Prasol Chemicals Limited

31st Annual Report 2022-2023

ISO 9001
ISO 14001
ISO 45001
BUREAU VERITAS
Certification

PRASOL TWO STAR EXPORT HOUSE STATUS BY MINISTRY OF COMMERCE & INDUSTRY

As per the New Foreign Trade Policy (FTP), 2023, the validity of the certificate is till 30.09.2023

सत्यमेव जयते

भारत सरकार
GOVERNMENT OF INDIA
वाणिज्य एवं उद्योग मंत्रालय
MINISTRY OF COMMERCE & INDUSTRY
विदेश व्यापार महानिदेशालय
DIRECTORATE GENERAL OF FOREIGN TRADE

मान्यता प्रमाण पत्र
Certificate of Recognition

दो सितारा निर्यात सदन
TWO STAR EXPORT HOUSE 030218001068

मैसर्स PRASOL CHEMICALS PRIVATE LIMITED, PRASOL HOUSE, PLOT NO. A-17/2/3, TTC INDUSTRIAL AREA, KHAIRNE MIDC, NAVI MUMBAI, MAHARASHTRA – 400710.
(आई ई सी 0393076873 और आयकर पैन AAACP2389N)
को विदेश व्यापार नीति, 2015–2020 के प्रावधानों के अनुसार दो सितारा निर्यात सदन का स्तर प्रदान किया जाता है। यह प्रमाण पत्र, प्रक्रिया पुस्तक (2015 –2020) के पैरा 3.20 (बी) में दी गयी शर्तों के निहित FIVE वर्षों की अवधि के लिए दिनांक 24.03.2018 से 23.03.2023 तक वैध होगा।

M/s PRASOL CHEMICALS PRIVATE LIMITED, PRASOL HOUSE, PLOT NO. A-17/2/3, TTC INDUSTRIAL AREA, KHAIRNE MIDC, NAVI MUMBAI, MAHARASHTRA – 400710.
(IEC 0393076873 and Income Tax PAN AAACP2389N)
are hereby accorded the status of Two Star Export House in accordance with the provisions of the Foreign Trade Policy, 2015-2020. This Certificate is valid for a period of FIVE years effective from 24.03.2018 to 23.03.2023 subject to the conditions prescribed in Para 3.20(b) of the Hand Book of Procedures (2015-2020).

सं./No. B/ 0390
तारीख/Date : 09.04.2018
स्थान/Place : MUMBAI
(फाइल सं./File No.) 03/21/058/80423/AM18/ तारीख/Date : 24.03.2018

SEAL

DR. SONIA SETHI
अपर / संयुक्त / उप महानिदेशक,
विदेश व्यापार / विकास आयुक्त (एस.ई.ज़ेड)
Additional/ Joint/ Deputy
Director General of Foreign Trade/
Development Commissioner (SEZ)

BUREAU VERITAS 1828

Bureau Veritas Certification

PRASOL CHEMICALS LIMITED

PRASOL

PLOT NO. FS 30, MAHAD FIVE STAR M.I.D.C., VILLAGE AMSHET,
TAL. MAHAD, DIST. RAIGAD – 402 309, MAHARASHTRA, INDIA.

Bureau Veritas Certification Holding SAS – UK Branch certifies that the Management System of the above organization has been audited and found to be in accordance with the requirements of the Management System Standards detailed below.

Standards

ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018

Scope of certification

MANUFACTURE AND DISPATCH OF PHOSPHORUS AND SULPHUR BASED CHEMICALS & IT'S DERIVATIVES

Original cycle start date:	27 April 2022
Expiry date of previous cycle:	Not Applicable
Certification Audit date:	05 March 2022
Certification cycle start date:	27 April 2022

Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: 26 April 2025

Certificate No. IND.22.6745/IM/U Version: 1 Revision date: 27 April 2022

Signed on behalf of BVCH SAS UK Branch
Jagdheesh N. MANIAN
Director – CERTIFICATION, South Asia
Commodities, Industry & Facilities Division

UKAS MANAGEMENT SYSTEMS
0008

Certification body address: *5th Floor, 66 Prescot Street, London, E1 8HG, United Kingdom.*

Local office: *Bureau Veritas (India) Private Limited (Certification Business)*
72 Business Park, Marol Industrial Area, MIDC Cross Road "C",
Andheri (East), Mumbai – 400 093, India.

Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organization.
To check this certificate validity please call + 91 22 6274 2000.

PRASOL

ISO 9001 : 2015, ISO 14001 : 2015 & ISO 45001 : 2018

Contents

Page Nos

Board of Directors

Mr. Nishith Shah
Chairman and Wholetime Director

Mr. Gaurang Parikh
Managing Director

Mr. Dhaval Parikh
Joint Managing Director

Mr. Pankil Dharia
Whole-time Director-Strategy & Business Development

Mr. G. Ramakrishnan
Independent Director

Prof. (Ms.) Lakshmi Kantam M
Independent Director

Mr. Ajay Jain
Independent Director

Mr. Srinivasan Subramanian
Independent Director

Corporate Information

Audit Committee
Mr. Srinivasan S. (Chairman)
Mr. Ajay Jain
Mr. G. Ramakrishnan

Nomination and Remuneration Committee
Mr. G. Ramakrishnan (Chairman)
Mr. Srinivasan S.
Mr. Ajay Jain

Stakeholders Relationship Committee
Mr. Ajay Jain (Chairman)
Mr. Nishith Shah
Mr. Gaurang Parikh

Corporate Social Responsibility Committee
Prof.(Ms.) Lakshmi Kantam M. (Chairperson)
Mr. Nishith Shah
Mr. Gaurang Parikh

Risk Management Committee
Mr. Nishith Shah (Chairman)
Mr. Gaurang Parikh
Mr. G. Ramakrishnan

Administrative Committee of the Board
Mr. Nishith Shah (Chairman)
Mr. Gaurang Parikh
Mr. Dhaval Parikh
Mr. Pankil Dharia

Initial Public Offer (IPO) Committee
Mr. Nishith Shah (Chairman)
Mr. Gaurang Parikh
Mr. Dhaval Parikh
Mr. Pankil Dharia

Key Managerial Personnel

Mr.Hitesh Sheth - Chief Financial Officer
Ms. Kiran Agrawal - Company Secretary & Compliance Officer

Registered Office
Prasol House, Plot No A - 17/2/3,
T. T. C. Industrial Area, Khairne M.I.D.C.,
Navi Mumbai, Thane – 400710, Maharashtra
CIN: U99999MH1992PLC065026
Phone: + (91-22) 61952500
Fax: + (91-22) 61952577

Plants
Takai Adoshi Road, Honad Village,
Khopoli, Tehsil: Khalapur,
District: Raigad - 410203, Maharashtra
Takai Adoshi Road, Dheku Village,
Khopoli, Tehsil: Khalapur,
District: Raigad - 410203, Maharashtra
Plot No. FS 26 & FS 30, Mahad Five Star
M.I.D.C., Village Amshet, Tal Mahad,
District: Raigad - 402309, Maharashtra

R&D Division
Prasol House, Plot No. A - 17/2/3,
T. T. C. Industrial Area, Khairne M.I.D.C.,
Navi Mumbai, Thane – 400710, Maharashtra

Corporate Website
www.prasolchem.com
Email: investorservices@prasolchem.com
CIN: U99999MH1992PLC065026

Statutory Auditor
S. V. Shanbhag & Co, Chartered Accountants
(Resigned w.e.f. March 21, 2023)
122/124/125, Vardhman Market
Plot No. 75, Sector 17, Opp. Andhra Bank
Vashi, Navi Mumbai - 400703

C N K & Associates LLP, Chartered Accountants
501, Narain Chambers
M. G. Road, Vile Parle East
Mumbai - 400057

Cost Auditor
Rajesh Soni, Cost Accountant
C-102 New Chandroday,
Banushali Lane, Ghatkopar (E), Mumbai – 400077

Secretarial Auditor
D. S. Momaya & Co. LLP
Company Secretaries
Office No.207, Building 3, Sector III,
MBP Road, Millenium Business Park, Mahape,
Navi Mumbai, Thane - 400710

Bankers /Financial Institutions
Union Bank of India (E-Andhra Bank)
Citibank N.A.
Standard Chartered Bank
IDBI Bank Limited
The Hongkong & Shanghai Banking Corporation
DBS Bank India Limited
Kotak Mahindra Bank Limited
HDFC Bank Limited
Citicorp Finance (India) Limited

Registrar & Share Transfer Agent
KFin Technologies Limited
(formerly known as KFin Technologies Private Limited)
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500032

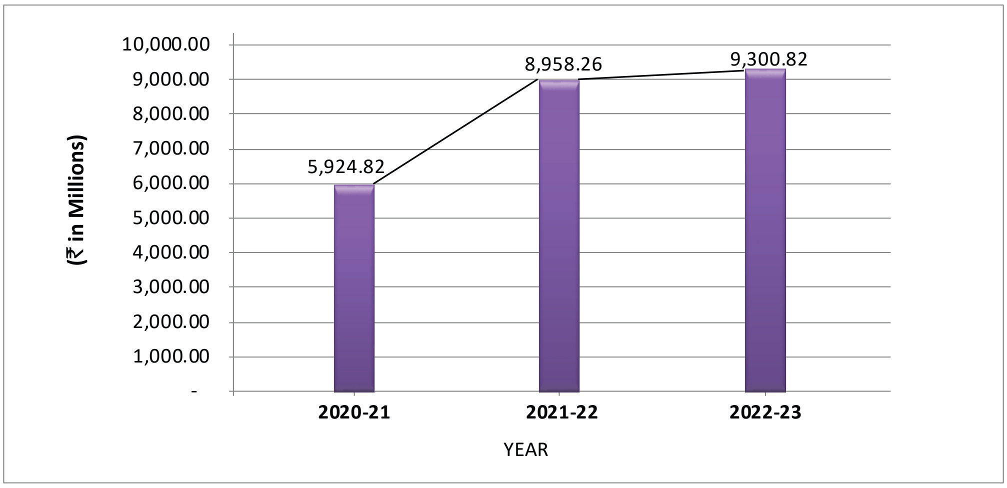
Secretarial Department
Prasol House, Plot No. A - 17/2/3,
T. T. C. Industrial Area, Khairne M.I.D.C.,
Navi Mumbai, Thane – 400710, Maharashtra
CIN: U99999MH1992PLC065026
Phone: + (91-22) 61952500
Fax: + (91-22) 61952577
Email: investorservices@prasolchem.com

FINANCIAL HIGHLIGHTS

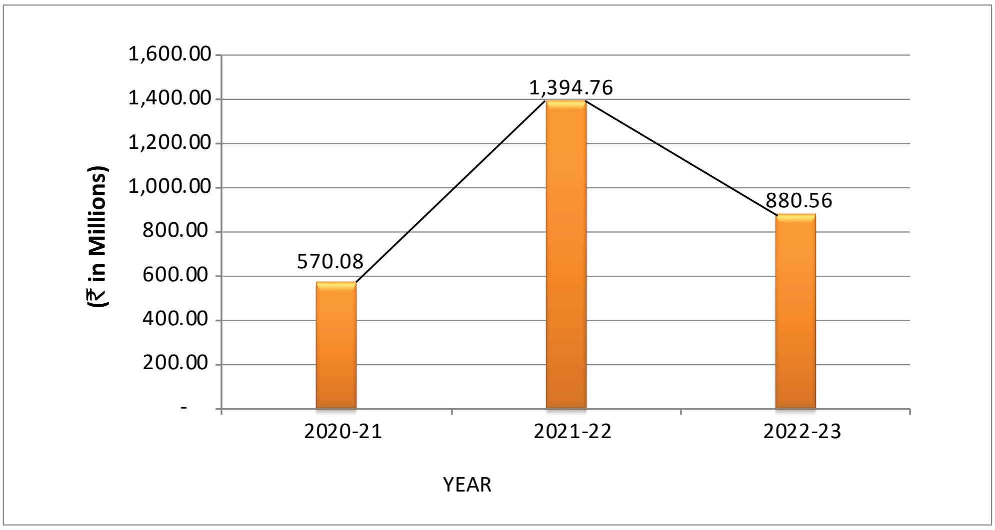
(₹ in Millions)

Particulars	2020-21	2021-22	2022-23
Revenue from operations	5,924.82	8,958.26	9,300.82
Other Income	96.54	73.83	25.03
Finance Cost	116.88	119.71	120.26
Depreciation	126.95	170.57	191.55
EBIDTA	570.08	1,394.76	880.56
Profit Before Tax	337.92	1,110.64	582.73
Tax	87.06	284.54	96.86
Profit After Tax	250.86	826.10	485.88
Share Capital	29.00	116.00	116.00
Reserves and Surplus	1,773.14	2,505.08	2,976.17
Fixed Assets	2,867.09	3,174.28	3,507.27
Earning Per Share (₹)	4.33	14.24	8.38

Revenue from Operations **(₹ in Millions)**



Profit before Finance Cost, Depreciation and Tax (EBITDA) **(₹ in Millions)**



DIRECTORS' REPORT

The Directors are pleased to present the 31st Annual Report and the audited accounts of the Company for the year ended March 31, 2023.

Financial Highlights : (₹ in Millions)

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
I. Revenue from Operations	9,300.82	8,958.26
II. Other income	25.03	73.83
III. Total income	**9,325.85**	**9,032.09**
IV. Expenses		
Cost of material consumed	4,877.20	4,519.14
Purchase of stock-in-trade	1,541.87	1,453.20
Changes in inventories of finished goods, work-in-progress and stock-in-trade	62.63	(106.70)
Employee Benefits Expenses	300.41	310.48
Finance costs	120.26	119.71
Depreciation and Amortization Expenses	191.55	170.57
Other Expenses	1,649.20	1,455.05
Total Expenses (IV)	**8,743.12**	**7,921.45**
V. Profit before Tax	**582.73**	**1,110.64**
VI. Tax expense:		
1.Current Tax	128.80	253.97
2.Deferred Tax	(31.67)	34.42
3. Adjustment of Tax for earlier years	(0.28)	(3.85)
VII. Profit / (Loss) for the year	**485.88**	**826.10**
VIII. Other comprehensive income		
A. (i) Items that will not be reclassified to (profit)/ loss	(3.49)	3.75
(ii) Income tax related to items that will not be reclassified to profit or loss	0.88	(0.94)
IX. Total comprehensive income for the year (Comprising Profit / (Loss) and Other com prehensive Income for the year)	**488.49**	**823.29**
X. Earning per equity share		
1.Basic in ₹	8.38	14.24
2.Diluted in ₹	8.38	14.24

Performance of the Company

Highlights of your Company's performance is as under:-

- Your Company's Revenue from Operations for the year increased to ₹ 9300.82 mn, as compared to ₹ 8958.26 mn for the previous year.
- Earnings before interest, tax, depreciation and amortization (EBITDA) decreased to ₹ 880.56 mn (Current Year) from ₹ 1394.76 mn (Previous Year).
- Profit before tax (PBT) decreased to ₹ 582.73 mn (Current Year) from ₹ 1110.64 mn (Previous Year).
- Profit after tax (PAT) decreased to ₹ 485.88 mn (Current Year) from ₹ 826.10 mn (Previous Year).
- Due to fluctuations in the raw material prices, Cost of Material Consumed was affected and volatility in foreign currencies also impacted the profits for the current year.

Nature of Business

There was no change in nature of business of the Company during the year under review.

Dividend

Your Directors has recommended Dividend @15% for the Financial Year ended March 31, 2023. The said dividend, if approved by the shareholders, would involve a cash outflow of ₹ 17.40 mn.

Transfer to Reserves

During the year, your Company has not transferred any amount to General Reserve.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, there is no unclaimed dividend or other amount relating to the company's securities due for remittance to the Investor Education and Protection Fund during the year under review.

Subsidiaries, Associates and Joint Venture Companies

As on the date of this report, your Company does not have any Subsidiary, Associate and/or Joint Venture company.

Deposits

During the year under review, the Company has neither invited nor accepted any deposits from the public within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 and there are no amounts on account of principal or interest on deposit outstanding as on the Balance Sheet date.

Particulars of contracts or arrangements with Related Parties

The Company has entered into transactions with related parties, all these transactions were in the ordinary course of business and on arm's length basis. There were no material significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or any other designated person(s) which may have potential conflict of interest with the Company at large or which warrants the approval of the shareholders.

Particulars of contract or arrangements or transactions on arm's length basis are disclosed in Notes to Accounts forming part of this report. Further, the detailed disclosure on related party transactions as per IND AS-24 is provided in the Company's financial statement.

Particulars of Loans, Guarantees, and Investments made Under Section 186

Particulars of investment made, loans/guarantees given and securities provided, if any, have been disclosed in Notes to the Financial Statement.

Details of Significant and material orders passed by Regulators or Courts or Tribunals impacting the Going Concern Status and Companys' operation in future

During the reporting period, there has been no significant or material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Directors and Key Managerial Personnel

Directors' Appointment and Re-appointment

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Rules made there under, Mr. Dhaval Parikh (DIN 01636199) Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. Mr. Dhaval Parikh is not debarred from holding the office of Director pursuant to any Securities and Exchange Board of India Order or any other authority.

As on the date of this report, the Board consists of eight Directors, four promoter directors and four Non-Executive Independent Directors out of which one is Independent Woman Director. This meets with the requirements of the Companies Act, 2013, read with the rules framed thereunder and SEBI regulations, as amended, regarding composition of the Board of Directors (Executive and Non-Executive Directors).

Key Managerial Personnel (KMP)

Pursuant to the provisions of the Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on the date of this Report are:

- Mr. Nishith Shah, Chairman and Whole-time Director
- Mr. Gaurang Parikh, Managing Director
- Mr. Dhaval Parikh, Joint Managing Director
- Mr. Pankil Dharia, Whole-time Director – Strategy and Business Development
- Mr. Hitesh Sheth, Chief Financial Officer
- Ms. Kiran Agrawal, Company Secretary & Compliance Officer

Board Meetings

The details of the Board of Directors and Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report which forms part of this Annual Report.

Declaration by Independent Directors

The Company has received declarations from all the four Independent Directors under Section 149 (7), confirming that they meet the criteria of independence prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and read with the Schedules and Rules made thereunder as well as Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have complied with the code of conduct prescribed in Schedule IV to the Act.

Familiarization program for Independent Director

The aim of providing familiarization program to Independent Directors (IDs) is to familiarize them with the business operation of the Company, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner.

The Company has adopted the policy on familiarization program for Independent Directors.

Details of familiarization program imparted to the Independent Directors have been disclosed in the Corporate Governance section.

Annual Evaluation by the Board

Pursuant to the provisions of Section 149 (8), Clause VIII of Schedule IV and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the Board has carried out the Annual Performance Evaluation of the Board and Committees as a whole, Individual Committees and of the Individual Directors including Independent Directors (except evaluation of the Directors being evaluated).

As per clause VII of Schedule IV of the Act and Regulation 25 (3) and (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, separate meeting of the independent directors of the Company was held to i) review the performance of non-independent directors and board of directors as a whole; ii) review the performance of the chairperson of the Company, taking into account the views of executive directors and non-executive directors; and iii) access the quality, quantity and timeliness of flow of information between the management and board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

During the reporting period under review, provisions of Section 134 (3) (p) read with the Rule 8 (4) of the Companies (Accounts) Rules, 2014 not applicable with respect to disclosure of manner in which evaluation has been carried out, said provisions may be complied in the subsequent financial year subject to its applicability.

Events Subsequent to the Date of Financial Statements

Keeping in view market fluctuation and impact of the same on economy, your Company has deferred the process of completing and complying various requirement(s) related to Initial Public offer (“IPO”) for fresh issue upto ₹2500 mn and an offer for sale aggregating upto 90,00,000 equity shares.

Your Company has received approval of Securities and Exchange Board of India (SEBI) to open subscription within a period of 12 months from the date of issuance of its letter dated August 23, 2022.

Particulars of Employees

Disclosures relating to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annual Report in **Annexure A,** which forms part of this Report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report which forms part of this Report. Having regard to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of your Company with prior notice and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

Auditors

A. STATUTORY AUDITORS

Pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder, M/s. CNK & Associates LLP, Chartered Accountants (FRN: 101961W/W-100036) and M/s. S.V. Shanbhag & Co., Chartered Accountants (FRN: 109887W), were appointed as Joint Statutory Auditors at the 30th Annual General Meeting of the Company held on September 27, 2022 for one term of five consecutive years to hold office until the conclusion of the 35th Annual General Meeting of the Company to be held in the year 2027.

Pursuant to the provisions of Section 139 (1) read with proviso and Rule 4 of the Companies (Audit & Auditors) Rules, 2014 M/s. CNK & Associates LLP, Chartered Accountants (FRN: 101961W/W-100036), have given written consent along with a confirmation that they continue to comply with the eligibility norms, as prescribed under the Companies Act, 2013.

Due to non-mandatory requirement, in discussion with the management, M/s S.V. Shanbhag & Co., Chartered Accountants' (FRN 109887W) has resigned from the position of Statutory Auditors with effect from March 21, 2023.

M/s CNK & Associates LLP, Chartered Accountants (Firm Registration No.101961W/W – 100036), will continue as Sole Statutory Auditor of the Company.

During the year under review, the Statutory Auditors have not made any major qualifications, reservations or adverse remark or disclaimer in their report on the financial statements for the year ended March 31, 2023. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and do not require any further clarifications under Section 134(3) (f) of the Act except below:

i. As referred in the Independent Auditors Report, the Company is in the process of strengthening control over maintenance of quantitative item-wise details and corresponding values of Inventory at year-end (including stages at which Inventory is lying) and allocation of overheads.

ii. The Company is in the process to evaluate feasibility and suitably modify its workflow processes and configuration in its existing accounting software to obtain desired results.

B. COST AUDITOR

Pursuant to the provisions of Section 148 (1) of the Companies Act, 2013, read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014, your company is required to maintain cost records and accordingly such records and accounts are prepared and maintained.

Pursuant to the provisions of Section 148 (3), read with the Rule 14 of the Companies (Audit and Auditors) Rules, 2014 as amended, the Board of Directors has appointed Mr. Rajesh Soni, Cost Accountant, Membership No. 12107 as the Cost Auditor for conducting the audit of the cost records of the company for the financial year 2023-24 and also fix the remuneration.

As recommended by the Audit Committee, the Board of Directors at its meeting held on July 4, 2023 proposed the appointment of Mr. Rajesh Soni, Cost Accountant to conduct the audit of the cost records for the financial year 2023-24 and fix the remuneration. Approval of the members is sought by way of ratification for the remuneration payable to them, as required under the provisions of the Companies Act, 2013 and rules framed thereunder.

Pursuant to the provisions of Section 148 read with Rule 6 (1) (1A) of the Companies (Cost Records and Audit) Rules, 2014, Mr. Rajesh Soni, Cost Accountant has given written consent along with confirmation that, the appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

C. INTERNAL AUDITORS

Pursuant to the provisions of Section 138 read with the Rule 13 of the Companies (Accounts) Rule, 2014, M/s. Aneja Associates, Chartered Accountants, Firm Registration No. 100404W has been appointed as an Internal Auditors of the Company for a period of one year to conduct audit of the Books of account for the financial year 2023-24.

D. SECRETARIAL AUDITORS

Pursuant to the recommendation of the Audit Committee, the Board of Directors at its meeting held on November 30, 2022, M/s. D.S. Momaya & Co. LLP, Practising Company Secretary (FRN L2022MH012300), were appointed as the Secretarial Auditor of the Company for the Financial Year 2022-23 as required under Section 204 of the Companies Act, 2013 and the rule made thereunder to issue Secretarial Audit Report.

During the reporting period, as your company is not listed, secretarial compliance report for the financial year ended March 31, 2023 has not been obtained.

A report from the Secretarial Auditor for the financial year 2022-23 in the prescribed form MR – 3 is annexed as an **Annexure B** forming part of this report. There are no qualifications, reservation or adverse remark made by the Secretarial Auditor in their reports, save and except disclaimer made by them in discharge of their professional obligation.

Internal Control Systems

Your Company has laid down standards and processes which enable internal financial control across the Organization ensuring same are adequate and operating effectively. Such internal controls have been reviewed and no material weakness in the design or operation has been observed during the year under review.

Policies

Company has adopted policies required as per the provisions of the Companies Act, 2013 and voluntarily adopted policies applicable to the listed companies and uploaded on the website of the Company.

All such policies are available at the company's website at www.prasolchem.com and reviewed /updated periodically as and when needed to comply with the amendments, if any, in the said provisions.

Risk Management Policy

The Company has a Risk Management Policy consistent with the provisions of the Companies Act, 2013 in the areas of risk identification, assessment, monitoring, and mitigation and reporting. The major risks forming part of the Enterprise Risk Management process are also aligned with the audit universe, to the extent seen appropriate/ relevant.

Secretarial Standards

During the year under review, your company has complied with the applicable Secretarial Standard on Meetings of the 'Board of Directors' and 'General Meetings' respectively.

Corporate Social Responsibility (CSR)

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the applicable rules made there under, the Company has duly constituted CSR Committee. The details of the Committee members are provided in the Corporate Governance Report of the Company, which forms part of the Annual Report.

CSR Policy

CSR Policy is available at the website of the Company at www.prasolchem.com

CSR amount spent during the financial year 2022 -23

As per the statutory obligation, Company is required to spend ₹ 1,26,51,983 (Rupees One Crore Twenty Six Lacs Fifty One Thousand Nine Hundred Eighty Three Only) towards CSR activities in the financial year 2022-23.

During the financial year 2022-23, your Company has spent the amount of ₹ 1,27,41,502 (Rupees One Crore Twenty Seven Lacs Forty One Thousand Five Hundred Two Only). Excess amount of ₹ 89,518 (Rupees Eighty Nine Thousand Five Hundred Eighteen Only) spent towards CSR will be carried forward and set off against the required 2% CSR expenditure up to the immediately succeeding three financial years subject to compliance with the conditions stipulated under rule 7(3) of the Companies (CSR Policy) Rules, 2014.

The Annual Report on CSR Activities undertaken by the Company during the financial year 2022-23, is annexed as **Annexure C** which forms part of this Report.

Whistle Blower/Vigil Mechanism

Pursuant to the provisions of Section 177 (9) of the Companies Act, 2013 read with the rules framed thereunder and Regulation 22 of the SEBI (Listing Obligation and Disclosure Requirement), Regulation 2015, as amended, the Company has adopted whistle blower and vigil mechanism policy, same available at the Company's website at www.prasolchem.com.

The vigil mechanism has been constituted for the directors and employees to report their genuine concerns or grievances about unethical behaviors, actual or suspected fraud or violation of the Company's code of conduct and to provide adequate safeguards against victimization of directors or employees or any other person who avail the mechanism. The policy displays the name and E-mail ID of Chairman of the Audit Committee to address appropriate or exceptional cases. During the financial year 2022-23, no instance under the Whistle Blower Policy has been reported.

Committees of the Board

The Company has the following committees of the Board of Directors and details pertaining to committees are mentioned in the Corporate Governance Report, which forms part of this Annual Report.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Administrative Committee of the Board
- Initial Public Offer (IPO) Committee

Reporting of Frauds by Auditors

There were no frauds reported by the Statutory Auditors of the Company under the provisions of Section 143(12) of the Companies Act 2013 and the Rules made thereunder.

Annual Return

In compliance with the provisions of Section 134 and 92 of the Companies Act, 2013, the Company has placed a copy of the Annual Return as on March 31, 2023 on its website at https://prasolchem.com/investor-relations/

Disclosure Relating to Equity Shares with Differential Rights

The Company has not issued any equity shares with differential rights during the year under review.

Disclosure Relating to Sweat Equity Shares

The Company has not issued any sweat equity shares during the year under review.

Disclosure Relating to Employees Stock Option Scheme and Employees Stock Purchase Scheme

The Company does not have any Employee Stock Option Scheme or Employee Stock Purchase Scheme.

Details of Application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their Status at the end of the Financial Year

No application has been made or any proceeding pending under the Insolvency and Bankruptcy Code against the Company.

Material Changes and Commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statement relates and the date of the Report

There were no material changes and commitments affecting the financial position of your Company occurred between the end of the financial year to which this report relates to and the date of this report.

Disclosures regarding Committee for Complaints against sexual harassment in workplace

Your Company treats its employees equally, with dignity and with no gender bias. The Company's Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. Your company has constituted an Internal Complaints Committee and it redresses the complaints received on sexual harassment.

Number of complaints pending as on the beginning of the financial year (01/04/2022)	Nil
Number of complaints filed during the financial year	Nil
Number of complaints pending as at the end of the financial year (31/03/2023)	Nil

Conservation of Energy &Technology Absorption

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided as an **Annexure D** attached to this report.

Corporate Governance and Management Discussion and Analysis Report

The Company is committed towards maintaining the best standards of Corporate Governance and voluntarily adhering to the Corporate Governance requirements as set out by Securities and Exchange Board of India. The Report on Corporate Governance as stipulated under Regulation 34 (3) and Part C of Schedule V of the SEBI (Listing Obligation and Disclosure Requirement), Regulation 2015, as amended, forms part of the Annual Report.

The Management Discussion and Analysis Report for the financial year 2022-23, as stipulated under Regulation 34(3) and Part B of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

Green Initiative

We request all the shareholders to support the 'Green Initiative' of the Ministry of Corporate Affairs and the Company's continuance effort towards greener environment by enabling the service of the Annual Report, General Meeting Notice and other documents electronically at your email address registered with your Depository Participant/ Registrar and Share Transfer Agent.

We request all the members whose email id is not registered to take necessary steps to register their email id with the Depository Participant/ Registrar and Share Transfer Agent.

Director's 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) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

e) that the Directors had laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and were operating effectively; and

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

Your Directors wish to express sincere thanks to the customers, suppliers, banks, creditors etc. for their continued support, without which your Company's achievements would not have been possible.

The Board of Directors wish to place on record its deep sense of appreciation for the committed services by all the employees of the Company.

Your Company wish to place on record sincere thanks to the shareholders for the confidence reposed by them in the Company and also wish to place on record their sincere appreciation for the continued support, and cooperation received from the Government, Regulatory & Statutory bodies.

By order of the Board of Directors
For Prasol Chemicals Limited
CIN U99999MH1992PLC065026

Nishith Shah
Chairman & Whole-time Director
DIN 00381267

Gaurang Parikh
Managing Director
DIN 00190701

Place: Navi Mumbai
Date: July 4, 2023

Annexure A

Particulars of Employees and Managerial Remuneration

Particulars of Employees pursuant to Section 197(12) of the Companies Act, 2013 Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Disclosure with respect to the remuneration of Directors and Employees as required under Section 197 of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are as follows:

(a) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year (FY):

Names of Directors	Designation	Ratio to median remuneration
Mr. Nishith Shah	Chairman and Whole time Director	84.33
Mr. Gaurang Parikh	Managing Director	59.62
Mr. Dhaval Parikh	Joint Managing Director	45.09
Mr. Pankil Dharia	Whole-time Director - Strategy and Business Development	27.22
Prof. (Ms) Lakshmi Kantam M.	Non-Executive Independent Director	-
Mr. G. Ramakrishnan	Non-Executive Independent Director	-
Mr. Srinivasan S.	Non-Executive Independent Director	-
Mr. Ajay Jain	Non-Executive Independent Director	-
Mr Hitesh Sheth	Chief Financial Officer	15.51
Ms. Kiran Agrawal	Company Secretary & Compliance Officer	2.45

No commission was declared and paid to Independent Directors in the FY 2022 - 23

PLVB: Performance Linked Variable Bonus. No PLVB is proposed to be paid to the Directors in the FY 22-23.

(b) Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year 2022-23:

Names of Directors/ Chief Financial Officer/ Company Secretary	Designation	% increase in remuneration in financial year
Mr. Nishith Shah	Chairman and Whole-time Director	16.85
Mr. Gaurang Parikh	Managing Director	16.85
Mr. Dhaval Parikh	Joint Managing Director	16.85
Mr. Pankil Dharia	Whole-time Director-Strategy and Business Development	16.85
Prof. (Ms) Lakshmi Kantam M.	Non-Executive Independent Director	-
Mr. G. Ramakrishnan	Non-Executive Independent Director	-
Mr. Srinivasan S.	Non-Executive Independent Director	-
Mr. Ajay Jain	Non-Executive Independent Director	-
Mr. Hitesh Sheth	Chief Financial Officer	5.60
Ms.Kiran Agrawal	Company Secretary & Compliance Officer	-

No commission was declared and paid to Independent Directors in the FY 2022 - 23

PLVB: Performance Linked Variable Bonus. No PLVB is proposed to be paid to the Directors in the FY 22-23.

(c) Percentage increase in the median remuneration of employees in the financial year: 9%

(d) Number of permanent employees on the rolls of Company: 594

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

During the financial year, average increases in salaries of employees was 7.5% and average increase in managerial salaries was 8%

(f) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company assures that the remuneration is as per the Nomination cum Remuneration Policy of the Company.

Annexure B

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
Prasol Chemicals Limited
Prasol House, Plot No A - 17/2/3,
T. T. C. Industrial Area, Khairne M.I.D.C.
Navi Mumbai Thane MH 400710 IN

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Prasol Chemicals Limited (U99999MH1992PLC065026).** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our Opinion thereon.

Based on our verification of the **Prasol Chemicals Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Prasol Chemicals Limited** for the financial year ended on **31st March 2023** 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; **Not Applicable for the period under review;**

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings; **Not Applicable for the period under review;**

(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; **Not Applicable for the period under review;**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **Not Applicable for the period under review;**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable for the period under review;**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable for the period under review;**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable for the period under review;**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable for the period under review;**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable for the period under review;** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable for the period under review;**

(vi) Following Laws applicable specifically to the company

a) The Contract Labour (Regulation & Abolition) Act, 1970 .

b) Minimum Wages Act, 1948.

c) Employees' Provident Fund & Miscellaneous Provisions Act, 1952.

d) Equal Remuneration Act, 1976.

e) Payment Of Bonus Act, 1965.

f) Employees State Insurance Act, 1948.

g) The Factories Act, 1948.

h) The Trademark Act, 1999.

i) Environment (Protection) Act,1996.

j) Air (Prevention and Control of Pollution) Act ,1981.

k) Water (Prevention and Control of Pollution) Act ,1974.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors for the Board / Committee 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

(i) Public/Right/Preferential issue of shares / debentures/sweat Equity, etc.

(ii) Redemption / buy-back of securities

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013

(iii) Merger / amalgamation / reconstruction, etc.

(iv) Foreign technical collaborations

We further report that during the audit period, there was no other event/action having major bearing on affairs of the Company.

This Report is to be read with our letter of even date which is annexed as **Annexure I** and forms an integral part of this report.

For D. S. Momaya & Co. LLP,
Company Secretaries
FRN: L2022MH012300

CS Abbas Jawadwala
Designated Partner
ACS No.-40723, CP No.-24937
UDIN:A040723E000554357

Place: Navi Mumbai
Date:05/07/2023

Annexure- I to Secretarial Audit Report

To,
The Members
Prasol Chemicals Limited
Prasol House, Plot No A - 17/2/3,
T. T. C. Industrial Area, Khairne M.I.D.C.
Navi Mumbai Thane MH 400710 IN

Our Secretarial Audit Report for the Financial Year ended 31st March, 2023 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

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

For D. S. Momaya & Co. LLP,
Company Secretaries
FRN: L2022MH012300

CS Abbas Jawadwala
Designated Partner
ACS No.-40723, CP No.-24937
UDIN:A040723E000554357

Place: Navi Mumbai
Date:05/07/2023

ANNEXURE C

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **Brief outline on the Company's CSR policy**:

   The CSR philosophy of the Company is to extend support to the underprivileged through rural development projects, healthcare programmes, education assistance, and environmental sustainable actions such as tree plantation and maintaining a zero-discharge facility. The Company is also focusing on various initiatives for empowering women belonging to the poor segment of the society.

2. **Composition of CSR Committee:**

Sr. No.	Name of Director	Position in the Committee	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.	Prof. (Ms) Lakshmi Kantam M.	Chairperson	Independent Director	1	1
2.	Mr. Nishith Shah	Member	Executive Director		1
3.	Mr. Gaurang Parikh	Member	Executive Director		1

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:**

   Details with respect to composition of CSR committee, CSR Policy and CSR projects approved by the Board of Directors are available at www.prasolchem.com

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

5. (a) **Average net profit of the company as per sub-section (5) of section 135 :** ₹ 632.60mn

   (b) **Two percent of average net profit of the company as per sub-section (5) of section 135:** ₹ 12.65mn

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

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

   (e) **Total CSR obligation for the financial year [(b)+(c)-(d)] :** ₹ 12.65mn.

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) :** ₹ 12.14mn

   (b) **Amount spent in Administrative Overheads**: ₹ 0.60 mn

   (c) Amount spent on Impact Assessment, if applicable: Nil

   (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 12.74 mn

(e) CSR amount spent or unspent for the Financial Year: **(₹ in Million)**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to unspent CSR account as per section 135(6)		Amount transferred to any fund specified under schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of Transfer
12.74 mn	Nil	Nil	-	-	-

(f) **Excess amount for set off, if any:** **(₹ in Million)**

Sr. No.	Particulars	Amount ₹
1	Two percent of average net profit of the Company as per section 135(5)	12.65
2	Total amount spent for the Financial Year	12.74
3	Excess amount spent for the Financial Year [(2)-(1)]	00.09
4	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
5	Amount available for set off in succeeding Financial Years [(3) – (4)]	00.09

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

(₹ in Million)

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6)	Balance Amount in Unspent CSR Account under subsection (6) of section 135	Amount spent in the Financial Year	Amount transferred to a fund as specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years	Deficiency if any
					Amount	Date of transfer		
1	2019-20	-	-	3.46	-	-	*2.99	*2.99
2	2020-21	-	-	3.45	2.00 2.19	28-09-2021 30-09-2021	-	-
3	2021-22	-	-	7.09	0.49 0.20	12-07-2022 16-07-2022	-	-

*** The Company has not come across appropriate projects or CSR Activities.**

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

☐ Yes ☑ No

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

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

Sl. 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

(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, if the Company has failed to spend two per cent of the average net profit as per section 135(5) :** Nil

For and on behalf of the Board of Directors of
Prasol Chemicals Limited
CIN U99999MH1992PLC065026

Lakshmi Kantam M.
Chairperson – CSR Committee
DIN 07831607

Nishith Shah
Chairman & Whole-time Director
DIN 00381267

Place: Navi Mumbai
Date: July 4, 2023

ANNEXURE- D

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

(A) CONSERVATION OF ENERGY: -	
All business continued their efforts to improve energy usage efficiencies and increase the share of renewable energy. Energy costs and renewable energy contributions were continuously tracked to monitor alignment with company's overall sustainability approach.	
(i) the steps taken or impact on conservation of energy	1. Prescheduled cleaning of Heat Exchange systems which reduces the total batch time/increase the throughput as well as save the energy. 2. Conventional lamps replaced with the LED lamps. 3. Additional Energy Integration within and across plants to minimize the use of Utilities for Heating and cooling leading to reduction of energy consumption by 2-3%. 4. Replacement of Chilling system compressors with the newer models that are more energy efficient. 5. Maximizing the consumption of condensate in the Cogen Plant thus saving energy to preheat as well as water from raw water sources and DM Plant.
(ii) the steps taken by the company for utilizing alternate sources of energy	1. Implemented the steps to use electric/battery operated material handling equipment in the place of Diesel operated equipment's. 2. Exploring the options for usage of Solar Power in near future.
(iii) the capital investment on energy conservation equipment	1. Replaced most of the conventional equipment with Energy efficient systems for all new projects. e.g., Motors now procured are IE3 motors instead of IE2 motors as they are more expensive but also more energy efficient. 2. Investment in energy conservation and recovery is approx. 1.5 Crores.
(B) TECHNOLOGY ABSORPTION: -	
(i) the Efforts made towards technology absorption	1. Better quality of Hot & Cold insulation provided to reduce the heat loss and chilling loss. 2. Maximizing the recycling of products after reprocessing some waste streams. 3. Additional Automation in the process leading to reduced wastage of energy and more consistent process
(ii) the Benefits derived like product improvement, cost reduction, product development or import substitution	These Technologies helped us to maintain environmental norms and improve yields for manufacturing
(iii) in case of imported technology (imported during the last three years) reckoned from the beginning of the financial year	-NA-

For and on behalf of Board
For Prasol Chemicals Limited
CIN U99999MH1992PLC065026

Nishith Shah
Chairman & Whole-time Director
DIN 00381267

Gaurang Parikh
Managing Director
DIN 00190701

Place: Navi Mumbai
Date: July 4, 2023

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance is to conduct its business activities in ethical, fair and transparent manner for the long term enhancement of the shareholders/ stakeholders value and interest.

Your company focuses on long term shareholder value creation through appropriate decision making.

As on the date of this report, your company is an unlisted public company.

Your Company has voluntarily implemented the Corporate Governance.

2. BOARD OF DIRECTORS (Board)

a) Composition of Board of Directors

- The Board is constituted in compliance with the provisions of the Companies Act, 2013 (The Act) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. As on date of this report, the Board of your Company comprises 8 (Eight) Directors out of which 4 (Four) belong to the promoter group and other 4 (Four) are Non-Executive Independent Directors including 1 (One) Independent Woman Director.
- Nominee Director or Institutional Directors are not appointed in the Company.
- None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serve as an independent director on more than seven listed entities. Necessary disclosures regarding their Committee positions, if any, in other public companies as on date have been made by all the Directors. No Director of the Company is either member in more than 10 (Ten) committees and/or Chairman of more than 5 (Five) committees across all Companies in which he or she is a Director.

b) **Details of attendance of each Director at the meeting of the Board of Directors and the last Annual General Meeting**

The details of Board Meeting and last Annual General Meeting attended by the Board members are given herein below:

Sr. No.	Name	Category of Director - Executive Director (ED) Non-Executive Director (NED), Independent Director (ID)	Total Board Meeting Held During the tenure of the Director	No.of Board Meetings attended during the year	Attendance at AGM held on September 27, 2022	**No. of Directorships in other public limited Companies	***No.of Committee positions held in other public limited Companies Chairmanship (C) / Membership (M)	Names of the listed entities where the person is a director and the category of directorship
1	Nishith Shah	ED	4	4	Yes	-	-	-
2	Gaurang Parikh	ED	4	4	Yes	-	-	-
3	Dhaval Parikh	ED	4	4	Yes	-	-	-
4	Pankil Dharia	ED	4	4	Yes	-	-	-
5	Lakshmi Kantam M.	ID	4	3	Yes	3	M=2, C=1	a.Indo Amines Limited b.Vinati Organics Limited c.Godavari Bio-refineries Limited
6	Srinivasan S.	ID	4	4	Yes	-	M=NIL, C=NIL	-
7	G. Ramakrishnan	ID	4	4	Yes	1	M=2, C=NIL	Galaxy Surfactants Limited
8	Ajay Jain	ID	4	4	Yes	1	M=NIL, C=1	Diffusion Engineers Limited (unlisted)

** Directorship only of Indian public limited company is considered.

***Audit Committee and Stakeholder Relationship Committee are considered for the purpose.

c) **Number of Board Meetings held and dates on which held**

- During the year under review, total **4 (Four)** Board Meetings were held. The time gap between the two meetings was not more than 120 days.
- The Board met on following occasions as follows :
  (i) 09.04.2022 (ii) 04.08.2022 (iii) 30.11.2022 (iv) 24.03.2023.

d) **Disclosure of Relationships between Directors Inter-se:**

None of the Directors are related to each other within the meaning of "relative" under Section 2(77) of the Companies Act, 2013.

e) **Number of shares and convertible instruments held by Non-executive Directors as on March 31, 2023**

None of the Non-executive and / or Independent Director(s) are holding any shares as on March 31, 2023.

f) **Familiarization program imparted to Independent Directors in the FY 2022-23**

The Company has issued an appointment letter to the Independent Directors setting out in detail, the terms of appointment, roles and responsibilities, duties, professional conduct and confidentiality of the information.

During the year under review, Company has been familiarizing Independent Directors (IDs) on a quarterly basis at the Board and Committee meetings.

The IDs are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and committee meetings on business and performance updates of the Company including finance, sales, major business segments such as Environment, Health & Safety, overview of business operations, global business environment, business strategy and risks involved.

Details of familiarization program imparted to IDs not uploaded in the Company's website, however same will be uploaded in the Company's website post listing on the Stock Exchanges.

g) **Competencies/skills/expertise for the effective functioning of the Company**

As required by the Listing Regulations, Skills / Expertise / Competencies that are identified and available within the Board of the Company for effective and smooth functioning of the Company are given below:

Sr. No.	Name of Director(s)	Skill/Expertise/Competency
1	Mr. Nishith shah	Leadership / Operational experience, Chemical industry, Strategic Planning, Risk Management, Stakeholder Relations, Finance, Management & Administration, HR & People Management
2	Mr. Gaurang Parikh	Leadership / Operational experience, Chemical industry, Strategic Planning / Business Planning/Purchase
3	Mr. Dhaval Parikh	Leadership, Chemical industry, Strategic Planning, Business Development, Sales & Marketing, Factory Debottlenecking for productivity
4	Mr. Pankil Dharia	Leadership / Operational experience, Chemical industry, Strategy Planning, Business Development, Sales & Marketing
5	Prof. (Ms.) Lakshmi Kantam M.	Catalysis, R & D, Cost Control, New Product/innovation, Industry expert, Knowledge of Company's Business
6	Mr. Srinivasan S.	Funding, Re-structuring, Investment Advisory, Project Management, Costing, Accounting, Audit, Compliances, Legal & Secretarial, Knowledge of Company's Business
7	Mr. G. Ramakrishnan	Sales & Marketing, Personal & home care, innovation, Risk Management, Legal & Secretarial, Management & Administration, Finance, Information Technology & System, Knowledge of Company's Business
8	Mr. Ajay Jain	Project Management, Operation, Supply Chain & Distribution, Manpower, Marketing, Production, Knowledge of Company's Business

h) **Independent Directors fulfil the conditions specified in these regulations and are independent of the management**

The Company has received a declaration from each of the independent directors confirming compliance with the criteria of independence as laid down under this regulation as well as Section 149 (6) of the Act and rules made thereunder.

As on the date of this report, the Board confirms that the Independent Directors of the Company fulfil the conditions specified in SEBI LODR Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

i) **Re-appointment of Director retiring by rotation at the Annual General Meeting**

Pursuant to the applicable provisions of the Companies Act, 2013, Mr. Dhaval Parikh (DIN: 01636199), Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Brief Profile

Mr. Dhaval Parikh has been the Joint Managing Director of the Company since February 1, 2022.

He holds a Bachelor's Degree in Technology (Polymer Technology) from Institute of Chemical Technology, from University of Mumbai, and Masters of Science in Engineering (Plastics Engineering) from University of Massachusetts, Lowell, USA.

Prior to joining Company, he was associated with GE Plastics, USA and holds 17 years of experience in the Chemical industry. He has been associated with the Company as a Director since May 31, 2007.

Pursuant to the Secretarial Standards 2 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, disclosure(s) are given here under:

DIN	01636199
Age	42
Date of first Appointment on Board	May 31, 2007
Qualification	Bachelor's Degree in Technology (Polymer Technology) from Institute of Chemical Technology, from University of Mumbai, and Masters of Science in Engineering (Plastics Engineering) from University of Massachusetts, Lowell, USA.
Experience	Over 17 years of experience
Terms and Conditions of appointment or re-appointment along with remuneration (including perquisites excluding Bonus/ performance linked incentive)	Appointed as Joint Managing Director of the Company w.e.f. February 1, 2022 to January 31, 2027, liable to retire by rotation. Last Remuneration Drawn ₹ 13.82 million
The last drawn remuneration (including Bonus/performance linked incentive)	₹ 14.31 million
Shareholding of the Directors (As on March 31, 2023)	1800000
Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company	Nil
The Number of Meetings of the Board attended during the financial year	4
Other Directorships as on date(in Public Limited Companies)	Nil
Memberships/Chairmanship of Committees	Prasol Chemicals Limited : • IPO Committee – Member • Administrative Committee - Member

3. **Committees of the Board of Directors**

I. **Audit Committee**

a) **Brief Description of Terms of Reference**

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
   b) Changes, if any, in accounting policies and practices and reasons for the same;
   c) Major accounting entries involving estimates based on the exercise of judgment by management;
   d) Significant adjustments made in the financial statements arising out of audit findings;
   e) Compliance with listing and other legal requirements relating to financial statements;
   f) Disclosure of any related party transactions; and
   g) Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
7. 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. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
8. Approval or any subsequent modifications of transactions of the Company with related parties;
9. Scrutinising of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluating of internal financial controls and risk management systems;
12. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussing with internal auditors on any significant findings and follow up thereon;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the whistle blower mechanism;
19. Approving the appointment of the Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority;
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law;
22. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
23. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services; and
24. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

b) Composition, Name of Members and Chairman

The Audit Committee comprises of following members:

Name of Director	Designation in the Committee	Category
Mr. Srinivasan S.	Chairman	Independent Director
Mr. Ajay Jain	Member	Independent Director
Mr. G. Ramakrishnan	Member	Independent Director

c) Meeting and Attendance during the year

The Audit Committee met three (3) times during the year and the following table gives the details of members and their attendance in Audit Committee meetings held during the year ended March 31, 2023.

Members' Name	August 4, 2022	November 30, 2022	March 24, 2023
Mr. Srinivasan S.	1	1	1
Mr. Ajay Jain	1	1	1
Mr. G. Ramakrishnan	1	1	1

II. Nomination & Remuneration Committee (NR Committee)

a) Brief Description of Terms of Reference

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

2. Formulating of criteria for evaluation of the performance of the independent directors and the Board;

3. Devising a policy on Board diversity;

4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;

5. Determining 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;

6. Analysing, monitoring and reviewing various human resource and compensation matters;

7. Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

8. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

10. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

11. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

(i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or

(ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.

12. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority; and

13. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

b) **Composition, Name of Members and Chairman**

The Nomination & Remuneration Committee comprises of following members:

Name of Director	Designation in the Committee	Category
Mr. G. Ramakrishnan	Chairman	Independent Director
Mr. Srinivasan S.	Member	Independent Director
Mr. Ajay Jain	Member	Independent Director

c) **Meeting and Attendance during the year**

The Nomination and Remuneration Committee met once during the year and the following table gives the details of members and their attendance in Nomination and Remuneration Committee meetings held during the year ended March 31, 2023.

Members' Name	August 4, 2022
Mr. G.Ramakrishnan	1
Mr. Srinivasan S.	1
Mr. Ajay Jain	1

d) **Remuneration of Directors**

i. **Details of Remuneration Paid to the Directors**

Remuneration paid to the Executive Directors in the financial year 2022 -23: **(₹ in million)**

Name and Designation	Nishith Shah - Chairman & Whole - time Director	Gaurang Parikh - Managing Director	Dhaval Parikh - Joint Managing Director	Pankil Dharia - Whole Time Director - Strategy & Business Development
Salary	25.84	18.27	13.82	8.34
Commission	-	-	-	-
Perquisites	0.03	0.03	0.03	0.02
Performance Linked Incentive	-	-	-	-
Bonus	0.86	0.61	0.46	0.28

ii. The company has not issued any Stock Options either to its Directors or to its Employees.

iii. Sitting fees paid to Independent Directors in the financial year 2022 -23: **(₹ in million)**

Sr. No.	Name of the Directors	Sitting fees paid
1	Mr. G. Ramakrishnan	0.34
2	Mr. Srinivasan S.	0.29
3	Mr. Ajay Jain	0.31
4	Prof.(Ms) Lakshmi Kantam M.	0.17

iv. Criteria for making payments to non-executive Directors

The Company has formulated and adopted criteria for making payments to Non-Executive Directors, available at the Company's website at www.prasolchem.com

v. Performance Evaluation

The Company has formulated and adopted a policy on evaluation of performance of Directors and the Board/Committee, which covers the criteria for evaluating the performance of Independent Director.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors (excluding the Director being evaluated) on the basis of criteria such as leadership, professional skill, compliance with code of conduct, initiative in terms of new ideas, planning etc.

III. Stakeholder Relationship Committee (SR Committee)

a) Brief Description of Terms of Reference

- Consider and resolve grievances of 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 and 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.
- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- To approve, register, refuse to register transfer or transmission of shares and other securities;
- To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
- Allotment and listing of shares;
- To authorise affixation of common seal of the Company;
- To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/ security(ies) certificate(s) of the Company;
- To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
- To dematerialize or rematerialize the issued shares;
- Ensure proper and timely attendance and redressal of investor queries and grievances;
- Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and
- To further delegate all or any of the power to any other employee(s), officer(s).

b) Composition, Name of member and Chairman

The Stakeholder Relationship Committee comprises of following members:

Name of Director	Designation in the Committee	Category
Mr. Ajay Jain	Chairman	Independent Director
Mr. Nishith Shah	Member	Executive Director
Mr. Gaurang Parikh	Member	Executive Director

c) Meeting and Attendance during the year

The Stakeholder Relationship Committee met once during the year and the following table gives the details of members and their attendance in Stakeholder Relationship Committee meeting held during the year ended March 31, 2023.

Members' Name	March 14, 2023
Mr. Ajay Jain	1
Mr. Nishith Shah	1
Mr. Gaurang Parikh	1

d) **Status of complaints received from the investors during the year is as follows:**

Particulars of Complaints	Complaints Nos.
Complaints as on April 1, 2022	Nil
Complaints received during the FY 2022-23	Nil
Complaints disposed during the FY 2022-23	Nil
Complaints Outstanding/unsolved as on March 31, 2023	Nil
Complaints Outstanding/not solved to the satisfaction of shareholder	Nil

e) **Name and Designation of Compliance Officer**

Ms. Kiran Agrawal, Company Secretary is the Compliance Officer of the Company.

IV. **Corporate Social Responsibility Committee ("CSR Committee")**

a) **Brief Description of Terms of Reference**

The terms of reference of the CSR Committee framed in accordance with Section 135 of the Companies Act, 2013, are as follows:

(a) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company in areas or subjects as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;

(b) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(c) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;

(d) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(e) review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

(f) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and

(g) exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

b) **Composition, Name of the Members and Chairman**

The CSR Committee comprises of following members:

Name of Director	Designation in the Committee	Category
Prof.(Ms.) Lakshmi Kantam M.	Chairperson	Independent Director
Mr. Nishith Shah	Member	Executive Director
Mr. Gaurang Parikh	Member	Executive Director

c) **Meeting and Attendance during the year**

The Corporate Social Responsibility Committee met once during the year and the following table gives the details of members and their attendance in Corporate Social Responsibility Committee meeting held during the year ended March 31, 2023.

Members' Name	August 3, 2022
Prof.(Ms.) Lakshmi Kantam M.	1
Mr. Nishith Shah	1
Mr. Gaurang Parikh	1

V. **Risk Management Committee**

a) **Brief Description of Terms of Reference**

(1) Formulating a detailed risk management policy for *inter alia* risk assessment and minimization procedures which will include:

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

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

c. Business continuity plan.

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

(3) Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems, including cyber security;

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

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

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

(7) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary; and

(8) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee.

b) **Composition, Name of Members and Chairman**

The Risk Management committee has been constituted though the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 not applicable as on the Reporting date.

The Risk Management Committee comprises of following members:

Name of Director	Designation in the Committee	Category
Mr. Nishith Shah	Chairman	Executive Director
Mr. Gaurang Parikh	Member	Executive Director
Mr. G. Ramakrishnan	Member	Independent Director

c) **Meeting and attendance during the year**

The Risk Management Committee met twice during the year and the following table gives the details of members and their attendance in Risk Management Committee meeting held during the year ended March 31, 2023.

Due to voluntary constitution of the Committee, Company has taken liberty to exceed the time gap between two meetings i.e. 180 days.

Members' Name	August 3, 2022	March 24, 2023
Mr. Nishith Shah	1	1
Mr. Gaurang Parikh	1	1
Mr. G. Ramakrishnan	1	1

VI. IPO Committee

A. Brief Description of Terms of Reference

a. To make applications, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Stock Exchanges, the Government of India, Securities and Exchange Board of India ("SEBI"), or any other statutory or governmental authorities in connection with the Offer as may be required and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required;

b. To finalise, approve, adopt and file the draft red herring prospectus with the SEBI, the red herring prospectus and prospectus with the SEBI, stock exchanges, Registrar of Companies, Maharashtra at Mumbai (the "**RoC**"), and other regulatory authorities (including amending, varying, supplementing or modifying the same, or providing any notices, addenda, or corrigenda thereto, together with any summaries thereof as may be considered desirable or expedient), the bid cum application forms, abridged prospectus, confirmation of allocation notes and any other document in relation to the Offer as finalised by the Company, and take all such actions in consultation with the book running lead managers (the "**BRLMs**") as may be necessary for the submission and filing of the documents mentioned above, including incorporating such alterations/corrections/modifications as may be required by the SEBI, the RoC, stock exchanges or any other relevant governmental and statutory authorities or otherwise under applicable laws;

c. To decide in consultation with the BRLMs on the timing, pricing and all the terms and conditions of the Offer, including the price band, Offer price, Offer size and to accept any amendments, modifications, variations or alterations thereto, and rounding off, if any, in the event of oversubscription and in accordance with Applicable Laws;

d. To appoint and enter into arrangements with the BRLMs, and in consultation with BRLMs appoint and enter into agreements with underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, public offer account bankers to the Offer, sponsor bank, registrar, legal advisors, advertising agency, monitoring agency and any other agencies or persons or intermediaries to the Offer, including any successors or replacements thereof, and to negotiate and finalise and amend the terms of their appointment;

e. To take all actions as may be necessary or authorized, in connection with the Offer for Sale, including taking on record the approval of the Selling Shareholder(s) for offering their Equity Shares including the quantum in terms of number of Equity Shares/amount offered by the Selling Shareholder(s) in the Offer for Sale, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws;

f. To authorise the maintenance of a register of holders of the Equity Shares;

g. To negotiate, finalise and settle and to execute where applicable and deliver or arrange the delivery of the BRLMs' mandate or fee/ engagement letter, Offer agreement, share escrow agreement, syndicate agreement, underwriting agreement, cash escrow agreement, agreements with the registrar and the advertising agency and all other documents, deeds, agreements and instruments and any notices, supplements, addenda and corrigenda thereto, as may be required or desirable in relation to the Offer, with the power to authorise one or more officers of the Company to negotiate, execute and deliver any or all of the these documents;

h. To open with the bankers to the Offer such accounts as may be required by the regulations issued by SEBI and operate bank accounts opened in terms of the escrow agreement with a scheduled bank to receive applications along with application monies, handling refunds and for the purposes set out in Section 40(3) of the Companies Act, 2013, as amended, in respect of the Offer, and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

i. To seek, if required, the consent of the lenders to the Company and/or lenders to the subsidiary (if applicable), industry data provider, parties with whom the Company has entered into various commercial and other agreements, and any other consents and/or waivers that may be required in relation to the Offer;

j. To approve any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the Applicable Laws or the uniform listing agreement to be entered into by the Company with the relevant stock exchanges, and to approve policies to be formulated under the Companies Act, 2013, as amended and the regulations prescribed by SEBI including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (given the proposed listing of the Company);

k. To authorise and approve, the incurring of expenditure and payment of fees, commission, remuneration and expenses in connection with the Offer;

l. To determine and finalise the bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), the floor price/price band for the Offer (including anchor investors offer price), total number of Equity Shares to be reserved for allocation to eligible investors, approve the basis of allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLMs and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including any alteration, addition or making any variation in relation to the Offer;

m. To issue allotment letters/confirmation of allotment notes with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;

n. To authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), Companies Act, 2013, as amended and other applicable laws;

o. To do all such acts, deeds, matters and things and execute all such other documents, etc., deemed necessary or desirable for such purpose, including without limitation, finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;

p. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited and such other agencies, authorities or bodies as may be required in this connection;

q. To withdraw the draft red herring prospectus, red herring prospectus and the Offer at any stage, if deemed necessary, in accordance with Applicable Laws and in consultation with the BRLMs;

r. To negotiate, finalise, sign, execute, deliver and complete any and all notices, offer documents (including draft red herring prospectus, red herring prospectus and prospectus) agreements, letters, applications, other documents, papers or instruments (including any amendments, changes, variations, alterations or modifications thereto) on behalf of the selling shareholder(s) (as maybe applicable), as the case may be, in relation to the Offer;

s. To make in-principle and final applications for listing and trading of the Equity Shares in one or more recognised stock exchange(s) in India and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s);

t. Authorisation of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Offer and to do such acts, deeds and things as such authorised person in his/her/their absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment/transfer of the Equity Shares;

u. Determine the utilization of proceeds of the Fresh Issue and accept and appropriate proceeds of the Fresh Issue in accordance with the Applicable Laws;

v. To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment and matters incidental thereto as it may, deem fit and to delegate such of its powers as may be deemed necessary to the officials of the Company;

w. If deemed appropriate, to invite the existing shareholders of the Company to participate in the Offer by offering for sale the Equity Shares held by them at the same price as in the Offer;

x. All actions as may be necessary in connection with the Offer, including extending the Bid/Offer period, revision of the Price Band, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws;

y. To decide all matters regarding the Pre-IPO Placement if any, including the execution of the relevant documents with the investors, in consultation with the Selling Shareholders and the BRLMs.

B. <u>Composition, Name of the Members and Chairman</u>

The IPO Committee comprises of following members:

Name of Director	Designation in the Committee	Category
Mr. Nishith Shah	Chairman	Executive Director
Mr. Gaurang Parikh	Member	Executive Director
Mr. Dhaval Parikh	Member	Executive Director
Mr. Pankil Dharia	Member	Executive Director

C. Meeting and Attendance during the year

The IPO Committee met twice during the year and the following table gives the details of members and their attendance in IPO Committee meeting held during the year ended March 31, 2023.

Members' Name	April 11, 2022	April 13, 2022
Mr. Nishith Shah	1	1
Mr. Gaurang Parikh	1	1
Mr. Dhaval Parikh	1	1
Mr. Pankil Dharia	1	1

VII. Administrative Committee

A. Brief Description of Terms of Reference

a. to borrow monies up to the limits provided in section 180 (1) (a) of the Companies Act, 2013 or any amount approved by the shareholders of the Company at a General Meeting, whichever is higher;

b. to invest funds of the company up to the limits provided in section 186 of the Companies Act, 2013 or any amount approved by the shareholders of the Company at a General Meeting, whichever is higher;

c. to grant loans and / or give guarantee and / or provide security in respect of loans up to the limits provided in section 186 of the Companies Act, 2013 or any amount approved by the shareholders of the Company at a General Meeting, whichever is higher;

d. To identify and acquire property (movable and immovable) and appoint and/or authorize consultancy firm or legal practitioner for smooth completion of acquisition transactions;

e. to open, modify and / or close bank account of the company and / or to obtain corporate card/ credit cards for Directors/Sr.employees;

f. To deploy surplus funds of the company in mutual funds/Fixed Deposits;

g. to issue Bank guarantee(s) /bonds and/or indemnities in favour of banks concerning the issue of letters or credit or other financial instruments or facilities upto ₹ 500 crores;

h. To authorize Capex Expenditure upto ₹ 550 crores;

i. Internet viewing facilities from banks and / or authorisation for internet transaction and other routing banking matters;

j. Issuance of power of attorney;

k. all General Administrative matters for the smooth functioning of the Company;

l. any other matters not statutorily requiring Board approval.

B. Composition, Name of the Members and Chairman

The Administrative Committee comprises of following members:

Name of Director	Designation in the Committee	Category
Mr. Nishith Shah	Chairman	Executive Director
Mr. Gaurang Parikh	Member	Executive Director
Mr. Dhaval Parikh	Member	Executive Director
Mr. Pankil Dharia	Member	Executive Director

C. **Meeting and Attendance during the year**

The Administrative Committee met six times during the year and the following table gives the details of members and their attendance in Administrative Committee meeting held during the year ended March 31, 2023.

Members' Name	April 20, 2022	June 27, 2022	September 02, 2022	December 01, 2022	December 09, 2022	February 10, 2023
Mr. Nishith Shah	1	1	1	1	1	-
Mr. Gaurang Parikh	1	1	1	1	1	1
Mr. Dhaval Parikh	1	1	1	1	1	1
Mr. Pankil Dharia	1	-	1	1	1	1

4. **General Body Meetings**

a) **Details of last 3 (Three) Annual General Meetings and whether any Special Resolutions were passed in those three Annual General Meeting are given below**:

Financial Year	Date	Time	Location	Special Resolution(s)
2021-22	September 27, 2022	04:30 p.m.	Prasol House, Plot No A -17/2/3, T.T.C. Industrial Area, Khairne M.I.D.C., Navi Mumbai-400710	Nil
2020-21	August 12, 2021	11:00 a.m.	Prasol House, Plot No A -17/2/3, T.T.C. Industrial Area, Khairne M.I.D.C., Navi Mumbai-400710	Nil
2019-20	November 5, 2020	11:00 a.m.	Prasol House, Plot No A -17/2/3, T.T.C. Industrial Area, Khairne M.I.D.C., Navi Mumbai-400710	Nil

b) **Details of Extraordinary General Meetings are given below:**

During the year under review Company has not convened any Extra-Ordinary General Meeting(s).

5. **Means of Communication**

- Annual reports, notice of the meetings and other communications to the members are sent through email and / or post.
- The Company's website www.prasolchem.com has a separate section for investors where shareholders information is available.
- Provisions relating to publication of quarterly results, newspaper publication were not applicable to the Company for the financial year under review.
- During the year under review and till adoption of this report, no presentation(s) were made either to the Institutional Investors or to the analysts.
- The Company also has a separate email id investorservices@prasolchem.com for investor grievances.

6. **General Shareholders Information**

a) **Annual General Meeting - Date, Time and Venue**

The 31st Annual General Meeting (AGM) is scheduled to be held on Friday, September 15, 2023 at 4:00P.M. at the Registered Office of the Company at Prasol House, Plot No. A-17/2/3, T.T.C. Industrial Area, Khairne MIDC, Navi Mumbai, Thane – 400 710.

b) **Financial Year**

The Financial year of the company is from April to March.

c) **Payment of Dividend**

The Board of Directors has recommended dividend @15% for the Financial Year ended March 31, 2023. The said dividend, if approved by the shareholders, would involve a cash outflow of ₹ 17.40 mn.

d) **Listing of Stock Exchange**

Keeping in view market fluctuation and impact of the same in economy, your Company has deferred the process of completing and complying various requirement(s) related to Initial Public offer ("IPO") for fresh issue upto ₹ 2500 mn and an offer for sale aggregating upto 90,00,000 equity shares.

Your Company has received approval of Securities and Exchange Board of India (SEBI) to open subscription within a period of 12 months from the date of issuance of its letter dated August 23, 2022.

e) **BSE Stock Code: N.A.**

f) **Stock market price data for the year 2022-23: N.A.**

g) **Performance in comparison: N.A.**

h) **Registrar and Share Transfer Agents**

Address of Registrar and Share Transfer Agent is as follows:

KFin Technologies Limited
(formerly known as KFin Technologies Private Limited)
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032
Email : pcl.ipo@kfintech.com
Investor grievance email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration No. INR000000221
P: +91 40 6716 1602 | 040 - 6830 1881

i) **Share Transfer System**

As on March 31, 2023, the Company has 78 (Seventy Eight) shareholders in aggregate and all the shares are held in dematerlised form.

Transfer of shares in demat form, is done by the depositories on receipt of appropriate Instruction Slip from the shareholder, without any involvement of the Company. However, SEBI has prohibited transfer of shares in physical form effective from April 01, 2019. If any shareholder holding shares in physical form wishes to transfer the shares, he will have to dematerialise the shares and then transfer the shares in demat form.

j) **Distribution of shareholding as on March 31, 2023**

Category		Number of Share holders	% of Total Shareholders	No. of Shares	% of Total Shares
1	5000	10	12.82	15,100	0.03
5,001	10,000	2	02.56	6,515	0.01
10,001	20,000	14	17.95	98,524	0.17
20,001	30,000	4	5.13	48,730	0.08
30,001	40,000	2	2.56	40,000	0.07
40,001	50,000	2	2.56	48,340	0.08
50,001	1,00,000	3	3.85	1,46,375	0.25
Above 1,00,001		41	52.56	5,75,96,416	99.30
TOTAL		**78**	**100**	**5,80,00,000**	**100**

** Subject to the impact of rounding off to two decimal places*

k) **Shareholding pattern as on March 31, 2023**

Sr.No.	Description	Cases	Shares	% Equity
1	BODIES CORPORATES	1	7,825	0.01
2	H U F	1	1,810	0.00
3	#NRN PROMOTERS	1	2,00,000	0.34
4	PROMOTER GROUP	32	3,69,00,000	63.62
5	PROMOTERS	8	1,63,00,000	28.10
6	RESIDENT INDIVIDUALS	35	45,90,365	7.91
	Total	**78**	**5,80,00,000**	**100.00**

** Subject to the impact of rounding off to two decimal places*

 # NRN:Non-Resident Promoters

l) **Dematerialization of securities and liquidity**

As on the date of this report, the company's shares are dematerialised with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

ISIN No. allotted to the Company's shares is **INE455U01024**

m) **The Company does not have any outstanding Global Depository Receipts (GDR's) or American Depository Receipts (ADR's) or warrants or any convertible instruments as on date.**

n) **Commodity price risk or foreign exchange risk and hedging activities**

The Company is exposed to Foreign exchange risk due to fluctuation in foreign exchange prices. The Company imports certain raw materials, the price of which is denominated in foreign currency viz. U.S. Dollars/Euro. The Company also exports its products, receivables of which are in foreign currency, which acts as a natural hedge against its imports. The Company also enters into forward contracts/foreign currency borrowing to manage its foreign currency exposures. The Company has in place a robust forex risk management framework and the reports for both import & export exposures in a prescribed formatted form on frequent intervals for identification, monitoring and mitigation of foreign exchange risks. Further the Senior Management regularly meets in order to assess, identify, monitor, and mitigate the foreign exchange fluctuation risks.

o) **Plant locations**

The Company's manufacturing Plant is located at:

Takai Adoshi Road, Honad Village, Khopoli, Tehsil: Khalapur, Raigad - 410203, Maharashtra and Takai Adoshi Road, Dheku Village, Khopoli, Tehsil: Khalapur, Dist. Raigad – 410203, Maharashtra.

Plot No. FS 26 & FS 30, Mahad Five Star Industrial Area, M.I.D.C., Village Amshet, Tal. Mahad, Dist. Raigad – 402309, Maharashtra.

p) **Address for correspondence**

Prasol House, Plot No A - 17/2/3,
T.T.C. Industrial Area,
Khairne M.I.D.C.,
Navi Mumbai-400710
Maharashtra

q) **Credit Rating**

Necessary details on the Company's credit rating are disclosed in the Directors Report.

7. **Other Disclosures**

a. **Related party transactions**

During the reporting period, all transaction entered by the Company with related parties were in the Ordinary course of business and at arms' length basis. There are no materially significant transactions with the related parties. Disclosure as required by the Accounting Standard has been made in the Annual Report.

b. **Details of compliance**

The Company has complied to the extent applicable with the necessary provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended.

c. **Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel have been denied access to the Chairman**

Requisite disclosure(s) with reference to Vigil Mechanism/Whistle Blower Policy has been made in the Directors' Report.

d. **Disclosure with respect to Subsidiaries**

As on the date of this report, the company does not have any subsidiary hence formation of material subsidiary policy is not applicable to the company.

e. **Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32 (7A)**

During the year under review, the Company has not raised any funds through preferential allotment or qualified institutions placement.

f. **Directors on the Board of the company debarred or disqualified from being appointed or continuing as Directors of companies**

As on the reporting date, your Company is not listed, hence certificate has not been obtained from the Practicing Company Secretaries that none of the Directors on the Board of the Company have been disqualified or debarred from continuing or being appointed as Directors of companies by the Board or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

g. **Recommendation of committee of the board**

During the year, Board has accepted the recommendation(s) of the Committees, if any.

h. **Total fees paid to the statutory auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part**

(₹ in Million)

Auditor's remuneration comprises:	For year ended	
	March 31, 2023	March 31, 2022
As Auditor	1.65	0.68
For Tax Audit	0.15	0.15
For Taxation matters	-	0.10
For certification and other services	-	1.05
Total	1.80	1.98

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

i. Number of complaints filed during the Financial Year: **Nil**

ii. Number of complaints disposed of during the Financial Year: **Nil**

iii. Number of complaints pending as on end of the Financial Year: **Nil**

j. Modified opinion(s) in Audit Report

The Company's Financial Statements are issued with unmodified opinion. However, there are minor observations on Company's Internal Financial Controls over financial reporting for which the Auditors have expressed modified opinion.

k. Reporting of Internal Auditor

The internal auditors will report directly to the Audit Committee.

l. Compliance of conditions of Corporate Governance

During the reporting period, Company has complied with the requirement of compliance of Corporate Governance to the extent applicable and has been annexed which forms Part of this Report.

m. Equity Shares on Stock Exchange

As on the reporting date, the Company's equity shares are not yet listed on Stock Exchanges namely BSE and NSE.

For and on behalf of Board
For Prasol Chemicals Limited
CIN U99999MH1992PLC065026

Nishith Shah
Chairman & Whole-time Director
DIN 00381267

Gaurang Parikh
Managing Director
DIN 00190701

Place: Navi Mumbai
Date: July 4, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY OVERVIEW

Our company is among the leading forward integrated manufacturers of acetone and phosphorous derivatives in India with a track record of approximately 3 decades. Our products have end uses mainly in 4 segments: Pharmaceuticals, Agrochemicals, Home and Personal Care, and Performance Chemicals.

Since incorporation, we have significantly expanded our business and scale of operations and have grown from a small scale manufacturer to a large diversified specialty chemical player with a global footprint. We are a Government of India certified Two Star Export House Company with the global distribution network spread across 45 countries across Asia, North America and the European Union.

Through our R&D efforts, we undertake collaborative product development with our customers which enable us to customize our products in line with customer expectations and consumer preferences, whilst simultaneously ensuring shorter lead – times. Several acetone and phosphorus derivatives are included in our product portfolio, which are used in the synthesis of agrochemical active ingredients (technical) and formulations (*Source: CRISIL Report*).

The Company is one of the leading manufacturers of specialty chemicals such as Diacetone Alchohol, Isophorone, Phosphorous Pentasulphide, Diethyl Thipphosphoryl Chloride etc.

OPERATIONAL AND FINANCIAL OVERVIEW

The Company's manufacturing Plants are located at Khopoli and Mahad and it's Registered Office is at Navi Mumbai.

The Company has in-house laboratory to test raw materials procured and the products at various stages of the manufacturing process and for research and development of new product.

We have a track record of operations of around three decades and have a strong balance sheet with stable cash flows. We have experienced sustained growth in various financial indicators, including our revenue and PAT. We have also seen consistent improvement in our balance sheet position in the last three fiscals, wherein we have witnessed an increase in our net worth.

Comparison of Fiscal 2023 with Fiscal 2022

Income

Our total income increased by 3.25% to ₹ 9,325.85 million in Fiscal 2023 from ₹ 9,032.09 million in Fiscal 2022, primarily on account of the factors discussed below:

Revenue from operations

Our revenue from operations increased by 3.82% to ₹ 9,300.82 million in Fiscal 2023 from ₹ 8,958.26 million in Fiscal 2022 mainly due to achievement of process efficiency.

Other income

Our other income reduced by 66.10% to ₹ 25.03 million in Fiscal 2023 from ₹ 73.83 million in Fiscal 2022, primarily due to reduction in gain on foreign exchange fluctuations.

Expenses

Our total expenses were ₹ 8,743.12 million in Fiscal 2023 i.e. 94% of Revenue from operations which were ₹7,921.45 million in Fiscal 2022 i.e. 88% of Revenue from operations. The increase was primarily due to increase in cost of raw material consumed due to price volatility and loss on account of foreign exchange fluctuations in Fiscal 2023.

Cost of goods sold

Our cost of goods sold, which comprises inventories at the beginning of the year, purchase of raw materials, purchase of traded goods, purchase of packing materials and inventories at the end of the year, were ₹ 6,481.70 million for Fiscal 2023 as compared to ₹ 5,865.64 million for Fiscal 2022, which translated to reduction in percentage terms from 65.48% in Fiscal 2022 to 69.69% in Fiscal 2023. The increase was primarily due to increase in cost of raw material consumed in Fiscal 2023.

Employee Benefit Expense

Our employee benefit expenses were 3.23% of Revenue from Operations for Fiscal 2023 which were lesser as compared to 3.47% for Fiscal 2022 primarily due to rationalization in head count.

EBIDTA

Finance Costs

Our finance costs were 1.34% of Revenue from Operations for Fiscal 2022 which were reduced to 1.29% for Fiscal 2023 primarily due to improvement in working capital positions intermittently during Fiscal 2023.

Depreciation and Amortization Expense

Our depreciation and amortization expenses were ₹ 170.57 mn in Fiscal 2022 which increased to ₹ 191.55 mn in Fiscal 2023 primarily due to acquisition of new assets.

Other Expenses

Our other expenses which stood at ₹ 1455.05 mn for Fiscal 2022 increased to ₹ 1649.20 mn for Fiscal 2023, primarily due to increase in utility consumption, other manufacturing expenses and Loss on foreign currency translation in Fiscal 2023 .

Tax Expense

Our tax expenses decreased from ₹ 284.54 mn in Fiscal 2022 to ₹ 96.85 mn in Fiscal 2023 due to decrease in Profit before Tax and reversal of Deferred Tax.

Profit for the Year

As a result of the foregoing factors, our profit for the year decreased from ₹ 826.10 Mn in Fiscal 2022 to ₹ 485.88 Mn in Fiscal 2023.

Key Financial Ratios

The table below sets forth some of the key financial indicators for the FY 2022-23 and FY 2021-22 on YoY basis:

Sr. no.	Ratio	Current Period	Previous Period
1	Current Ratio	1.11	1.05
2	Debt-Equity Ratio	0.60	0.62
3	Debt Service Coverage Ratio	1.93	2.20
4	Return on Equity Ratio	17.01%	37.35%
5	Inventory Turnover Ratio	4.81	5.37
6	Trade Receivables Turnover Ratio	5.45	5.61
7	Trade Payables Turnover Ratio	3.41	3.31
8	Net Capital Turnover Ratio	28.42	49.21
9	Net Profit Ratio	5.22%	9.22%
10	Return on Capital Employed	13.43%	27.49%

HUMAN RESOURCES

The company believes that employees are the key assets of the any organization and provides them with friendly competitive work environment to excel.

The number of employees as on March 31, 2023 was 594.

INTERNAL CONTROL SYSTEM

The Company has in place adequate internal financial controls during the reporting period. It has adopted necessary policies and procedures for ensuring the orderly and efficient conduct of its business, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records.

The internal control system is supported by conducting continuous internal audit. The prime objective is to test the adequacy and effectiveness of all internal control systems laid down by the management and to suggest areas of improvements, if any.

The Company is in the process to further strengthen the Internal Control Processes as suggested by the Auditors in their report.

KEY RISK AND CONCERNS

Risk management is a holistic, integrated, structured and disciplined approach to managing risks with the objective of maximizing shareholder's value. It aligns strategy, processes, people & culture, technology and governance with the purpose of evaluating and managing the uncertainties faced by the organization while creating value. Risk Management is an essential element in achieving business goals and deriving benefits from market opportunities.

Company has formulated an appropriate policy and established a risk management framework, the objectives of which are:

- Embedding the management of risk as an integral part of the business processes;
- Establishing an effective system of risk identification, analysis, evaluation and treatment within all areas and levels of the Company ;

  Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems, including cyber security;
- Avoiding exposure to significant financial loss;
- Contributing to the achievement of the Company's objectives; and
- Accessing the benefits and cost of implementation of available options and controls to manage risk.
- Russia-Ukraine war may affect export to some extent, however, by diversification in the Company's business, it will have lesser impact on the performance of the Company.

The Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, commodity price risk which may adversely impact the fair value of its financial instruments.

Market Risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

Market risk is the risk involving changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. The Company uses derivative to manage market risk. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss.

Interest Rate Risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short-term loans.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Currency Risk

The Company is exposed to currency risk on account of its operations in other countries. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may continue to fluctuate substantially in the future. Consequently, the Company uses derivative instruments, i.e. foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities. The company enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/receivables.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

SWOT ANALYSIS

Strengths

Leading manufacturer of acetone derivatives and phosphorous derivatives in India (Source: CRISIL Report). The Company's products have end uses in mainly four segments namely pharmaceuticals, agrochemicals, home & personal care and performance chemicals.

- Focus on research and development enabling diversified product portfolio and customized customer solutions.
- Strong global presence in 45 countries across Asia, North America and the European Union.
- Focus on long term sustainability through various environment friendly initiatives.
- Healthy and consistent financial track record with a strong financial position.
- Have diversified customer base globally coupled with long-standing relationships.
- Experienced & Qualified Promoters and Senior Management Team.

Weakness

- Our operations depend on the availability of Raw Material, Demand for our products and Foreign currencies volatility and Recession uncertainty affecting exports.

Opportunities

- Per capita consumption of chemicals in India is lower vis-à-vis western countries. Hence, there is considerable scope for new investments.
- A large population, huge dependence of the domestic market on agriculture, and strong export demand.
- Shifting geopolitical landscape and global supply chain preference away from China.
- The domestic market has enormous growth potential, as GDP and purchasing power rise.

Threats

- Exposure to health, safety, security and environmental risks.

  Macro-economic conditions like government policies, currency fluctuations, and volatility in raw material prices.

FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PRASOL CHEMICALS LIMITED
Formerly known as Prasol Chemicals Private Limited
Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Prasol Chemicals Limited (formerly known as Prasol Chemicals Private Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Emphasis of Matter

As stated in Note No. 44 of the Financial Statements, pending completion of the IPO process, expenditure of Rs. 57.64 Million incurred in connection with the proposed IPO, is carried forward and included under Other Current Assets in Note No. 13

Our report is not modified in respect of the above matter.

Information other than the Financial Statements and Auditors Report thereon

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Directors' report including its annexures but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 Financial Statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in 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. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance(including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 audit work; and (ii) to evaluate the effect of any identified misstatements in the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit, we report that:

   (a) Except for our observations in Annexure B to this report, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"; Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's Internal financial controls over financial reporting;

   (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, the remuneration paid by the Company to its directors during the year is in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the Financial Statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      iv. i.. The Management has represented that, to the best of it's knowledge and belief, as disclosed in Note no. 49 to the 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(s) or entity(ies), 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;

      ii. The Management has represented, that, to the best of it's knowledge and belief, as disclosed in Note no. 49 to the Financial Statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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

iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement;

v. The final dividend paid by the Company during the year in respect of F.Y 2021-22 is in accordance with section 123 of the Act to the extent it applies to payment of dividend;

As stated in Note no. 15 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable for the year under audit.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No: 101961W / W – 100036

Diwakar Sapre
Partner
Membership No: 040740
UDIN: 23040740BGSEVN3239

Place: Mumbai
Date: July 4, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on other Legal and Regulatory requirements" in the Independent Auditor's Report of even date to the members of PRASOL CHEMICALS LIMITED ("the Company") on the Financial Statements for the year ended March 31, 2023)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in normal course of audit, we state that:

(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;

B. The Company has maintained proper records showing full particulars of intangible assets;

(b) The Company undertakes physical verification of Property, Plant, and Equipment, (including capital work-in-progress) once in three years, the last physical verification was done in FY 2021-22. In our opinion the frequency of verification is reasonable. In the absence of physical verification carried out during the year, the question of material discrepancies does not arise.

(c) All the title deeds, comprising all the immovable properties which are freehold (which have been lodged with banks, who have confirmed the same), are held in the name of the Company;

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use Assets) or Intangible assets during the year. Hence reporting under clause 3(i)(d) of the Order is not applicable;

(e) The Company does not have any proceedings initiated or pending as at March 31, 2023 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder;

(ii) (a) Inventory (except goods in transit) has been physically verified by the management during the year and in our opinion the coverage and procedure of such verification by the management is appropriate. As given to understand from the management, the discrepancies between the physical stocks and the books records are not material and the same have been properly dealt with in the books of accounts (also refer to our Report on the Internal Financial Controls in Annexure B to this report);

(b) The Company has working capital limits sanctioned from banks exceeding Rs. 5 crores, on the basis of security of current assets. As disclosed in Note no. 19 of the Financial Statements, the quarterly returns / statements filed by the Company are broadly in agreement with the books of account and no material unreconciled discrepancies have been observed.

(iii) During the year the Company has granted unsecured loans to employees. The Company has neither made any investments nor stood guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties.

(a) The Company has granted unsecured loans to its employees during the year. The company has neither stood guarantee nor provided any security to any entity during the year;

Particulars	Loan to Employees
Aggregate amount granted/ provided during the year (Rs. in millions)	3.84
Balance outstanding as at March 31, 2023 (Rs. in millions)	1.50

(b) In our opinion, terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest;

(c) The loans given to employees are interest free and repayable within a period of one year and the repayment of the same is regular;

(d) In respect of the loans granted by the Company, there is no amount overdue for a period of more than ninety days;

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties;

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3(iii)(f) is not applicable

(iv) The Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of the loans granted and investments made during the year. The Company has not stood guarantee nor provided security to any party during the year;

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. Hence reporting under clause 3(v) of the order is not applicable;

(vi) We have broadly reviewed the books of account and records maintained by the Company, pursuant to the Order made by the Central government for the maintenance of Cost records under 148(1) of the Companies Act, 2013 and we are of the opinion that, prima facie most of the prescribed accounts and records have generally been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete;

(vii) (a) The Company has been generally regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees State Insurance Fund, Income Tax, Sales Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with appropriate authorities. 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 to the extent applicable to the Company, in arrears as at March 31, 2023 for a period of more than six months from the date they became payable;

(b) On the basis of our examination of records and according to the information and explanations given to us, the particulars of statutory dues that have not been deposited on account of any dispute are as under: **(Amount Rs. Millions)**

Name of statute	Nature of dues	Amount (Rs. millions)	Period to which the amount related	Forum where the matter is pending
Customs Act	Customs duty	4.50	-	DRI Mumbai and Ahmedabad
Income Tax Act, 1961	Income tax	0.66	AY 2018-19	Commissioner of Income Tax Appeals, Maharashtra
Income Tax Act, 1961	Income tax	0.48	AY 2020 -21	Commissioner of Income Tax Appeals, Maharashtra

(viii) As disclosed in Note no. 50 e., there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961;

(ix) On the basis of examination of records and according to the information and explanation given to us:

(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year;

(b) As disclosed in Note no. 50 f., the Company has not been a declared wilful defaulter by any bank or financial institution or other lenders during the year;

(c) the term loans have been utilised for the purpose for which the loans were obtained;

(d) The Company has not utilised funds raised on short-term basis for long-term purposes;

(e) The Company does not have any subsidiaries, associates or joint ventures. Hence reporting under clauses 3(ix)(e) and 3ix)(f) of the Order is not applicable;

(x) (a) No moneys were raised by way of initial public offer or further public offer (including debt instruments) during the year. Hence reporting under clause 3(x)(a) of the Order is not applicable to the Company for the year under audit;

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, optionally convertible) during the year;

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year;

(b) No report under section 143(12) of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors Rules), 2014 with the Central government during the year and up to the date of this report;

(c) As represented by the Management, there are no whistle blower complaints received by the Company during the year;

(xii) The Company is not a Nidhi Company. Accordingly reporting under clause 3(xii) of the Order is not applicable to the Company for the year under audit;

(xiii) The Company is in compliance with sections 177 and 188 of Companies Act, 2013 with respect to applicable transactions with related parties and the details of related party transactions have been disclosed in the Financial Statements 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 nature of its business;

(b) We have considered the internal audit reports for the period under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.

(xv) The Company has not entered into non-cash transactions with directors or persons connected with him. Hence the provisions of section 192 of the Act, are not applicable;

(xvi) (a) The Company is not required to be registered under sections 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934); Hence reporting under clauses 3(xvi)(a), 3 (xvi)(b) and 3(xvi)(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). Hence reporting under clause 3 (xvi)(d) of the Order is not applicable;

(xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year;

(xviii) During the year, one of the Joint Statutory Auditors, who undertook the audit for the year ended March 31, 2022 resigned vide their letter dated March 21, 2023. There is no communication to us from the outgoing Statutory Auditors about any pending issues, objections or concerns.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 spent the requisite amount on eligible CSR activities and there is no unspent amount as at the end of the year, whether related to on-going projects or otherwise;

For C N K & Associates LLP
Chartered Accountants
Firm Registration No: 101961W / W – 100036

Diwakar Sapre
Partner
Membership No: 040740
UDIN: 23040740BGSEVN3239

Place: Mumbai
Date: July 4, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

Modified Opinion

We have audited the internal financial controls over financial reporting of **PRASOL CHEMICALS LIMITED** (Formerly known as Prasol Chemicals Private Limited) ("the Company") as of March 31 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Company needs to strengthen controls over maintenance of quantitative item-wise details and corresponding values of Inventory at year-end (including stages at which inventory is lying) and allocation of overheads;

Subject to the above, the company has in all material respects, adequate internal financial controls with reference to Financial Statements and such internal financial controls over financial reporting were operating effectively as at March 31 2023; based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to Financial Statements of the company that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements of the company were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to Financial Statements of the company and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No: 101961W / W – 100036

Diwakar Sapre
Partner
Membership No: 040740
UDIN: 23040740BGSEVN3239

Place: Mumbai
Date: July 4, 2023

Balance Sheet as at March 31, 2023

(₹ in Millions)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I. ASSETS			
Non - current assets			
(a) Property, Plant and Equipment	3	2,888.94	2,918.44
(b) Capital work-in-progress	3	596.94	246.61
(c) Other Intangible assets	4	21.40	9.23
(d) Financial Assets			
(i) Other Financial Assets	5	14.30	18.36
(e) Other non-current assets	6	8.62	18.54
(f) Other Tax Assets (Net)	7	42.37	43.93
Total non-current assets		**3,572.57**	**3,255.11**
Current Assets			
(a) Inventories	8	1,320.75	1,361.21
(b) Financial Assets			
(i) Trade receivables	9	1,678.64	1,735.84
(ii) Cash and cash equivalents	10	210.32	341.63
(iii) Bank Balances other than (ii) above	11	2.06	1.99
(iv) Other Financial Assets	12	4.19	5.30
(c) Other current assets	13	136.34	115.36
Total current assets		**3,352.30**	**3,561.33**
TOTAL ASSETS		**6,924.87**	**6,816.44**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	116.00	116.00
(b) Other Equity	15	2,976.17	2,505.08
Total Equity		**3,092.17**	**2,621.08**
Liabilities			
Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	613.99	591.56
(ia) Lease Liabilities		3.60	4.20
(b) Deferred tax liabilities (net)	17	183.40	214.20
(c) Provisions	18	6.64	6.10
Total non current liabilities		**807.63**	**816.06**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	1,242.32	1,026.92
(ia) Lease Liabilities		0.30	0.30
(ii) Trade Payables	20		
(A) Total outstanding dues of micro enterprises and small enterprises; and		55.92	51.61
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.		1,566.74	2,091.01
(iii) Other financial liabilities	21	49.04	47.28
(b) Other current liabilities	22	79.48	135.87
(c) Provisions	23	6.14	6.91
(d) Current Tax Liabilities (Net)	24	25.13	19.40
Total Current liabilities		**3,025.07**	**3,379.30**
Total liabilities		**3,832.70**	**4,195.36**
TOTAL EQUITY AND LIABILITIES		**6,924.87**	**6,816.44**
Significant Accounting Policies	1 & 2		
See accompanying Notes from 1 to 50 forming part of the Financial Statements			

As per our attached report of even date

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W-100036

For and on behalf of the Board of Directors of
Prasol Chemicals Limited
CIN: U99999MH1992PLC065026

Diwakar Sapre
Partner
Membership No. 040740

Nishith R. Shah
Chairman and Whole Time Director
DIN:00381267

Gaurang N. Parikh
Managing Director
DIN:00190701

Hitesh Sheth
Chief Financial Officer

Kiran Agrawal
Company Secretary

Place: Navi Mumbai
Date: July 4, 2023

Place: Navi Mumbai
Date: July 4, 2023

PRASOL

PRASOL CHEMICALS LIMITED
(Formerly known as Prasol Chemicals Private Limited)

Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Millions)

Particulars	Note No	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Revenue from Operations	25	9,300.82	8,958.26
II. Other income	26	25.03	73.83
III. Total Income		**9,325.85**	**9,032.09**
IV. Expenses			
Cost of materials consumed	27	4,877.20	4,519.14
Purchase of stock-in-trade	28	1,541.87	1,453.20
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	62.63	(106.70)
Employee Benefits Expenses	30	300.41	310.48
Finance costs	31	120.26	119.71
Depreciation and Amortization Expenses	32	191.55	170.57
Other Expenses	33	1,649.20	1,455.05
Total Expenses (IV)		**8,743.12**	**7,921.45**
V. Profit before Tax		**582.73**	**1,110.64**
VI. Tax expense:			
1. Current Tax		128.80	253.97
2. Deferred Tax		(31.67)	34.42
3. Adjustment of Tax for earlier years		(0.28)	(3.85)
VII. Profit/ (Loss) for the year		**485.88**	**826.10**
VIII. Other comprehensive income			
A. (i) Items that will not be reclassified to (profit)/ loss		(3.49)	3.75
(ii) Income tax related to items that will not be reclassified to profit or loss		0.88	(0.94)
IX. Total comprehensive income for the year (Comprising Profit /(Loss) and Other comprehensive Income for the year)		**488.49**	**823.29**
X. Earning per equity share	39		
1. Basic in ₹		8.38	14.24
2. Diluted in ₹		8.38	14.24
Significant Accounting Policies	1 & 2		
See accompanying Notes from 1 to 50 forming part of the Financial Statements			

As per our attached report of even date
For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W-100036

For and on behalf of the Board of Directors of
Prasol Chemicals Limited
CIN: U99999MH1992PLC065026

Diwakar Sapre
Partner
Membership No. 040740

Nishith R. Shah
Chairman and Whole Time Director
DIN:00381267

Gaurang N. Parikh
Managing Director
DIN:00190701

Hitesh Sheth
Chief Financial Officer

Kiran Agrawal
Company Secretary

Place: Navi Mumbai
Date: July 4, 2023

Place: Navi Mumbai
Date: July 4, 2023

Statement of Cash Flows for the year ended March 31, 2023

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	**586.21**	**1,106.89**
Adjustments for :		
Depreciation/ Amortisation	191.55	170.57
Loss/(profit) on Sale of Fixed Assets	(1.46)	1.68
Interest income	(1.83)	(0.86)
Finance Cost	107.30	113.55
Remeasurement of net defined benefit plans	9.58	6.15
Net (gain) / loss on foreign exchange fluctuation	12.97	(60.02)
Expenses no longer payable written back	(8.56)	(3.09)
Provision for Doubtful Debts	0.31	(2.03)
Total Adjustments	**309.87**	**225.95**
Operating profit before working capital changes	**896.08**	**1,332.84**
Changes in working capital:		
(Increase)/ Decrease in trade receivables and Other receivables	56.89	(279.29)
(Increase)/ Decrease in inventories	40.47	(550.46)
(Increase)/ Decrease in other current financial assets	(5.96)	103.17
Increase/ (Decrease) in trade payables	(511.34)	437.38
Increase/ (Decrease) in other Financial liabilities	2.35	(28.19)
Increase/ (Decrease) in other current liabilities	(56.38)	62.33
Increase/ (Decrease) in other provisions	(9.81)	(24.12)
Cash generated from operations	**412.30**	**1,053.66**
Income taxes refunded / (paid), net	(122.04)	(239.72)
Net cash generated from operating activities	**290.26**	**813.94**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(528.57)	(481.10)
Proceeds from sale of Property, Plant and Equipment	4.01	-
Interest received	1.83	0.86
Net cash (used in) / generated from investing activities	**(522.73)**	**(480.24)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term loans (net of repayments)	237.82	(3.91)
Finance costs paid	(106.29)	(108.40)
Final Dividend paid	(17.40)	(4.35)
Net cash used in financing activities	**114.13**	**(116.66)**
D. Exchange Rate Difference	**(12.97)**	**60.02**
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(131.31)**	**277.06**
Cash and cash equivalents at the beginning of the year	341.63	64.57
Cash and cash equivalents at the end of the year (Refer Note 10)	**210.32**	**341.63**

Notes to the statement of cash flows and disclosure of non cash transactions

1) The statement of cashflow is prepared in accordance with the format prescribed as per Ind-AS 7.
2) In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.

As per our attached report of even date

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W-100036

For and on behalf of the Board of Directors of
Prasol Chemicals Limited
CIN: U99999MH1992PLC065026

Diwakar Sapre
Partner
Membership No. 040740

Nishith R. Shah
Chairman and Whole Time Director
DIN:00381267

Gaurang N. Parikh
Managing Director
DIN:00190701

Hitesh Sheth
Chief Financial Officer

Kiran Agrawal
Company Secretary

Place: Navi Mumbai
Date: July 4, 2023

Place: Navi Mumbai
Date: July 4, 2023

Statement of Changes in Equity for the year ended March 31, 2023

A. (i) Equity share capital as at March 31,2023: (₹ in Millions)

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
Equity Share Capital	116.00	-	116.00	-	116.00

A. (i) Equity share capital as at March 31,2022: (₹ in Millions)

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
Equity Share Capital	29.00	-	29.00	87.00	116.00

(Refer Note 14 and 15)

B. Other Equity

(i) Other Equity as at March 31,2023: (₹ in Millions)

Particular	Reserves and Surplus				Total
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings Including Other Comprehensive Income	
Balance at March 31, 2022	-	-	-	2,505.08	2,505.08
Profit for the year	-	-	-	485.88	485.88
Other Comprehensive Income	-	-	-	2.61	2.61
Final Dividend Paid	-	-	-	(17.40)	(17.40)
Balance at March 31, 2023	-	-	-	2,976.17	2,976.17

B. (ii) Other Equity as at March 31,2022: (₹ in Millions)

Particular	Reserves and Surplus				Total
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings Including Other Comprehensive Income	
Balance at March 31, 2021	7.62	11.26	48.00	1,706.26	1,773.14
Profit for the year	-	-	-	826.10	826.10
Other Comprehensive Income	-	-	-	(2.81)	(2.81)
Final Dividend Paid	-	-	-	(4.35)	(4.35)
Final Dividend Paid	(7.62)	(11.26)	(48.00)	(20.12)	(87.00)
Balance at March 31, 2022	-	-	-	2,505.08	2,505.08

Statement on Significant Accounting Policies and Notes to the Financial Statement are an integral part of this Statement of Changes in Equity.

Refer Note 15 for nature and purpose of reserves

See accompanying Notes from 1 to 50 forming part of the Financial Statements

As per our attached report of even date

As per our attached report of even date
For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W-100036

For and on behalf of the Board of Directors of
Prasol Chemicals Limited
CIN: U99999MH1992PLC065026

Diwakar Sapre
Partner
Membership No. 040740

Nishith R. Shah
Chairman and Whole Time Director
DIN:00381267

Gaurang N. Parikh
Managing Director
DIN:00190701

Hitesh Sheth
Chief Financial Officer

Kiran Agrawal
Company Secretary

Place: Navi Mumbai
Date: July 4, 2023

Place: Navi Mumbai
Date: July 4, 2023

Notes forming part of the financial statements for the year ended March 31, 2023

1. Corporate Information

Prasol Chemicals Limited (formerly known as Prasol Chemicals Private Limited) ("the Company") is a limited Company incorporated in India. It was originally incorporated as Prachi Poly Products Private Limited on January 24, 1992. It was converted to Prachi Poly Products Limited on January 10, 1995. The name was then changed to Prasol Chemicals Limited on March 26, 2007. Later, on June 5, 2017, the name was changed to Prasol Chemicals Private Limited and changed to Prasol Chemicals Limited with effect from February 4, 2022.

The registered office is located at Prasol House, Plot No. A - 17/2/3, T. T. C. Industrial Area, Khairane M.I.D.C., Navi Mumbai, Thane 400710, Maharashtra, India.

The Company is engaged in the Business of Manufacturing and Trading of Speciality Chemicals. The Company's operations are located at Khopoli and Mahad in the state of Maharashtra, India.

1.1 Basis of Preparation:

The Financial Statements comprise of the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement, Statement of Changes in Equity and Significant Accounting Policies and other explanatory information.

The Financial Statements for the year ended March 31 2023 are prepared under Indian Accounting Standards (Ind-AS).

The Company's presentation and functional currency is Indian rupees. All amounts in these Financial Statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimals and have been presented in Millions.

Authorization of Financial Statements:

The Financial Statements for the year ended March 31, 2023 were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on July 04, 2023.

Historical cost convention

The Financial Statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans where plan assets are measured at fair value.

Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the accounts and reported amounts of income and expenses during the year. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Actual results could differ from those estimates. The most significant techniques for estimation are described in the accounting policies below. Critical accounting judgments and the key sources of estimation or uncertainty in applying the Company's accounting policies arise in relation to property, plant and equipment, impairment of assets, current asset provisions, deferred tax, retirement benefits and provisions.

Information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Estimates of useful lives and residual value of Property, Plant and Equipment and Intangible assets -Refer Notes 2.1 to 2.3 and Notes 3 and 4;
- Valuation of Inventories-Refer Notes 2.5 and 8;
- Measurement of Defined Benefit Obligations and actuarial assumptions-Refer Note 40;
- Estimation of current tax expenses and deferred tax - refer Note 38; and
- Provisions and Contingencies-refer Note 34.
- Fair Value of Financial Instruments – Refer Note 2.12

Notes forming part of the financial statements for the year ended March 31, 2023

1.2 Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification.

All the assets and liabilities have been classified as current/non-current as per the Company's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2. Statement of Significant Accounting Policies

2.1 Property, Plant and Equipment

Recognition and measurement

Freehold land is carried at historical cost. All other items of Property, Plant and Equipment (PPE) are stated at cost, less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The cost of an item of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure including brokerage and start-up costs on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

The cost of the property, plant and equipment's at 1st April 2020 the Company's date of transition to Ind AS, was determined with reference to its carrying value at that date.

Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Derecognition

An item of PPE and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its continued use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the the Statement of Profit & Loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and changes if any are accounted in line with revisions to accounting estimates.

Depreciation

Depreciation on PPE is provided as per straight line method as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Depreciation on additions/deductions to PPE made during the year is provided on a pro-rata basis from / up to the date of such additions /deductions, as the case may be.

When significant parts of PPE are required to be replaced at intervals, company depreciates them separately based on their specific useful lives.

2.2 Capital Work in Progress

Capital work in progress is stated at cost, net of impairment losses, if any. Cost comprises of the cost of items of PPE not yet commissioned, incidental pre-operative expenses and borrowing costs.

2.3 Intangible Assets

Recognition and measurement

Intangible asset consisting of computer software and product registrations are carried at cost, net of accumulated amortization and accumulated impairment losses, if any.

The cost of the Intangible Assets at 1st April 2020, the Company's date of transition to Ind AS, was determined with reference to its carrying value at that date.

Derecognition

An Intangible Asset is derecognized upon its disposal or when no future economic benefits are expected from its continued use. Any gain or loss arising on de-recognition of the Intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit & Loss when the asset is derecognized.

Amortisation

Intangible assets are amortised over a period of 5 years on Straight Line Method. The amortization method and estimated useful lives are reviewed at the end of each reporting period and changes if any are accounted in line with revisions to accounting estimates.

2.4 Impairment of Non-Financial Assets

Non-financial assets other than inventories and deferred tax assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is higher of the Assets or Cash-Generating Units (CGU's) (i) fair value less costs of disposal and (ii) value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discounting rate. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. In such cases, the Recoverable amount is determined for the Cash Generating Unit (CGU) to which the assets belong.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Reversal of Impairment of assets

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

2.5 Inventories

Cost of Inventories includes all charges in bringing the inventories to their present location and condition, including octroi and other levies, transit insurance and receiving charges and excluding rebates and Discounts, if any. Net Realizable Value is the estimated selling price in the ordinary course of business.

Inventories other than Scrap are valued at lower of cost and net realizable Value.

2.6 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

(A) Lease Liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

(B) Right-of-use assets

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

(A) Lease Liability

Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) re-measuring the carrying amount to reflect any reassessment or lease modifications.

Notes forming part of the financial statements for the year ended March 31, 2023

(B) Right-of-use assets

While being subsequently measured at cost less accumulated depreciation and impairment losses, Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the under lying asset.

Impairment

Right of use assets are evaluated for recoverability whenever events or Changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the Recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Short term lease:

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

The Company amortizes cost of the underlying asset over the contractual lease period.

2.7 **Revenue**

Revenue from contract with customers for sale of goods and provision of services:

The Company recognizes revenue from contracts with the customers based on five step model defined in Ind AS 115. The Company satisfies a performance obligation and recognizes revenue over time, if any of the conditions given in Ind AS 115 are satisfied; else revenue is recognized at point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized, this gives rise to a contract liability.

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of returns, allowance, trade discounts, volume rebates and schemes offered by the Company as a part of the contract Revenues are recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue & costs, if applicable, can be measured reliably.

Performance Obligation:

The Company derives its revenue from sale of goods & services.

The Company is required to assess each of its contracts with customers to determine whether performance obligation is satisfied over time or at a point in time in order to determine the appropriate method for recognizing of revenue. The Company recognizes the revenue over time only if it satisfies the criteria given in Ind AS 115. Where the criteria as per Ind AS 115 are not met, revenue is recognized at a point in time.

The Company satisfies its performance obligation when the control over the goods is transferred to the customer or benefits of the services being provided is received by the customer.

In cases where the Company determines that performance obligation is satisfied at a point in time, revenue is recognized when the control over the goods is transferred to the customer or benefits of the services being provided is received by the customer. The Company considers that the customer has obtained the control of promised goods or services; when the goods have been dispatched/delivered to the destination as per terms of the contract or services has been provided to the customer as per agreed terms and the Company has unconditional right to consideration.

In cases where the Company determines that performance obligation is satisfied over time, then revenue is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction (Input Method). The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

1. The amount of revenue can be measured reliably;
2. It is probable that the economic benefits associated with the transaction will flow to the Company;
3. The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stage of completion is determined by the proportion of actual costs incurred to-date, to the estimated total costs of the transaction.

The Company considers that the use of the input method, which requires revenue recognition on the basis of the company's efforts to the satisfaction of performance obligation, provides the best reference of revenue actually earned. In applying the input method, the Company estimates the efforts or inputs to the satisfaction of a performance obligation. In addition to the cost of meeting contractual obligation to the customers, these estimates mainly include the time elapsed for service contracts.

Transaction Price:

The Company is required to determine the transaction price in respect of each of its contracts with customers.

Contract with customers for sale of goods or services are either on a fixed price or on variable price basis.

For allocating the transaction price, the Company measures the revenue in respect of each performance obligation of contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In making judgment about the standalone selling price, the Company also assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration, if any, the Company uses the "most likely amount" method as per Ind AS 115 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Discounts, Rebates & Incentive to Customers:

The Company accounts for volume discounts, rebates and pricing incentives to customers based on the ratable allocation of the discounts / rebates to each of the underlying performance obligation that corresponds to the progress made by the customer towards earning that discount, rebate or incentive. The Company also recognises the liability based on the past performance of the customers fulfilling the criteria to get the discounts, rebates or incentives and the future outflow of the same is probable. If it is probable that the criteria for the discounts will not be met or if the amounts thereof cannot be estimated reliably, then the discount is not recognised until the payment is probable and the amount can be estimated reliably. The Company accounts for discounts, rebates and pricing incentives in the year of payment where customer qualifies for the same and wherein provision was not made due to company's inability to make reliable estimates based on the available data at reporting date.

Income from Export incentives

Income from export incentives such as Duty Drawback, RoDTEP etc, are recorded on accrual basis in accordance with the terms of the respective schemes.

Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Other Income

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

2.8 Foreign Currency Transactions

Monetary Items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation.

Non – Monetary items

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.9 Provisions, Contingent Liabilities and Capital Commitments

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are not recognised but disclosed when the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

2.10 Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants relating to Property Plant and Equipment are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

2.11 Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market which can be accessed by the Company for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in The Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in The Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes forming part of the financial statements for the year ended March 31, 2023

2.12 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as Foreign Exchange Forward Contracts, Commodity Future Contracts, Interest Rate Swaps, Currency Options and embedded derivatives in the host contract.

Financial instruments also cover contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Derivatives are carried at fair value. Fair value of Foreign Currency Forward Contracts are determined using the fair value reports provided by bank.

2.12 (a) Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss.

Debt instruments at amortised cost

Debt instruments such as trade and other receivables, security deposits and loans given are measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statements of profit or loss. The losses arising from impairment are recognised in the statements of profit or loss.

Debt instruments at Fair value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instruments at Fair value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments excluding investments in subsidiary and associate companies. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognized in the Statement of Profit and Loss.

Notes forming part of the financial statements for the year ended March 31, 2023

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognized in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognized and accumulated in OCI are not reclassified to profit or loss on de-recognition

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Financial assets that are debt instruments and are measured at fair value through other comprehensive income (FVTOCI).

In case of other assets (listed as above), the company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

2.12 (b) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to profit or loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit or Loss.

Financial Liabilities at amortised cost

Financial liabilities classified and measured at amortised cost such as loans and borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

2.13 Derivative financial instruments

The Company uses derivative financial instruments to manage exposure on account of fluctuation in interest rate and foreign exchange rates on amounts payable and receivable in foreign exchange. Such derivative financial instruments are not recognized in the financial statements. However, the difference between the rate at the end of the year to which the Financial Statements relate to and the rate at the time of maturity of the contract is recognized in Statement of Profit and Loss.

Any gains or losses arising from changes in the fair value of derivatives are taken through Statement of Profit and Loss.

2.14 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company, or the counterparty.

2.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in Profit or loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs.

The borrowings are removed from the Balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any noncash asset transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability of at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

2.16 Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Borrowing costs directly attributable to the construction or production of a qualifying asset are capitalised during the period of time that is required for the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.17 Employee benefits:

Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences such as paid annual leave, and performance incentives.

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 at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the balance sheet date.

Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund and superannuation fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

Defined-benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment cost. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

Other long - term employment benefits

Liability towards other long term employee benefits such as leave encashment is determined on actuarial valuation by qualified actuary by using Projected Unit Credit method.

The current service cost of other long terms employee benefits, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The interest cost is calculated by applying the discount rate to the balance of the obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss. Re-measurements are recognized in the Statement of Profit and Loss.

2.18 Taxes on Income

Current and Deferred Tax

Current tax is the amount of tax payable determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

Current and deferred taxes relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

2.19 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.20 Cash and Cash equivalents

For the purpose of presentation in Statement of Cash Flow, cash and cash equivalents includes cash on hand, deposit held at call with financial institution, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank Overdrafts are shown within borrowings in current liabilities in Balance sheet.

2.21 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.22 Segment Reporting

The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Chief Operating Decision Maker in deciding how to allocate resources and in assessing performance. Operating segments are reported in consistent manner with the internal reporting provided to theChief Operating Decision Maker . They are responsible for allocating resources and assessing performance of the Company. The Company earns revenues and incurs expenses and its performance is evaluated based on a single operating segment of manufacturing and trading of speciality chemicals.

2.23 Dividend

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.24 Recent Accounting Pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into following amendments in the existing Accounting Standards which are applicable from April 1, 2023.

i. Ind AS 101 – First time adoption of Ind AS – modification relating to recognition of deferred tax asset by a first-time adopter associated with (a) right to use assets and related liabilities and (b) decommissioning, restoration and similar liabilities and corresponding amounts recognised as cost of the related assets.

ii. Ind AS 102 – Share-based Payment – modification relating to adjustment after vesting date to the fair value of equity instruments granted.

iii. Ind AS 103 – Business Combination – modification relating to disclosures to be made in the first financial statements following a business combination.

iv. Ind AS 107 – Financial Instruments Disclosures – modification relating to disclosure of material accounting policies including information about basis of measurement of financial instruments.

v. Ind AS 109 – Financial Instruments – modification relating to reassessment of embedded derivatives.

vi. Ind AS 1 - Presentation of Financials Statements – modification relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

vii. Ind AS 8 - Accounting Policies, Change in Accounting Estimates and Errors – modification in definition of 'accounting estimate' and application of changes in accounting estimates.

viii. Ind AS 12 – Income Taxes – modification relating to recognition of deferred tax liabilities and deferred tax assets.

ix. Ind AS 34 – Interim Financial Reporting – modification in interim financial reporting relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

The Company is evaluating the amendments and the expected impact, if any, on the Company's financial statements on application of the amendments for annual reporting periods beginning on or after 1 April 2023.

Notes forming part of the financial statements for the year ended March 31, 2023

Note 3 : Property, plant and equipment

(₹ in Millions)

Particulars	Freehold land	Leasehold land	Factory building	Other buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Right to use assets	Total
Gross carrying Amount											
As at March 31, 2021	**139.24**	**58.72**	**483.59**	**29.42**	**1,971.75**	**13.23**	**8.05**	**56.27**	**9.75**	**-**	**2,770.02**
Additions	50.52	19.80	-	-	327.69	0.39	27.79	1.18	1.44	4.50	433.31
Deletions	-	-	-	-	0.80	0.53	-	0.72	0.63	-	2.68
As at March 31, 2022	**189.76**	**78.52**	**483.59**	**29.42**	**2,298.64**	**13.09**	**35.84**	**56.73**	**10.56**	**4.50**	**3,200.65**
Additions		-	2.97		120.18	1.16	26.23	3.72	2.61		156.87
Deletions					2.06		2.98				5.04
As at March 31, 2023	**189.76**	**78.52**	**486.56**	**29.42**	**2,416.76**	**14.25**	**59.09**	**60.45**	**13.17**	**4.50**	**3,352.48**
Accumulated Depreciation											
As at March 31, 2021	**-**	**1.12**	**8.23**	**0.40**	**101.21**	**1.22**	**1.88**	**3.60**	**1.00**	**-**	**118.66**
Additions	-	2.03	16.34	0.50	131.06	1.45	1.90	7.71	3.27	0.30	**164.56**
Deletions	-	-	-	-	0.24	0.13	-	0.44	0.20	-	**1.00**
As at March 31, 2022	**-**	**3.15**	**24.57**	**0.90**	**232.03**	**2.54**	**3.78**	**10.87**	**4.07**	**0.30**	**282.22**
Additions		1.33	16.34	0.50	146.36	1.45	6.11	7.71	3.73	0.30	**183.82**
Deletions					0.60		1.90				**2.50**
As at March 31, 2023	**-**	**4.48**	**40.91**	**1.40**	**377.79**	**3.99**	**7.99**	**18.58**	**7.80**	**0.60**	**463.54**
Net Carrying amount											
As at March 31, 2021	**139.24**	**57.60**	**475.36**	**29.02**	**1,870.54**	**12.01**	**6.17**	**52.67**	**8.75**	**-**	**2,651.36**
As at March 31, 2022	**189.76**	**75.37**	**459.02**	**28.52**	**2,066.61**	**10.55**	**32.06**	**45.86**	**6.49**	**4.20**	**2,918.44**
As at March 31, 2023	**189.76**	**74.04**	**445.65**	**28.02**	**2,038.97**	**10.26**	**51.10**	**41.87**	**5.37**	**3.90**	**2,888.94**

(i) All title deeds of immovable property are in the name of the company.

(ii) The lease term in respect of assets acquired under finance leases and classifed under Leasehold Land is within the range of 95 to 99 years.

(iii) For Assets pledged as a security against borrowings, Refer Notes 16 and 19.

(iv) Interest on borrowings have been capitalised by ₹ 3.49 Millions (Previous Year: ₹ 2.10 Millions)

(v) The Company has not revalued any items of Property, Plant and Equipment during the current year or previous year.

Notes forming part of the financial statements for the year ended March 31, 2023

(vi) The Company has assessed recoverable amount of its property, plant and equipment by estimating its value in use. Based on the aforementioned assessment it has been concluded that the recoverable amount is higher than the respective carrying amount.

(vii) The Company has adopted previous GAAP as the deemed cost as per the exemption under Ind AS 101. Accordingly the Company has set the Net block as per Previous GAAP as on 1st April, 2020 as the Gross Block under Ind AS. The accumulated depreciation so netted off as on April 01, 2020, is as below.

(₹ in Millions)

Particulars	Freehold land	Leasehold land	Factory building	Other buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross Block	139.24	24.79	181.88	25.34	1,704.88	16.22	16.38	27.64	13.46	2,770.02
Add: Reclassification in Gross Block	-	37.74	-	-	-	-	-	-	-	433.31
Less: Accumulated depreciation	-	-	32.49	1.98	431.09	7.41	8.33	11.69	9.77	2.68
Less: Reclassification Accumulated depreciation	-	1.00	-	-	-	-	-	-	-	3,200.65
Less: Ind AS Adjustment	-	2.81	-	-	-	-	-	-	-	156.87
Net Block	139.24	58.72	149.38	23.36	1,273.79	8.81	8.05	15.95	3.68	5.04

3. Capital work in progress

(₹ in Millions)

Particulars	Amount
As at March 31, 2021	**201.90**
Additions	370.76
Capitalised during the year	326.05
As at March 31, 2022	**246.61**
Additions	507.19
Capitalised during the year	156.86
As at March 31, 2023	**596.94**

Notes forming part of the financial statements for the year ended March 31, 2023

(i) Interest on borrowings have been capitalised by ₹ 16.42 Millions (Previous Year: ₹ 1.60 Millions)

(ii) The Company has not revalued any items of Capital work in progress during the current year or previous year.

(iii) Ageing Schedule for Capital-work-in progress for the year ended March 31,2023:

(₹ in Millions)

CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	427.67	126.72	34.45	8.10	596.94

Ageing Schedule for Capital-work-in progress for the year ended March 31,2022:

(₹ in Millions)

CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	191.15	42.18	13.26	0.03	246.61

(iii) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan for the year ended March 31, 2023:

(₹ in Millions)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	97.49	-	-	-	97.49
Projects temporarily suspended	2.67	-	-	-	2.67

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan for the year ended March 31, 2022:

(₹ in Millions)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Notes forming part of the financial statements for the year ended March 31, 2023

Note 4 : Other Intangible assets

(₹ in Millions)

Particulars	Computer Software	Product Registration	Total Intangible Assets
Gross carrying Amount			
As at March 31, 2021	**5.56**	**15.67**	**21.23**
Additions	1.40	-	1.40
Deletions	-	-	-
As at March 31, 2022	**6.97**	**15.67**	**22.64**
Additions	0.26	19.66	19.92
Deletions	-	-	-
As at March 31, 2023	**7.23**	**35.33**	**42.56**
Accumulated Depreciation			
As at March 31, 2021	**2.69**	**4.71**	**7.40**
Additions	2.00	4.01	6.01
As at March 31, 2022	**4.69**	**8.72**	**13.41**
Additions	0.57	7.18	7.75
As at March 31, 2023	**5.26**	**15.90**	**21.16**
Net Carrying amount			
As at March 31, 2022	**2.28**	**6.95**	**9.23**
As at March 31, 2023	**1.97**	**19.43**	**21.40**

(i) There are no Intangible assets under development as on March 31, 2023 and March 31, 2022.

(ii) The Company has not revalued any items of Intangible assets during the current year or previous year.

(iii) The Company has adopted previous GAAP as the deemed cost as per the exemption under Ind AS 101. Accordingly the Company has set the Net block as per Previous GAAP as on 1st April, 2020 as the Gross Block under Ind AS.The accumulated depreciation so netted off as on April 01, 2020, is as below :

(₹ in Millions)

Particulars	Other Intangible Assets
Gross Block	30.40
Less: Accumulated depreciation	9.22
Net Block	21.18

Notes forming part of the financial statements for the year ended March 31, 2023

Note 5 : Other Financial Assets

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good – Unsecured		
- Deposit with Banks	0.50	0.41
- Security Deposits	13.80	17.95
TOTAL	**14.30**	**18.36**

Note 6 : Other Non-current Assets

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Advances	8.13	18.47
Prepaid Expenses	0.49	0.07
Total	**8.62**	**18.54**

Refer Note 35 for Capital Commitments pertaining to Capital Advances.

Note 7 : Other Tax Assets

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Tax paid (Net of provisions for tax)	42.37	43.93
Total	**42.37**	**43.93**

Note 8 : Inventories

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost and net realisable value)		
Raw Materials	**767.43**	**772.68**
Raw Materials	535.30	484.72
Raw Materials - at Port	232.13	287.96
Work in progress	-	-
Finished Goods	218.85	211.55
Semi Finised Goods	117.41	144.45
Stock - in - Trade	90.00	132.89
Stores and Spares		
Consumable, Stores and Spares	66.90	47.86
Others		
Packing Materials	22.70	20.74
Scrap Stock	0.14	0.64
Diesel , Steam Coal & Fuel	37.32	30.40
TOTAL	**1,320.75**	**1,361.21**

Notes forming part of the financial statements for the year ended March 31, 2023

Footnote:

(i) The cost of inventories recognised as an expense during the year is ₹ Nil (PY ₹ 15.62 Mn).

(ii) The above Inventories have been pledged as securities to the bankers on pari passu basis against the fund based and non fund based credit limits availed or to be availed by the Company (Refer Note 16 and 19).

(iii) For mode of valuation of inventories refer Note 2.5.

(iv) Raw Materials stock Includes Stock of Purchase in Transit of ₹ 146.11 Mn (PY ₹ 69.01 Mn).

Note 9 : Trade Receivables

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables – Considered Good Secured		
- From Related parties	-	-
- From Others	-	-
Trade receivables – Considered Good Unsecured		
- From Related parties	-	-
- From Others	1,679.17	1,736.06
Less : Expected Credit loss allowance	(0.53)	(0.22)
Trade Receivables – having significant increase in credit risk		
- From Related parties	-	-
- From Others	-	-
Less : Expected Credit loss allowance	-	-
Trade Receivables - Credit Impaired		
- From Others	0.42	0.42
Less : Expected Credit loss allowance	(0.42)	(0.42)
Total	**1,678.64**	**1,735.84**

Trade Receivables ageing schedule as at March 31, 2023

(₹in Millions)

Particulars	Outstanding for following years from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good *	1,381.05	290.82	6.59	0.71	-	-	1,679.17
Less : Expected Credit loss allowance	-	-	(0.42)	(0.11)	-	-	(0.53)
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	0.42	0.42
Less : Expected Credit loss allowance				-		(0.42)	(0.42)
(iv) Disputed Trade Receivables— considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-

(i). * Includes ₹ 0.97 Mn (P.Y. ₹ 0.14 Mn) receivable from related parties.

Notes forming part of the financial statements for the year ended March 31, 2023

Trade Receivables ageing schedule as at March 31, 2022

(₹ in Millions)

Particulars	Outstanding for following years from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	1,486.08	247.13	2.48	0.37	-	-	1,736.06
Less : Expected Credit loss allowance	-	-	(0.17)	(0.05)	-	-	(0.22)
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	0.42	-	0.42
Less : Expected Credit loss allowance				-	(0.42)		(0.42)
(iv) Disputed Trade Receivables— considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-

(i). * Includes ₹ 0.14 Mn (P.Y. ₹ Nil) receivable from related parties.

(ii) Expected credit loss:

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

Reconciliation of Credit loss allowance

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	0.64	2.67
Add: Allowance for expected credit loss during the year	0.31	(0.56)
Add: Allowance for Expected Credit loss during the year specific provision	-	(1.46)
Provision at the end of the year	**0.95**	**0.64**

Note 10 : Cash and cash equivalents

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks in current accounts	210.28	341.49
Cash in hand	0.04	0.14
Total	**210.32**	**341.63**

Notes forming part of the financial statements for the year ended March 31, 2023

Note 11 : Bank Balances other than cash and cash equivalents

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank Deposits with original maturity more than 3 months but less than 12 months	1.36	1.29
Margin money deposits (restricted, held as lien against bank guarantees)*	0.70	0.70
Total	**2.06**	**1.99**

*Includes Fixed Deposit of ₹ 0.70 Mn (March 31, 2022 : ₹ 0.70 Mn) held under lien with banks for the purpose of obtaning Bank Guarantee.

Note 12 : Other Financial Assets

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Derivative Financial Assets	-	0.56
Security Deposits	4.18	4.62
Others	0.01	0.12
Total	**4.19**	**5.30**

Note 13 : Other Current Assets

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Recoverable in cash or in kind	1.60	1.25
Balances with Governmental Authorities	60.28	55.45
Advance to Suppliers	12.09	36.73
Prepaid Expenses	4.26	3.82
IPO Expense	57.64	16.10
Others	0.47	2.01
Total	**136.34**	**115.36**

Note 14 : Equity share capital

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised equity share capital		
19,00,00,000 (P.Y.: 19,00,00,000 equity shares of ₹ 2 each) equity shares of ₹ 2 each	380.00	380.00
Total	**380.00**	**380.00**
Issued, subscribed and paid-up share capital		
5,80,00,000 equity shares of ₹ 2 each (P.Y.: 5,80,00,000 Equity shares of ₹ 2 each)	116.00	116.00
Total	**116.00**	**116.00**

Notes forming part of the financial statements for the year ended March 31, 2023

(i) Movements in equity share capital

(₹ in Millions)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	5,80,00,000.00	116.00	29,00,000	29.00
Issued during the year				
Increase in shares on account of subdivision	-	-	1,16,00,000	-
Bonus Shares issued during the year	-	-	4,35,00,000	87.00
Outstanding at the end of the year	5,80,00,000.00	116.00	5,80,00,000	116.00

(ii) Terms and rights attached to equity shares

1. The company has only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entilted to one vote per share. The Company declares and pays dividends in Indian rupees.
2. In the event of liquidation of the company, the holders of equity shares will be entiled to receive remaining assets of the Company , after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

(iii) Shares held by holding company /ultimate holding company, their subsidiaries and associates: Nil

(iv) Details of shareholders holding more than 5% shares in the company:

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% held	No. of shares	% held
Usha Rajnikant Shah	74,80,000	12.90%	74,80,000	12.90%
Gaurang Natwarlal Parikh	52,00,000	8.97%	52,00,000	8.97%
Nishith Rasiklal Dharia	49,80,000	8.59%	49,80,000	8.59%
Dipti Nalin Parikh	42,00,000	7.24%	42,00,000	7.24%
Sandhya Nishith Shah	40,20,000	6.93%	40,20,000	6.93%
Bhisham Kumar Gupta	32,00,000	5.52%	32,00,000	5.52%

(v) For the year of 5 years immediately preceding the date at which Balance sheet is prepared

(a) No shares have been allotted as fully paid up pursuant to contract without payment being received in cash.

(b) On January 18,2022, the Company issued Bonus shares in the ratio of 3:1. Accordingly 4,35,00,000 bonus shares were issued by capitalising its Free reserves of ₹ 8,70,00,000/-(Rupees Eight Crores Seventy Lacs Only).

(c) The company had bought back Equity shares in FY 2017-2018, totaling to 2,00,000 Equity shares of facevalue of ₹ 10 per share.

(d) None of the shares are reserved for issue against contract / commitments for sale of shares or disinvestment.

Notes forming part of the financial statements for the year ended March 31, 2023

(vi) Shares held by Promoters and Promoter group:

(₹ in Millions)

Sr. No.	Name of the Promoters	Promoters List as at March 31, 2023			Promoters List as at March 31, 2022		
		No. of Shares	% of holding	% of Change during the year	No. of Shares	% of holding	% of Change during the year
1	Nishith Rajnikant Shah	1,00,000	0.17%	0.00%	1,00,000	0.17%	(0.86%)
2	Gaurang Natwarlal Parikh	52,00,000	8.97%	0.00%	52,00,000	8.97%	0.00%
3	Dhaval Nalin Parikh	18,00,000	3.10%	0.00%	18,00,000	3.10%	0.00%
4	Pankil Nishith Dharia	20,000	0.03%	0.00%	20,000	0.03%	(1.69%)
5	Sachin Jatin Parikh	20,00,000	3.45%	0.00%	20,00,000	3.45%	0.00%
6	Rakesh Gupta	2,00,000	0.34%	0.00%	2,00,000	0.34%	0.00%
7	Nishith Rasiklal Dharia	49,80,000	8.59%	0.00%	49,80,000	8.59%	1.69%
8	Kunal Tushar Dharia	18,00,000	3.10%	0.00%	18,00,000	3.10%	0.00%
9	Suketu Navinchandra Parikh	4,00,000	0.69%	0.00%	4,00,000	0.69%	0.00%
10	Usha Rajnikant Shah	74,80,000	12.90%	0.00%	74,80,000	12.90%	0.48%
11	Dipti Nalin Parikh	42,00,000	7.24%	0.00%	42,00,000	7.24%	0.00%
12	Sandhya Nishith Shah	40,20,000	6.93%	0.00%	40,20,000	6.93%	0.00%
13	Bhisham Kumar Gupta	32,00,000	5.52%	0.00%	32,00,000	5.52%	0.00%
14	Tushar Natverlal Dharia	24,00,000	4.14%	0.00%	24,00,000	4.14%	2.41%
15	Sonal Nishith Dharia	20,79,000	3.58%	0.00%	20,79,000	3.58%	2.89%
16	Nihir Parikh	18,00,000	3.10%	0.00%	18,00,000	3.10%	0.00%
17	Chamak Jatin Parikh	13,00,000	2.24%	0.00%	13,00,000	2.24%	(0.17%)
18	Jatin Narendra Parikh	13,00,000	2.24%	0.00%	13,00,000	2.24%	(0.17%)
19	Tushar Natverlal Dharia HUF	12,00,000	2.07%	0.00%	12,00,000	2.07%	0.00%
20	Ami Tushar Dharia	10,00,000	1.72%	0.00%	10,00,000	1.72%	0.00%
21	Gaurang Natwarlal Parikh HUF	10,00,000	1.72%	0.00%	10,00,000	1.72%	0.00%
22	Veenu Gupta	10,00,000	1.72%	0.00%	10,00,000	1.72%	0.00%
23	Kinjal Pankil Dharia	8,00,000	1.38%	0.00%	8,00,000	1.38%	0.00%
24	Jignasha J Kantawala	6,00,000	1.03%	0.00%	6,00,000	1.03%	0.00%
25	Anvi Nishith Shah	5,00,000	0.86%	0.00%	5,00,000	0.86%	0.86%
26	Lina Suketu Parikh	4,00,000	0.69%	0.00%	4,00,000	0.69%	0.00%
27	Pushpa Navinchandra Parikh	4,00,000	0.69%	0.00%	4,00,000	0.69%	0.00%
28	Raksha Bhisham Gupta .	4,00,000	0.69%	0.00%	4,00,000	0.69%	0.00%
29	Sheetal Sundeep Parikh	4,00,000	0.69%	0.00%	4,00,000	0.69%	0.00%
30	Suhagi Dhaval Parikh	4,00,000	0.69%	0.00%	4,00,000	0.69%	0.00%
31	Sundeep Navinchandra Parikh	4,00,000	0.69%	0.00%	4,00,000	0.69%	0.00%
32	Janhavi Nihir Parikh	2,00,000	0.34%	0.00%	2,00,000	0.34%	0.00%
33	Shruti Sachin Parikh	2,00,000	0.34%	0.00%	2,00,000	0.34%	0.34%
34	Tanvi Gaurang Parikh	2,00,000	0.34%	0.00%	2,00,000	0.34%	0.00%
35	Riddhi Mihir Kapadia	20,000	0.03%	0.00%	20,000	0.03%	(2.90%)
36	Sonal Nishith Dharia Family Trust	1,000	0.00%	0.00%	1,000	0.00%	0.00%

Notes forming part of the financial statements for the year ended March 31, 2023

Note 15 : Other Equity

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Other Reserves		
Capital Redemption Reserve		
Opening Balance	-	7.62
Add: Additions	-	-
Less: Capitalised on issue of Bonus shares	-	7.62
Closing Balance	**-**	**-**
Securities Premium		
Opening Balance	-	11.26
Add: Additions	-	-
Less: Capitalised on issue of Bonus shares	-	11.26
Closing Balance	**-**	**-**
General Reserve		
Opening Balance	-	48.00
Add: Additions	-	-
Less: Capitalised on issue of Bonus shares	-	48.00
Closing Balance	**-**	**-**
Retained Earnings Including Other Comprehensive Income		
Opening Balance	2,505.08	1,706.26
Add/(Less): Other Comprehensive Income(Remeasurement of defined benefit plan)	(2.61)	2.80
Add: Net Profit for the current year	485.88	826.10
Less: Capitalised on issue of Bonus shares	-	20.13
Less: Final Dividend	17.40	4.35
Closing Balance	**2,976.17**	**2,505.08**
Total	**2,976.17**	**2,505.08**

Nature and Purpose of Reserves

Retained Earnings Including Other Comprehensive Income

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders and actuarial gains/ (losses) on employee benefit obligations.

Note on Dividend

For the year ended March 31, 2023, the amount of per share dividend proposed as distributions to equity shareholders is 15% of the face value per share.i.e. ₹ 0.3 per share. The same is subject to the approval from the shareholders in the Annual General Meeting.

Note 16 : Long term borrowings

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
(a) Term loans		
(i) From banks	857.02	786.31
(ii) From Non Banking Financial Company (NBFC)	30.00	54.00
Less : Current Maturities of Long Term - Borrowings (Refer Note 19)	(273.03)	(248.75)
Total	**613.99**	**591.56**

Notes forming part of the financial statements for the year ended March 31, 2023

(i) Terms of repayment of loans and Nature of security provided for each case seperately,

(₹ in Millions)

Sr. No.	Term Loans from Bank	As at March 31, 2023	As at March 31, 2022
1	Term Loan from HDFC Bank,Terms of repayment:Quarterly in equal Installments payable over a year of ranging from 5 - 7 Years, Rate in the range of 8.60 % p.a. fixed, date of start of 1st installment starting from June 18 and end with July 24 Security: First Charge on the Plant and Machinery at Khopoli funded by HDFC Second Pari Passu Charge on Current Assets Second Pari Passu Charge on Movable Assets Second Pari Passu Charge on Land & Building situated at Survey No. 13/5C, 13/1A, 13/1B, 15/3, 15/1, 15/2, 15/4, 15/5, 16/1, 16/2, 16/3, 25/6B, 25/7C, 25/10E, 25/11G, 25/12F, 25/13J, 25/5B, 25/5C, 25/5D, 25/1E, 25/9D at village Mauje Honad, and Chinchavali, Tehsil Khalapur, Khopoli, Dist. Raigad., Corporate Office located at Prasol House, Plot No. A/17/2/3 in A Block, TTC Industrial Area of MIDC Khairane, Navi Mumbai 400705.	51.00	91.47
2	Term Loan from HDFC Bank,Terms of repayment:Quarterly in equal Installments payable over a year of ranging from 5 - 7 Years, Rate in the range of 7 to 8% pa, date of start of 1st installment starting from May 20 and end with Feb 25 Security: First Charge on Pari Passu basis on the Plant and Machinery at the Cogeneration Power Palnt at Khopoli Survey No. 8/2 (pari passu with HSBC for the Term Loan of Rs. 200 million Sanctioned by HSBC) funded by HDFC Second Pari Passu Charge on Current Assets Second Pari Passu Charge on Movable Assets Second Pari Passu Charge on Land & Building situated at Survey No. 13/5C, 13/1A, 13/1B, 15/3, 15/1, 15/2, 15/4, 15/5, 16/1, 16/2, 16/3, 25/6B, 25/7C, 25/10E, 25/11G, 25/12F, 25/13J, 25/5B, 25/5C, 25/5D, 25/1E, 25/9D at village Mauje Honad, and Chinchavali, Tehsil Khalapur, Khopoli, Dist. Raigad., Corporate Office located at Prasol House, Plot No. A/17/2/3 in A Block, TTC Industrial Area of MIDC Khairane, Navi Mumbai 400705.	36.00	54.00

Notes forming part of the financial statements for the year ended March 31, 2023

(₹ in Millions)

Sr. No.	Term Loans from Bank	As at March 31, 2023	As at March 31, 2022
3	Term Loan from HDFC Bank,Terms of repayment:Quarterly in equal Installments payable over a year of ranging from 5 - 7 Years, Rate in the range of 7 to 8% pa, date of start of 1st installment starting from Aug 20 and end with Apr 25 Security: First Charge on the Plant and Machinery at Khopoli funded by HDFC Second Pari Passu Charge on Current Assets Second Pari Passu Charge on Movable Assets Second Pari Passu Charge on Land & Building situated at Survey No. 13/5C, 13/1A, 13/1B, 15/3, 15/1, 15/2, 15/4, 15/5, 16/1, 16/2, 16/3, 25/6B, 25/7C, 25/10E, 25/11G, 25/12F, 25/13J, 25/5B, 25/5C, 25/5D, 25/1E, 25/9D at village Mauje Honad, and Chinchavali, Tehsil Khalapur, Khopoli, Dist. Raigad., Corporate Office located at Prasol House, Plot No. A/17/2/3 in A Block, TTC Industrial Area of MIDC Khairane, Navi Mumbai 400705.	144.00	208.00
4	Term Loan from HDFC Bank,Terms of Repayment:Quarterly in equal Installments payable over a year of ranging from 5 - 7 Years, Rate in the range of 7 to 8% pa, date of start of 1st installment staring from Mar 21 and end with Dec 25 Security: First Charge on the Plant and Machinery at Mahad funded by HDFC Second Pari Passu Charge on Current Assets Second Pari Passu Charge on Movable Assets Second Pari Passu Charge on Land & Building situated at Survey No. 13/5C, 13/1A, 13/1B, 15/3, 15/1, 15/2, 15/4, 15/5, 16/1, 16/2, 16/3, 25/6B, 25/7C, 25/10E, 25/11G, 25/12F, 25/13J, 25/5B, 25/5C, 25/5D, 25/1E, 25/9D at village Mauje Honad, and Chinchavali, Tehsil Khalapur, Khopoli, Dist. Raigad., Corporate Office located at Prasol House, Plot No. A/17/2/3 in A Block, TTC Industrial Area of MIDC Khairane, Navi Mumbai 400705 and Land & Building located at FS-30 at MIDC Five Star Industrial Estate, Village Amshet, Taluka Mahad, Dist. Raigad, 402309	55.00	75.00
5	Term Loan from HSBC Bank,Terms of repayment:Quarterly in equal Installments payable over a year of ranging from 5 - 7 Years, Rate in the range of 8 to 9% pa, date of start of 1st installment starting from Oct 18 and end with Jan 23 Security: First Charge on Pari Passu basis on the Plant and Machinery at the Cogeneration Power Palnt at Khopoli Survey No. 8/2 (pari passu with HDFC for the Term Loan of Rs. 90 million Sanctioned by HDFC) funded by HSBC Second Pari Passu Charge on Current Assets Second Pari Passu Charge on Movable Assets Second Pari Passu Charge on Land & Building situated at Survey No. 13/5C, 13/1A, 13/1B, 15/3, 15/1, 15/2, 15/4, 15/5, 16/1, 16/2, 16/3, 25/6B, 25/7C, 25/10E, 25/11G, 25/12F, 25/13J, 25/5B, 25/5C, 25/5D, 25/1E, 25/9D at village Mauje Honad, and Chinchavali, Tehsil Khalapur, Khopoli, Dist. Raigad., Corporate Office located at Prasol House, Plot No. A/17/2/3 in A Block, TTC Industrial Area of MIDC Khairane, Navi Mumbai 400705.	-	61.84

Notes forming part of the financial statements for the year ended March 31, 2023

(₹ in Millions)

Sr. No.	Term Loans from Bank	As at March 31, 2023	As at March 31, 2022
6	Term Loan from Citicorp Finance India Ltd,Terms of Repayment:Quarterly in equal Installments payable over a year of ranging from 5 - 7 Years, Rate in the range of 8.65% p.a. fixed, date of start of 1st installment staring from July 19 and end with Apr 24 Security: First Charge on the Plant and Machinery at Mahad funded by Citicorp Finance India Ltd Second Pari Passu Charge on Current Assets Second Pari Passu Charge on Movable Assets Second Pari Passu Charge on Land & Building situated at Survey No. 13/5C, 13/1A, 13/1B, 15/3, 15/1, 15/2, 15/4, 15/5, 16/1, 16/2, 16/3, 25/6B, 25/7C, 25/10E, 25/11G, 25/12F, 25/13J, 25/5B, 25/5C, 25/5D, 25/1E, 25/9D at village Mauje Honad, and Chinchavali, Tehsil Khalapur, Khopoli, Dist. Raigad., Corporate Office located at Prasol House, Plot No. A/17/2/3 in A Block, TTC Industrial Area of MIDC Khairane, Navi Mumbai 400705 and Land & Building located at FS-30 at MIDC Five Star Industrial Estate, Village Amshet, Taluka Mahad, Dist. Raigad, 402309	30.00	54.00
7	Term Loan from Katak Mahindra Bank, Terms of Repayment:Quarterly in equal Installments payable over a year of ranging from 5 - 7 Years, Rate in the range of 8.90% p.a. fixed, date of start of 1st installment staring from Oct 19 and end with March 23 Security: First Charge on the Plant and Machinery at Mahad funded by Kotak Mahindra Bank Second Pari Passu Charge on Current Assets Second Pari Passu Charge on Movable Assets Second Pari Passu Charge on Land & Building situated at Survey No. 13/5C, 13/1A, 13/1B, 15/3, 15/1, 15/2, 15/4, 15/5, 16/1, 16/2, 16/3, 25/6B, 25/7C, 25/10E, 25/11G, 25/12F, 25/13J, 25/5B, 25/5C, 25/5D, 25/1E, 25/9D at village Mauje Honad, and Chinchavali, Tehsil Khalapur, Khopoli, Dist. Raigad., Corporate Office located at Prasol House, Plot No. A/17/2/3 in A Block, TTC Industrial Area of MIDC Khairane, Navi Mumbai 400705 and Land & Building located at FS-30 at MIDC Five Star Industrial Estate, Village Amshet, Taluka Mahad, Dist. Raigad, 402309	-	43.46

Notes forming part of the financial statements for the year ended March 31, 2023

(₹ in Millions)

Sr. No.	Term Loans from Bank	As at March 31, 2023	As at March 31, 2022
8	Term Loan from HDFC Bank,Terms of repayment:Quarterly in equal Installments payable over a year of ranging from 5 - 7 Years, Rate in the range of 7.50% p.a. to 8.50% p.a., date of start of 1st installment starting from Jan 23 and end with Oct 27 Security: First Charge on the Plant and Machinery at Khopoli funded by HDFC Second Pari Passu Charge on Current Assets Second Pari Passu Charge on Movable Assets Second Pari Passu Charge on Land & Building situated at Survey No. 13/5C, 13/1A, 13/1B, 15/3, 15/1, 15/2, 15/4, 15/5, 16/1, 16/2, 16/3, 25/6B, 25/7C, 25/10E, 25/11G, 25/12F, 25/13J, 25/5B, 25/5C, 25/5D, 25/1E, 25/9D at village Mauje Honad, and Chinchavali, Tehsil Khalapur, Khopoli, Dist. Raigad., Corporate Office located at Prasol House, Plot No. A/17/2/3 in A Block, TTC Industrial Area of MIDC Khairane, Navi Mumbai 400705.	142.50	66.19
9	Term Loan from HDFC Bank,Terms of Repayment:Quarterly in equal Installments payable over a year of ranging from 5 - 7 Years, Rate in the range of 7.50% p.a. to 8.50% p.a., date of start of 1st installment staring from Jan 23 and end with Oct 27 Security: First Charge on the Plant and Machinery at Mahad funded by HDFC Bank Second Pari Passu Charge on Current Assets Second Pari Passu Charge on Movable Assets Second Pari Passu Charge on Land & Building situated at Survey No. 13/5C, 13/1A, 13/1B, 15/3, 15/1, 15/2, 15/4, 15/5, 16/1, 16/2, 16/3, 25/6B, 25/7C, 25/10E, 25/11G, 25/12F, 25/13J, 25/5B, 25/5C, 25/5D, 25/1E, 25/9D at village Mauje Honad, and Chinchavali, Tehsil Khalapur, Khopoli, Dist. Raigad., Corporate Office located at Prasol House, Plot No. A/17/2/3 in A Block, TTC Industrial Area of MIDC Khairane, Navi Mumbai 400705 and Land & Building located at FS-30 at MIDC Five Star Industrial Estate, Village Amshet, Taluka Mahad, Dist. Raigad, 402309	129.20	65.33

Notes forming part of the financial statements for the year ended March 31, 2023

(₹ in Millions)

Sr. No.	Term Loans from Bank	As at March 31, 2023	As at March 31, 2022
10	Term Loan from HDFC Bank,Terms of Repayment:Quarterly in equal Installments payable over a year of ranging from 5 - 7 Years, Rate in the range of 7.50% p.a. to 8.50% p.a., date of start of 1st installment staring from Jan 23 and end with Oct 27 Security: First Charge on the Plant and Machinery at Mahad funded by HDFC Bank Second Pari Passu Charge on Current Assets Second Pari Passu Charge on Movable Assets Second Pari Passu Charge on Land & Building situated at Survey No. 13/5C, 13/1A, 13/1B, 15/3, 15/1, 15/2, 15/4, 15/5, 16/1, 16/2, 16/3, 25/6B, 25/7C, 25/10E, 25/11G, 25/12F, 25/13J, 25/5B, 25/5C, 25/5D, 25/1E, 25/9D at village Mauje Honad, and Chinchavali, Tehsil Khalapur, Khopoli, Dist. Raigad., Corporate Office located at Prasol House, Plot No. A/17/2/3 in A Block, TTC Industrial Area of MIDC Khairane, Navi Mumbai 400705 and Land & Building located at FS-30 at MIDC Five Star Industrial Estate, Village Amshet, Taluka Mahad, Dist. Raigad, 402309	250.80	121.02
11	Term Loan from HDFC Bank,Terms of Repayment:Quarterly in equal Installments payable over a year of ranging from 4-5 Years, Rate in the range of 7.90% p.a. (linked to 3 month T bill + 0.95%), date of start of 1st installment staring from March 24 and end with Dec 27 Security: First Charge on the Plant and Machinery at Khopoli & Mahad funded by HDFC Bank Second Pari Passu Charge on Current Assets Second Pari Passu Charge on Movable Assets Second Pari Passu Charge on Land & Building situated at Survey No. 13/5C, 13/1A, 13/1B, 15/3, 15/1, 15/2, 15/4, 15/5, 16/1, 16/2, 16/3, 25/6B, 25/7C, 25/10E, 25/11G, 25/12F, 25/13J, 25/5B, 25/5C, 25/5D, 25/1E, 25/9D at village Mauje Honad, and Chinchavali, Tehsil Khalapur, Khopoli, Dist. Raigad., Corporate Office located at Prasol House, Plot No. A/17/2/3 in A Block, TTC Industrial Area of MIDC Khairane, Navi Mumbai 400705 and Land & Building located at FS-30 at MIDC Five Star Industrial Estate, Village Amshet, Taluka Mahad, Dist. Raigad, 402309*	48.52	-

Notes forming part of the financial statements for the year ended March 31, 2023

Note 17 : Deferred tax liabilities (Net)

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax liability		
Property Plant and Equipment	191.62	220.25
Tax effect of items constituting deferred tax liability	**191.62**	**220.25**
Tax effect of items constituting deferred tax assets		
Provision for employee benefits	(3.22)	(3.27)
Provision for expected credit loss on trade receivables	(0.24)	(0.16)
Derivative Financial Instruments	(0.48)	0.14
Disallowances	(4.28)	(2.76)
Tax effect of items constituting deferred tax assets	**(8.22)**	**(6.05)**
Total	**183.40**	**214.20**

Note 18 : Non-current Provisions

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for employee benefits		
(i) Provision for Leave Encashment	6.64	6.10
Total	**6.64**	**6.10**

Note 19 : Current Borrowings

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
(a) Loans repayable on demand		
(i) From banks		
Cash Credit	244.29	-
Working Capital Demand Loan	725.00	728.17
Packing Credit	-	50.00
(b) Current maturities of long term borrowings	273.03	248.75
SUBTOTAL (A)	**1,242.32**	**1,026.92**
UnSecured		
(a) Loans repayable on demand		
(i) From banks	-	-
(ii) From related Parties	-	-
SUBTOTAL (B)	**-**	**-**
Total	**1,242.32**	**1,026.92**

Notes forming part of the financial statements for the year ended March 31, 2023

(i) Details of Loans : Secured

(₹ in Millions)

Nature of Loans	As at March 31, 2023	As at March 31, 2022
Cash Credit, & Packing Credit,Security: First Pari Passu charge by way of hypothecation of stocks & book debts & further second Pari Passu charge on Fixed Assets of the company pertaining to Khopoli Unit and Khairne, Navi Mumbai unit by hypothecation of movable machinery and creating mortgage by way of deposit of title deeds of lands & building.	244.29	-
Packing Credit	-	50.00
Working Capital Demand Loan	725.00	728.17
Total Secured short term borrowings	**969.29**	**778.17**

Disclosure for Stock Statement Submitted to Banks and as per books:

As at March 31, 2023 :

(₹ in Millions)

Quarter	Name of the bank	Particulars of securities provided	Amount as per books of accounts	Amount as reported in quarterly return statement	Amount of difference	Reason for material discrepancies
1st quarter	Various Banks*	• 1st pari passu charge on Current Assets; • 2nd pari passu charge on Movable Assets; • 2nd pari passu charge on Immovable Properties at Village Honad and Immovable Properties at Khairane.	1,697.55	1,431.65	265.90	Stores & Spares stock, Stock in Transit not considered in Borrower Statement
2nd quarter	Various Banks*		1,681.29	1,379.16	302.13	Stores & Spares stock, Stock in Transit not considered in Borrower Statement
3rd quarter	Various Banks*		1,589.18	1,317.02	272.16	Stores & Spares stock, Stock in Transit not considered in Borrower Statement
4th quarter	Various Banks*		1,320.75	969.40	351.34	Stores & Spares stock, Stock in Transit not considered in Borrower Statement

*1) Citi Bank, 2) HDFC Bank, 3) HSBC Bank, 4) Union Bank, 5) Standred Chartered Bank, 6) Kotak Mahindra Bank, 7) IDBI Bank, 8) DBS Bank, 9) Citicorp Finance

Notes forming part of the financial statements for the year ended March 31, 2023

As at March 31, 2022 :

(₹ in Millions)

Quarter	Name of the bank	Particulars of securities provided	Amount as per books of accounts	Amount as reported in quarterly return statement	Amount of difference	Reason for material discrepancies
1st quarter	Various Banks*	• 1st pari passu charge on Current Assets; • 2nd pari passu charge on Movable Assets;; • 2nd pari passu charge on Immovable Properties at Village Honad and Immovable Properties at Khairane.	1,046.56	1,067.50	(20.93)	Stores & Spares stock not considered in Borrower Statement
2nd quarter	Various Banks*		854.18	807.55	46.63	Stores & Spares stock not considered in Borrower Statement
3rd quarter	Various Banks*		1,097.25	873.21	224.05	Stores & Spares stock, Stock in Transit not considered in Borrower Statement
4th quarter	Various Banks*		1,361.21	1,125.72	235.50	Stores & Spares stock, Stock in Transit not considered in Borrower Statement

*1) Citi Bank, 2) HDFC Bank, 3) HSBC Bank, 4) Union Bank, 5) Standred Chartered Bank, 6) Kotak Mahindra Bank, 7) IDBI Bank, 8) DBS Bank, 9) Citicorp Finance

Note 20 : Trade Payables

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables:		
- (A) Total outstanding Dues to micro and small enterprises	55.92	51.61
- (B) Total outstanding dues of creditors Other than micro and small enterprises *	1,566.74	2,091.01
Total	**1,622.66**	**2,142.62**

(i). * includes ₹ 0.11 Mn (P.Y. ₹ 2.90 Mn) payable to related parties. (Refer Note 45)

(i) Information required as per Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due and remaining unpaid	55.92	54.55
Interest due and unpaid on the above amount	1.21	0.05
Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	-	0.13
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the year of delay	2.69	2.94
Interest accrued and remaining unpaid	6.75	2.85
Amount of further interest remaining due and payable	-	-

Notes forming part of the financial statements for the year ended March 31, 2023

(ii) The above is based on the intimation received from its vendors regarding the status under Micro, Small and Medium enterprises development (MSMED Act, 2006), except as stated above. The above information is based on the information compiled by the Company and relied upon by the statutory auditors.

(iii) Outstanding of MSME creditors includes Creditor for Capital Goods value of which is ₹ 10.43 Mn (₹ 2.94 Mn) (Refer Note 21)

Trade Payables Ageing Schedules as at March 31, 2023:

(₹ in Millions)

Particulars	Outstanding for following years from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	55.92	-	-	-	55.92
(ii) Others	1,337.72	227.08	0.23	0.34	1.37	1,566.74
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Trade Payables Ageing Schedules as at March 31, 2022:

(₹ in Millions)

Particulars	Outstanding for following years from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	51.61	-	-	-	51.61
(ii) Others	1,902.39	186.43	1.17	1.01	-	2,091.01
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Note 21 : Other Current Financial Liabilities

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Interest accrued but not due on borrowings	8.69	5.83
(b) Creditors for capital items	38.45	41.45
(c) Derivative Financial Liabilities	1.90	-
Total	**49.04**	**47.28**

Note 22 : Other Current Liabilities

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Advance from Customers	40.27	62.99
(b) Employees Liabilities	28.50	59.84
(c) Statutory Liabilities	9.15	11.46
(d) Others	1.56	1.57
Total	**79.48**	**135.87**

Notes forming part of the financial statements for the year ended March 31, 2023

Note 23 : Provisions

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for employee benefits		
Provision for Gratuity	5.32	6.10
Provision for Leave Encashment	0.82	0.81
Total	**6.14**	**6.91**

Note 24 : Current Tax Liabilities

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income tax	25.13	19.40
Total	**25.13**	**19.40**

Note 25 : Revenue from operations

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Sale of Products	9,227.81	8,879.18
(b) Revenue from Services		
Job work Sales	23.52	52.08
(c) Other Operating Revenue		
Commission Received	3.08	7.57
Scrap Sale	31.33	10.45
Other Operating Income	15.08	8.98
Total	**9,300.82**	**8,958.26**

Note 26 : Other Income

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Received	1.83	0.86
Insurance Claim Received	0.91	0.53
Net (Loss)/Gain on foreign currency transalation and transaction	-	60.02
Export Incentives	9.95	8.81
(Loss)/Profit on Sales of Fixed Assets / Written Off	1.46	-
Expenses no longer payable written back	8.56	3.09
Miscellaneous Income	2.32	0.52
Total	**25.03**	**73.83**

Notes forming part of the financial statements for the year ended March 31, 2023

Note 27 : Cost of Materials Consumed

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Raw material consumed		
Opening Stock	772.68	368.40
Add: Purchases	4,690.55	4,723.52
Less: Sales	-	-
Less: Closing Stock	767.43	772.68
SUBTOTAL (A)	**4,695.80**	**4,319.24**
(b) Packing Materials Consumed		
Opening Stock	20.74	16.14
Add: Purchases	183.36	204.50
Less: Sales	-	-
Less: Closing Stock	22.70	20.74
SUBTOTAL (B)	**181.40**	**199.90**
TOTAL	**4,877.20**	**4,519.14**

Note 28 : Purchase of Traded Goods

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of Traded Goods	1,541.87	1,453.20
TOTAL	**1,541.87**	**1,453.20**

Note 29 : Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Inventories at the end of the year		
Finished Goods	218.85	211.55
Traded Goods	90.00	132.89
Semi Finished	117.41	144.45
Total (a)	**426.26**	**488.89**
(b) Inventories at the beginning of the year		
Finished Goods	211.55	66.03
Traded Goods	132.89	168.06
Semi Finished	144.45	148.10
Total (b)	**488.89**	**382.19**
(Increase)/Decrease in Inventory	**62.63**	**(106.70)**

Notes forming part of the financial statements for the year ended March 31, 2023

Note 30 : Employee Benefit Expenses

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Salary, Wages and Bonus	271.54	289.20
(b) Contribution to Provident and other funds	21.99	16.01
(c) Staff Welfare expenses	6.88	5.27
Total	**300.41**	**310.48**

Note 31 : Finance Costs

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Interest	106.29	113.55
(b) Exchange differences regarded as an adjustment to borrowing costs	5.44	-
(c) Other borrowing costs	8.53	6.16
Total	**120.26**	**119.71**

Note 32 : Depreciation and Amortisation expenses

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of Property, Plant and Equipment	181.62	162.40
Amortization of Intangible Assets	8.30	5.84
Amortization for Right of use assets	0.30	0.30
Amortization of Leasehold land	1.33	2.03
Total	**191.55**	**170.57**

Notes forming part of the financial statements for the year ended March 31, 2023

Note 33 : Other Expenses

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Manufacturing Expenses		
Power and Fuel	712.33	617.20
Water Charges	0.62	0.70
Repairs and Maintenance		
- Machinery	40.45	30.71
- Others	41.89	21.56
Stores and Spares Consumed	85.72	72.33
Labour Charges	69.25	60.25
Other Manufacturing Expenses	190.81	182.65
Selling and Distribution Expenses		
Freight, Handling and Other Sales and Distribution Expenses	310.24	311.80
Commission on Sale	52.88	48.00
Advertisement and Publicity	22.12	14.86
Establishment Expenses		
Rent	0.57	0.71
Rates and Taxes	10.60	4.93
Insurance	12.65	11.13
Communication cost	1.60	1.48
Travelling and Conveyance	11.45	5.69
Repairs and Maintenance - Others	2.81	0.98
Printing and Stationery	0.39	0.15
Legal and Professional Charges	23.27	19.71
Auditor's Remuneration (refer note below)	1.80	1.98
Subscriptions	3.94	1.49
Irrevocable receivables written off	0.64	3.68
Corporate Social Responsibility	12.65	11.98
Miscellaneous expenses	5.96	9.27
Administrative expenses	21.28	22.17
Net Loss/(Gain) on foreign currency transalation and transaction	12.97	-
Loss/(Profit) on Sales of Fixed Assets / Written Off	-	1.68
Expected credit loss allowance	0.31	(2.03)
Total	**1,649.20**	**1,455.05**

Notes forming part of the financial statements for the year ended March 31, 2023

Note: Auditors Remuneration

(₹ in Millions)

Auditor's remuneration comprises:	For the year ended March 31, 2023	For the year ended March 31, 2022
As Auditors	1.65	0.68
For Tax Audit	0.15	0.15
For Taxation matters	-	0.10
For Certification and other services	-	1.05
Total	**1.80**	**1.98**

Note 34 : Contingent Liabilities

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Claims against the company not acknowledged as debt		
DRI Mumbai and Ahmedabad	4.50	4.50
Income Tax Liability that may arise in respect of matters in appeal	1.14	0.66
(b) Guarantees excluding financial guarantees	47.59	59.65
Total	53.23	64.81

Note:

1) In the past, the Company had received various Show Cause cum Demand Notice from DRI Mumbai and Ahmedabad totalling ₹ 4.50 Mn relating to licences purchased by the company and utilized for duty free import which the customs had later on discovered to be bogus. The Company has submitted the reply with all the relevant evidence supporting its genuineness and is awaiting the next hearing for the same. Based on the advice from the legal counsel the company is confident that the case is not teneable and there will not be any outflow of duty.

2) The company was assessed by the Income Tax Department for the years March 31, 2018 and March 31, 2020 and certain additions were made resulting in demand of ₹ 4.54 Mn against which the company has filed appeals for both the years with the Commissioner of Income Tax (Appeals).

Note 35 : Commitments

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Estimated amount of contracts to be executed on capital account and not provided for (Net off Advances)	82.46	115.42
(b) Letter of Credit Outstanding	326.11	206.56
Total	408.57	321.99

Notes forming part of the financial statements for the year ended March 31, 2023

Note 36 : Corporate Social Responsibility expenses

In pursuance of the provisions of the Companies Act, 2013 and CSR Policy of the Company it is required to spend two percent of the average net profits for the three immediately preceding financial years towards CSR activities.

Details of expenditure incurred towards CSR is as follows:

(₹ in Millions)

Corporate Social Responsibility expenses		For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	Gross amount required to be spent by the company during the year	12.65	7.79
(ii)	Amount of expenditure incurred,	12.74	7.09
(iii)	Shortfall at the end of the year,	(0.09)	0.70
(iv)	Total of previous years shortfall	2.99	2.99
(v)	Reason for shortfall,	Non Availbility of appropriate projects due to restriction in movements owing to Covid 19 Outbreak	Non Availbility of appropriate projects due to restriction in movements owing to Covid 19 Outbreak
(vi)	Nature of CSR activities	Promotion of Education, Water supply, Medical Expenses	Promotion of Education, Water supply, Medical Expenses
(vii)	Details of related party transactions	-	-
(viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

Note 37 : Expenditure on Research and Development

(₹ in Millions)

Expenditure on Research and Development	For the year ended March 31, 2023	For the year ended March 31, 2022
Capital Expenditure	1.33	1.64
Revenue Expenditure	32.13	35.63

Note 38 : Current Tax and Deferred Tax

(a) Amounts recognised in profit and loss and Other Comprehensive Income

(₹ in Millions)

Details	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax expense		
Current year Tax	128.80	253.97
Deferred tax expense recognised in Profit and Loss account	(31.67)	34.42
Deferred tax expense recognised in Other Comprehensive Income	0.88	(0.94)
Income tax(excess)/ short provision of earlier years	(0.28)	(3.85)
Total Income tax Expense	**97.74**	**283.59**

Notes forming part of the financial statements for the year ended March 31, 2023

b) Reconciliation between provision of income tax of the Company and amounts computed by applying Statutory Income tax rates to Profit before tax is as follows:

A) Current tax

(₹ in Millions)

Details	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Profit before tax	586.21	1,106.89
Enacted Tax rates in India	25.17%	25.17%
Tax Expenses	**147.54**	**278.58**
Income Tax expense as per books	**98.01**	**287.45**
Current year Tax	128.80	253.97
Deferred tax expense	-31.67	34.42
Other comprehensive income	0.88	(0.94)
Effect of Permanent Taxable expenses	49.53	(8.86)

B) Deferred Tax :

(₹ in Millions)

Details	**For the year ended March 31, 2023**	**Recognised in Profit and loss (Asset)/ liability**	**Recognised in Other Comprehensive Income (Asset)/ liability**	**For the year ended March 31, 2022**
Property Plant and Equipment	191.62	(28.63)	-	220.25
Tax effect of items constituting deferred tax assets :				
Provision for employee Benefits	(3.22)	(0.82)	0.88	(3.27)
Provision for expected Credit loss on trade receivables	(0.24)	(0.08)	-	(0.16)
Derivative Financial Instrument	(0.48)	(0.62)	-	0.14
Disallowances	(4.28)	(1.53)	-	(2.76)
Total	**183.40**	**(31.67)**	**0.88**	**214.20**

Notes forming part of the financial statements for the year ended March 31, 2023

Note 39 : Earnings per share

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit/(Loss) after tax	485.88	826.10
Equity shares at the beginning of the year (nos. of shares)	5,80,00,000	29,00,000
Equity shares issued during the year	-	5,51,00,000
Equity shares at the end of the year (nos. of shares)	5,80,00,000	5,80,00,000
Weighted average equity shares for the purpose of calculating basic earnings per share (nos. of shares)	5,80,00,000	5,80,00,000
Weighted average equity shares for the purpose of calculating diluted earnings per share (nos. of shares)	5,80,00,000	5,80,00,000
Earnings per share-basic (face value of ₹ 2 each) (₹)	8.38	14.24
Earnings per share-diluted (face value of ₹ 2 each for March 2022) (₹)	8.38	14.24

Note 40 : Employee Benefits

I. Details of retirement plans:

The employees of the Company are members of a state – managed retirement benefit plans namely gratuity fund operated by the Government of India. The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits.

The Company has recognised the following amounts in the Income Statement during the year under 'Contribution to staff provident and other funds' (Refer Note 30)

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to Provident & Other Funds	13.44	13.21
Total	**13.44**	**13.21**

II. Defined benefit plans

The company operates funded gratuity plan for qualifying employees. Under the plan, the employees are entitled to retirement benefits depending upon the number of years of service rendered by them subject to minimum specified number of years of service.

No other post retirement benefits are provided to these employees.

The actuarial valuation of plan assets and the present value of defined benefit obligation were carried out at March 31, 2023 and March 31, 2022 by the certified actuarial valuer.

The present value of the defined benefit obligation, related current service cost and past service cost were measured using the projected unit credit method.

Notes forming part of the financial statements for the year ended March 31, 2023

(A) Movements in present value of defined benefit obligation

(₹ in Millions)

Particulars	**Gratuity (funded)**	
	For the year ended March 31, 2023	**For the year ended March 31, 2022**
Obligations as at beginning of the year	25.66	18.70
Current service cost	3.81	2.83
Past service cost	4.32	-
Current service contribution- employee	-	-
Interest cost	1.79	1.20
Transfer in	-	-
Plan amendment	-	-
Acquisitions	-	-
Benefits paid	(0.91)	(0.44)
Actuarial (gain)/loss	(2.93)	3.37
Exchange difference	-	-
Present value of defined benefit obligation as at end of the year	**31.74**	**25.66**

(B) Movements in the fair value of plan assets

(₹ in Millions)

Particulars	**Gratuity (funded)**	
	For the year ended March 31, 2023	**For the year ended March 31, 2022**
Fair value of plan assets at beginning of the year	19.56	19.15
Expected return on plan assets	1.36	1.23
Actual return on plan assets	0.56	(0.38)
Actuarial gain/(loss) on plan assets		
Contributions by the employer	5.84	-
Other adjustments		
Benefits paid	(0.91)	(0.44)
Exchange difference		
Fair value of plan assets as at end of the year	**26.42**	**19.56**

Notes forming part of the financial statements for the year ended March 31, 2023

(C) Amount recognized in the balance sheet

(₹ in Millions)

Particulars	Gratuity (funded)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of defined benefit obligation as at end of the year	31.74	25.66
Fair value of plan assets as at end of the year	26.42	19.56
As at year end [Asset/(Liabilities)]	**(5.32)**	**(6.10)**

(D) Category of Assets

₹ in Millions)

Particulars	Gratuity (funded)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	26.42	19.56
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	**26.42**	**19.56**

(E) Other Details

(₹ in Millions)

Particulars	Gratuity (funded)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
No of Members in Service	594	622
Per Month Salary For Members in Service	9.37	6.71
Weighted Average Duration of the Projected Benefit Obligation in Years	10.00	10.00
Average Expected Future Service in Years	12.00	9.00
Projected Benefit Obligation (PBO) - Total	31.74	25.66
Projected Benefit Obligation (PBO) - Due but Not Paid	-	-
Expected Contribution in the Next year	9.37	6.71

Notes forming part of the financial statements for the year ended March 31, 2023

(F) Net Interest Cost for Current Year

(₹ in Millions)

Particulars	Gratuity (funded)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Present Value of Benefit Obligation at the Beginning of the year	25.66	18.70
(Fair Value of Plan Assets at the Beginning of the year)	(19.56)	(19.15)
Net Liability/(Asset) at the Beginning	6.10	(0.45)
Interest Cost	1.79	1.20
(Interest Income)	(1.36)	(1.23)
Net Interest Cost for Current year	**0.42**	**(0.03)**

(G) Amounts recognized in the statement of profit and loss

(₹ in Millions)

Particulars	Gratuity (funded)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	3.81	2.83
Past service cost	4.32	-
Interest cost	0.42	(0.03)
Expected return on plan assets	-	-
Past service cost	-	-
Net actuarial (gain)/loss recognized in the year	-	-
Total	**8.55**	**2.80**

(H) Maturity Analysis of the Benefit Payments

(₹ in Millions)

Particulars	Gratuity (funded)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
1st Following Year	1.92	1.90
2nd Following Year	2.07	1.73
3rd Following Year	2.43	2.06
4th Following Year	2.70	2.22
5th Following Year	2.22	2.42
Sum of Years 6 To 10	14.14	10.94
Sum of Years 11 and above	49.27	31.62

Notes forming part of the financial statements for the year ended March 31, 2023

(I) Amounts recognised in other comprehensive income

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Experience adjustments	(3.49)	3.75
Total	(3.49)	3.75

(J) Category of plan assets

The Company's plan assets in respect of gratuity are funded through the Gratuity Scheme of LIC

(₹ in Millions)

Particulars	Gratuity (funded)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Administered by Life Insurance Corporation of India	100%	100%
Government of India Securities	-	-
State Government securities	-	-
Special Deposit Scheme	-	-

(K) Sensitivity analysis

(₹ in Millions)

Particulars	Gratuity (funded)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
DBO On base assumptions	31.74	25.66
A. Discount Rate		
1. Effect due to 1% increase in discount rate	(2.60)	(1.96)
2. Effect due to 1% decrease in discount rate	3.03	2.27
B. Salary Escalation Rate		
1. Effect due to 1% increase in salary escalation rate	2.71	2.20
2. Effect due to 1% decrease in salary escalation rate	(2.36)	(1.95)
C. Withdrawal Rate		
1. Effect due to 1% increase in withdrawal rate	0.06	(0.37)
2. Effect due to 1% decrease in withdrawal rate	(0.07)	0.41

Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities.

Notes forming part of the financial statements for the year ended March 31, 2023

These are subject to interest rate risk and the fund manages interest rate risk derivatives to minimize risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments % which have low correlation with equity securities.

The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

(L) Actuarial assumptions

Actuarial valuation as at the year-end was done in respect of the aforesaid defined benefit plans based on the following assumptions:

i) General assumptions

(₹ in Millions)

Particulars	Gratuity (funded)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate (per annum)	7.50%	6.96%
Rate of return on plan assets	7.50%	6.96%
Withdrawal rate	5.15%	8.00%
Rate of increase in compensation	8.00%	9.00%

ii) Mortality rates considered are as per the published rates in the India Assured Lives Mortality (2006-08) (Modified) ULT. (Previous year: Life Insurance Corporation of India (2006-08)) mortality table.

iii) Leave policy: Leave balance as at the valuation date and each subsequent year following the valuation date to the extent not availed by the employee accumulated up to March 31, 2023 is available for encashment on separation from the Company up to a maximum of 45 days.

iv) Liability on account of long term absences has been actuarially valued as per Projected Unit Credit Method.

v) Short term compensated absences have been provided on actual basis.

Note 41 : Segment Reporting

The Company operates in a Single segment viz Speciality Chemicals and the operations are largely confined to India. Accordingly, reporting under Ind AS 108 - Segment Reporting is not applicable.

Note 42 : Fair Value measurements

Financial Instruments by Category

Carrying values of Financial assets and financial liabilties including their levels in the fair value hierarchy, are presented below. Financial assets and financial laibilities such as cash and cash equivalents, other bank balances, trade receivables, loans, Trade payables, borrowings of which the fair value is a reasonable approximation of fair value due to their short term nature are disclosed at carrying values.

Notes forming part of the financial statements for the year ended March 31, 2023

(₹ in Millions)

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial Assets						
(i) Investments	-	-	-	-	-	-
(ii) Trade receivables	-	-	1,678.64	-	-	1,735.84
(iii) Cash and cash equivalents	-	-	210.32	-	-	341.63
(iv) Bank Balances other than (iii) above	-	-	2.06	-	-	1.99
(v) Other Financial Assets	-	-	18.49	0.56	-	23.10
Total Financial Assets	**-**	**-**	**1,909.51**	**0.56**	**-**	**2,102.55**
Financial Liabilities						
(i) Borrowings	-	-	1,856.31	-	-	1,618.48
(ia) Lease Liabilities	-	-	3.90	-	-	4.50
(ii) Trade payables	-	-	1,622.66	-	-	2,142.62
(iii) Other financial liabilities	1.90	-	47.13	-	-	47.28
Total Financial Liabilities	**1.90**	**-**	**3,530.00**	**-**	**-**	**3,812.88**

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized 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 Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Financial Assets and Liabilities measured at Fair values - recurring fair value measurements

(₹ in Millions)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets at FVTPL	-	-	-	-	-	-
Financial Assets at FVOCI	-	-	-	-	0.56	-
Total Financial assets	-	-	-	-	**0.56**	-
Financial Liabilities at FVTPL	-	-	-	-	-	-
Financial Liabilities at FVOCI	-	1.90	-	-	-	-
Total Financial Liabilities	-	**1.90**	-	-	-	-

Fair value measurements recognised in the balance sheet:

Notes forming part of the financial statements for the year ended March 31, 2023

The above table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There are no transfers between Levels 1 and 2 during the year. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting year.

Note 43 : Financial Risk management

The Company's principal financial liabilities comprise of loan from banks and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, cash and short term deposits, which arise directly from its operations.

The main risks arising from Company's financial instruments are foreign currency risk, credit risk, market risk, interest rate risk and liquidity risk. The Board of Directors review and agree policies for managing each of these risks.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed yearically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board of director is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

The Company enters into derivative contracts with an intention to hedge its foreign exchange price risk. Derivative contracts which are linked to the underlying ransactions are recognised in accordance with the contract terms. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit & Loss.

A. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. The maximum exposure to credit risk in case of all the financial instuments covered below is restricted to their respective carrying amount.

(i) Trade and Other receivables

Customer credit is managed by each business unit subject to the Company's established policies, procedures and control relating to customer credit risk management. Trade recievables are non-interest bearing and are generally on 60 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

The carrying amount of following financial assets represents the maximum credit exposure.

Notes forming part of the financial statements for the year ended March 31, 2023

The Maximum exposure to credit risk for Trade receivables agewise is as mentioned below:

(₹ in Millions)

Trade receivables	As at March 31, 2023	As at March 31, 2022
Neither past due nor impaired	1,381.05	1,486.08
past due less than 6 months	290.82	247.13
past due 6 months - 1 year	6.59	2.48
past due 1 - 2 years	0.71	0.37
past due 2 - 3 years	-	0.42
past due 3 - 5 years	0.42	-
past due more than 5 years	-	-
Total	1,679.59	1,736.48
Less: Loss allowance	0.95	0.64
Net Total	1,678.64	1,735.84

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances.

The Company follows 'simplified approach' for recognition of impairment loss on these financial assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Following table represent allowance for doubtful debts with the trade receivables over the years:

Reconciliation of Loss allowance provision

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Loss Allowance at the beganing of the year	0.64	2.67
Add: Allowance for Expected Credit loss during the year	0.31	(0.56)
Add: Allowance for Expected Credit loss during the year specific provision	-	(1.46)
Loss Allowance at the end of the year	**0.95**	**0.64**

(ii) Cash and Cash Equivalents and Other Bank balances

The Company maintains exposure in cash and cash equivalents, term deposits with banks and derivative contracts.

The Company held cash and cash equivalents of ₹ 210.32 Mn at March 31, 2023 (March 31, 2022: ₹ 341.63 Mn). Cash and cash equivalents other then actual Cash are held with reputable and credit-worthy banks.

Individual risk limits are set for each counter party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Management of the Company.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

Notes forming part of the financial statements for the year ended March 31, 2023

B. Market Risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. The Company uses derivative to manage market risk. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss.

(i) Currency Risk

The Company is exposed to currency risk on account of its operations in other countries. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may continue to fluctuate substantially in the future. Consequently, the Company uses both derivative instruments, i.e, foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities. The company enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/receivables.

Following is the derivative financial instruments to hedge the foreign exchange rate risk

(₹ in Millions)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Trade and Other Receivables and payable	Hedges available	Net exposure to Foreign currency risk	Trade and Other Receivables and payable	Hedges available	Net exposure to Foreign currency risk
	17.93	16.02	1.90	114.25	113.69	0.56

The carrying amounts of the Company's financial assets and financial liabilities denominated in foreign currencies at the reporting date are as follow:

(₹ in Millions)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
USD	530.55	1,036.83	726.40	1,424.20
EUR	23.79	5.74	-	9.76
Total	**554.33**	**1,042.57**	**726.40**	**1,433.96**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from unhedged foreign currency denominated financial instruments.

The following table details the Company's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies of all the companies in the Company. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the respective functional currency strengthens by 5% against the relevant foreign currency. For a 5% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

Notes forming part of the financial statements for the year ended March 31, 2023

(₹ in Millions)

Particulars	As at March 31, 2023		As at March 31, 2022	
	(Increase)	(Decrease)	(Increase)	(Decrease)
Impact on profit before tax				
USD	(25.31)	25.31	(34.89)	34.89
EUR	0.90	(0.90)	(0.49)	0.49
Total	**(24.41)**	**24.41**	**(35.38)**	**35.38**

(ii) Interest rate Risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short-term loans.

Interest rate sensitivity analysis:

As at March 31, 2023 and March 31, 2022, financial liability of ₹ 3531.9 Mn and ₹ 3812.88 Mn, respectively, were subject to variable interest rates. Increase/decrease of 25 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of ₹ 8.83 Mn and ₹ 9.53 Mn for the period ended March 31, 2023 and March 31,2022 respectively.

"The risk sensitivity estimates provided are based on the assumption that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(Note: The impact if any is indicated on the profit/(loss) before tax basis).

(iii) Liquidity Risk:

The Company follows a Conservative policy of ensuring sufficient liquidity at all times through a strategy of profitable growth, efficient liquidity at all times through a strategy of profitable growth, efficient working capital management as well as prudent capital expenditure. The Company has a overdraft facility with banks to support any temporary funding requirements.

The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

Liquidity table:

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Company can be required to pay:

(₹ in Millions)

Particulars	As at March 31, 2023			
	Within One Year	One to five years	More than five years	Total
Financial instruments:				
Borrowings	1,242.32	613.99	-	1,856.31
Lease Liabilities	0.30	1.50	2.10	3.90
Trade and other payables	1,620.72	1.94	-	1,622.66
Other financial liabilities	49.04	-	-	49.04
Total financial liabilities	**2,912.38**	**617.43**	**2.10**	**3,531.91**

Notes forming part of the financial statements for the year ended March 31, 2023

(₹ in Millions)

Particulars	As at March 31, 2022			
	Within One Year	One to five years	More than five years	Total
Financial instruments:				
Borrowings	1,026.92	553.68	37.88	1,618.48
Lease Liabilities	0.30	1.50	2.40	4.20
Trade and other payables	2,140.43	2.18	-	2,142.62
Other financial liabilities	47.28	-	-	47.28
Total financial liabilities	**3,214.94**	**557.36**	**40.28**	**3,812.58**

(iv) Other price Risk:

The Company does not hold any equity investment and hence question of exposure to any significant equity price risks arising from equity investments, as on March 31, 2023 does not arise.

Equity price sensitivity analysis:

There is no exposure to equity price risks as at the reporting date or as at the previous reporting date.

C. Capital Management

For the purpose of Company's Capital Management, equity includes equity share capital and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital to optimise returns to the share holders and make adjustments to it in light of changes in economic conditions or its business requirements. The Company's objective is to safe guard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to share holders through continuing growth and maximise the shareholders value. The Company funds its operations through internal accruals and long term borrowings competitive rate. The Management and Board of Directors monitor the return of capital as well as the level of dividend to share holders.

The Net Gearing Ratio at the end of the reporting year was as follows:

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Gross Debts	1,856.31	1,618.48
Cash and Cash Equivalents	210.32	341.63
Net Debts (A)	1,645.99	1,276.86
Total Equity (As per Balance Sheet) (B)	3,092.17	2,505.08
Net Gearing (A/B)	**0.53**	**0.51**

Note 44 : During the year, the Company has filed Draft Red Herring Prospectus (DRHP) with Securities Exchange Board of India (SEBI) in connection with Initial Public Offer (IPO) for issue of equity shares. The proposal, which has been approved by the SEBI in August 2022 and approved in principle by Bombay Stock Exchange (BSE) and National Stock Exchange, is valid for a period of 12 months from the date of approval, which date is not yet expired. The Company has incurred an expenditure of ₹ 57.64 Mn till 31st March 2023 in connection with the proposed IPO. Pending completion of the IPO process, the said amount is carried forward under Other Current Assets in Note No. 13. As permitted by section 52 of the Companies Act, 2013, the Company intends to adjust the said expenditure against 'Securities Premium' that will arise out of the proceeds of the IPO.

Notes forming part of the financial statements for the year ended March 31, 2023

Note 45 : Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015:

A	**Key Management Personnel**	
	Directors	
	Nishith R. Shah	Executive Director
	Gaurang N. Parikh	Executive Director
	Dhaval N. Parikh	Executive Director
	Pankil N. Dharia	Executive Director
	Anvi N Shah (resigned w.e.f. August 31,2021)	Executive Director
	Bhisham K. Gupta (Resigned w.e.f. October 31, 2021)	Non - Executive Director
	Jatin N. Parikh (Resigned w.e.f. August 12, 2021)	Non - Executive Director
	Suketu N. Parikh (Resigned w.e.f. October 31, 2021)	Non - Executive Director
	Tushar N. Dharia (Resigned w.e.f. October 31, 2021)	Non - Executive Director
	Srinivasan S. (appointed w.e.f. March 01, 2022)	Independent Director
	G.Ramakrishnan (appointed w.e.f. March 01, 2022)	Independent Director
	Lakshmi Kantam M. (appointed w.e.f. March 01, 2022)	Independent Director
	Ajay Motilal Jain (appointed w.e.f. March 01, 2022)	Independent Director
	Other Key Management Personnel	
	Hitesh Sheth (appointed w.e.f. September 01, 2021)	Chief Financial Officer
	Suvarnalata Gurav (appointed w.e.f. August 30,2021, upto January 25, 2022)	Company Secretary
	Kiran Agrawal (appointed w.e.f. February 01, 2022)	Company Secretary

B Relatives of Key Management Personnel

Nishith Rajnikant Shah - HUF
Rajnikant Shah - HUF
Usha R Shah
Sandhya N Shah
Chamak J Parikh
Jignasha J Kantawala
Lina S Parikh
Sheetal S Parikh
Nishith Dharia
Sundeep Parikh
Riddhi M Kapadia

C Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise

Maxima FRP Product

D Enterprises over which any person described in (A) is able to exercise control

Friends Fab Form Private limited [Prop Of Consolidated Chemequip (MFR) Corpn]
Galaxy Surfactants Ltd
Vinati Organics Ltd
Indo Amines Limited
Pratech Brands Private Limited

E Enterprises over which any person described in (B) is able to exercise control

Heat Fabs (Firm)
Sentinel Electric Co.(Firm)
Heatreaters & Engineers (Firm)
Wiyo Travel (Firm)

Notes forming part of the financial statements for the year ended March 31, 2023

b) **List of transaction with related party done during the year ended March 31, 2023**

(₹ in Millions)

Sr. No.	Nature of Transaction	Name of the Party	Financial Year	Key Management personnel(A)	Relatives of Key Management personnel(B)	Entities where control exists(C)	Enterprise over which KMP has control(D)	Enterprise over which relative of KMP has control(E)	Total
1	**Sale of Finished Goods**		**2022-23**	-	-	0.19	3.59	-	3.78
			2021-22	-	-	0.09	0.28	-	0.37
		Galaxy Surfactants Ltd	2022-23	-	-	-	0.34	-	0.34
			2021-22	-	-	-	0.19	-	0.19
		Maxima FRP Product	2022-23	-	-	0.19	-	-	0.19
			2021-22	-	-	0.09	-	-	0.09
		Indo Amines Limited	2022-23	-	-	-	2.19	-	2.19
			2021-22	-	-	-	-	-	-
		Vinati Organics Limited	2022-23	-	-	-	1.07	-	1.07
			2021-22	-	-	-	0.09	-	0.09
2	**Purchase of Stores & Consumables**		**2022-23**	-	-	-	-	2.20	2.20
			2021-22	-	-	-	0.32	3.57	3.89
		Friends Fab Form Pvt. Ltd (Prop of Consolidated Chemequip (MFR) Corpn)	2022-23	-	-	-	-	-	-
			2021-22	-	-	-	0.32	-	0.32
		Heat Fabs (Firm)	2022-23	-	-	-	-	2.13	2.13
			2021-22	-	-	-	-	3.57	3.57
		Heatreaters & Engineers (Firm)	2022-23	-	-	-	-	0.06	0.06
			2021-22	-	-	-	-	-	-

Notes forming part of the financial statements for the year ended March 31, 2023

(₹ in Millions)

Sr. No.	Nature of Transaction	Name of the Party	Financial Year	Key Management personnel(A)	Relatives of Key Management personnel(B)	Entities where control exists(C)	Enterprise over which KMP has control(D)	Enterprise over which relative of KMP has control(E)	Total
3	**Purchase of General Items(Souvenir)**		**2022-23**	-	-	-	0.37	-	0.37
			2021-22	-	-	-	-	-	-
		Pratech Brands Private Limited	2022-23	-	-	-	0.37	-	0.37
			2021-22	-	-	-	-	-	-
4	**Purchase of MEIS and ROTDEP License**		**2022-23**	-	-	-	1.29	-	1.29
			2021-22	-	-	-	1.26	-	1.26
		Friends Fab Form Pvt. Ltd (Prop of Consolidated Chemequip (MFR) Corpn)	2022-23	-	-	-	1.29	-	1.29
			2021-22	-	-	-	1.26	-	1.26
5	**Purchase Equipments, including freight thereon**		**2022-23**	-	-	-	0.08	18.35	18.43
			2021-22	-	-	-	-	20.88	20.88
		Pratech Brands Private Limited	2022-23	-	-	-	0.08	-	0.08
			2021-22	-	-	-	-	-	-
		Heat Fabs (Firm)	2022-23	-	-	-	-	18.35	18.35
			2021-22	-	-	-	-	20.88	20.88

Notes forming part of the financial statements for the year ended March 31, 2023

(₹ in Millions)

Sr. No.	Nature of Transaction	Name of the Party	Financial Year	Key Management personnel(A)	Relatives of Key Management personnel(B)	Entities where control exists(C)	Enterprise over which KMP has control(D)	Enterprise over which relative of KMP has control(E)	Total
6	**Interest Paid**		**2022-23**	-	-	-	-	-	-
			2021-22	1.88	3.89	-	-	-	5.77
		Anvi N Shah	2022-23	-	-	-	-	-	-
			2021-22	0.68	-	-	-	-	0.68
		Bhisham K Gupta	2022-23	-	-	-	-	-	-
			2021-22	0.46	-	-	-	-	0.46
		Chamak J Parikh	2022-23	-	-	-	-	-	-
			2021-22	-	0.98	-	-	-	0.98
		Jatin N Parikh	2022-23	-	-	-	-	-	-
			2021-22	0.36	-	-	-	-	0.36
		Lina S Parikh	2022-23	-	-	-	-	-	-
			2021-22	-	0.08	-	-	-	0.08
		Nishith R Shah	2022-23	-	-	-	-	-	-
			2021-22	0.26	-	-	-	-	0.26
		Nishith Rajnikant Shah - HUF	2022-23	-	-	-	-	-	-
			2021-22	-	0.34	-	-	-	0.34
		Pankil N Dharia	2022-23	-	-	-	-	-	-
			2021-22	0.01	-	-	-	-	0.01
		Rajnikant Shah - HUF	2022-23	-	-	-	-	-	-
			2021-22	-	0.52	-	-	-	0.52
		Sandhya N Shah	2022-23	-	-	-	-	-	-
			2021-22	-	0.85	-	-	-	0.85
		Sheetal S Parikh	2022-23	-	-	-	-	-	-
			2021-22	-	0.08	-	-	-	0.08
		Suketu N Parikh	2022-23	-	-	-	-	-	-
			2021-22	0.10	-	-	-	-	0.10
		Sundeep Parikh	2022-23	-	-	-	-	-	-
			2021-22	-	0.06	-	-	-	0.06
		Usha R Shah	2022-23	-	-	-	-	-	-
			2021-22	-	0.79	-	-	-	0.79
		Jignasha J Kantawala	2022-23	-	-	-	-	-	-
			2021-22	-	0.18	-	-	-	0.18

Notes forming part of the financial statements for the year ended March 31, 2023

(₹ in Millions)

Sr. No.	Nature of Transaction	Name of the Party	Financial Year	Key Management personnel(A)	Relatives of Key Management personnel(B)	Entities where control exists(C)	Enterprise over which KMP has control(D)	Enterprise over which relative of KMP has control(E)	Total
7	**Director Sitting Fees**		**2022-23**	1.10	-	-	-	-	1.10
			2021-22	0.10	-	-	-	-	0.10
		Ajay Motilal Jain	2022-23	0.31	-	-	-	-	0.31
			2021-22	0.03	-	-	-	-	0.03
		G.Ramakrishnan	2022-23	0.34	-	-	-	-	0.34
			2021-22	0.03	-	-	-	-	0.03
		Lakshmi Kantam M.	2022-23	0.17	-	-	-	-	0.17
			2021-22	0.03	-	-	-	-	0.03
		Srinivasan S.	2022-23	0.29	-	-	-	-	0.29
			2021-22	0.03	-	-	-	-	0.03
8	**Directors Remueration**		**2022-23**	68.47	-	-	-	-	68.47
			2021-22	119.85	-	-	-	-	119.85
		Anvi N Shah	2022-23	-	-	-	-	-	-
			2021-22	5.92	-	-	-	-	5.92
		Dhaval N Parikh	2022-23	14.28	-	-	-	-	14.28
			2021-22	23.04	-	-	-	-	23.04
		Gaurang N Parikh	2022-23	18.88	-	-	-	-	18.88
			2021-22	30.46	-	-	-	-	30.46
		Nishith R Shah	2022-23	26.70	-	-	-	-	26.70
			2021-22	43.09	-	-	-	-	43.09
		Pankil N Dharia	2022-23	8.62	-	-	-	-	8.62
			2021-22	17.34	-	-	-	-	17.34

Notes forming part of the financial statements for the year ended March 31, 2023

(₹ in Millions)

Sr. No.	Nature of Transaction	Name of the Party	Financial Year	Key Management personnel(A)	Relatives of Key Management personnel(B)	Entities where control exists(C)	Enterprise over which KMP has control(D)	Enterprise over which relative of KMP has control(E)	Total
9	**Labour Charges**		**2022-23**	-	-	-	-	-	-
			2021-22	-	-	0.60	-	-	0.60
		Maxima FRP Product	2022-23	-	-	-	-	-	-
			2021-22	-	-	0.60	-	-	0.60
10	**Professional Charges**		**2022-23**	-	-	-	-	-	-
			2021-22	-	1.35	-	-	-	1.35
		Riddhi M Kapadia	2022-23	-	-	-	-	-	-
			2021-22	-	1.35	-	-	-	1.35
11	**Purchase of Land**		**2022-23**	-	-	-	-	-	-
			2021-22	35.28	-	-	-	-	35.28
		Dhaval N Parikh	2022-23	-	-	-	-	-	-
			2021-22	8.82	-	-	-	-	8.82
		Gaurang N Parikh	2022-23	-	-	-	-	-	-
			2021-22	8.82	-	-	-	-	8.82
		Nishith R Shah	2022-23	-	-	-	-	-	-
			2021-22	8.82	-	-	-	-	8.82
		Pankil N Dharia	2022-23	-	-	-	-	-	-
			2021-22	8.82	-	-	-	-	8.82
12	**Salary Paid**		**2022-23**	8.32	-	-	-	-	8.32
			2021-22	4.60	-	-	-	-	4.60
		Hitesh Sheth	2022-23	7.18	-	-	-	-	7.18
			2021-22	4.14	-	-	-	-	4.14
		Suvarnalata Gurav	2022-23	-	-	-	-	-	-
			2021-22	0.27	-	-	-	-	0.27
		Kiran Agrawal	2022-23	1.14	-	-	-	-	1.14
			2021-22	0.19	-	-	-	-	0.19

Notes forming part of the financial statements for the year ended March 31, 2023

(₹ in Millions)

Sr. No.	Nature of Transaction	Name of the Party	Financial Year	Key Management personnel(A)	Relatives of Key Management personnel(B)	Entities where control exists(C)	Enterprise over which KMP has control(D)	Enterprise over which relative of KMP has control(E)	Total
13	**Vehicle hire charges**		**2022-23**	-	-	-	-	1.55	1.55
			2021-22	-	-	-	-	-	-
		Wiyo Travel (Firm)	2022-23	-	-	-	-	1.55	1.55
			2021-22	-	-	-	-	-	-
14	**Loan Taken**		**2022-23**	-	-	-	-	-	-
			2021-22	28.18	75.25	-	-	-	103.43
		Anvi N Shah	2022-23	-	-	-	-	-	-
			2021-22	16.50	-	-	-	-	16.50
		Chamak J Parikh	2022-23	-	-	-	-	-	-
			2021-22	-	13.00	-	-	-	13.00
		Jatin N. Parikh	2022-23	-	-	-	-	-	-
			2021-22	10.00	-	-	-	-	10.00
		Nishith R Shah	2022-23	-	-	-	-	-	-
			2021-22	1.68	-	-	-	-	1.68
		Nishith Rajnikant Shah - HUF	2022-23	-	-	-	-	-	-
			2021-22	-	9.12	-	-	-	9.12
		Rajnikant Shah - HUF	2022-23	-	-	-	-	-	-
			2021-22	-	12.22	-	-	-	12.22
		Sandhya N Shah	2022-23	-	-	-	-	-	-
			2021-22	-	16.09	-	-	-	16.09
		Usha R Shah	2022-23	-	-	-	-	-	-
			2021-22	-	24.83	-	-	-	24.83

Notes forming part of the financial statements for the year ended March 31, 2023

(₹ in Millions)

Sr. No.	Nature of Transaction	Name of the Party	Financial Year	Key Management personnel(A)	Relatives of Key Management personnel(B)	Entities where control exists(C)	Enterprise over which KMP has control(D)	Enterprise over which relative of KMP has control(E)	Total
15	**Loan Repaid**		**2022-23**	-	-	-	-	-	-
			2021-22	62.30	124.34	-	-	-	186.64
		Anvi N Shah	2022-23	-	-	-	-	-	-
			2021-22	25.88	-	-	-	-	25.88
		Chamak J Parikh	2022-23	-	-	-	-	-	-
			2021-22	-	13.00	-	-	-	13.00
		Jatin N Parikh	2022-23	-	-	-	-	-	-
			2021-22	10.00	-	-	-	-	10.00
		Lina Suketu Parikh	2022-23	-	-	-	-	-	-
			2021-22	-	1.50	-	-	-	1.50
		Nishith R Shah	2022-23	-	-	-	-	-	-
			2021-22	13.21	-	-	-	-	13.21
		Nishith Rajnikant Shah - HUF	2022-23	-	-	-	-	-	-
			2021-22	-	15.70	-	-	-	15.70
		Pankil N Dharia	2022-23	-	-	-	-	-	-
			2021-22	1.22	-	-	-	-	1.22
		Rajnikant Shah - HUF	2022-23	-	-	-	-	-	-
			2021-22	-	23.49	-	-	-	23.49
		Sandhya N Shah	2022-23	-	-	-	-	-	-
			2021-22	-	28.42	-	-	-	28.42
		Sheetal Sundeep Parikh	2022-23	-	-	-	-	-	-
			2021-22	-	1.50	-	-	-	1.50
		Suketu N Parikh	2022-23	-	-	-	-	-	-
			2021-22	2.00	-	-	-	-	2.00
		Sundeep Parikh	2022-23	-	-	-	-	-	-
			2021-22	-	1.20	-	-	-	1.20
		Usha R Shah	2022-23	-	-	-	-	-	-
			2021-22	-	36.03	-	-	-	36.03
		Bhisham K Gupta	2022-23	-	-	-	-	-	-
			2021-22	10.00	-	-	-	-	10.00
		Jignasha J Kantawala	2022-23	-	-	-	-	-	-
			2021-22	-	3.50	-	-	-	3.50

Notes forming part of the financial statements for the year ended March 31, 2023

(₹ in Millions)

Sr. No.	Nature of Transaction	Name of the Party	Financial Year	Key Management personnel(A)	Relatives of Key Management personnel(B)	Entities where control exists(C)	Enterprise over which KMP has control(D)	Enterprise over which relative of KMP has control(E)	Total
16	**Remuneration Payable**		**2022-23**	6.01	-	-	-	-	6.01
			2021-22	39.06	-	-	-	-	39.06
		Anvi N Shah	2022-23	-	-	-	-	-	-
			2021-22	0.05	-	-	-	-	0.05
		Dhaval N Parikh	2022-23	1.28	-	-	-	-	1.28
			2021-22	7.99	-	-	-	-	7.99
		Gaurang N Parikh	2022-23	1.59	-	-	-	-	1.59
			2021-22	10.42	-	-	-	-	10.42
		Nishith R Shah	2022-23	2.17	-	-	-	-	2.17
			2021-22	14.73	-	-	-	-	14.73
		Pankil N Dharia	2022-23	0.97	-	-	-	-	0.97
			2021-22	5.87	-	-	-	-	5.87
17	**Outstanding Customer Balance**		**2022-23**	-	-	0.08	0.88	-	0.97
			2021-22	-	-	0.03	0.11	-	0.14
		Maxima FRP Product	2022-23	-	-	0.08	-	-	0.08
			2021-22	-	-	0.03	-	-	0.03
		Galaxy Surfactants Limited	2022-23	-	-	-	-	-	-
			2021-22	-	-	-	-	-	-
		Indo Amines Limited	2022-23	-	-	-	0.66	-	0.66
			2021-22	-	-	-	-	-	-
		Vinati Organics Limited	2022-23	-	-	-	0.23	-	0.23
			2021-22	-	-	-	0.11	-	0.11

Notes forming part of the financial statements for the year ended March 31, 2023

(₹ in Millions)

Sr. No.	Nature of Transaction	Name of the Party	Financial Year	Key Management personnel(A)	Relatives of Key Management personnel(B)	Entities where control exists(C)	Enterprise over which KMP has control(D)	Enterprise over which relative of KMP has control(E)	Total
18	**Outstanding Vendor balance**		**2022-23**	0.26	-	-	-	0.11	0.37
			2021-22	0.35	-	-	-	2.90	3.25
		Heat Fabs (Firm)	2022-23	-	-	-	-	0.00	0.00
			2021-22	-	-	-	-	2.90	2.90
		Wiyo Travel (Firm)	2022-23	-	-	-	-	0.11	0.11
			2021-22	-	-	-	-	-	-
		Hitesh Sheth	2022-23	0.17	-	-	-	-	0.17
			2021-22	0.25	-	-	-	-	0.25
		Kiran Agrawal	2022-23	0.09	-	-	-	-	0.09
			2021-22	0.09	-	-	-	-	0.09

Note 46 : Disclosure in terms of Ind AS 115

Revenue from Contract with customers :

i.) Revenue from contracts with customers :

(₹ in Millions)

Particulars	As at March 31,2023	As at March 31,2022
Revenue recognised at point in time	9,300.82	8,958.26
Revenue recognised over time	-	
Total revenue from contracts with customers	**9,300.82**	**8,958.26**

ii.) Disaggregated revenue

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on Profit or Loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of nature of products / service.

(₹ in Millions)

Particulars	As at March 31,2023	As at March 31,2022
Within India	6,591.24	6,826.30
Outside India	2,709.58	2,131.95
Total	**9,300.82**	**8,958.26**

iii.) Sales by performance obligation

(₹ in Millions)

Particulars	As at March 31,2023	As at March 31,2022
Upon shipment	**9,300.82**	**8,958.26**

iv.) Remaining performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period are having performance obligations, which are a part of the contracts that has an original expected duration of one year or less.Hence, the company has applied practical expedient as per para 121 of the Ind As 115 in regards to remaining performance obligations.

Note 47 : Disclosure in terms of Ind AS 116

As Lessee

The following table sets out a maturity analysis of lease payaments, showing undiscounted lease payments to be paid after the reporting year.

1. Amounts recognised in Balancesheet and Profit and loss Account

(₹ in Millions)

Particulars	As at March 31,2023	As at March 31,2022
Right to use Assets and Leasehold land :		
Gross block of Land	86.83	86.83
Accumulated Depreciation	8.89	7.26
Carrying amount	77.94	79.57
Lease Liability		
Current Liability	0.30	0.30

Notes forming part of the financial statements for the year ended March 31, 2023

2. Maturity analysis of lease liabilities

(₹ in Millions)

Particulars	As at March 31,2023	As at March 31,2022
Less than one year	0.30	0.30
One to Five years	1.50	1.50
More than Five years	2.10	2.40

Note 48 : Following Ratios to be disclosed

Sr. No.	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
1	Current Ratio	Current Assets	Current Liabilities	1.11	1.05	5.15%	
2	Debt-Equity Ratio	Total Debt	Total Equity	0.60	0.62	-2.78%	
3	Debt Service Coverage Ratio	Earnings Available for debt service	Debt service	1.93	2.20	-12.51%	
4	Return on Equity Ratio	Net profit after taxes	Average shareholders equity	17.01%	37.35%	-54.46%	The ratio has decreased due to decrease in net profit after taxes.
5	Inventory turnover Ratio	Cost of good sold	[(Opening Inventory+ Closing Invetory)/2]	4.81	5.37	-10.33%	
6	Trade Receivables turnover Ratio	Turnover	[(Opening Recivables + Closing Recivables)/2]	5.45	5.61	-2.87%	
7	Trade payables turnover Ratio	Purchase	[(Opening payable + Closing payable)/2]	3.41	3.31	2.87%	
8	Net capital turnover Ratio	Net Sales	Working Capital	28.42	49.21	-42.24%	The ratio has decreased due to increase in Working Capital in the current period.
9	Net profit Ratio	Net profit after tax	Net sales	5.22%	9.22%	-43.35%	The ratio has decreased due to decrease in net profit after taxes.
10	Return on Capital employed	Earnings before interest & Taxes	Capital Employed	13.43%	27.49%	-51.15%	The ratio has decreased due to decrease in earning before interest and taxes

Notes forming part of the financial statements for the year ended March 31, 2023

Note 49 : Additional Disclosures

i) The company has neither advanced any loans nor invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries)

   b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ii) The company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 50:Other Disclosures

a. The Company does not have any proceedings which have been initiated or pending against the Company for holding any Benami property;

b. The Company does not have any transactions with struck off companies;

c. The charge creation for HDFC Bank for Deed of Hyphothecation is in progress and will get completed in due course.

d. The Company has neither traded or invested, nor holds Crypto currency or Virtual Currency during the year;

e. During the year, there were no instances of surrender or disclosure of income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

f. The company is not declared as willful defaulter by any bank or financial Institution or other lender.

g. There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

h. The Company does not have subsidiaries. Therefore Companies (Restrictions on number of layers) Rules, 2017 is not applicable.

As per our attached report of even date

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W-100036

For and on behalf of the Board of Directors of
Prasol Chemicals Limited
CIN: U99999MH1992PLC065026

Diwakar Sapre
Partner
Membership No. 040740

Nishith R. Shah
Chairman and Whole Time Director
DIN:00381267

Gaurang N. Parikh
Managing Director
DIN:00190701

Hitesh Sheth
Chief Financial Officer

Kiran Agrawal
Company Secretary

Place: Navi Mumbai
Date: July 4, 2023

Place: Navi Mumbai
Date: July 4, 2023

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE THIRTY FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF PRASOL CHEMICALS LIMITED (FORMERLY KNOWN AS PRASOL CHEMICALS PRIVATE LIMITED) WILL BE HELD ON FRIDAY, SEPTEMBER 15, 2023 AT 4.00 PM (IST) AT PRASOL HOUSE, PLOT NO. A-17/2/3, T.T.C. INDUSTRIAL AREA, KHAIRNE MIDC, NAVI MUMBAI, THANE – 400 710 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the Financial Year ended March 31, 2023 together with the Report of the Board of Directors' and the Auditors' thereon.

2. To declare dividend for the Financial Year ended March 31, 2023.

3. To appoint director in place of Mr. Dhaval Parikh (DIN: 01636199), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To ratify remuneration payable to Mr. Rajesh Soni, Cost Accountant (Membership No. 12107) for the Financial Year ending March 31, 2024.

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

   "**RESOLVED THAT** pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee, the remuneration payable to Mr. Rajesh Soni, Cost Accountant (Membership No. 12107), appointed by the Board of Directors as Cost Auditor, to conduct the audit of cost records of the Company for the Financial Year ending March 31, 2024 at a remuneration of ₹ 90,000/- (Rupees Ninety Thousand Only) (excluding Taxes plus out of pocket expenses at actual) be and is hereby ratified;

   RESOLVED FURTHER THAT the Board of Directors and/or the Key Managerial Personnel and /or any other person authorized by the Board of Directors of the Company, be and are hereby authorized to do all acts, deeds, things, matters and take all such steps, as it may, in its absolute discretion, deem necessary, proper or expedient to give effect to this resolution."

5. To Increase borrowing limits of the Company.

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

   "**RESOLVED THAT** in partial modification of the Resolution passed by the members at the Extraordinary General Meeting of the Company held on March 3, 2022 and pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modification(s) or re-enactment(s) thereof, subject to approval of other regulatory authority(ies), from time to time, as may be applicable, consent of the members be and is hereby accorded, to increase borrowing limit by ₹ 100 crores (Rupees One Hundred Crores) and to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or any Body Corporate/ entity/entities and/or authority/authorities and/ or through suppliers credit, mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the company's assets and effects or properties including stock in trade, any other securities or instruments (including foreign instruments/securities), such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding ₹ 700 Crores (Rupees Seven Hundred Crores Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves;

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this Resolution), be and are hereby authorised severally to do all such acts, deeds, matters and things as may be deemed expedient and necessary to give effect to this resolution."

Registered Office:
Prasol House, Plot No. A -17/2/3,
T.T.C. Industrial Area,
Khairne MIDC, Navi Mumbai,
Thane – 400 710
CIN: U99999MH1992PLC065026
Email: investorservices@prasolchem.com
Place: Navi Mumbai
Date: July 4, 2023

By Order of the Board of Directors
For Prasol Chemicals Limited
CIN U99999MH1992PLC065026

Kiran Agrawal
Company Secretary & Compliance Officer
ACS 13188

NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business under Item No. 4 and 5 as set out in the notice annexed hereto.

2. Corporate members intending to appoint their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.

PROXY

3. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies should be deposited at the registered office of the Company not less than 48 hours before the date of the Annual General Meeting (Hereinafter referred to as “AGM”).

4. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company.

5. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

6. In case of joint holders, the signature of any one holder on proxy form will be sufficient but names of all the joint holders should be stated.

DIVIDEND

7. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, September 9, 2023 to Friday, September 15, 2023 (both days inclusive) for the purpose of determining the members who shall be entitled to receive dividend for the financial year 2022-23 if approved by the Shareholders at the Annual General Meeting.

   i. The dividend as recommended by the Board of Directors, if approved at the AGM, will be paid subject to deduction of tax at source within a period of 30 days from the date of declaration as under:

      a) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”), collectively “Depositories”, as of the close of business hours on Friday, 8th September, 2023.

      b) To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Friday, 8th September, 2023.

   ii. Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend Warrants / Demand Drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details.

   iii. To avoid loss of Dividend Warrants/Demand Drafts in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in electronic mode through National Automated Clearing House (NACH).

   iv. Shareholders are requested to register e-mail address and bank details as under:

      • Registration of email address for Demat shareholders:

        It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

      • Registration of Bank Details for Demat shareholders:

        Members holding shares in electronic forms are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are advised only to the respective Depository Participant of the Members.

8. Communication in respect of deduction of tax at source on Dividend payout for all Shareholders:

   i. Dividend income is taxable in the hands of the members and the Company is required to deduct tax at source ("TDS") from dividend paid to the members at prescribed rates in the Income Tax Act, 1961. In general, no tax will be deducted on payment of dividend to category of members who are resident individuals (with valid PAN details updated in their folio/client ID records) and the total dividend amount payable to them does not exceed ₹ 5,000. Members not falling in the said category, can go through the detailed note with regard to applicability of tax rates for various other categories of members and the documents that need to be submitted for nil or lower tax rate, which has been provided on the Registrar and Transfer Agent's website at https://ris.kfintech.com/form15/forms.aspx?q=0

   ii. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members/claimants are requested to claim their dividends from the Company within the stipulated timeline.

   iii. Please note that the upload of documents (duly completed and signed) on the website of KFin Technologies Limited should be done on or before Record date for the dividend in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. All communication received upto Thursday, 31st August, 2023 at 06:00 P.M. on the tax determination/ deduction shall be considered for the dividend.

   iv. Shareholders may note that in case the tax on said Final dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, option is available to you to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible. No claim shall lie against Company for any taxes deducted by the Company.

   v. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any tax proceedings.

   vi. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

INSTRUCTIONS FOR MEMBERS

9. Pursuant to provision of Section 20(2) of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014, as amended, MCA Circulars and SEBI Circular; Notice of the Annual General Meeting along with the Annual Report is being sent through electronic mode to those members whose email addresses are registered with the Company/depositories.

10. Members holding shares in dematerialized form are requested to intimate all changes with respect to their address, bank details, mandate etc. to their respective depository participants. These changes will then be automatically reflected in the Company's records. This will help the Company to provide efficient and better services to the members.

11. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Notice duly filled in and signed and handover the same at the entrance of venue of the meeting.

12. Members are requested to send in their queries at least a week in advance to the Company Secretary at investorservices@prasolchem.com to facilitate clarifications during the meeting.

13. Pursuant to Secretarial Standard 2 ("SS-2") on General Meetings as issued by the Institute of Company Secretaries of India, the route map for reaching the meeting venue showing the prominent landmark is provided at the end of the Notice.

INSPECTION OF DOCUMENTS

14. The documents referred to in the resolutions can be inspected at the registered office of the Company at Navi Mumbai between 2 p.m. to 5 p.m. on all working days of the Company up to the conclusion of the Annual General Meeting. The aforesaid documents will also be available for inspection by members at the Annual General Meeting.

15. The register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members up to the conclusion of the Annual General Meeting.

    The register of contracts or arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members up to the conclusion of the Annual General Meeting.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

The following statement sets out all material facts relating to the Special Business mentioned in the Notice:

ITEM NO. 4

Pursuant to the recommendation of the Audit Committee, the Board has approved the appointment and remuneration of Mr. Rajesh Soni, Cost Accountant (Membership No. 12107), as Cost Auditor to conduct the audit of the cost accounting records maintained by the Company for the Financial Year ending March 31, 2024 at a remuneration of ₹ 90,000/-(Rupees Ninety Thousand Only) (excluding Taxes plus out of pocket expenses at actual).

In accordance with the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board, is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing of an Ordinary Resolution as set out at Item No.4 of the notice for ratification of the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2024.

None of the Directors and Key Managerial Personnel of the Company and/or their relatives is/are concerned or interested, financially or otherwise, in the resolution as set out in Item No. 4 of the accompanying notice.

Pursuant to the recommendation of the Audit Committee, the Board of Directors recommends the passing of the Ordinary Resolution as set out in Item No. 4 of the accompanying Notice for the approval of the members.

ITEM NO.5

In accordance with the provisions of Section 180(1)(c) of the Companies Act, 2013, a Company can borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) with the approval of Members of the Company by way of a Special Resolution. It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company.

Members have approved to borrow money up to ₹ 600 crores (Rupees Six Hundred crore only) at the Extra-Ordinary General Meeting held on March 3, 2022.

Approval of the members is being sought to increase borrowing limit by ₹ 100 crores (Rupees One Hundred Crores) and an aggregate amount not exceeding ₹ 700 Crores (Rupees Seven Hundred Crores Only), which is in excess of the aggregate of the paid up share capital and free reserves of the Company at any point of time.

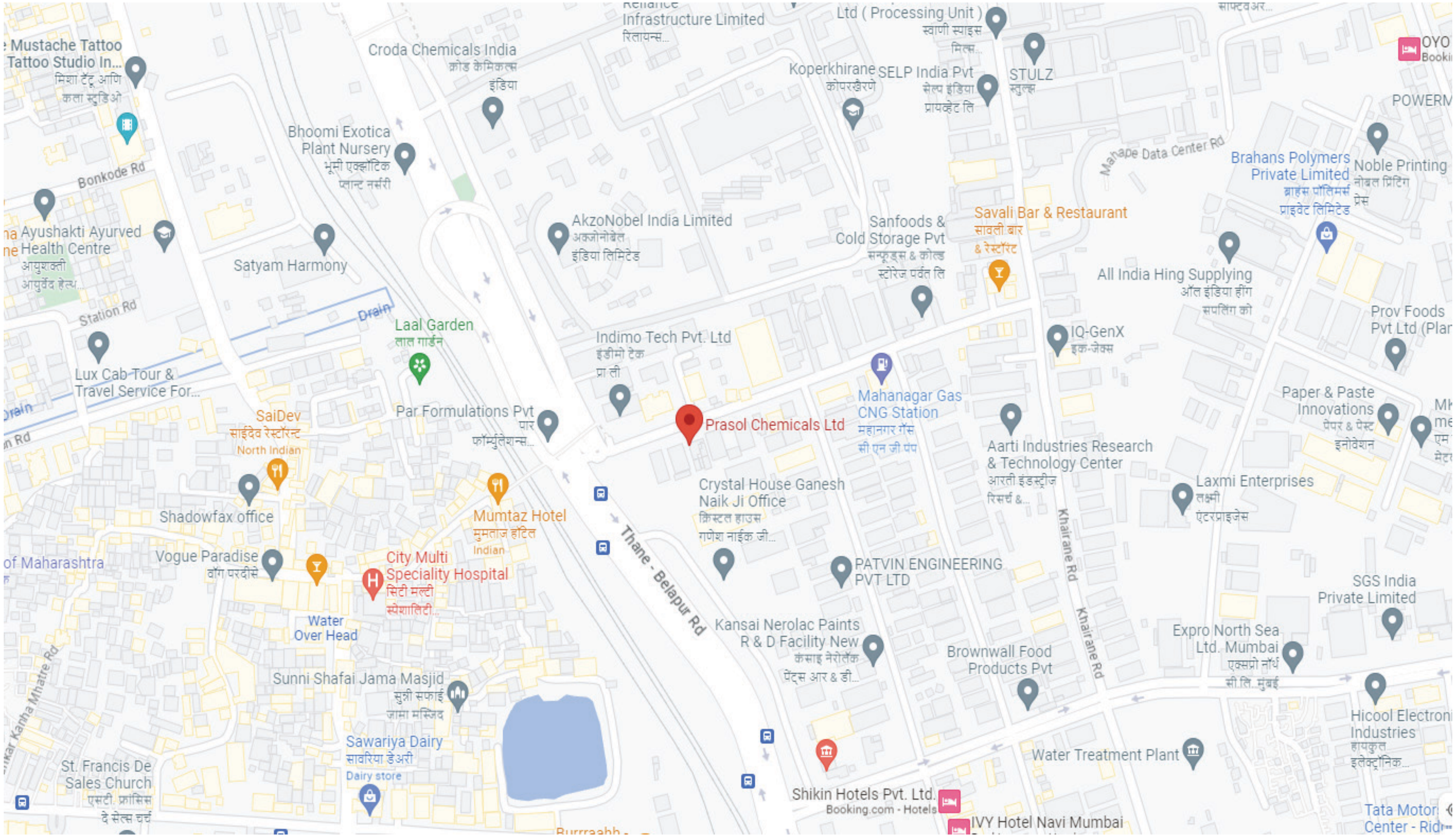
The Board recommends resolutions under Item No. 5 for approval by the members.

None of the Directors and Key Managerial Personnel of the Company and/or their relatives is/are concerned or interested, financially or otherwise, in the resolution as set out in Item No. 5 of the accompanying notice.

Pursuant to the recommendation of the Audit Committee, the Board of Directors recommends the passing of the Special Resolution as set out in Item No. 5 of the accompanying Notice for the approval of the members.

Route Map: Prominent Landmark: *Near White House*

Address of the Venue : Prasol House, Plot No. A – 17/2/3, T.T.C. Industrial Area, Khairne M.I.D.C., Navi Mumbai – 400710



Source: google map

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting venue)

DP ID No.*________________________________

& Client ID No.*________________________________

(*Applicable for members holding Shares in electronic form)

Name: ____

(IN BLOCK CAPITAL)

Address: ____

I hereby record my presence at the 31st Annual General Meeting held on Friday, September 15, 2023, at 4.00 ~~a.m./~~p.m.(IST) at Prasol House, Plot No. A -17/2/3, T.T.C. Industrial Area, Khairne MIDC, Navi Mumbai, Thane – 400 710.

____

Signature of Member / Proxy holder

NOTE:

1. A Member/Proxy holder attending the meeting should bring their copy of the Notice of the Annual General Meeting for reference at the meeting.
2. Only Member/Proxy holder can attend the meeting.
3. Please fill in the DP ID No., Client ID No. and name of the Member/Proxy holder, sign this Attendance Slip and hand it over at the entrance of the meeting venue.

FORM NO. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

PRASOL CHEMICALS LIMITED

CIN: U99999MH1992PLC065026

Member Detail:

Name: ______________________________ (IN BLOCK CAPITAL)	Address: ____ ____ ____

Email ID: ____

DP ID No.*____

& Client ID No.*____

(*Applicable for members holding Shares in electronic form)

I/we being the member(s) of______________ Equity shares of **PRASOL CHEMICALS LIMITED** *hereby appoint:*

1. Name:	2. Name:	3. Name:
Address:	Address:	Address:
Email Id:	Email Id:	Email Id:
Signature: or Failing him/her	Signature: or Failing him/her	Signature:

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 31st Annual General Meeting of the Company to be held on Friday, September 15, 2023 at 4.00 ~~a.m./~~p.m. (IST) at Prasol House, Plot No.A -17/2/3, T.T.C. Industrial Area, Khairne MIDC, Navi Mumbai, Thane – 400 710 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions	Optional#	
		For	Against
*1	To receive, consider and adopt the audited financial statements of the Company for the Financial Year ended March 31, 2023 together with the Report of the Board of Directors' and the Auditors' thereon.		
*2	To declare dividend for the Financial Year ended March 31, 2023		
*3	To appoint director in place of Mr. Dhaval Parikh (DIN: 01636199), who retires by rotation and being eligible, offers himself for re-appointment.		
**4	Ratification of remuneration payable to Mr. Rajesh Soni, Cost Auditor (Membership No. 12107) for the Financial Year ending March 31, 2024.		
**5	Increase in borrowing limits.		

* Ordinary Business: Item No. 1 to 3

** Special Business: Item No. 4 and 5

Signed this_____________ day of ______________ 2023

Affix Re. 1 Revenue Stamp

______________________________ ______________________________

Signature of Shareholder(s) Signature of Proxy Holder(s)

Notes:

1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

2) #This is optional. Please put a tick mark (√) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

NOTES

PRASOL

ISO 9001 : 2015,

ISO 14001 : 2015 &

ISO 45001 : 2018

BUREAU VERITAS 1828

Bureau Veritas Certification

PRASOL CHEMICALS LIMITED

PRASOL

SURVEY NO.8,13,15,16,25, TAKAI ADOSHI ROAD,TEHSIL: KHALAPUR, HONAD VILLAGE, KHOPOLI – 410 203, DIST. RAIGAD, MAHARASHTRA, INDIA.

This is a multi-site certificate, additional site(s) are listed on the next page(s)

Bureau Veritas Certification Holding SAS – UK Branch certifies that the Management System of the above organization has been audited and found to be in accordance with the requirements of the Management System Standards detailed below.

Standards

ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018

Scope of certification

MANUFACTURE AND DISPATCH OF :

1) PHOSPHOROUS BASED CHEMICALS & IT'S DERIVATIVES,

2) ACETONE BASED CHEMICALS & ITS DERIVATIVES REPACKING, STORAGE & DISPATCH OF SYNTHETIC ORGANIC & INORGANIC CHEMICALS

Original cycle start date for ISO 9001 & ISO 14001:	**28 November 2018**
Original cycle start date for ISO 45001:	**11 March 2021**
Expiry date of previous cycle for ISO 45001:	**Not Applicable**
Certification Audit date for ISO 45001:	**27 January 2021**
Recertification cycle start date for ISO 9001 & ISO 14001:	**11 March 2021**
Certification cycle start date for ISO 45001:	**11 March 2021**

Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: **10 March 2024**

Certificate No. **IND.21.1886/IM/U** Version: **2** Revision date: **06 June 2022**

Signed on behalf of BVCH SAS UK Branch
Jagdheesh N. MANIAN
Director – CERTIFICATION, South Asia
Commodities, Industry & Facilities Division

UKAS MANAGEMENT SYSTEMS 0008

Certification body address: *5th Floor, 66 Prescot Street, London, E1 8HG, United Kingdom.*

Local office: *Bureau Veritas (India) Private Limited (Certification Business)*
72 Business Park, Marol Industrial Area, MIDC Cross Road "C", Andheri (East), Mumbai – 400 093, India.

Pg 1 of 2

Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organization.
To check this certificate validity please call + 91 22 6274 2000.

BUREAU VERITAS 1828

Bureau Veritas Certification

PRASOL CHEMICALS LIMITED

PRASOL

Standards

ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018

Scope of certification

MANUFACTURE AND DISPATCH OF :

1) PHOSPHOROUS BASED CHEMICALS & IT'S DERIVATIVES,

2) ACETONE BASED CHEMICALS & ITS DERIVATIVES REPACKING, STORAGE & DISPATCH OF SYNTHETIC ORGANIC & INORGANIC CHEMICALS

SITE	ADDRESS	SCOPE
PLANT	SURVEY NO.8,13,15,16,25, TAKAI ADOSHI ROAD, TEHSIL: KHALAPUR, HONAD VILLAGE, KHOPOLI – 410 203, DIST. RAIGAD, MAHARASHTRA, INDIA	MANUFACTURE AND DISPATCH OF : 1) PHOSPHOROUS BASED CHEMICALS & IT'S DERIVATIVES, 2) ACETONE BASED CHEMICALS & ITS DERIVATIVES
DHEKU (SITE II)	SURVEY NO. 145,150,151,152 & 154, TAKAI ADOSHI ROAD, TEHSIL: KHALAPUR, DHEKU VILLAGE, KHOPOLI – 410 203, DIST. RAIGAD, MAHARASHTRA, INDIA	REPACKING, STORAGE & DISPATCH OF SYNTHETIC ORGANIC & INORGANIC CHEMICALS

Certificate No. **IND.21.1886/IM/U** Version: 2 Revision date: 06 June 2022

Signed on behalf of BVCH SAS UK Branch
Jagdheesh N. MANIAN
Director – CERTIFICATION, South Asia
Commodities, Industry & Facilities Division

UKAS MANAGEMENT SYSTEMS 0008

Certification body address: *5th Floor, 66 Prescot Street, London, E1 8HG, United Kingdom.*

Local office: *Bureau Veritas (India) Private Limited (Certification Business)*
72 Business Park, Marol Industrial Area, MIDC Cross Road "C", Andheri (East), Mumbai – 400 093, India.

Pg 2 of 2

Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organization.
To check this certificate validity please call + 91 22 6274 2000.

PRASOL

ISO 9001 : 2015,

ISO 14001 : 2015 &

ISO 45001 : 2018

BOOK POST

PRASOL

If undelivered please return to :

Prasol Chemicals Limited

"Prasol House"
Plot No. A-17/2/3, T.T.C. Industrial Area,
Khairne M.I.D.C., Navi Mumbai-400710. Maharashtra State India.
Web: www.prasolchem.com

Designed & Printed by : DJ MEDIAPRINT AND LOGISTICS LIMITED | sales@djcorp.in