later incorporated as a private limited company in 2005 with the aim of acquiring this partnership firm and, subsequently, the business has been run in the Company. In 2015, the Company was further converted into public limited company.	
Financial performance	The details of financial performance of past 2 years are summarised below: (in millions)	
	Particulars	FY 23-24
	FY 22-23	
	Revenue from Operations	6,772
	Total Expenses	6,376
	Profit Before Tax	(51)
	Profit After Tax	(30)
	Total Comprehensive Income	(23)
Foreign investments or collaborations, if any.	The Company does not have any direct foreign investments or collaborations.	
II. Information about the Appointee:		
	Shri. Sathiababu K. Kallada (DIN: 02107652)	Dr. Kiritkumar H. Desai (DIN: 08610595)
Background details	Shri. Sathiababu K. Kallada has been Director of the Company since November 23, 2020. He has been acting as the Executive Director since May 01, 2022. He has an experience of more than 38 years in the field of Chemical Industry. His experience has helped the Company to emerge as one of the leading Speciality Chemicals Company in the Country.	Dr. Kiritkumar H. Desai (DIN: 08610595) has been Director of the Company since August 2021 and has an experience of more than 35 years in the field of Chemical and Pharma Industry. With a high level of expertise and sound experience in functional areas such as business strategy, business development, he has been making valuable contributions towards the growth of the Organisation. In his career, he developed more than 200 products.
Past remuneration	FY 2023-24: ₹ 33 Lakhs p.a. FY 2022-23: ₹ 30 Lakhs p.a. The above remuneration is excluding stock options granted under Valiant- Employees Stock Option Plan- 2022 as approved by the Nomination and Remuneration Committee.	FY 2023-24: ₹ 0.60 Lakhs FY 2022-23: ₹ 0.50 Lakhs The above remuneration is excluding stock options granted under Valiant- Employees Stock Option Plan- 2022 as approved by the Nomination and Remuneration Committee.
Job profile and his suitability	As mentioned in the explanatory statement to Item No. 8 of the Notice.	As mentioned in the explanatory statement to Item No. 10 of the Notice.
Proposed Remuneration		
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Taking into consideration the size of the company, profile of Shri. Sathiababu K. Kallada, responsibility shouldered on him and the industry standard, the remuneration paid is commensurate with the remuneration packages paid to Managerial Personnel in similar other companies.	

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	No pecuniary relationship except remuneration as Director of the Company.
III. Other Information:	
Reasons of loss or inadequate profits	<p>The chemical industry has been facing significant macroeconomic challenges that have adversely affected its operational performance. The recent economic slowdown has resulted in diminished demand for chemical products, leading to overstocking issues. This surplus inventory has consequently decreased capacity utilization rates across the sector.</p> <p>Additionally, fluctuations in raw material prices have further compounded the industry's difficulties. These price variances have directly impacted the cost of goods sold, which in turn has exerted pressure on profit margins. As a result, the industry is navigating a complex landscape of reduced efficiency and profitability amidst ongoing economic uncertainties.</p>
Steps taken or proposed to be taken for improvement	<p>To enhance performance, the Company plans to implement several strategic initiatives. The company will focus on optimizing operations to boost efficiency, invest in product development to drive innovation. Additionally, the Company is committed to expanding its sustainability initiatives.</p>
Expected increase in productivity and profits in measurable terms	<p>To improve performance, the Company anticipates significant gains in productivity and profitability. By optimizing operations, investing in product development, the company expects to see marked improvements in efficiency. Additionally, expanding sustainability initiatives is projected to contribute positively to cost savings and overall revenue growth. Specifically, the Company aims to achieve a sales growth between 20% and 30% as a result of these strategic efforts.</p>

IV: Disclosures

The necessary disclosures under this heading are forming part of the Notice / Explanatory statement to the Item No. 8 and 10 and Corporate Governance Report which forms an integral part of this Annual Report.



Valiant Organics
Limited