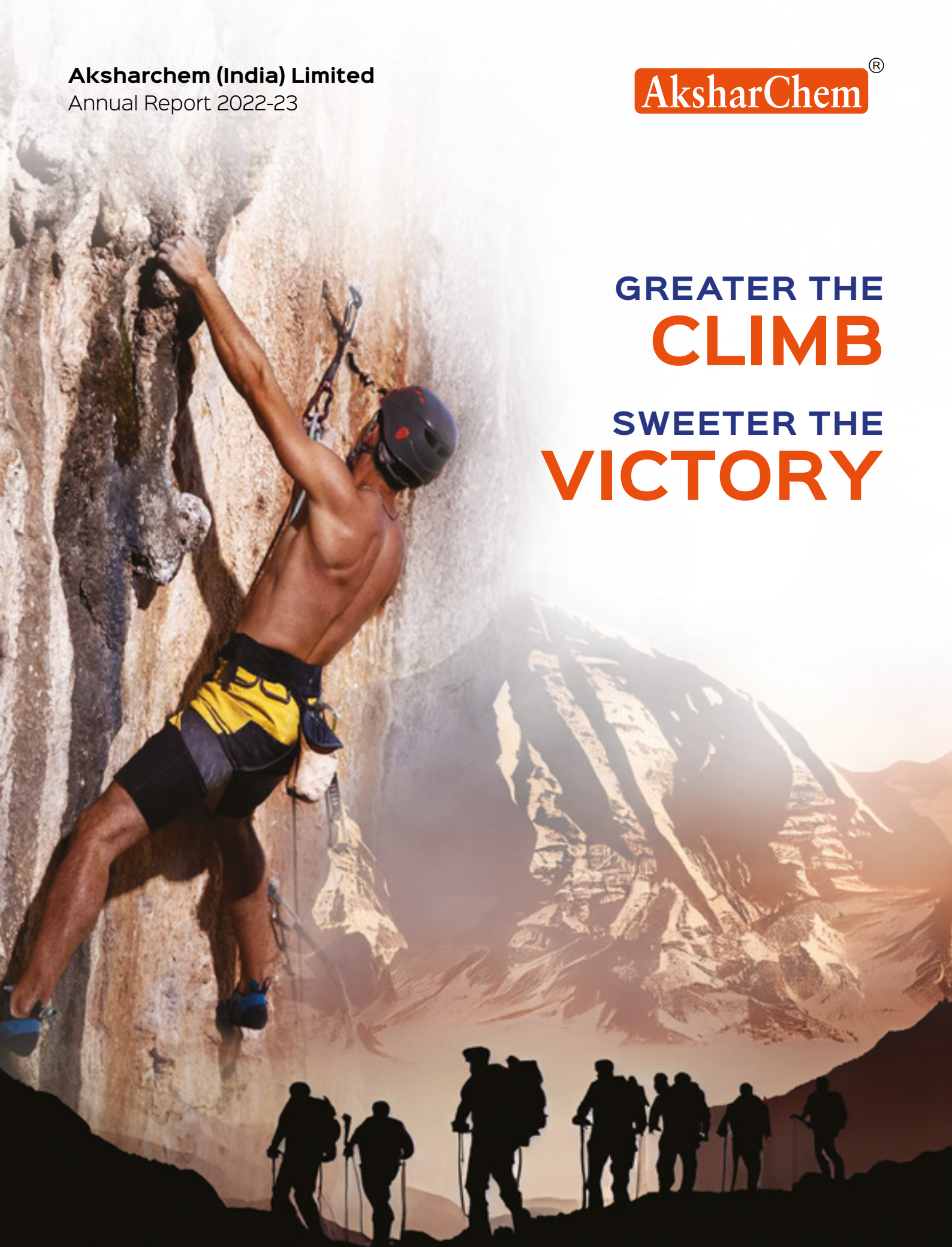


**GREATER THE  
CLIMB  
SWEETER THE  
VICTORY**



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## Forward looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



For mountaineers, circumstances are ever-changing. Ascending to the top they must overcome avalanches, slippery slopes, deep crevices, and unpredictable weather. These situations make or break spirits. Some just get discouraged and back off. Others are ever so determined, never ready to give up. They persist and continue, even with strained bodies and aching legs. But their spirits are high – because they know when they reach the summit, the pain will be all worth it. **They know the victory is sweet.**

The world of mountaineering and Aksharchem (India) share parallels. In recent times, we have encountered a series of daunting challenges. Yet, we have refused to give up and instead forged an unyielding resolve to overcome every obstacle coming our way. With a tenacious spirit akin to that of a determined mountaineer, we keep advancing. We understand that reaching the summit requires endurance, resilience, and an unshakeable belief in our abilities. **And so, we are persevering.**

We are confident that the market will improve. Once it does, with our experience and competencies that we are building through the journey, we shall be able to rebound. Our ultimate triumph lies at the summit of success, and we are confident of returning back to the path of growth soon, **creating immense value for our stakeholders and solidifying our market position.**



# Our ascent in FY 2022-23 became more difficult...

Prolonged sluggishness in the chemicals sector, resulted in low demand in the principal business of dye intermediates and pigments

Partial production stoppage at our manufacturing plants due to weak demand resulted in an inability to cover fixed overheads, and thus a loss of **Rs. 94.21 lakhs** in FY 2022-23



...but we drew the  
courage to endure  
a little longer and  
embarked on a  
series of proactive  
initiatives



01

**We entered**

newer geographies of Turkey, Vietnam and Sri Lanka to diversify our geography and customer base

02

**We conducted**

sales and operations planning meetings on a regular basis to identify the issues and resolve them in an efficient and timely manner

03

**We maintained**

a sharp focus on the effective utilization of working capital, resulting in an improvement in operating cash flows

04

**We initiated**

plans to expand to diverse types of Precipitated Silicas including conventional, micro pearl and highly dispersible to unlock new opportunities

05

**We resumed**

H-Acid operations in view of improving demand

06

**We re-directed**

our focus on the domestic market as one of the future growth drivers, considering the weakness in the global macro-economy and the strength of the Indian economy. We are committed to gaining market share by increasing domestic sales of all the products.



# THE AKSHARCHEM STRATEGY FOCUSING ON OPTIMISING OPERATIONAL AND COST EFFICIENCIES AND QUALITY IMPROVEMENT

Sluggishness in external conditions is likely to persist. We contemplated the idea of redirecting our efforts towards improving internally.

At Aksharchem (India), we operate state-of-the-art plants, fully controlled by a centralised Distributed Control System and having a fully-equipped lab with trained chemists. Our plants adhere to stringent quality

control systems, employing ISO/ASTM-based test methods. Its utility sections, including Reverse Osmosis Water Treatment Plant (RWTP), Effluent Treatment Plant (ETP), and Boiler, are equipped with state-of-the-art

Programmable Logic Controller (PLC) control systems. We also have a highly efficient packaging system, featuring a fully automated setup for both small bag and jumbo bagging, and offer flexible and customised packaging as per customer need.

We prioritise top-notch quality through analysis of raw materials, in-process samples, and finished goods quality, alongside rigorous packaging materials evaluation. We emphasise vendor development and evaluation to maintain optimal quality control of raw materials. Compliance with ISO procedures and industry standards is a priority. Additionally, our strong presence in the Rubber and Tyre industry is underscored by key customer associations, highlighting our expertise in delivering exceptional products and services.

**In FY 2022-23, we have successfully completed the capex for shifting of CPC Green Production line to the new state-of-the-art building facility.**



# THE AKSHARCHEM STRATEGY UNLOCKING THE PRECIPITATED SILICA OPPORTUNITY

Until FY 2021-22, a major portion of our revenues came from exports of Vinyl Sulphone, CPC green and H Acid. When economies across the globe faced downturns and these product mix witnessed weak demand, our business got impacted.

Rather than waiting for things to improve, we instead focused on consolidating the new product mix of Precipitated Silica which has strong long-term growth potential. We possess a significant competitive edge in this market, led by our ability to consistently deliver high-quality output under stringent process control parameters.

During FY 2022-23, we made substantial progress in the tyre and rubber industry, securing approvals from various key customers in India and abroad. We have been able to deliver customised products, suiting the unique requirements of our customers. We introduced a range of Silica grades with diverse physical and chemical properties, adapting to the preferences of customers in both domestic and international markets.

**Furthermore, we enhanced engagements with key customers overseas, resulting in heightened awareness of AKSIL grades of Precipitated Silica. This translated into commercial purchases from many buyers, validating the quality and value proposition of our products.**



# ABOUT AKSHARCHEM (INDIA) LIMITED

## POWERED BY EXPERTISE AND RESILIENCE

At Aksharchem (India), we commenced operations in 1991 with a humble beginning. Through the years, we have established ourselves as a globally-recognised manufacturer of dyes, pigments, and inorganic chemicals. Our path has been characterised by significant growth and transformation. We have expanded our portfolio, strengthened niche offerings with value addition, nurtured enduring relationships, and expanded our reach to multiple geographies.

Today, we stand as one of India's leading exporters of Vinyl Sulphone, a frontrunner in CPC Green and having one of the largest Precipitated Silica capacities in India.

We are a formidable entity, differentiated by our robust portfolio, uncompromising quality standards and supply reliability. With our expertise and cutting-edge technology, we are positioned to meet the evolving needs of customers most sustainably and cost-effectively.



### Vision

**To emerge as global leader in supply of specialty Chemicals by creating value for our esteemed customers by supplying quality products.**



### Mission

**We are committed to use 'Green' technologies in all our manufacturing operations. We also endeavor that we will protect environment by using cleaner technologies and we are responsible for safety and health protection of our work force.**

### Our portfolio


#### Product

Vinyl Sulphone & H Acid

CPC Green

Precipitated Silica

#### End-user industry

 Textile

 Printing Ink

 Rubber

 Tyre

 Paint

 Plastics

 Rubber

 Leather



### Awards won

Lifetime Achievement Award to Mrs. Paru M. Jaykrishna by Chemexcil



Award of Excellency 2017-18 Dyes & Dye Intermediates (SSM & Merchant Exporter Sector) by Chemexcil



Trophy for self-manufactured domestic sale of Dye Intermediates of more than Rs. 50 Crores but less than Rs. 75 Crores in FY 2021-2022 by GMDA



Special Trophy for self-manufactured direct export of dyes of Rs. 75 Crores and above in FY 2021-2022 by GMDA



First Award for self-manufactured direct export of dye intermediates in FY 2021-2022 by GMDA



### Excellence that defines us

**7,800 tonnes**

Vinyl Sulphone capacity

**1,200 tonnes**

H Acid capacity

**2,400 tonnes**

CPC Green capacity

**12,000 tonnes**

Precipitated Silica capacity

**CARE A / CARE A1**

Rated for long-term and short-term facilities

### Certifications

ISO 9001:2015

ISO 14001:2015

ISO 45001:2018

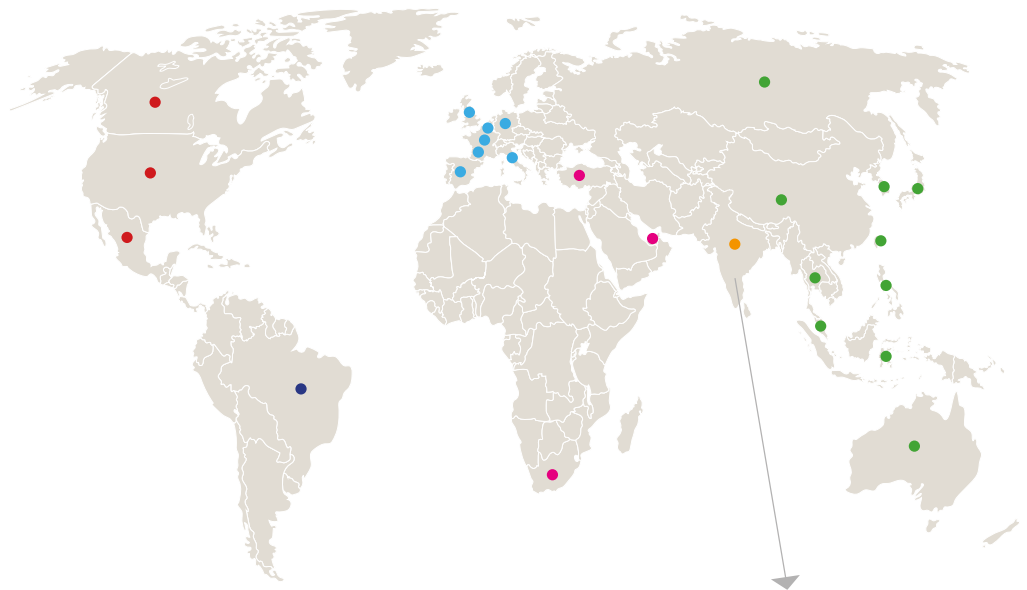


# GEOGRAPHIC PRESENCE

## ESTABLISHING A STRONG GLOBAL FOOTHOLD

We have strategically established a presence across the world through the years. Our presence in these locations, having stringent quality standards validates our excellence. We remain focused on strengthening our product portfolio and adding new customers in newer geographies.

- **North America**  
Canada, USA, Mexico
- **South America**  
Brazil
- **Europe**  
Germany, Netherlands, United Kingdom, Belgium, France, Italy, Spain, Denmark, Ireland
- **Middle East and Africa**  
Turkey, UAE, South Africa
- **India**  
**Headquarter:**  
Ahmedabad  
**Manufacturing facilities:**  
Intrad-Mehsana, Dahej-Bharuch, Gujarat
- **Asia pacific**  
China, South Korea, Japan, Taiwan, Thailand, Malaysia, Indonesia, Philippines, Australia, Russia, Vietnam



Share of revenue



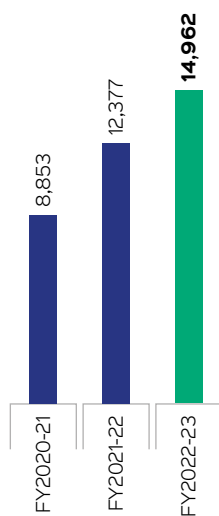


## KEY PERFORMANCE INDICATORS

## PERFORMANCE HIGHLIGHTS OF THE YEAR

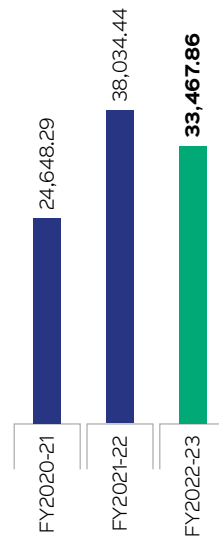
## Dyes, Pigments and Precipitated Silica volume

(metric tonnes)



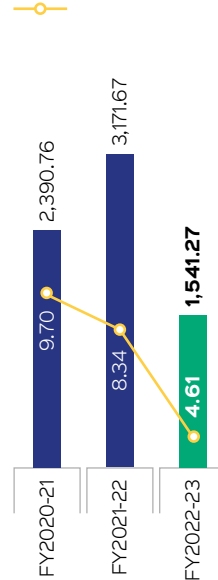
## Revenue from operations

(Rs. lakhs)



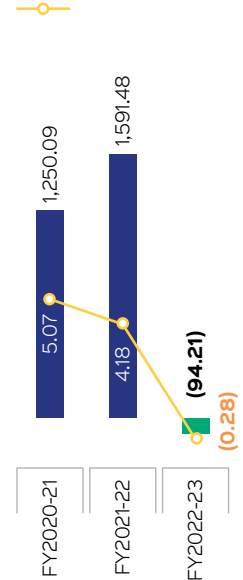
## EBITDA (Rs. lakhs)

EBITDA margin (%)



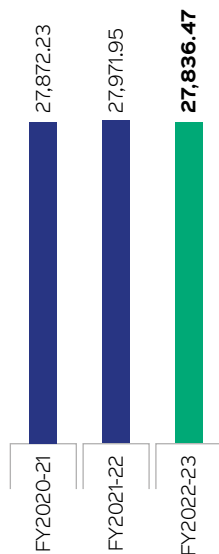
## PAT (Rs. lakhs)

PAT margin (%)



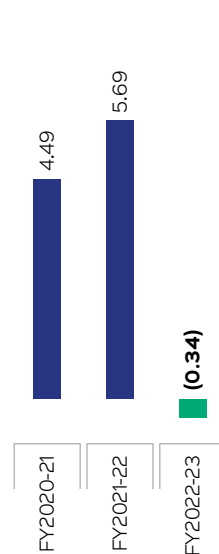
## Net Worth

(Rs. lakhs)



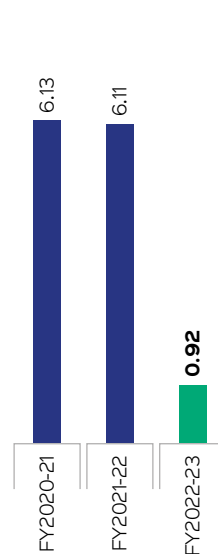
## Return on Equity

(%)



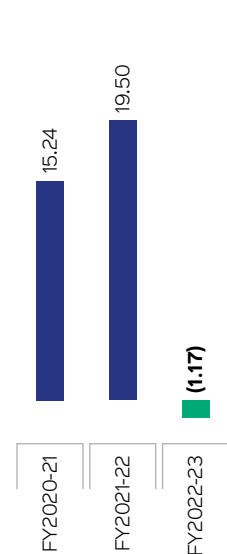
## Return on Capital Employed

(%)



## Earnings Per Share

(Rs.)



## CHAIRPERSON'S MESSAGE

# UNCOVERING STRENGTH IN ADVERSITY

“

The greater the obstacle, the more glory in overcoming it.

”

– Molière

### Dear Shareholders,

In the face of ongoing trials and tribulations, there are moments when we feel as though the tough times are persisting indefinitely. However, it is during these periods that one undergoes profound growth, emerging stronger and more resilient than ever before. At Aksharchem (India), we embrace this reality. Rather than being intimidated by challenges, we harness them for personal and collective development. It is through navigating the depths of adversity, that we unveil our true strength, realising that the duration of these difficult moments is precisely what propels us towards greatness.

### Performance highlights

Our performance in FY 2022-23 reflects the immensely challenging times the chemical industry and the world is passing through. The dye intermediates and pigments that we cater to witnessed a significant slowdown, especially



throughout the second half of the year. This resulted in low demand for our products Vinyl Sulphone and CPC Green. The response of our teams in these times has been inspirational. They moved with agility to penetrate the new business line of Precipitated Silica, catering to the needs of major tyre and rubber manufacturers in India.

Our revenue from operations was lower by ~12% at Rs. 334.67 Crore in FY 2022-23, compared to Rs. 380.34 Crore in FY 2021-22. Profitability was adversely impacted due to a partial halt in plant operations in response to weak demand, resulting in an inability to cover fixed overheads. EBITDA decreased by 51.4% to



Rs. 1,541.27 lakhs. At the net level, we incurred a loss of Rs. 94.21 lakhs as against a net profit of 15.91 Crore in FY 2021-22.

### Preparing for better times

Over the last couple of years, we have been using the tough times to become more efficient, fortify customer relationships, and build new businesses. We have taken proactive steps for cost control, enhancing productivity and efficiency, and pursuing expansion. All of these have helped enhance our competitiveness.

The progress in our Precipitated Silica venture has been gratifying. In just a year since its operationalisation, we have made breakthroughs securing orders from customers globally as well as new approvals from customers in the tyre and rubber industry across India and abroad. Our ability to offer Silica grades with diverse physical and chemical properties, customised to customer's requirements has positioned us as a frontrunner in the industry. We continue to increase engagements with overseas customers to build awareness.

In the existing portfolio of Vinyl Sulphone and CPC green, measures have been taken to improve efficiencies and market competitiveness. CPC Green production line has been successfully shifted to new buildings and operationalised. The new facility is equipped with better technologies and will help improve productivity. We also entered the newer markets of Turkey, Vietnam

and Sri Lanka. The focus now will be to build those markets and strengthen our presence.

### Industry outlook

Headed into FY 2023-24, the global economy is likely to remain weak, especially in the first half of the year. We anticipate lower demand in the global markets, which have been our primary revenue area.

To compensate for the export setbacks, we are strategically shifting focus to the domestic market, where a booming economy with growing industrialisation and infrastructure development stands to benefit the chemical industry. We are therefore committed to growing our sales and market share in India.

### Growing responsibly and thriving

We continue to make commendable progress on the sustainability front. Our operations are compliant with all pollution control standards. Going beyond the regulatory requirement, we have implemented the latest environmental technologies and installed solar panels to lower our carbon footprint. Effective management of effluent is ensured through treatment at the common ETP of GIDC, enabling us to achieve zero discharge status. We have also greatly minimised fresh water consumption by sourcing water from GIDC. For solid waste management, a tie-up with government-approved sites is under process. These efforts are contributing to a positive impact on the environment.

The health and safety of people is key to us. Through the implementation of best safety practices and periodic training and awareness, we continue to maintain accident-free operations.

### Final comments

I extend my sincerest gratitude to all our stakeholders who have been with us in these difficult times, giving us strength to remain resilient. Ensuring this, would not have been possible without our dynamic, productive and committed team. They have been instrumental in capturing new opportunities and strengthening our reputation through value delivery to our esteemed customers. A special thanks to my colleagues on the Board for their contribution and sustained guidance through various challenges.

We firmly believe in the long-term potential of our industry as well as our fundamentals. I assure all stakeholders that we are leaving no stone unturned and are confident of a rebound as soon as the market revives. We seek your continued support on the path ahead for long-term growth and value creation.

Warm regards,

**Paru M. Jaykrishna**  
Chairperson

## MESSAGE FROM JOINT MANAGING DIRECTOR & CEO HEADED TO A BETTER TOMORROW



“  
During the year, our total production across all products were **14,962 MT** and sales was at **14,813 MT**, highlighting the significant planning that went behind the production strategy.  
”

Dear Shareholders,

It is with great pleasure that I connect with you to share insights on our performance in FY 2022-23 and discuss the prospects that lie ahead.

First and foremost, I express my gratitude to all our valued stakeholders for their unwavering support and encouragement throughout the year. Your faith gives us the strength to navigate through the challenging period underpinned by a weak global economy and diminished demand for our products. Even as we persevere through these obstacles, our relentless efforts position us in a better position to embrace opportunities as the markets improve.

Our financial performance in FY 2022-23 fell short of expectations, something which we humbly acknowledge. But one must appreciate the extremely challenging conditions that we and the entire industry passed through. Considering the weak demand, we had to make the difficult decision of partially shutting down operations to prevent inventory, to build up and preserve resources and to control overheads which impacted



our profitability. During the year, our total production across all products were 14,962 MT and sales was at 14,813 MT, highlighting the significant planning that went behind the production strategy.

Amidst these challenges, I am pleased to inform you that we successfully established a strong foothold in Precipitated Silica, registering a strong 170% growth in quantity sold. In a validation of our product excellence, we further bagged new orders as well as gained new approvals from tyre and rubber manufacturers. This industry holds immense potential, and we are pursuing it with great vigour.

We also prioritised efforts around operational efficiency, building people competencies and strengthening customer relations. Notably, our CPC Green line has been successfully transitioned to a new facility which will enable better efficiencies and control over quality. The H-Acid production has been resumed, considering an anticipated improvement in demand in the near-term. Further, cost optimisation and productivity improvement measures continued to be ongoing. On the people front, we are privileged to have a team with specialised knowledge, skills, and industry-relevant expertise. Their creative thinking, fresh perspectives, and innovative ideas give us a competitive edge, and drive our growth. Through continuous learning and development and welfare measures, we have been scaling people excellence.

Customer satisfaction has always been a key focus area. We have been proactively increasing engagements with customers through frequent visits, encouraging them to visit our plant and establishing local contact networks to address their daily needs. Their feedback on products and services is being actively sought and improvement measures implemented. These efforts are helping us gain their trust.

With increased capacity utilisation in Precipitated Silica, we are reaching out to all segments in the tyre and rubber industry with parallel efforts being taken for capacity creation. Our teams are also conducting studies to understand new product requirements as per customer demand to enhance our portfolio in the coming years.

In closing, I would say that the industry is still facing the same challenging phase. My sincerest appreciation to all our stakeholders for standing by us in these times. Starting H2 FY 2023-24, we anticipate markets to steadily improve. Rest assured with the necessary capacity, infrastructure, technology, and talented individuals, we are prepared to move forward rapidly and capitalise on the opportunities.

I am thankful to all our shareholders for the unwavering faith and support in the management. Your trust has been pivotal in driving our growth. We remain committed to all of your needs ensuring that we deliver maximum value.

Warm regards,

**Munjal M. Jaykrishna**  
Jt. Managing Director & CEO

“ I am pleased to inform you that we successfully established a strong foothold in Precipitated Silica, registering a strong 170% growth in quantity sold. ”

## OUR STRENGTHS

# UNYIELDING SPIRIT PROPELLING US TO THE PEAK

At Aksharchem, just like seasoned mountaineers, we rely on our skills and expertise to conquer new peaks. Years of experience, have equipped us with resiliency, adaptability, and competitive spirit required to overcome obstacles and reach new heights of success.



### Indomitable business model

We have developed extensive capacities across a diverse range of products, catering to multiple industries and global markets. Through meticulous planning and strategic implementation, we have gained a competitive advantage in terms of cost efficiency, driven by economies of scale, streamlined operations, efficient manufacturing infrastructure, and strategically located plants. We are competitively placed to leverage our strengths and seize the market potential.



### Seasoned leadership

We have a proficient senior management and leadership team at the helm, with extensive knowledge spanning the chemical industry. Empowered by decades of experience, they possess a wealth of diverse expertise encompassing business management, strategic acumen, macroeconomics and sustainability aspects. Their adept leadership enables us to forge ahead and stay ahead of the curve in an ever-evolving industry.



### Operational excellence

Our plants have cutting-edge technologies encompassing health and safety, quality control, sustainability, and automation. These ensure responsible manufacturing with superior process excellence. Moreover, our laboratories house modern infrastructure, facilitating green product development and processes. With our relentless pursuit of excellence and delivering exceptional results, we stay at the forefront of technological advancements.



### Fostering enduring partnerships

We have robust, multi-year relationships with esteemed customers worldwide, driven by our commitment to quality and supply. Our track record encompasses over 25 years of relationships with key clients, resulting in substantial repeat business volumes. We have also forged strong connections with suppliers, ensuring a steady and uninterrupted flow of raw materials to sustain seamless operations. These enduring partnerships are a testament to our dedication, trustworthiness, and focus on mutual success.



### Financial fortitude

We have a robust balance sheet position that gives us the resilience to withstand challenges. As of March 31, 2023, our net worth stood at Rs. 27,836.47 lakhs and net debt:equity ratio at 0.09, giving us ample room for growth and expansion. Our steadfast commitment lies in maintaining prudent debt levels while pursuing opportunities to maximise cash flows.



### Uncompromising quality standards

We uphold the principle of uncompromised quality by integrating cutting-edge technologies, and industry best practices, and fostering a culture of zero tolerance for deviation from our quality standards. We hold a track record of zero returns attributed to quality issues. Our resolute dedication to unparalleled quality help exceed customer expectations and set new benchmarks in excellence.



### Embracing sustainable values

Our state-of-the-art manufacturing facilities are equipped with sustainable technologies, resulting in lower emissions, optimised resource utilisation and effective waste and wastewater management. Besides, we have also implemented best practices and provided training, which ensures superior safety performance and a track record of zero incidents.



## SOCIAL

# UNLOCKING PEOPLE POTENTIAL

People are key to our success and delivering on the evolving needs of our customers. We continually strive to provide them with a platform to learn and grow skills, encourage their creative thinking, and ensure their safety and welfare. These strengthen our reputation as an employer and result in improved outcomes.



### Empowering a skilled workforce

We continually strive for enhancing and upgrading employee skills. We prioritise initiatives for higher education to foster employee learning and development and growth. Various training programs are conducted, covering work safety, technical skills, leadership, communication and specialised training on products and services. The success of these efforts is ensured by tracking employee progress and quality inputs through training schedules. We further encourage knowledge sharing through discussions, presentations, and weekly tasks.



### Ensuring health and safety of people

We are committed to the health, safety and well-being of our staff and visitors. Towards this, comprehensive safety policies and procedures have been implemented. Regular risk assessments are conducted to identify potential hazards and their impact on health and safety. Further, mandatory training is provided covering first aid, CPR, emergency response, chemical handling, ergonomics, and workplace safety. For those working in hazardous conditions, we conduct weekly safety committee meetings and mock drills and ensure adherence to safety dress codes.



### Engaged and empowered people

Engaged employees are essential for productivity and success. We have established effective communication channels to ensure transparent communication including quarterly motivational programs. We also offer opportunities for career advancement, skill building cross-functional experiences. Employee feedback is valued and assessed through internal meet ups. Further, reward and recognition programs are implemented to acknowledge employee efforts and achievements, fostering a positive organisational climate.



### Building an empowered and inclusive workplace

Diversity and inclusion are fundamental to our organisation, and are enabled through formal policies. Each department maintains a mix of individuals from different cultural backgrounds, promoting a respectful office environment. In our hiring process, we practise prioritising diversity by attracting candidates from diverse backgrounds. We regularly review and revise policies to ensure inclusivity, addressing any potential barriers and offering flexible work arrangements to accommodate the needs of diverse employees.

### People excellence that differentiates us

Specialised knowledge, skills, and industry relevant expertise

Fresh perspective and thinking creatively to come up with innovative ideas

Excel at teamwork, communicating effectively, and building positive relationships

## Customers

**Our business philosophy is centred around meeting the evolving needs of our customers and supporting them with sustained quality standards, supply reliability, and prompt responsiveness to our customers' needs. We invest in better technologies and processes and ensure ongoing engagements to achieve this.**

### Exemplary reliability and quality assurance

We uphold an unwavering commitment to delivering products of exceptional quality. Our track record stands testament to our efforts, with a flawless history of zero returns attributed to quality issues. Our custom packaging solutions ensure that products are tailored precisely to their specifications. Furthermore, our robust supply chain, ensures steady product deliveries that align with the need of customers. We provide a diverse array of delivery options, including air, rail, sea, and road, enabling us to meet and exceed our customers' expectations in every aspect of our service.

In a testament to our excellence, during the year, we successfully passed audits independently conducted by various customers at our site.

## Communities

**We are inspired by an inclusive and equitable future and actively pursue initiatives to drive meaningful development and create lasting positive change in our communities. We undertake focused efforts around education, community welfare and healthcare improvement.**

**Rs. 38.85 lakhs**

CSR spending in FY 2022-23

### Strengthening healthcare infrastructure

We are committed to making a meaningful difference in the realm of healthcare. With a contribution of Rs. 14.50 lakhs, we are supporting a charitable trust in its mission of upgrading the healthcare infrastructure, improving healthcare service accessibility and contributing to the well-being of the citizens.

### Healthier society with healthier planet

In our pursuit of environmental sustainability, we have contributed Rs. 9.21 lakhs towards initiatives aimed at preserving natural resources and soil quality. Through this, we aim to maintain the balance of our ecosystem, foster environmental stewardship and ensure the better health of the communities.

### Empowering people with education

During the year, we contributed Rs. 15.14 lakhs towards contribution to the Institution to develop the cultural centre for the benefit of the people of the society. We believe such an initiative can motivate and encourage people to pursue education with enthusiasm and determination.

# GOVERNANCE

## GUIDED BY VALUES AND PRUDENCE

We uphold strong governance practices and ensure transparency, ethics and compliance with the regulations in all facets of operations. Our robust governance framework and an independent Board enable this. We remain committed to maintaining the highest standards, fostering trust and building enduring relationships with our stakeholders.

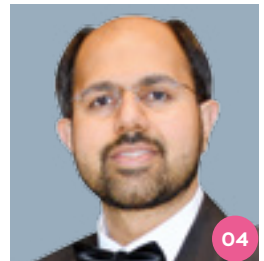
### Governance practices

Our business is built on the foundation of upholding high ethical standards and corporate governance best practices. We are committed to delivering consistent returns to the shareholders while contributing to the nation's growth through timely payment of taxes and lawful operations. We are further committed to serving the interests of other stakeholders, including business partners, employees and society at large.

We ensure this through a robust and well-devised governance mechanism underpinned by various frameworks, codes and policies including for Prohibition of Insider Trading, Preventing Fraud, Prevention of Bribery and Corruption, Whistle-Blower, Anti-Money Laundering and Confidentiality of Information among others. These enable adherence to regulatory, legal and several voluntary regulatory practices. Guiding all our actions, it also enables conducting business activities with integrity, transparency and a high level of accountability.

We ensure all employees abide by the code, with zero tolerance for any unlawful practices. The supply chain partners are also encouraged to adopt such practices. Our Board, while supervising the Company's performance and strategic decision making, set the stage for the highest standard of governance by leading from the front. We have ensured adequate independence in the Board with 4 out of 8 directors being independent which helps protect the interests of all stakeholders.

### Our Board of Directors





**1. Mrs. Paru M. Jaykrishna**

*Founder, Chairperson & Mg. Director*

She is a Law Graduate and holds Bachelor's degree in Philosophy and Sanskrit and Masters' degree in English Literature. Her role in the organisation is that of a strategic decision-maker and policy-maker to ensure growth. She is one of the most renowned Women Entrepreneurs in India and was the First Elected Lady President of the Gujarat Chambers of Commerce and Industry in 74 years. In past, she has been the Director of the Tourism Corporation of Gujarat Ltd., Gujarat State Handloom House Corporation and the Small Industries Development Bank of India(SIDBI).

**2. Mr. Gautam M. Jain**

*Independent Director*

He is a Science (Chemistry) and law graduate. A renowned industrialist with over 46 years of experience in the Chemical Industry, he is the founder of Metrochem Industries Limited, Chairman of the Gujarat Research and Medical Institute(Rajasthan Hospital) and a member of the Executive Committee of GCCI. He has also been elected as the President of the Gujarat Dyestuff Manufacturers Association and Rajasthan Seva Samiti.

**3. Dr. Pradeep Jha**

*Independent Director*

He is a well-accomplished mathematician and a research guide at several universities having over 45 years of teaching experience. Authoring over 20

research articles, he has expertise in developing soft skills program for corporate executive. He has authored many books on Mathematics and Operations Research. He has been associated with the Company Since 2002.

**4. Mr. Jigar M. Patel**

*Independent Director*

He is graduated with LL.M. Honors in International Taxation from the prestigious NYU School of Law. He has acquired valuable experience working as an International Tax Attorney with Pricewaterhouse Coopers at New York. He is currently the Executive Director of International Tax & Investment Consultants at Ahmedabad. He is Vice-President of the Income Tax Bar Association, Ahmedabad. He has addressed several public forums and participated in TV discussions. He was awarded 'Upcoming Speaker 2016' by the All India Federation of Tax Practitioners. He has been associated with the Company since 2017.

**5. Ms. Maitri K. Mehta**

*Independent Director*

She is a Fellow Member of The Institute of Cost Accountants of India (FCMA), an MBA (Finance) from the KS School of Business Management and a Fellow Member of the Insurance Institute of India (FIII-Life). She is a Practicing Cost Accountant. She is proficient in the field of Cost and Management Accountancy. She has been associated with the Company since 2019.

**6. Mr. Gokul M. Jaykrishna**

*Director*

He is a Major in Finance and Marketing from Lehigh University, Bethlehem (USA). He has the experience of working with Krieger Associates, New Jersey (USA) one of the largest currency option traders. He is associated with the Company since 1994.

**7. Mr. Munjal M. Jaykrishna**

*Joint Managing Director & CEO*

He is a Major in Finance and Marketing from Lehigh University, Bethlehem (USA). He is responsible for all management decisions and Overall Developments of the Company. He has experience of working with the Bank of California (San Francisco) as a Financial Analyst and Paragon Knits, Bethlehem, (USA) as a Consultant.

**8. Mr. Ashok Barot**

*Director*

He is a Master of Science (M. Sc.) from North Gujarat University. He is Senior Manager-Technical Services of the Company. He has more than 27 years of experience in the Chemical field. He is associated with the Company since July 2004. He is currently looking after plant administration as well as technical issues of the Company.

## ENVIRONMENT

# NURTURING A RESPONSIBLE FUTURE

At Aksharchem (India), sustainability is embedded into the very fabric of our business and strategy. We proactively focus on reducing our carbon footprint, conserving resources and attaining a circular economy. Stringent adherence to pollution and environmental standards is non-negotiable. We steadfastly commit ourselves to act for a better planet, where responsible practices harmonise with our core values. Our dedication to sustainability resonates in every aspect of our operations, fostering a brighter and greener future for all.



### Maintaining ambient air quality

We have invested in an ambient air monitoring system to ensure compliance with local emission standards. The usage of advanced technologies such as electrostatic precipitators, helps effectively eliminate particles and minimise harmful emissions. Additionally, we maintain a green belt that serves as a carbon sink and continually expand it through tree plantation drives.



### Striving for a circular economy

We ensure treating waste within permissible limits through GIDC's common effluent treatment plant, which is enabled by Supervisory Control and Data Acquisition (SCDA) systems. Solid wastes are managed at government-approved sites. In the manufacturing process, we ensure optimal utilisation of resources and have deployed automated packaging machines to reduce packaging waste. Additionally, we regularly train and conduct awareness among employees to optimise resource consumption and minimise waste.



### Tackling climate change

Our carbon footprint is primarily on account of energy consumption and transportation. We have optimised energy consumption through continued investments in modern infrastructure, equipment and automation technologies and R&D activities to optimise processes, leading to significant reductions in energy usage. Further, we have installed 94.50 Kw of solar power capacity, which helps avoid GHG emissions. In terms of transportation, the proximity of our plants to vendors and seaports along with efficient supply chain planning ensures lower movement of trucks and thus low emissions.



### Water conservation and management

We use the principle of reduce, reuse and recycle in our water management efforts. Our facilities are equipped with water treatment plants that efficiently treat a large portion of the wastewater generated in manufacturing, which is then reused in gardening and toilet facilities. Our robust manufacturing processes also help reduce freshwater consumption.

## NOTICE

Notice is hereby given that the 34th Annual General Meeting of the Members of AKSHARCHEM (INDIA) LIMITED will be held on 27th September, 2023 at the Registered Office of the Company at "Akshar House", Chhatral Kadi Road, Indrad, Dist: Mehsana - 382 715, Gujarat at 12.00 Noon 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 and the Reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend on Equity Shares of the Company for the financial year 2022-23.
3. To appoint a director in place of Mr. Munjal M. Jaykrishna (DIN: 00671693), liable to retire by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 4. RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITORS

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions 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) M/s. M. I. Prajapati & Associates, Cost Accountants, Ahmedabad (Firm Registration No. 101450), appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2023-24, be paid a remuneration of ₹ 45,000/- (Rupees Forty Five Thousand Only) plus taxes as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit.

**RESOLVED FURTHER THAT** Mrs. Paru M. Jaykrishna (DIN: 00671721), Chairperson & Managing Director of the Company or Mr. Munjal M. Jaykrishna (DIN: 00671693), Joint Managing Director & CEO of the company be and are hereby severally authorized to do all such acts, things and deal with all such matters and take steps as may be necessary to give effect to this resolution."

#### 5. PRIVATE PLACEMENT OF NON-CONVERTIBLE DEBENTURES AND/OR OTHER DEBT SECURITIES

To consider and if thought fit, to pass the following resolution as Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 42 and 71 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the

Companies (Share Capital and Debentures) Rules, 2014 framed there under and all other applicable rules, if any, and other applicable Guidelines and Regulations issued by the Securities and Exchange Board of India, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any other applicable law for the time being in force (including any statutory modification(s) or amendment thereto or re-enactment thereof for the time being in force) and subject to the provisions of the Articles of Association of the Company and such other approvals as may be required from regulatory authorities from time to time, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof) to make offer(s), invitation(s), to subscribe and issue Non-Convertible Debentures ("NCDs"), Bonds, Commercial Papers ("CP") or any other Debt Securities in one or more series/tranches aggregating upto Rs. 300 crores (Rupees Three Hundred Crores Only), whether rupee denominated or denominated in foreign currency, during the period commencing from the date of passing of special resolution till completion of one year thereof or the date of next Annual General Meeting be held in calendar year 2024, whichever is earlier, on such terms and conditions and at such times and at par or at such premium, as the Board may, from time to time determine and consider proper and most beneficial to the Company including as to when the said Non Convertible Debentures and /or Bonds and/or Commercial Papers or other debt securities be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, and execute all such deeds, documents, instruments and writings, and take all such steps as it may in its sole and absolute discretion deem necessary including for the purpose of determining terms of issue of Non-Convertible Debentures and/or Bonds and/or Commercial Papers and/or other debt securities and to settle all questions, difficulties and doubts that may arise in relation thereto."

For and on behalf of Board of Directors

Place : Ahmedabad  
Date : August 10, 2023

**PARU M. JAYKRISHNA**  
Chairperson & Mg. Director  
DIN: 00671721

#### Registered Office:

"Akshar House",  
Chhatral Kadi Road,  
Indrad - 382 715, Mehsana, Gujarat (India)  
CIN : L24110GJ1989PLC012441  
Phone: +91 2764 233007  
Fax: +91 2764 233550  
Website: www.aksharchemindia.com  
Email id: cs@aksharchemindia.com



## NOTES:

### 1. Proxy

**A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company, either in person or through post, duly completed and signed, not later than forty-eight hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

### 2. Explanatory Statement

The relevant explanatory statement pursuant to provisions of Section 102 of the Companies Act, 2013 ("the Act") relating to the Special Business to be transacted at the Annual General Meeting ("Meeting") as set out under Item No. 4 to 5 of the Notice, is annexed hereto.

### 3. Book Closure

Pursuant to the provisions of Section 91 of the Companies Act, 2013, Register of Members and Share Transfer Books of the Company will

remain closed from **Thursday, September 21, 2023 to Wednesday, September 27, 2023 (both days inclusive).**

### 4. Director proposed to be re-appointed

At the ensuing Annual General Meeting, Mr. Munjal M. Jaykrishna (DIN: 00671693), retire by rotation and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in annexure to notice of Annual General Meeting.

### 5. Payment of Dividend

The dividend on equity shares for the financial year 2022-23, if declared by the members, will be paid within thirty days of declaration by members:

- (i) in respect of shares held in physical form, to those members whose names appear in the Register of Members of the Company on **Wednesday, September 20, 2023.**
- (ii) in respect of shares held in electronic form, to those beneficial owners whose names appear in the statements of beneficial ownership furnished by NSDL and CDSL as at the end of business hours on **Wednesday, September 20, 2023.**

The members are hereby informed that the Company is required to transfer the dividends, which remain unclaimed for a period of seven years, to the Investor Education and Protection Fund ("IEPF") constituted by the Central Government.

The Company has uploaded the details of unpaid and unclaimed amount lying with the Company as on March 31, 2023, on the website of the Ministry of Corporate Affairs. The following are the details of dividends declared by the Company and respective due dates for transfer of unclaimed dividend to IEPF:

| Dividend Year     | Date of Declaration of Dividend | Due date of transfer to IEPF |
|-------------------|---------------------------------|------------------------------|
| 2016-17 – Interim | 16/03/2017                      | 13/04/2024                   |
| 2017-18 – Final   | 28/09/2018                      | 26/10/2025                   |
| 2018-19 – Final   | 30/09/2019                      | 28/10/2026                   |
| 2019-20 – Interim | 11/03/2020                      | 08/04/2027                   |
| 2020-21 – Final   | 28/09/2021                      | 26/10/2028                   |
| 2021-22 – Final   | 28/09/2022                      | 26/10/2029                   |

The members are advised to send their requests for payment of unpaid dividend pertaining to the financial years 2016-17 to 2021-22 to our Registrar and Share Transfer Agent for payment before the same becoming due for transfer to IEPF.

## 6. Transfer of Shares to demat account of IEPF Authority

The members may kindly note that pursuant to the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"), all shares in respect of which dividend has remained unclaimed/unpaid for seven consecutive years or more shall be transferred by the Company to the demat account of Investor Education and Protection Fund Authority ("IEPF Authority").

## 7. Dispatch of documents through electronic mode / Registration of E-mail addresses

In pursuance of the provisions of the Companies Act, 2013 and the Rules made there under, the Company proposes to send documents like notice of general meeting, Annual Report, etc. to the shareholders through electronic mode. The members who have not registered their e-mail address so far, are requested to register their email address (or change therein, if any) with their Depository Participant (where the shares are held in dematerialized form) or our Registrar and Share Transfer Agent (where the shares are held in physical form) by submitting the E-communication Registration Form.

## 8. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility to members to exercise their right to vote at thirty fourth Annual General Meeting by electronic means (e-Voting) and the business may be transacted through e-Voting Services.

The Members desiring to vote through electronic mode may refer to the detailed procedure on remote e-voting given hereinafter.

## Voting Options

- 8.1 The Company has engaged National Securities Depository Limited ("NSDL") to provide the facility of casting the votes by the members using an electronic voting system from a place other than the venue of Annual General Meeting ("Remote e-Voting").
- 8.2 The facility for voting through ballot paper shall also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not cast their vote by Remote e-Voting shall be able to exercise their right at Annual General Meeting.
- 8.3 The members who have cast their vote by Remote e-Voting prior to Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again at Annual General Meeting.
- 8.4 The instructions for remote e-voting are as under:

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

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

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

- A) Login method for e-Voting for Individual shareholders holding securities in demat mode

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

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

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

| Type of shareholders  | Login Method   |
|---|--|
| <p>Individual Shareholders holding securities in dematmode with NSDL.</p> | <ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center; margin-top: 20px;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>App Store</b></p> </div> <div style="text-align: center;">  <p><b>Google Play</b></p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> </div> |

|  |   |
|--|---|
| Individual Shareholders holding securities in demat mode with CDSL                                     | <ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>  |

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

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



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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is

available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

**4. Your User ID details are given below :**

| <b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b> | <b>Your User ID is:</b>   |
|---|---|
| a) For Members who hold shares in demat account with NSDL.            | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN 300*** and Client ID is 12***** then your user ID is IN300***12*****.  |
| b) For Members who hold shares in demat account with CDSL.            | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****   |
| c) For Members holding shares in Physical Form.                       | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

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

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter

the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The

password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically on NSDL e-Voting system**

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

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

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

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [makwanabipin577@gmail.com](mailto:makwanabipin577@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Pallavi Mhatre at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@aksharchemindia.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@aksharchemindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
- 8.5. A person who becomes a member of the Company after dispatch of notice of Annual General Meeting and holding shares as on the cut-off date i.e. September 20, 2023, may obtain the User ID and password by sending a request at evoting@nsdl.co.in or cs@aksharchemindia.com or call on toll free no. 1800-222-990.
- 8.6. The Board of Directors of the Company has appointed Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. A15650) to scrutinise the voting at Annual General Meeting and Remote e-Voting process in a fair and transparent manner.
- 8.7. The Chairperson shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
- 8.8. The scrutiniser shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the Annual General Meeting and thereafter unblock the votes cast through Remote e-Voting in the presence of atleast two witnesses not in the employment of the Company.
- 8.9. The Scrutiniser shall make, not later than 48 Hours of conclusion of the Annual General Meeting, a consolidated scrutiniser's report and submit the same to the Chairperson of Annual General Meeting or any other person authorized by Chairperson in writing who shall countersign the same and declare the results of the voting forthwith, which shall be displayed on the Notice Board of the Company at its Registered Office (as per details mentioned above). The results declared alongwith scrutiniser's report shall be placed on the Company's website www.aksharchemindia.com and on the website of NSDL immediately after the results are declared. The results shall also be immediately forwarded to the BSE Limited (BSE), Mumbai and National Stock Exchange of India Limited (NSE), Mumbai.
9. Corporate members, intending to depute their authorised representatives to attend the meeting pursuant to Section 113 of the Act, are requested to send to the Company a duly certified true copy of the Board Resolution / Power of Attorney authorizing their representatives to attend and vote on their behalf at the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. In terms of the amendments to the Listing Regulations, with effect from April 1, 2019, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in dematerialised form with the depository, i.e., NSDL and CDSL. Members

are, therefore, requested to demat their physical holding for any further transfer. Members can, however, continue to make request for transmission or transposition of securities held in physical form.

12. Attendance slip and proxy form are annexed hereto.
13. Members can send their queries, if any, to reach the Company's Registered Office atleast 10 days before the date of Annual General Meeting so that information can be made available at Annual General Meeting. The members are requested to bring their attendance slip at the meeting.
14. All documents referred to in the notice and the explanatory statement requiring the approval of the members at the Annual General Meeting and other statutory registers shall be available for inspection by the members at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., on all working days of the Company from the date hereof up to the date of ensuing Annual General Meeting.
15. Members may also note that the Notice of the thirty fourth Annual General Meeting and the Annual Report for 2022-23 will also be available on the Company's website [www.aksharchemindia.com](http://www.aksharchemindia.com) for their download. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., except Sundays and holidays.
16. Members holding shares in physical mode are required to submit their Permanent Account Number (PAN) to the Company or Company's Registrar and Share Transfer Agent and Members holding shares in electronic mode are requested to submit their Permanent Account Number (PAN) to their respective Depository Participants (DPs) with whom they are maintaining their demat accounts as mandated by the Securities Exchange Board of India (SEBI) for every participant of securities market.
17. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Link Intime India Private Limited. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
18. A route map showing directions to reach the venue of the 34th Annual General Meeting is given along with this Annual Report as per the requirement of the Secretarial Standards - 2 on General Meetings.



## STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

As required under section 102 (1) of the Companies Act, 2013, the following Statement set out all the material facts relating to the Special Business mentioned in Item No. 4 & 5 of the accompanying Notice.

### Item No. 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, appointed M/s. M. I. Prajapati & Associates, Cost Accountants, Ahmedabad (Firm Registration No. 101450), as Cost Auditors for the financial year 2023-24. As per Section 148 of Companies Act, 2013 and applicable rules there under, the remuneration payable to the cost auditors is to be ratified by the members of the Company. The Board considers the remuneration payable to the cost auditors as fair and recommends the resolution contained in item no. 4 of the notice for approval of the members. The Board recommends the resolution for your approval as an Ordinary Resolution.

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

### Item No. 5

In order to augment resources inter alia, for financing capital expenditure and/or for general corporate purposes, the Company may offer or invite subscription for secured and/or unsecured, bonds, Commercial Paper ("CP") or any other Debt securities in one or more series / tranches on private placement basis.

Pursuant to the provision of Section 42 and any other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the members of the Company by a Special Resolution for each offer or invitation. Further, the sub rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement, the Company shall obtain previous approval of the members by means of special resolution only once in a year for all the offers or invitations for such debentures during the year.

Accordingly, consent of the members is sought for passing a Special Resolution as set out under this item no. 5 of the Notice. This resolution enables the Board of Directors of the Company/its duly authorised Committee to offer or invite subscription for debt securities, including but not limited to non-convertible debentures, commercial paper, bonds, etc., whether in rupee denominated or denominated in foreign currency, in one or more series or tranches aggregating up to Rs. 300

crores (Rupees Three Hundred Crores Only), as deemed fit, from time to time, during the period commencing from the date of passing of special resolution till completion of one year thereof or the date of next Annual General Meeting to be held in calendar year 2024, whichever is earlier within a period of one year within the overall Borrowing limits of the Company, as approved by the Members from time to time.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The Board of Directors recommends the passing of the Special Resolution set out at item no. 5 for approval of the members.

For and on behalf of Board of Directors

Place : Ahmedabad

Date : August 10, 2023

**PARU M. JAYKRISHNA**

*Chairperson & Mg. Director*

DIN: 00671721

### Registered Office:

"Akshar House",

Chhatral Kadi Road,

Indrad - 382 715, Mehsana, Gujarat (India)

CIN : L24110GJ1989PLC012441

Phone: +91 2764 233007

Fax: +91 2764 233550

Website: [www.aksharchemindia.com](http://www.aksharchemindia.com)

Email id: [cs@aksharchemindia.com](mailto:cs@aksharchemindia.com)

**DISCLOSURE RELATING TO DIRECTORS PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ON GENERAL MEETINGS (SS-2)**

|  | Re-Appointment  |
|--|---|
| Name of the Director   | Mr. Munjal M. Jaykrishna  |
| DIN  | 00671693  |
| Date of Birth  | 08.04.1970  |
| Date of Appointment/ Reappointment   | 28.06.1995  |
| Qualification  | Major in Finance and Marketing from Lehigh University, USA  |
| Expertise in specific functional Area  | He is a Major in Finance and Marketing from Lehigh University, Bethlehem (USA). He is responsible for all management decisions and Overall Developments of the Company. He has an experience of working with Bank of California (San Francisco) as Financial Analyst and Paragon Knits, Bethlehem, (USA) as a Consultant. |
| Terms and Conditions of appointment / re-appointment   | He is Joint Managing Director & CEO of the Company. As per terms of appointment, he is liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible offer himself of reappointment. He is entitled for remuneration.   |
| Public Limited Companies (in India) in which outside Directorships held  | 1. Asahi Songwon Colors Limited   |
| Membership/Chairmanships of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee) # | Nil   |
| Shareholding in the Company  | 15,96,532 Equity Shares held as a trustee(s) of M/s. Munjal M. Jaykrishna Family Trust.   |
| Relationship with other Directors/ KMPs  | Son of Mrs. Paru M. Jaykrishna and Brother of Mr. Gokul M. Jaykrishna   |

#Chairmanship and membership of the Audit Committee and the Stakeholders Relationship Committee are considered.



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their Thirty Fourth Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2023.

| Particulars  | (₹ in Lakhs)            |                          |
|--|-------------------------|--------------------------|
|  | Current Year<br>2022-23 | Previous Year<br>2021-22 |
| Revenue from operations  | 33,467.86               | 38,034.44                |
| Other Income   | 15.17                   | 65.34                    |
| Total Income   | 33,483.03               | 38,099.78                |
| Profit for the year before Finance Costs, Depreciation, Exceptional Items and Tax Expenses | 1,556.44                | 3,237.01                 |
| Less: Finance Costs  | 321.50                  | 220.55                   |
| Profit for the year before Depreciation, Exceptional Items and Tax Expenses                | 1,234.94                | 3,016.46                 |
| Less: Depreciation   | 1,284.84                | 1,221.78                 |
| Profit for the year before Exceptional Items and Tax Expenses                              | (49.90)                 | 1,794.68                 |
| Add/(Less): Exceptional Items  | Nil                     | Nil                      |
| Profit for the year before Tax Expenses  | (49.90)                 | 1,794.68                 |
| Less: Current Tax  | -                       | 202.00                   |
| Less: Deferred Tax   | 44.31                   | 136.55                   |
| Less: Adjustment of tax for earlier years (Net)  | -                       | (135.35)                 |
| Net Profit for the year  | (94.21)                 | 1,591.48                 |
| Add: Balance brought forward from last year  | 18,550.10               | 17,456.97                |
| Depreciation Adjustment  | Nil                     | Nil                      |
| Deferred tax on Depreciation Adjustment  | Nil                     | Nil                      |
| Surplus available for Appropriation  | 18,455.89               | 19,048.44                |
| Appropriation  |                         |                          |
| Other Comprehensive Income   | 16.98                   | 17.76                    |
| Transfer to General Reserve  | Nil                     | Nil                      |
| Final Dividend of Rs. 0.5 per Equity Share<br>(P. Y. Rs. 3.5 per Equity Share)             | (40.17)                 | (287.09)                 |
| Tax on buy-back  | -                       | (229.02)                 |
| Balance carried over to Balance Sheet  | 18,432.70               | 18,550.10                |

## **DIVIDEND**

After considering the profitability, cash flow and overall financial performance of the Company, Board of Directors of the Company are pleased to recommend a final dividend of Rs. 0.50 per equity share (5% on the face value of Rs. 10/- each) for the year ended March 31, 2023 subject to approval of the members at the forthcoming Annual General Meeting.

During the previous financial year, the Company has paid final dividend of Rs. 0.50 per equity share (5% on face value of Rs. 10 each), and the total outgo was Rs. 40.17 Lakhs towards dividend.

The final dividend, if declared as above would involve a total outgo of Rs. 40.17 Lakhs towards dividend for the year.

## **TRANSFER OF UNCLAIMED SHARES & DIVIDEND AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND**

Section 124(6) of the Companies Act, 2013, requires a Company to transfer in the name of Investors Education and Protection Fund (IEPF) Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more. In accordance with the said provisions read with the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company is in the process to transfer all shares in respect of which dividends declared for the year 2016-2017 has not been paid or claimed by members for 7 (seven) consecutive years or more.

## **TRANSFER TO RESERVES**

Your Company has not transferred any amount to General Reserve (Also in Previous Year the Company has not transferred any amount to General Reserve). Your company has incurred net loss of Rs. 94.21 Lakhs in the Statement of Profit and Loss.

## **STATE OF COMPANY'S AFFAIRS**

The highlights of the Company's performance are as under:

### Financial Performance

During the year under review the Company has reported 12.01% YoY decrease in revenue from operations to Rs. 33,467.86 Lakhs and incurred a net loss of Rs. 94.21 Lakhs. The financial performance of the year 2022-23 was quite subdued due to global scenario which affected the second half of the financial year. Overall weakness in demand impacted the profitability of the Company.

### Exports

The export turnover has decreased from Rs. 28,001.76 Lakhs to Rs. 20,237.65 Lakhs compared to previous year. Dumping/selling at lower rate by China in the

current scenario makes it difficult for the Company to improve margins. Company along with other players of the same industry contemplating on this issue.

## **INTELLECTUAL PROPERTY RIGHTS**

The Company is having the certificate for registration of trademark from the Registrar of Trade Marks, Trade Marks Registry, Gujarat for its logo i.e. AksharChem and its products Pigment Green 7 and Precipitated Silica i.e. Asaflow and Aksil respectively.

## **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of business of the Company during the financial year ended March 31, 2023.

## **MATERIAL CHANGES AND COMMITMENT, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There has been no material changes and commitment, affecting the financial position of the Company which has occurred between the end of financial year to which the financial statements relate and the date of the report.

## **AUTHORISED SHARE CAPITAL**

During the year under review, there is no change in the Authorized Share Capital of the Company.

## **SHARE CAPITAL**

During the year under review, the paid-up capital of the Company has remained the same.

### Issue of Shares with differential rights

During the year under review, the Company has not issued equity shares with differential rights.

### Issue of Sweat Equity Shares

During the year under review, the Company has not issued Sweat Equity Shares.

### Issue of Employee Stock Options

During the year under review, the Company has not issued any shares under Employee Stock Option.

## **FINANCE AND INSURANCE**

The Company has been financed by State Bank of India and HDFC Bank Limited.

All insurable interests of the Company, including plant and machinery, building, stocks, vehicles, stores and spares have been adequately insured against various risks and perils.

## **PUBLIC DEPOSITS**

The Company has not accepted deposit from public



during the year and there was no deposit outstanding on March 31, 2023.

### **SUBSIDIARY COMPANIES**

During the year under review the Company does not have any subsidiary.

### **CERTIFICATIONS**

During the year under review the Company have its quality certifications of ISO 9001:2015, certification for environment management system of ISO 14001:2015 and certification for occupation, health & safety of ISO 45001:2018.

### **EXPORT HOUSE STATUS**

The Company has the status of “Two Star Export House” by Office of Additional Director General of Foreign Trade, Ahmedabad, in accordance with provisions of Foreign Trade Policy 2015-2020. This status is valid till November 8, 2027.

### **CREDIT RATING**

The CARE Ratings Limited has reviewed the ratings on the bank facilities of the Company and revised the rating as CARE A; Stable/CARE A1 to the long term/short term bank facilities.

### **LISTING**

The Equity Shares of the Company continue to be listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and required Listing Fees for the year 2023-24 has been paid.

### **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are enclosed as “Annexure A” to the Board's report.

### **RISK MANAGEMENT**

We believe that risk management is an integral part of our operations. It is essential to identify and manage risks in order to reduce uncertainties and ensure continuity of business. We have a risk management framework and team that implements the processes specified in the framework. Further details are set out in the Management Discussion and Analysis Report forming part of the Directors' Report.

### **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

In accordance with the provisions of Section 135 of the Companies Act, 2013 and the rules framed there under the Company has a Corporate Social Responsibility Committee of Directors.

The composition of the CSR committee, as per the applicable provisions of the Act and Rules, is as follows:

Mrs. Paru M. Jaykrishna- Chairperson

Mr. Gautam Jain- Member

Ms. Maitri K. Mehta- Member

A detailed note on the Board and its committees is provided under the Corporate Governance Report section in this Annual Report.

Mrs. Paru M. Jaykrishna - Chairperson, Mr. Gautam Jain and Ms. Maitri K. Mehta has inter alia also formulated a CSR Policy.

The Company is not required to deposit any amount in a separate Bank account opened with a Scheduled Bank in Compliance with CSR Rules 2021 for the CSR identified projects.

Pursuant to sub-rule (1B) of Rule 12 of Companies (Accounts) Rules, 2014, the Company has submitted the Report on Corporate Social Responsibility (CSR) through web form CSR 2 for the financial year 2021-22.

The role of the CSR Committee is to review the CSR policy, indicate activities to be undertaken by the Company towards CSR activities and formulate a transparent monitoring mechanism to ensure implementation of projects and activities undertaken by the Company towards CSR initiatives.

The Report on CSR Activities, which forms part of the Directors' Report, is annexed as “Annexure B” to this report.

### **POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONEL**

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy on selection and appointment of Directors, Senior Management and their remuneration. The Nomination and Remuneration Policy is put up on the website of the Company at: [www.aksharchemindia.com](http://www.aksharchemindia.com).

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at: [www.aksharchemindia.com](http://www.aksharchemindia.com)

### **DIVERSITY OF THE BOARD**

The Company recognises and embraces the benefit of having a diverse Board of Directors and views increasing diversity at the Board level as an essential element in maintaining competitive advantage in the Business in which it operates. This Policy is put up on the website of

the Company at: [www.aksharchemindia.com](http://www.aksharchemindia.com)

### **DISCLOSURES ON MANAGERIAL REMUNERATION**

Details of Managerial Remuneration 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 given as per "Annexure C" to this report.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### Appointment of CFO

Mr. Hardik Shah has been appointed as Chief Financial Officer of the Company w.e.f. May 20, 2022.

#### Retirement by Rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Munjal M. Jaykrishna (DIN: 00671693) Joint Managing Director & CEO of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment. The Nomination and Remuneration Committee and Board recommends his reappointment.

Brief profile of the Director being re-appointed as required under Regulations 36(3) of Listing Regulations, 2015 and Secretarial Standard on General Meetings is provided in the Notice of the forthcoming AGM of the Company.

#### Key Managerial Personnel

The following persons are the Key Managerial Personnel:

Mr. Munjal M. Jaykrishna, Joint Managing Director & CEO

Mr. Hardik S. Shah, Chief Financial Officer (CFO)

Mr. Meet J. Joshi, Company Secretary (CS)

#### Women Director

The Board of Directors of the Company includes women director viz. Mrs. Paru M. Jaykrishna and Ms. Maitri K. Mehta. Accordingly, the Company is in compliance with the requirement of section 149(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

#### Independent Directors

Mr. Gautam M. Jain and Dr. Pradeep Jha, Independent directors have been reappointed for the period of five years w.e.f. August 12, 2019, Mr. Jigar M. Patel have been reappointed as an independent director of the Company for a second term of five consecutive years with effect from August 09, 2022 and Ms. Maitri K. Mehta was appointed as an independent director of the Company for the period of five years w.e.f. March 28, 2019.

#### Declaration by Independent Directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

### **BOARD EVALUATION**

The Board of Directors of the Company is committed to assess its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee has established processes for performance evaluation of Independent Directors, the Board and Committees of the Board.

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of its Committees as well as the Directors individually. Details of the evaluation mechanism are provided in the Corporate Governance Report.

### **PARTICULARS OF EMPLOYEES**

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided as "Annexure D" to this report.

### **MEETINGS OF THE BOARD**

During the financial year 2022-2023, the Board of Directors of the Company, met 4 (Four) times on May 20, 2022, August 09, 2022, November 11, 2022 and February 09, 2023. The compositions of the board and its attendance have been given in the Corporate Governance Report section in this Annual Report.

### **INDEPENDENT DIRECTORS' MEETING**

A separate Meeting of the Independent Directors of the Company was also held on February 09, 2023, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were discussed.

### **AUDIT COMMITTEE**

The composition of the Audit committee, as per the applicable provisions of the Act and Rules, is as follows:

Dr. Pradeep Jha - Chairman

Mr. Jigar M. Patel- Member

Ms. Maitri K. Mehta- Member

A detailed note on the Board and its committees is

provided under the Corporate Governance Report section in this Annual Report.

#### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have adopted the vigil mechanism/whistle blower policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. The Audit Committee oversees the vigil mechanism.

#### **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

The Board has adopted policies and procedures to ensure the orderly and efficient conduct of its business, including but not limited to the prevention and detection of frauds and errors, the safeguarding of its assets, the accuracy and completeness of the accounting records, adherence to the company's policies, periodical review of financial performance of Company and review of the accounts every quarter by Statutory Auditors. The Company has appointed Independent Internal Auditors who periodically audit the adequacy and effectiveness of the internal controls and suggest improvements.

Internal Control Systems are reviewed by Audit Committee headed by a Non- Executive Independent Director on a regular basis for its effectiveness and the necessary changes suggested are interpreted into the system. Every quarter the Audit Committee reviews the adequacy and effectiveness of internal control systems and monitors the implementation of improvement actions.

#### **STATUTORY AUDITORS**

M/s. Talati & Talati LLP, Chartered Accountants (Firm Registration No. 110758W/W100377), Ahmedabad, were appointed as the Statutory Auditors of the Company for a term of five years up to the conclusion of the 38th Annual General Meeting of the Company to be held in 2027.

M/s. Talati & Talati LLP, Chartered Accountants has expressed their willingness to be appointed as Statutory Auditors of the Company. They further confirmed that the said appointment, if made, would be within prescribed limits under Section 141 of the Companies Act, 2013 and that they are not disqualified for appointment.

Pursuant to Section 139 and 141 of the Companies Act,

2013 and relevant Rules prescribed there under, the Company has received certificate from the Auditors to the effect, inter-alia, that their appointment would be within the limits laid down by the Act, shall be as per the term provided under the Act, that they are not disqualified for such appointment under the provisions of applicable laws and also that there are no pending proceedings against them or any of their partners with respect to professional matters of conduct.

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the statutory auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

M/s. Talati & Talati LLP, Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the Financial Year 2022-23, which forms part of the Annual Report 2022-23. There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Reports that may call for any explanation from the Directors.

#### **SECRETARIAL AUDITORS**

Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. A15650), was appointed to conduct the secretarial audit of the Company for the financial year 2022-23, as required under Section 204 of the Companies Act, 2013 and Rules there under. Secretarial Audit Report for F.Y. 2022-23 forms part of the Annual Report as "Annexure E" to the Board's report.

The Secretarial Auditor has not made any comments or given any qualification, reservation or adverse remarks or disclaimer in their Audit Report.

#### **COST AUDITOR**

During the year under review, the provision regarding Cost Audit is not applicable to the Company. M/s. M. I. Prajapati & Associates, Cost Accountants (Membership No. 32354), was appointed to conduct the cost audit of the Company for the financial year 2023-24, as required under Section 148 of the Companies Act, 2013 and Rules there under.

#### **CASH FLOW STATEMENT**

As required under Regulation 34(2)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Cash Flow Statement prepared in accordance with the Indian Accounting Standard 7 (IND AS-7) is attached to the Financial Statement.

#### **ANNUAL RETURN**

Pursuant to Section 92(3) read with section 134(3)(a) of the Companies Act, 2013, copy of the Annual Return of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies

(Management and Administration) Rules, 2014 may be accessed on the Company's website at: <https://aksharchemindia.com/uploads/report/3981693651443MGT-7.pdf>

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE**

During the year under review the Company has not given loans, provided any guarantees or made investments covered under section 186 of the Companies Act, 2013.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS ENTERED INTO WITH RELATED PARTIES**

All Related Party transactions that were entered into during the year under review were in ordinary course of business and were on arm's length basis. There were no materially significant related party transactions made by the Company which may have potential conflict of interest.

Further, there were no material related party transactions which were not in ordinary course of business and were not on arm's length basis and hence there was no information required to be provided under Section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 in form AOC-2 and under Section 188(2) of the Companies Act, 2013.

#### **SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY AND / OR THE COMPANY'S OPERATIONS IN FUTURE**

There were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and / or the Company's operations in future.

#### **MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report is appended as "Annexure F" to this Report.

#### **CORPORATE GOVERNANCE**

Your Company is committed to maintain the highest standards of Corporate Governance. A separate Corporate Governance Report as stipulated under Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished as "Annexure G" to this Report together with certificate from Mr. Bipin L. Makawana, Practicing Company Secretary (Membership No. A15650) confirming

compliance with the conditions of Corporate Governance.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(3)(c) of the Companies Act, 2013 and based on the information provided by the management, your directors state that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards read with requirements set out under Schedule XIII to the Act, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgements 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 loss of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a 'going concern' basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

During the year under review there were no frauds reported by Auditors under section 143 (12).

#### **DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has zero tolerance for sexual harassment at workplace. 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 (POSH Act) and the rules framed thereunder. It is the continuous



endeavor of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment, including sexual harassment. During the year under review, the Committee had not received any complaint.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

#### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Our human capital contributes significantly to our business operations and we believe that employees are our valuable asset and core strength. To further support that strength, we have identified skill set building as one of key business drivers, and have focused our employee initiatives in that direction. We periodically organize various trainings for our employees to enhance their knowledge and skills. Our learning and development training programs are governed by quality business management principles adopted by us, which include a principle of in-depth identification of development needs and comprehensive structure of learning and development.

We believe that our human resources initiatives led to positive trends in the production, quality, cost, delivery, safety and morale parameters in manufacturing, a higher level of engagement in workers, better working relationships between sales managers and reportees. We also engage contract labour depending on our requirements from time to time, particularly at our manufacturing facilities. The attrition rate of the Company is quite low as compare to other companies in the concerned sector. Industrial relations remained harmonious with a focus on productivity, quality and safety throughout the year. Your directors wish to place on record their sincere appreciation for the devoted services of all the employees and workers of the Company.

#### **GREEN INITIATIVE**

The Ministry of Corporate Affairs had taken the Green Initiative in Report on Corporate Governance by allowing paperless compliances by Companies through electronic mode. Your Company supports the Green Initiative and has accordingly decided to send necessary communications to its Shareholders to their respective registered E-mail addresses.

#### **ENVIRONMENT SAFETY AND HEALTH**

Your Company continues to exercise persistent and meticulous efforts towards greener earth and environment conservation. The Company preserves in its efforts to teach safe and environmentally

accountable behavior in every employee, as well as its vendors. The Company is committed towards safety, not only of its own men and plant, but also of the society at large.

Solid waste generated at the Works, after treatment of its liquid effluent is shifted to a Gujarat Pollution Control Board (GPCB) approved site.

The Company continues to demonstrate its commitment to a clean and safe environment. The State of the art effluent treatment plant continues to run satisfactorily, so that the treated waste water discharged is well within the stipulated norms set by GPCB.

Your Company has ISO 14001:2015, ISO 9001:2015 and ISO 45001:2018 certification for its unit.

#### **APPRECIATION AND ACKNOWLEDGEMENTS**

Your Directors are grateful and pleased to place on record their thanks to Government of India, Government of Gujarat, Electricity supply companies and Bankers for their excellent support, guidance and continued cooperation.

The Company is thankful to the shareholders for reposing trust in the Company and their unflinching enthusiasm and patronage.

#### **CAUTIONARY STATEMENT**

The Board's Report and Management Discussion & Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company is not obliged to update any such forward-looking statement. Some important factors that could influence the Company's operations comprise of economic developments, pricing and demand & supply conditions in global and domestic markets, changes in government regulations, tax laws, litigation and industrial relations.

For and on behalf of Board of Directors

Place : Ahmedabad

**PARU M. JAYKRISHNA**

Date : August 10, 2023

*Chairperson & Mg. Director*

DIN: 00671721

#### **Registered Office:**

"Akshar House",  
Chhatral Kadi Road,  
Indrad - 382 715,  
Mehsana, Gujarat (India)  
CIN : L24110GJ1989PLC012441

Phone: +91 2764 233007

Fax: +91 2764 233550

Website: [www.aksharchemindia.com](http://www.aksharchemindia.com)

Email id: [cs@aksharchemindia.com](mailto:cs@aksharchemindia.com)

## ANNEXURE A TO DIRECTORS' REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

### A. Conservation of Energy

#### (i) the steps taken or impact on conservation of energy

The Company mainly focuses on the conservation of the energy and its utilization. Main efforts taken by the Company for the same is research and development activities towards optimising processes which has resulted in minimizing energy usage. We have water treatment plants at our facilities which ensure most of the waste water generated in manufacturing is treated. This treated water is reused in some processes and for gardening.

At our plants, the use of automated packaging machines has greatly reduced packaging waste. Further, we provide regular training and conduct awareness programs for employees towards optimising resource consumption and minimising waste. The Company focuses in the area of utility for reduction and optimization of energy.

#### (ii) Steps taken by the Company for utilising alternate sources of energy

During the year under review the company has used natural gas and also used solid fuel as a plant fuel. The Company has installed solar plant of 94.50 KW and made it operational for alternate source of power for lighting and office use.

#### (iii) The capital investment on energy conservation equipments

The Company have implemented advanced technology in terms of energy saving in electricity and utilities by doing automization which improves life of process equipment during the operation. We also maintain a green belt which acts as carbon sink and every year build on it through tree plantation drives.

### B. Technology Absorption

#### (i) The efforts made towards technology absorption

For technology absorption company is providing the training to operators of the plant for smooth running and cost effective maintenance of the plants and machineries. The Company also focus on giving quality product and for that gradually investing in procurement of

various instruments. We continually invest in modernising our plant infrastructure and equipment including in automation technologies to reduce in energy consumption per unit.

#### (ii) The benefits derived like product improvement, cost reduction, product development or import substitution

Various techniques for automisation and control adopted by the Company helped in to achieve better control over quality and cost.

#### (iii) Information regarding imported technology (Imported during last three years)

|   |                  |
|---|------------------|
| a. Technology imported  | : Nil            |
| b. Year of Import   | : Not Applicable |
| c. Has technology been fully absorbed?  | : Nil            |
| d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof | : Not Applicable |

#### (iv) Expenditure incurred on Research and Development

(₹ in Lakhs)

| Sr. Particulars No.                  | 2022-23 | 2021-22 |
|--------------------------------------|---------|---------|
| 1 Capital                            | 0.35    | 7.58    |
| 2 Revenue                            | 17.29   | 20.25   |
| Total                                | 17.64   | 27.83   |
| Total Expenditure as a % of Turnover | 0.05%   | 0.07%   |

### C. Foreign exchange Earnings and Outgo

#### (i) Activities relating to export, initiatives to increase exports, Developments of New export markets for Products and Services and Export Plan.

The Company exports its product to Europe, Far East, South East Asia, China, USA and other countries. The Company has continued to maintain focus and availed export opportunities based on economic situation. During the year under review the Company exported Dye Intermediates, Pigments and Precipitated Silica valuing to Rs. 20,334.70 Lakhs (Previous Year Rs. 27,652.62 Lakhs) to various countries around the World. Continuous efforts are being taken to regain share in overseas markets by exploring new customers even though uncertain geopolitical conditions.

#### (ii) Total Foreign exchange Earned and Used

(₹ in Lakhs)

| Particulars  | 2022-23   | 2021-22   |
|--|-----------|-----------|
| Foreign Exchange earned in terms of Actual Inflows | 20,334.70 | 27,652.62 |
| Foreign Exchange outgo in terms of Actual Outflows | 96.15     | 312.97    |

## ANNEXURE B TO DIRECTORS' REPORT

### Annual Report on CSR Activities

**1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes**

This policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programme for welfare & sustainable development of the community at large.

This policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons. ACIL's CSR Policy is available on the Website of the Company: [www.aksharchemindia.com](http://www.aksharchemindia.com)

ACIL is committed to remaining a responsible corporate entity, mindful of its social responsibilities and to make a positive impact in the society. As a responsible corporate entity, ACIL will consistently strive for opportunities to meet the expectation of its stakeholders by pursuing the concept of sustainable development with focus on the following:-

- To take up programmes that benefit the communities where it operates in enhancing the quality of life & economic well being of the local populace.
- To serve the socially and economically weak, disadvantaged, underprivileged and destitute sections of the Society regardless of age, class, colour, culture, disability, ethnicity, family structure, gender, marital status, nationality origin, race or religion with intention to make the group or individual self dependent and live life more meaningfully.
- To extend humanitarian services in the community to further enhance the quality of life like health facilities, education, basic infrastructure facilities to local areas that have so far not been attended to.
- To generate, through its CSR initiatives, a community goodwill for ACIL and help reinforce a positive & socially responsible image of ACIL as a corporate entity.

**2. Composition of the CSR Committee:**

The CSR Committee comprises of the following members:

- Mrs. Paru M. Jaykrishna- Chairperson
- Mr. Gautam Jain- Member
- Ms. Maitri K. Mehta- Member

**3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed is [www.aksharchemindia.com](http://www.aksharchemindia.com)**

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

Not Applicable

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

Not Applicable

| Sr. No.        | Financial Year | Amount available for set-off from preceding financial year (Rs. in Lakhs) | Amount required to be set- off for the financial year, if any (Rs. in Lakhs) |
|----------------|----------------|---|--|
| Not Applicable |                |   |  |

**6. Average net profit of the Company for last three financial years: Rs. 1884.29 Lakhs**

**7.**

|     |  |                 |
|-----|--|-----------------|
| (a) | Prescribed CSR Expenditure Two percent of average net profit of the Company as per section 135 (5) | Rs. 37.69 Lakhs |
| (b) | Surplus arising out of the CSR projects or programs or activities of the previous financial years  | Nil             |
| (c) | Amount required to be set off for the financial year   | Nil             |
| (d) | Total CSR obligation for the financial year (7a+7b-7c)   | Rs. 37.69 Lakhs |

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

| Total Amount Spent for the Financial Year. (Rs. in Lakhs) | Amount Unspent (Rs. in Lakhs)   |                  |   |        |                  |
|---|---|------------------|---|--------|------------------|
|   | 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 |
| 38.85   | N.A.  | N.A.             | N.A.  | N.A.   | N.A.             |

## **ANNEXURE B TO DIRECTORS' REPORT**

- (b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable
- (c) Details of CSR amount spent against other than ongoing projects for the financial year: Rs. 38.85 Lakhs (As per Annexure -I)
- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 38.85 Lakhs
9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).
- (a) Date of creation or acquisition of the capital asset(s): Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

**Munjal M. Jaykrishna**  
*Jt. Managing Director  
& CEO*  
DIN: 00671693

**Paru M. Jaykrishna**  
*Chairperson of the  
CSR Committee*  
DIN: 00671721

Place : Ahmedabad  
Date: August 10, 2023



**Annexure - I**  
**DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN**  
**ONGOING PROJECTS FOR THE FINANCIAL YEAR**

| (1)<br>Sr.<br>No. | (2)<br>Name of<br>the Project   | (3)<br>Item from the<br>list of activities<br>in Schedule<br>VII to the Act | (4)<br>Local<br>area<br>(Yes/<br>No) | (5)<br>Location of the<br>Project |              | (6)<br>Amount<br>spent for the project<br>(Rs. in<br>Lakhs) | (7)<br>Mode of<br>Implementation<br>Direct<br>(Yes/No) | (8)<br>Mode of<br>Implementation-<br>Through Implementing<br>Agency |                               |
|-------------------|---|---|--------------------------------------|-----------------------------------|--------------|---|--|---|-------------------------------|
|                   |   |   |                                      | State                             | District     |   |  | Name  | CSR<br>Registration<br>number |
| 1                 | Conservation of natural resources and maintaining quality of soil               | Ensuring Environmental Sustainability                                       | Yes                                  | Gujarat                           | Mehsana      | 5.21  | Direct   | Self  | Not Applicable                |
| 2                 | To provide water reservoir facilities in nearby villages                        | Sanitation and Healthcare   | Yes                                  | Gujarat                           | Mehsana      | 4.00  | Direct   | Self  | Not Applicable                |
| 3                 | To distribute Silver Medals as a Prize to the students of Indrad Primary School | Promotion of Education  | Yes                                  | Gujarat                           | Mehsana      | 0.14  | Direct   | Self  | Not Applicable                |
| 4                 | Promotion of Health Care  | Healthcare  | Yes                                  | Gujarat                           | Gandhinagar  | 2.50  | Implementing Agency                                    | Vishv Umiya Foundation  | CSR00008868                   |
| 5                 | Promotion of Health Care  | Healthcare  | Yes                                  | Gujarat                           | Ahmedabad    | 0.50  | Implementing Agency                                    | Ishwar Prathna Samaj  | CSR00005989                   |
| 6                 | Promotion of Health Care  | Healthcare  | Yes                                  | Gujarat                           | Banaskantha  | 1.50  | Implementing Agency                                    | Gramin Vikas Trust  | CSR00008526                   |
| 7                 | To Develop Cultural Centre  | Promotion of Education  | Yes                                  | Gujarat                           | Ahmedabad    | 15.00   | Direct   | Self  | Not Applicable                |
| 8                 | Promotion of Health Care  | Healthcare  | Yes                                  | Gujarat                           | Ahmedabad    | 5.00  | Implementing Agency                                    | Gujarat Sarvar Mandal   | CSR00022555                   |
| 9                 | Promotion of Health Care  | Healthcare  | Yes                                  | Gujarat                           | Ahmedabad    | 5.00  | Implementing Agency                                    | Mahipatram Rupram Ashram  | CSR00004009                   |
|                   |   |   |                                      |                                   | <b>Total</b> | <b>38.85</b>  |  |   |                               |

## ANNEXURE C TO DIRECTORS' REPORT

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, are given below:

- i. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

| Executive directors      | Ratio to median remuneration |
|--------------------------|------------------------------|
| Mrs. Paru M. Jaykrishna  | 10.45                        |
| Mr. Munjal M. Jaykrishna | 14.88                        |
| Mr. Ashok D. Barot       | 4.32                         |

| Non-Executive directors       | Ratio to median remuneration |
|-------------------------------|------------------------------|
| Mr. Gokul M. Jaykrishna       | N.A.                         |
| Mr. Gautamkumar Mithalal Jain | N.A.                         |
| Mr. Jigar M. Patel            | N.A.                         |
| Dr. Pradeep J. Jha            | N.A.                         |
| Ms. Maitri K. Mehta           | N.A.                         |

- ii. **The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

| Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary | %increase/ (decrease) in remuneration in the financial year |
|---|---|
| Mrs. Paru M. Jaykrishna   | (44.44)   |
| Mr. Munjal M. Jaykrishna  | (38.22)   |
| Mr. Gautamkumar Mithalal Jain   | N.A.  |
| Mr. Jigar M. Patel  | N.A.  |
| Dr. Pradeep J. Jha  | N.A.  |
| Ms. Maitri K. Mehta   | N.A.  |
| Mr. Gokul M. Jaykrishna   | Nil   |
| Mr. Ashok D. Barot  | Nil   |
| Mr. Hardik Shah (wef May 20, 2022)*   | N.A.  |
| Mr. Meet J. Joshi, Company Secretary  | 0.31  |

\*Since this information is for part of the year, the same is not comparable.

- iii. **The percentage increase in the median remuneration of employees in the financial year: 6.70%**
- iv. **The number of permanent employees on the rolls of Company: 169**
- v. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**  
The average percentile increase was of 2.62% for employees other than managerial personnel. In comparison, there was a decline in the aggregate managerial remuneration for the year 2022-23.
- vi. **We affirm that the remuneration paid to the Managerial and Non-Managerial Personnel is as per the remuneration policy of the Company.**

## ANNEXURE D TO DIRECTORS' REPORT

### Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- |      |  |     |  |
|------|--|-----|--|
| i    | Employed throughout the financial year 2022-23 and were paid remuneration not less than ₹ 1 Crore and Two Lakhs per annum: NA  | iv. | or Manager and holds by himself or along with his spouse and dependent children, not less than Two percent (2%) of the Equity Shares of the Company: NA  |
| ii.  | Employed part of the financial year with average salary above ₹ 8.50 Lakh per month: NA  |     |  |
| iii. | Employee employed throughout financial year or part thereof, was in receipt of remuneration of in aggregate is in excess of that drawn by the Managing Director or Whole Time Director |     | Details of remuneration to Top 10 (Ten) Employees which form part of the Directors' Report will be made available to any members on request in terms of provisions of Section 136(1) of the Companies Act, 2013. |

# ANNEXURE E TO DIRECTORS' REPORT

**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 of Managerial Personnel) Rules, 2014]

To,  
The Members,  
AksharChem (India) Limited  
"Akshar House", Chhatral Kadi Road,  
Indrad – 382 715, Mehsana, Gujarat

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by M/s. AksharChem (India) Limited (hereinafter called 'the Company') for the audit period covering the financial year ended on 31st March, 2023. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit; the explanation and clarification given to me and the representation made by the Management, I hereby report that in my opinion, the Company has generally, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent based on the management representation letter/confirmation, in the manner and subject to the reporting made hereinafter.

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

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of overseas direct investment and external commercial

borrowings;

- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (not applicable during the audit period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ; (Not applicable during audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable during audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable during audit period);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable during audit period)
- (vi) I further report that with respect to the compliance of below mentioned laws, I have relied on compliance system prevailing in the Company and based on the representation received from the Company.
  1. Indian Boiler Act, 1923 and rules made thereunder.
  2. Explosive Act, 1984 and rules made thereunder.



3. Applicable Environmental Laws and rules made thereunder and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments.

I report that during the year under audit, the Company has generally complied with the provisions of the Act, rules, regulations, guidelines etc. as mentioned above.

I further report that based on the information provided by the Company, its officers there exist adequate systems, process and control commensurate with the size and operations of the Company to monitor and ensure compliance of other laws. I have not reviewed the compliance by the company of applicable financial laws like direct and indirect tax laws as the same has been reviewed by the other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and

Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

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

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

I further report that the members at the 33rd Annual General Meeting held on 28th September, 2022, passed Special Resolution authorizing the Board of Directors to issue Non convertible debentures and/or other debt securities in one or more series/trenches aggregating upto Rs.300 Crores.

I further report that during the audit period there were no specific event/action having a major bearing on the Company's affairs.

Bipin L. Makwana,  
Company Secretary in Practice  
ACS 15650/ C. P. No.5265

Place: Ahmedabad  
Date: 10/08/2023

UDIN: A015650E000780581  
PRN: 2680/2022

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### **Annexure I to the Secretarial Audit Report for the Financial Year ended 31st March, 2023**

To,  
The Members,  
Aksharchem (India) Limited

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are responsibility of management of the Company. My responsibility is to express an opinion on these Secretarial records and compliance based on my audit.
2. I have followed audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the content of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide reasonable basis for my opinion.

3. I have not verified correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Bipin L. Makwana,  
Company Secretary in Practice  
ACS 15650/ C. P. No.5265

Place: Ahmedabad  
Date: 10/08/2023

UDIN: A015650E000780581  
PRN: 2680/2022

## ANNEXURE F TO DIRECTORS' REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### OVERVIEW

AksharChem (India) Limited is one of the leading chemicals manufacturing company based in India with a focus on exports to over 20 countries. The Company has also re-directed its focus on the domestic market as one of the future growth drivers. Our product offerings fall into two categories organic chemicals and inorganic chemicals, which further diversified into Vinyl Sulphone, H Acid, CPC Green in organic chemicals and Precipitated Silica in inorganic chemicals. Out of which organic chemicals have multiple applications in textile, inks, plastics and paints industries and inorganic chemicals have applications in tyre, rubber, agrochemical and animal feed industries. We are one of the key manufacturers in the chemical markets for these products and have been recognised as Two Star Export House by the Government of India. We believe that we have built strong reputation in various markets, over 30 years of experience that has translated to a customer base.

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

Our manufacturing facility is located in Gujarat, with installed manufacturing capacity of 23,400 MTPA, as of March 31, 2023. Our facility is fully integrated and equipped to manage products from the stage of chemical treatment to dispatch, lending us competitive advantages such as cost effectiveness and maintenance of quality standards. Our facility includes automated and cost-efficient systems and quality control and quality assurance laboratories, among others. The plants of the Company are situated at Chhatral and Dahej Locations.

As far as concerned with the Industry, multiple basic and specialty chemical manufacturers are staring at weak prospects in the near term, led by weak global demand and destocking of inventory. Declining chemical prices and increased competition from China post opening of the Chinese economy are putting pressure on their margins. The only solace for now comes from some decline in raw material prices. Nevertheless, there are multiple factors that led to a cautious near-term outlook for many companies even as analysts maintain a structurally positive view on the sector looking at long-term prospects.

#### OPPORTUNITIES AND THREATS

The Company has successfully penetrated in catering precipitated silica needs of major tyre and rubber manufacturers of India. Company has committed for

expansions for various types of precipitated silica. Product mixes available for consideration are conventional precipitated silica, micro pearl silica and highly dispersible silica. The Company has identified domestic market as one of the future growth driver. The Company is committed to increase its market share by increasing domestic sale of all the products.

The Company has witnessed major slowdown in the demand which has forced the partial stoppage of the plant operations, resulting into minimum operating margin and ultimately not able to cover all the fixed overheads which is necessary for the positive bottom line. However, the demand started improving after prolonged sluggishness of the chemical sector. We believe that there would be some challenges in the next financial year too but we hope for the positive uptrend also.

#### OUTLOOK AND STRATEGY

The Company has successfully completed the capex for shifting of CPC Green Production line to the new building facility. The Company has entered in the new geography namely Turkey, Vietnam, Srilanka etc. The Company is regularly conducting Sales & Operations Planning Meeting for identifying the issues and resolving them in an efficient and timely manner. During the year the Operating Cash flow of the Company has improved by effective utilization of working capital.

The Company is ensuring sustainable performance even though there remains high vulnerability in raw material prices. We believe that our performance will be back on track, once the situation of geopolitical instability and global economy start improving. Further, with increased capacity utilization, company is reaching out to all markets in tire and rubber industry with parallel efforts for increased capacity creation during the year. New products requirements as per various demands of customers are being studied to expand product portfolio in coming years.

#### RISKS AND CONCERNS

The major risk for the company is the China price mechanism, which is still worrisome for the Company. Dumping/selling at lower rate by China in the current scenario makes it difficult for the Company to improve margins. Company along with other players of the same industry contemplating on this issue and hopeful for resolution of the matter with concerned authorities.

Costs control measures, enhanced productivity, improved efficiency and expansion are key parameters to maintain competitiveness and these are being pursued by the Management of the company. Customer satisfaction is the key focus area for the

## ANNEXURE F TO DIRECTORS' REPORT

Company. Frequent visits to customers, customer engagements, encouraging customers to visit our plant, creating local contact network to attend to daily needs of customers, customers rating of our product and service etc. help us to achieve set targets through creation of trust in product and service quality.

### FINANCIAL AND OPERATIONAL PERFORMANCE

During the year 2022-23, the volume was 14,813 MTPA

and our current capacity utilization blended basis stands at 64%. Net revenue from operations for FY2022-23 is Rs. 33,467.86 Lakhs as compared to Rs. 38,034.44 Lakhs for FY2021-22, de-growth of 12%. And as far as concerned with the profitability, the financial performance of the year 2022-23 was quite subdued. This is mainly on account of sluggishness prevailing in the both sectors. i.e. Dye Intermediates and Pigments throughout the second half of the year.

### Below are the Financial Figures for the financial year 2022-23.

(₹ in Lakhs)

| Particulars  | 2022-23   | 2021-22   |
|--|-----------|-----------|
| Revenue from operations  | 33,467.86 | 38,034.44 |
| Other Income   | 15.17     | 65.34     |
| Total Income   | 33,483.03 | 38,099.78 |
| Profit for the year before Finance Costs, Depreciation, Exceptional Items and Tax Expenses | 1,556.44  | 3,237.01  |
| Less: Finance Costs  | 321.50    | 220.55    |
| Profit for the year before Depreciation, Exceptional Items and Tax Expenses                | 1,234.94  | 3,016.46  |
| Less: Depreciation   | 1,284.84  | 1,221.78  |
| Profit for the year before Exceptional Items and Tax Expenses                              | (49.90)   | 1,794.68  |
| Add/(Less): Exceptional Items  | Nil       | Nil       |
| Profit for the year before Tax Expenses  | (49.90)   | 1,794.68  |
| Less: Current Tax  | 0.00      | 202.00    |
| Less: Deferred Tax   | 44.31     | 136.55    |
| Less: Adjustment of tax for earlier years (Net)  | 0.00      | (135.35)  |
| Net Profit for the year  | (94.21)   | 1,591.48  |

### IMPORTANT RATIOS (Changes with respect to the Previous Year)

| Ratio                                  | 2022-23 | 2021-22 |
|--|---------|---------|
| Debtors Turnover Ratio (Days)          | 49      | 39      |
| Inventory Turnover Ratio (Days)        | 72      | 63      |
| Interest Coverage Ratio (Times)*       | 0.82    | 12      |
| Current Ratio <sup>®</sup>             | 2.25    | 1.78    |
| Debt Equity Ratio <sup>§</sup>         | 0.09    | 0.18    |
| Operating Margin Ratio (%)             | 14      | 17      |
| Net Profit Margin PBT (%) <sup>#</sup> | (0.10)  | 5       |
| Return on Net Worth (%) <sup>^</sup>   | (0.34)  | 6       |

\*Interest Coverage Ratio has reduced due to decrease in EBIT.

<sup>®</sup>Current Ratio improved due to decrease in current liability.

<sup>§</sup>Debt Equity Ratio decreased due to lower utilization of borrowings.

<sup>#</sup>Net Profit Margin reduced due to decrease in operating margin.

<sup>^</sup>Return on Net Worth has decreased due to net profit after tax.

## ANNEXURE F TO DIRECTORS' REPORT

### CERTIFICATIONS

The certification of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 is a testimony to the Company's commitment towards quality, sustainable environment friendly approach and occupation, health & safety.

Further, The Company is having the certificate for registration of trademark from the Registrar of Trade Marks, Trade Marks Registry, Gujarat for its logo i.e. AksharChem and its products Pigment Green 7 and Precipitated Silica i.e. Asaflow and Aksil respectively.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board has adopted policies and procedures to ensure the orderly and efficient conduct of its business, including but not limited to the prevention and detection of frauds and errors, the safeguarding of its assets, the accuracy and completeness of the accounting records, adherence to the company's policies, periodical review of financial performance of Company and review of the accounts every quarter by Statutory Auditors.

### HUMAN RESOURCES DEVELOPMENT

Engaged employees are more motivated, productive, and committed to their work, leading to improved outcomes. Here are some common employee engagement initiatives undertaken by companies in the HE sector: Companies establish effective communication channels to ensure transparent and open lines of communication between management

and employees, which includes motivational programs that are arranged on a quarterly basis. We offer opportunities for career advancement, skill-building and cross-functional experiences. We value employee feedback and often conduct internal meetups to assess employee satisfaction, engagement and overall organizational climate. We implement recognition and reward programs to acknowledge and appreciate the efforts and achievements of the employees.

The Management of the Company mainly focus on Learning and development by following and maintaining certain specifications such as encouraging professional development by involving employees on a daily interaction by team meetings in group as well as one to one so each employee can express and we as an organization can develop them by the conclusions we come up with in such interactions, and by maintaining training schedules as per marking their growth and work quality inputs which we register from the specific department. And the management strongly believes in maximum knowledge sharing through discussions, presentations, and weekly tasks.

The attrition rate of the Company is lower as compared to peers in the industry. Further, the Company has also started recruiting new employees in the field of operations and administration in its new plant situated at Dahej. During the year under review Thirty Three (33) employees were appointed by the Company. The Company has 169 employees as on March 31, 2023. The Board of Directors had admired the efforts put in by all employees to achieve good performance and looks forward to its continuation.



## ANNEXURE G TO DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

The Directors present a detail report on Corporate Governance for the financial year ended March 31, 2023 as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Aksharchem (India) Limited is committed to doing business in an efficient, responsible and ethical manner. Corporate Governance practice ensures transparency, integrity and accountability in its functioning. The Company constantly endeavor for the best corporate governance and for complete satisfaction of all its shareholders.

Our governance practice is to build the trusts between the Company and its stakeholders viz. shareholders, customers, suppliers and employees. The Company believes that Corporate Governance is a prerequisite for attaining sustained growth in this competitive world. In line with this philosophy, your company continuously strives for excellence through timely compliances and maximum disclosure of information to investors.

#### 2. BOARD OF DIRECTORS

The Board of Directors along with its committees provides leadership and guidance to the Company's management and supervises the Company's performance. The Board also provides strategic guidance and independent view to the Company's senior management which discharging its fiduciary responsibilities. As at March 31, 2023, the Board of Directors of your Company represents optimum combination of Executive and Non-Executive Directors with two women director and more than fifty percent of the Board of Directors comprised of Non-Executive Directors. The Chairperson of the Board is an Executive Director and half of the board of directors is comprised of Independent Directors. The Board meets at least four times a year. In addition to the above, the Board also meets as and when necessary to address specific issues concerning to business of your Company. During the financial year 2022-23, the time gap between two Board Meetings did not exceed one hundred and twenty days. The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All Statutory and other matters of significance including information as mentioned in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015 are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company. The Chairperson & Managing Director and Joint Managing Director & CEO of the Company looks after the day-to-day business affairs of the Company, the Board of Directors reviews the overall business operations at least once in quarter, based on updates on the Company's performance provided by the Chairperson & Managing Director/Joint Managing Director & CEO.

#### 2.1 Composition and category of Directors

The Company has a balanced mix of Executive and Non-Executive Directors. As at March 31, 2023, the total strength of the Board of Directors of the Company was Eight (8) members including three executive directors and five non executive directors and four of them are independent directors. There are three directors in whole time employment of the Company.

Mr. Gokul M. Jaykrishna is the Non-Executive – Non Independent director of the Company.

The composition of the Board is in conformity with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the Companies Act, 2013.

#### Independent Directors

Mr. Gautam M. Jain, Dr. Pradeep Jha, Mr. Jigar M. Patel and Ms. Maitri K. Mehta are independent directors of the Company.

The independent directors on the Board are senior, competent and highly respected persons from their respective fields. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than five committees across all companies in which they are directors. The necessary disclosures regarding compliance have been made by the directors. The Board does not have any Nominee Director representing any institution.

1. None of the Independent Directors of the Company had any material pecuniary relationship or transactions with the Company, its promoter, its management during the Financial year 2022-23, which may affect independence of the Independent Directors.
2. None of the Directors on the Board hold directorship in more than ten public Companies. None of the Independent Directors serve as an Independent director in more than Seven Listed Entities. Necessary Disclosures regarding Committee positions in other public Companies as on 31st March 2023 have been made by the Directors.
3. All Directors mentioned above as Independent Directors, they fall within the expression of

## ANNEXURE G TO DIRECTORS' REPORT

"Independent Directors" as mentioned in regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. The Independent Directors of the Company fully meet the requirements laid down under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Companies Act, 2013. Further, the IDs have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed

that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

5. In terms of Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, All Independent Directors have confirmed that they are not aware of any circumstances or Situation which exists or may be reasonably anticipated that could Impair or Impact their ability to discharge their duties.
6. In accordance with the relevant clauses / regulations of the Listing agreement and/or Listing Regulations, the Company has issued formal Letter of Appointment to all Independent Directors. The terms and Conditions of their appointment have also been disclosed on the website of the Company. [www.aksharchemindia.com](http://www.aksharchemindia.com)

### 2.2 Details of Category of Directors, Attendance of each director at the meeting of Board of Directors and their attendance in last Annual General Meeting

| Sr. No. | Name of Members          | Promoter / Non-Promoter | Category     | Attendance in Board Meetings held on |            |            |            | No. of Meetings Attended | Attendance in A.G.M. 28.09.2022 |
|---------|--------------------------|-------------------------|--------------|--------------------------------------|------------|------------|------------|--------------------------|---------------------------------|
|         |                          |                         |              | 20.05.2022                           | 09.08.2022 | 11.11.2022 | 09.02.2023 |                          |                                 |
| 1.      | Mrs. Paru M. Jaykrishna  | Promoter                | CMD          | ✓                                    | ✓          | ✓          | ✓          | 4                        | Yes                             |
| 2.      | Mr. Munjal M. Jaykrishna |                         | Jt. MD & CEO | ✓                                    | ✓          | ✓          | ✓          | 4                        | Yes                             |
| 3.      | Mr. Gokul M. Jaykrishna  |                         | NED          | ✓                                    | ✓          | ✓          | ✓          | 4                        | Yes                             |
| 4.      | Mr. Gautam M. Jain       | Non-Promoter            | ID           | ✓                                    | ✓          | ✓          | ✓          | 4                        | Yes                             |
| 5.      | Mr. Jigar M. Patel       |                         | ID           | ✓                                    | ✓          | ✓          | ✓          | 4                        | No                              |
| 6.      | Dr. Pradeep Jha          |                         | ID           | ✓                                    | ✓          | ✓          | ✓          | 4                        | Yes                             |
| 7.      | Ms. Maitri K. Mehta      |                         | ID           | ✓                                    | ✓          | ✓          | ✓          | 4                        | Yes                             |
| 8.      | Mr. Ashok D. Barot       |                         | ED           | ✓                                    | ✓          | ✓          | ✓          | 4                        | Yes                             |

CMD – Chairperson & Managing Director; Jt. MD & CEO – Joint Managing Director & Chief Executive Officer; ID - Independent Director; ED – Executive Director; NED – Non-Executive Director

### 2.3 Details of Number of other Board of Directors or Committees in which a Director is a Member or Chairperson

| Name                     | Designation  | No of Directorship in listed entities including this listed entity | No of Independent Directorship in listed entities including this listed entity | Number of memberships in Audit / Stakeholder Committee(s) including this listed entity |        | Directorship in other listed entity–Category of Directorship   |
|--------------------------|--------------|--|--|--|--------|--|
|                          |              |  |  | Chairman   | Member |  |
| Mrs. Paru M. Jaykrishna  | CMD          | 2  | -  | -  | 1      | Asahi Sonwon Colors Limited – CMD  |
| Mr. Munjal M. Jaykrishna | Jt. MD & CEO | 2  | -  | -  | -      | Asahi Sonwon Colors Limited – Director   |
| Mr. Gokul M. Jaykrishna  | NED          | 2  | -  | -  | -      | Asahi Sonwon Colors Limited – JMD  |
| Mr. Gautam M. Jain       | ID           | 2  | 1  | -  | 1      | Metroglobal Limited–MD   |
| Mr. Jigar M. Patel       | ID           | 1  | 1  | -  | 2      | N.A.   |
| Dr. Pradeep Jha          | ID           | 2  | 2  | 4  | -      | Asahi Songwon Colors Limited – Director  |
| Ms. Maitri K. Mehta      | ID           | 3  | 3  | -  | 3      | Gujarat Ambuja Exports Limited – Independent Director<br>Dishman Carbogen Amcis Limited – Independent Director |
| Mr. Ashok D. Barot       | ED           | 1  | -  | -  | -      | N.A.   |

### 2.4 Number of Meetings of the Board of Directors held and dates on which held:

During the financial year 2022-23, Four (4) meetings of the Board of Directors were held on 20.05.2022, 09.08.2022, 11.11.2022, 09.02.2023. The maximum time gap between two meetings did not exceed one hundred and twenty days. All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Board of other companies. As per the disclosure received, none of the Directors of your Company hold memberships/Chairmanships more than the prescribed limits across all companies in which he/she is a Director.

#### Board Procedures

The dates for meetings of the Board of Directors and its Committees are scheduled in advance and published as a part of the Annual Report. The Agenda and the explanatory notes are circulated well in advance to the Directors in accordance with the Secretarial Standards.

The Board has complete access to any information within your Company which includes the information as specified in Regulation 17 of

the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Regular updates provided to the Board, inter alia, include:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly financial results for your Company and its operating divisions;
- Minutes of meetings of Committees of the Board of Directors;
- The information on recruitment and remuneration of Senior Management Personnel just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material defaults in financial obligations to and by the Company;

- Any issue, which involves possible public or product liability claims of substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Any significant labour problem involving human resource management;
- Sale of a material nature or of investments, subsidiaries and assets which are not part of the normal course of business;
- Details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend; and
- Any other information which is relevant for decision making by the Board.

## **2.5 Disclosure of relationships between Directors inter-se:**

Mrs. Paru M. Jaykrishna, Chairperson & Managing Director of the Company is the mother of Mr. Munjal M. Jaykrishna, Joint Managing Director & CEO of the Company and Mr. Gokul M. Jaykrishna, Non-Executive Director of the Company. Mr. Munjal M. Jaykrishna, Joint Managing Director & CEO and Mr. Gokul M. Jaykrishna, Non Executive Director are brothers. Other than Mrs. Paru M. Jaykrishna, Mr. Munjal M. Jaykrishna and Mr. Gokul M. Jaykrishna, none of the directors are related to any other directors.

## **2.6 Shareholding of Non-Executive Directors**

None of the Non-Executive Directors of the Company are holding any shares in the Company as on March 31, 2023.

## **2.7 Familiarisation Programme:**

Your Company has put in place a well-structured induction and familiarisation programme for all its directors including independent directors of the Company. They are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plant (based on predefined factory rating parameters), Product Category and Corporate Function from time to time. The entire Board including Independent Directors has access to Production Heads/ Factory Heads and other commercial/technical staff, wherever required for informed decision making. Detailed agenda are sent well in advance to all the Directors in order for the Board to perform its function and fulfill its role effectively. The details regarding Independent Directors' Familiarisation Programme is available on Company's website at [www.aksharchemindia.com](http://www.aksharchemindia.com).

## **2.8 Matrix Setting Out Skills of Board of Directors:**

The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board.



|    |   |
|----|---|
| 1  | Technical skills- Chemical Industry   |
| 2  | Business operation and management   |
| 3  | Research and Development  |
| 4  | Project Management  |
| 5  | Risk Management   |
| 6  | Quality and Performance management  |
| 7  | Board and Governance  |
| 8  | Strategic planning  |
| 9  | Global Market Awareness   |
| 10 | Finance, Accounting, Auditing   |
| 11 | Indian Corporate Laws & Compliance and Global Corporate Laws & Compliance   |
| 12 | Safety management   |
| 13 | Stakeholder Engagement  |
| 14 | Merger and acquisitions   |
| 15 | Government and Government/ industrial policy which impact to Chemicals business sector  |
| 16 | Market Awareness of Chemicals Product (Domestic as well as International) awareness of Demand, Supply and Price of Chemicals products |
| 17 | Business Ethics as well as Corporate Ethics   |
| 18 | Human Resources Management and labour Relations/ Labour Laws  |

The current composition of the Board meets the requirements of skills, expertise and competencies as identified above.

| Name of Board Members and Designation   | Mrs. Paru M. Jaykrishna<br>CMD | Mr. Munjal M. Jaykrishna<br>Jt. MD & CEO | Mr. Gokul M. Jaykrishna<br>NED | Mr. Gautam M. Jain<br>ID | Mr. Jigar M. Patel<br>ID | Dr. Pradeep Jha<br>ID | Ms. Maitri K. Mehta<br>ID | Mr. Ashok D. Barot<br>ED |
|---|--------------------------------|--|--------------------------------|--------------------------|--------------------------|-----------------------|---------------------------|--------------------------|
| Technical skills-Chemical Industry  | ✓                              | ✓  | ✓                              | ✓                        | -                        | -                     | -                         | ✓                        |
| Business operation and management   | ✓                              | ✓  | ✓                              | ✓                        | -                        | -                     | -                         | ✓                        |
| Research and Development  | ✓                              | ✓  | ✓                              | ✓                        | -                        | -                     | -                         | ✓                        |
| Project Management  | ✓                              | ✓  | ✓                              | ✓                        | -                        | -                     | -                         | -                        |
| Risk Management   | ✓                              | ✓  | ✓                              | ✓                        | -                        | -                     | -                         | -                        |
| Quality and Performance management  | ✓                              | ✓  | ✓                              | ✓                        | -                        | -                     | -                         | ✓                        |
| Board and Governance  | ✓                              | ✓  | ✓                              | ✓                        | ✓                        | ✓                     | ✓                         | ✓                        |
| Strategic planning  | ✓                              | ✓  | ✓                              | ✓                        | ✓                        | ✓                     | ✓                         | ✓                        |
| Global Market Awareness   | ✓                              | ✓  | ✓                              | ✓                        | ✓                        | ✓                     | ✓                         | ✓                        |
| Finance, Accounting, Auditing   | ✓                              | ✓  | ✓                              | ✓                        | ✓                        | ✓                     | ✓                         | -                        |
| Indian Corporate Laws & Compliance and Global Corporate Laws & Compliance   | ✓                              | -  | -                              | ✓                        | ✓                        | -                     | ✓                         | -                        |
| Safety management   | ✓                              | ✓  | ✓                              | ✓                        | -                        | -                     | -                         | ✓                        |
| Stakeholder Engagement  | ✓                              | ✓  | -                              | -                        | ✓                        | ✓                     | ✓                         | -                        |
| Merger and acquisitions   | ✓                              | ✓  | ✓                              | ✓                        | -                        | -                     | -                         | -                        |
| Government and Government/ industrial policy which impact to Chemicals business sector  | ✓                              | ✓  | ✓                              | ✓                        | -                        | -                     | -                         | ✓                        |
| Market Awareness of Chemicals Product (Domestic as well as International) awareness of Demand, Supply and Price of Chemicals products | ✓                              | ✓  | ✓                              | ✓                        | -                        | -                     | -                         | ✓                        |
| Business Ethics as well as Corporate Ethics   | ✓                              | ✓  | ✓                              | ✓                        | ✓                        | ✓                     | ✓                         | ✓                        |
| Human Resources Management and labour Relations/ Labour Laws  | ✓                              | -  | -                              | -                        | ✓                        | ✓                     | ✓                         | -                        |

CMD – Chairperson & Managing Director; Jt. MD & CEO – Joint Managing Director & Chief Executive Officer; ID - Independent Director; ED – Executive Director; NED – Non-Executive Director

## ANNEXURE G TO DIRECTORS' REPORT

### 2.9 Recording minutes of proceeding of Board and Committee meetings

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting or in the next Board Meeting.

### 2.10 Post Meeting Follow-up

The Important decisions taken at Board/Committee meetings are communicated promptly to the concerned departments. Action taken report on decisions of the previous meeting(s) is placed at the succeeding meeting of the Board/Committees for noting.

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s) ensure to adhere to all applicable laws and regulations including the Companies Act, 2013 read with rules thereunder and Secretarial Standard issued by the Institute of Company Secretaries of India.

### 2.11 Reappointment of Director liable to retire by rotation

Mr. Munjal M. Jaykrishna shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible is considered for reappointment. His brief profile is annexed to the notice of the Annual General Meeting.

### 2.12 Directors' Profile

The brief profile of the directors proposes to be appointed /re-appointed is given in the explanatory statement annexed to the notice of convening the Annual General Meeting.

### 2.13 Evaluation of Board

The Board of Directors of the Company is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee has established processes for performance evaluation of Independent Directors, the Board and Committees of the Board.

Pursuant to the provisions of the Act, and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of its committees as well as the

Directors individually. A structured evaluation was carried out based on various parameters such as skills and experience to perform the role, level of participation, contribution to strategy, degree of oversight, professional conduct and independence.

### 2.14 Code of Conduct

The Board has formulated Code of Conduct for all Board members and senior level employees of the Company. Requisite annual affirmations of compliance with the Code have been made by the Board member and senior level employees for the financial year 2022-23. Annual Declaration by the Chairperson & Managing Director to this effect is annexed at the end of this report.

### 2.15 Separate Meeting of Independent Directors

The Independent Directors of your Company have been appointed for a tenure of 5 (five) years from the date of their appointment. During the reporting financial year, a separate Meeting of the Independent Directors of the company was held on February 09, 2023, whereat the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

- a) Review of performance of Non-Independent Directors and the Board as a whole;
- b) Attend the Familiarisation Programme organized by the Company on regular basis.
- c) Review of performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- d) Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## 3 COMMITTEES OF THE BOARD

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board as a part of good corporate governance practice. The Board supervises these committees and minutes of the all committees are placed before the board for review. Currently there are Four (4) committees of the Board.

## ANNEXURE G TO DIRECTORS' REPORT

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility (CSR) Committee

### 3.1. Audit Committee

The Audit Committee is, inter alia, entrusted with the responsibility to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors, Internal Auditors and Secretarial Auditors.

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The members of the Audit Committee are financially literate and have experience in financial management. The Committee invites the Managing Directors, CFO, Company Secretary, Statutory Auditor and Internal Auditor to attend the meetings of the Committee.

The Audit Committee meets the Statutory Auditors and the Internal Auditor independently without the management at least once in a year.

#### A. Brief description of terms of reference:

The terms of reference of the Audit Committee are as per the governing provisions of Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II). The brief of terms of reference of the Audit Committee are as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, and examination of the financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;

## ANNEXURE G TO DIRECTORS' REPORT

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle

### D. Meeting and Quorum

The committee meets as and when required. The quorum for the meeting is two members.

### E. Meeting and Attendance during the year

| Sr. No. | Name of Members     | Attendance in Audit Committee Meetings held on |            |            |            |
|---------|---------------------|--|------------|------------|------------|
|         |                     | 20.05.2022                                     | 09.08.2022 | 11.11.2022 | 09.02.2023 |
| 1.      | Dr. Pradeep Jha     | ✓  | ✓          | ✓          | ✓          |
| 2.      | Mr. Jigar M. Patel  | ✓  | ✓          | ✓          | ✓          |
| 3.      | Ms. Maitri K. Mehta | ✓  | ✓          | ✓          | ✓          |

### 3.2 Nomination and Remuneration Committee

The constitution and terms of reference of nomination and remuneration committee of the Company are in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### A. Brief description of terms of reference:

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's

Blower mechanism;

19. Approval of appointment of chief financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Considering such other matters the Board may specify;
21. Reviewing other areas that may be brought under the preview of role of Audit Committee as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### B. Composition, Name of Members and Chairman

The Audit Committee comprises of three Non Executive Independent Directors as members. All members of the Audit Committee are financially literate and a majority having accounting or financial management expertise.

The Committee comprises of following directors:

|    |                     |          |
|----|---------------------|----------|
| 1. | Dr. Pradeep Jha     | Chairman |
| 2. | Mr. Jigar M. Patel  | Member   |
| 3. | Ms. Maitri K. Mehta | Member   |

### C. Secretary

The Company Secretary acts as secretary to the committee.

policy governing remuneration payable to the Whole-time Directors as well as the nomination and appointment of Directors.

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The Nomination and Remuneration Committee is empowered with the following terms of reference and

## ANNEXURE G TO DIRECTORS' REPORT

responsibilities in accordance with the provisions of law and the Nomination and Remuneration Policy:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Director and the Board of Directors;
3. Devising a policy on Board Diversity;
4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Carry out the evaluation of every director's performance and formulate criteria for evaluation of Independent Directors, Board/Committees of Board and review the term of appointment of Independent Directors on the basis of the report of

performance evaluation of Independent Directors;

6. To extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors;
7. Reviewing and recommending to the Board, the remuneration, payable to Directors of the Company; and
8. Undertake any other matters as the Board may decide from time to time.

### B. Composition, Name of Members and Chairman

The members of the Nomination and Remuneration Committee are three (3) Non-Executive Independent Directors:

The Committee comprises of following directors:

|    |                     |          |
|----|---------------------|----------|
| 1. | Dr. Pradeep Jha     | Chairman |
| 2. | Mr. Jigar M. Patel  | Member   |
| 3. | Ms. Maitri K. Mehta | Member   |

### C. Secretary

The Company Secretary acts as secretary to the committee.

### D. Meeting and Quorum

The committee meets as and when required. The quorum for the meeting is two members.

### E. Meeting and Attendance during the year

| Sr. No. | Name of Members     | Attendance in Nomination and Remuneration Committee Meetings held on |            |            |            |
|---------|---------------------|--|------------|------------|------------|
|         |                     | 20.05.2022   | 09.08.2022 | 11.11.2022 | 09.02.2023 |
| 1.      | Dr. Pradeep Jha     | ✓  | ✓          | ✓          | ✓          |
| 2.      | Mr. Jigar M. Patel  | ✓  | ✓          | ✓          | ✓          |
| 3.      | Ms. Maitri K. Mehta | ✓  | ✓          | ✓          | ✓          |

### F. Performance Evaluation of Directors

A performance evaluation of each independent director of the Company was done by the Board of Directors. The attendance, participation and contribution of each independent directors during the proceedings of meeting was considered. The knowledge, experience and advice shared by the Independent Directors from time to time have ensured governance and good conduct, adherence to laws, mitigating risks and growth.

### 3.3. Stakeholders Relationship Committee

The constitution and terms of reference of

Stakeholders Relationship Committee of the Company are in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference and other details of the committee is as follows:

#### A. Terms of Reference

The Committee approves the matters relating to:

1. Oversee and review all matters connected with the transfer of the Company's securities.
2. Monitor redressal of investors' /



## ANNEXURE G TO DIRECTORS' REPORT

shareholders' / security holders' grievances.

3. Oversee the performance of the Company's Registrar and Transfer Agents.
4. Recommend methods to upgrade the standard of services to investors.
5. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

The Compliance Officer is entrusted with the responsibility to specifically look into the redressal of the shareholders and investors complaints and report the same to the

Stakeholders Relationship Committee.

### B. Composition of the Committee

The members of the Stakeholders' Relationship Committee are three (3) Non-Executive Independent Directors:

The Committee comprises of following directors:

|    |                     |          |
|----|---------------------|----------|
| 1. | Dr. Pradeep Jha     | Chairman |
| 2. | Mr. Jigar M. Patel  | Member   |
| 3. | Ms. Maitri K. Mehta | Member   |

### C. Secretary

The Company Secretary acts as secretary to the committee.

### D. Meeting and Quorum

The committee meets as and when required. The quorum for the meeting is two members.

### E. Meeting and Attendance during the year

| Sr. No. | Name of Members     | Attendance in Stakeholders Relationship Committee Meetings held on |            |            |            |
|---------|---------------------|--|------------|------------|------------|
|         |                     | 20.05.2022   | 09.08.2022 | 11.11.2022 | 09.02.2023 |
| 1.      | Dr. Pradeep Jha     | ✓  | ✓          | ✓          | ✓          |
| 2.      | Mr. Jigar M. Patel  | ✓  | ✓          | ✓          | ✓          |
| 3.      | Ms. Maitri K. Mehta | ✓  | ✓          | ✓          | ✓          |

### F. Details of Shareholders Complaints

Number of complaints received and resolved to the satisfaction of Stakeholders Relationship Committee during the year under review is below:

|   |      |
|---|------|
| Number of complaints at the beginning of the Year   | : 3  |
| Number of complaints received during the year       | : 33 |
| Number of complaints solved during the year         | : 34 |
| Number of pending complaints at the end of the year | : 2  |

### G. Compliance Officer

Mr. Meet J. Joshi, Company Secretary & Compliance Officer is entrusted with the responsibility to specifically look into the redressal of the shareholders' and investors' complaints and report the same to the Stakeholders Relationship Committee.

### 3.4. Corporate Social Responsibility (CSR) Committee

The Company has constituted a Corporate Social Responsibility Committee as required under section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

### A. Terms of Reference

The Committee looks into the matters relating to:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and rules made there under;
2. To recommend the amount of expenditure to be incurred on CSR activities; and
3. To monitor the implementation of framework of CSR policy.
4. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may applicable or as may be necessary or appropriate for performance of its duties.

The Company has formulated a CSR Policy in line with Schedule VII of the Act. The CSR activities shall be focused not just around the plants and offices of the Company, but also in other geographies based on the needs of the communities. The key focus areas where

## ANNEXURE G TO DIRECTORS' REPORT

special Community Development programmes are run are as below:

- Eradicating hunger, poverty and malnutrition;
- Promoting health care including preventive health care;
- Ensuring environmental sustainability;
- Promotion of education;

The formal CSR policy of the Company is available on the website of the Company [www.aksharchemindia.com](http://www.aksharchemindia.com) at the link <https://www.aksharchemindia.com/uploads/report/8181629881358Policy%20on%20CSR.pdf> The

details of the Corporate Social Responsibility Policy of the Company have also been disclosed in the Directors' Report section of the Annual Report.

### B. Composition of the Committee

The Committee comprises of following directors:

- Mrs. Paru M. Jaykrishna Chairperson
- Mr. Gautam M. Jain Member
- Ms. Maitri K. Mehta Member

### C. Secretary

The Company Secretary acts as secretary to the committee.

### D. Meeting and Quorum

The committee meets as and when required. The quorum for the meeting is two members.

### E. Meeting and Attendance during the year

| Sr. No. | Name of Members         | Attendance in Corporate Social Responsibility Committee Meetings held on |            |            |            |
|---------|-------------------------|--|------------|------------|------------|
|         |                         | 20.05.2022   | 09.08.2022 | 11.11.2022 | 09.02.2023 |
| 1.      | Mrs. Paru M. Jaykrishna | ✓  | ✓          | ✓          | ✓          |
| 2.      | Mr. Gautam M. Jain      | ✓  | ✓          | ✓          | ✓          |
| 3.      | Ms. Maitri K. Mehta     | ✓  | ✓          | ✓          | ✓          |

## 4. REMUNERATION OF DIRECTORS

### A. Remuneration policy, details of remuneration and other terms of appointment of directors

The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a period basis.

### B. Details of remuneration paid to Executive Directors

Mrs. Paru M. Jaykrishna, Chairperson & Managing Director of the Company, Mr. Munjal M. Jaykrishna, Joint Managing Director & CEO of the Company and Mr. Ashok Barot, Director are the Executive Directors on the Board. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors decides and approves the remuneration payable to them within the ceiling fixed by the shareholders as per the Resolution passed at the General Meeting. Nomination and Remuneration Committee has accorded its consent to pay the commission to Mr. Munjal M. Jaykrishna.

| Name of Directors        | Business relationship with the Company | Remuneration during the year 2022-23 (Inclusive of P. F. Contribution, Perquisites, Sitting Fees and Commission) (Rs. in Lakhs) |
|--------------------------|--|---|
| Mrs. Paru M. Jaykrishna  | Chairperson & Managing Director        | 42.00   |
| Mr. Munjal M. Jaykrishna | Joint Managing Director & CEO          | 59.80   |
| Mr. Ashok Barot          | Executive Director                     | 17.35   |
| <b>Total</b>             |  | <b>119.15</b>   |

## ANNEXURE G TO DIRECTORS' REPORT

### C. Service Contract, Severance Fees and Notice Period:

The appointment of the Managing Director & Executive Director is governed by Articles of Association of the Company and the resolution passed by Board of Directors and the members of the Company. These covers terms and condition of such appointment. No separate service contract is entered into by the Company with Managing Directors & Executive Director. There is no separate provision for payment of Severance fees under the resolution governing the appointment of the Managing Directors & Executive Director.

### D. Stock Option details, if any

The Company does not have any stock option plan for the Executive Directors.

### E. Pecuniary Relationship of the Non-Executive Independent Directors with the listed entity

Non-Executive Independent Directors were paid sitting fees for attending the Board Meeting and Committee Meetings, except to Mr. Gautam M. Jain who has voluntarily consented not to avail any benefits including sitting fees from the Company.

## 5. ANNUAL GENERAL MEETINGS

5.1 Details of location, time and date of last three Annual General Meeting are given below:

| Financial Year | Location  | Date       | Time       |
|----------------|---|------------|------------|
| 2019-20        | Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")                           | 30.09.2020 | 2.00 p.m.  |
| 2020-21        | Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")                           | 28.09.2021 | 2.00 p.m.  |
| 2021-22        | At the Registered Office at "Akshar House", Chhatral Kadi Road, Indrad, Dist: Mehsana - 382 715 | 28.09.2022 | 11.00 a.m. |

### 5.2 Extra Ordinary General Meeting

There was no Extra Ordinary General Meeting held during the Financial Year 2022-23.

### 5.3 Special Resolutions passed in the last three years at the Annual General Meetings

At the Annual General Meeting held on September 30, 2020 following Special Resolution was passed.

1. Private Placement of Non-Convertible Debentures and/or Other Debt Securities.

At the Annual General Meeting held on September 28, 2021 following Special Resolutions were passed.

1. Re-appointment of Mrs. Paru M. Jaykrishna (DIN: 00671721), as Chairperson & Managing Director of the company.
2. Private Placement of Non-Convertible Debentures and/or Other Debt Securities.

At the Annual General Meeting held on September 28, 2022 following Special Resolutions were passed.

1. Re-appointment of Mr. Jigar M. Patel (DIN: 05291605) as Independent Director of the Company.
2. Approval for maintaining and keeping the Company's registers required to be maintained under Section 94 of the Companies Act, 2013 and copies of annual returns filed under Section 92 of the Companies Act, 2013 or any one or more of them, at a place other than Company's registered office.
3. Private Placement of Non-Convertible Debentures and/or Other Debt Securities.

### 5.4 Resolution passed with requisite majority in last year through Postal Ballot

No resolution was passed through Postal Ballot in the Financial Year 2022-23.

### 5.5 Special Resolution proposed to be conducted through postal ballot

No Resolution requiring Postal Ballot as required by the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, has been placed for Shareholders' approval at the ensuing Annual General Meeting.

### 5.6 Date of Book Closure

Closure of Register of Members and Share Transfer Books

September 21, 2023 to September 27, 2023 (both days inclusive).

### 5.7 Electronic Voting

Pursuant to Section 108 and other applicable

## **ANNEXURE G TO DIRECTORS' REPORT**

provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended by the companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 members have been provided the facility to exercise their right to vote at the 34th Annual General Meeting by electronic voting through services provided by NSDL. The electronic voting period will be from 9.00 a.m. IST on September 24, 2023 to 5.00 p.m. on September 26, 2023, both days inclusive.

### **5.8 Scrutiniser for electronic voting**

Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. ACS15650) has been appointed as the Scrutinizer to scrutinize the electronic voting process in a fair and transparent manner and to give his report to the Chairperson or any other person authorized by Chairperson.

## **6. MEANS OF COMMUNICATION**

**i. Financial Results:** The Company publishes limited reviewed un-audited financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results for the complete financial year. They are normally published in widely circulating national and local dailies such as "Business Standard" in English and "Jai hind" in Gujarati. The shareholding pattern, financial results, corporate governance report, other announcements are also filed electronically on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

### **ii. Website, where displayed**

The Annual Report of the Company as well as the quarterly/ half yearly and annual results are posted on the website of the Company at [www.aksharchemindia.com](http://www.aksharchemindia.com) and can be downloaded by the shareholders.

**iii.** The Company's website contains separate dedicated section for investors, where shareholder information is available.

**iv.** The Company intimates to the Stock Exchanges all the price sensitive matter which in its opinion are material and of relevance to the shareholders.

**v.** Corporate presentations made to institution investors or to analyst are posted on the Company's website.

**vi.** Filing with BSE "Listing Centre"

Pursuant to Regulation 10 (1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, BSE has mandated the Listing Centre as the "Electronic Platform" for filing all mandatory filings and any other information to be filed with Stock Exchanges by Listed Entities. Accordingly, the Company have been electronically filling Shareholding Pattern, Financial Results, Corporate Governance Report, Reconciliation of Share Capital Audit, Related Party Transactions in XBRL mode with Exchange Listing Centre.

**vii.** NSE Electronic Application Processing System (NEAPS) / NSE Digital Platform

The Shareholding Pattern, Financial Results, Corporate Governance Report and various submissions / disclosure documents are filed by the Company electronically on NEAPS / NSE Digital Platform.

**viii.** SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

## **7. GENERAL SHAREHOLDER'S INFORMATION**

### **7.1 Annual General Meeting**

|                         |  |
|-------------------------|--|
| Day, Date, Time & Venue | 27th, September, 2023 at 12.00 Noon at the Registered Office of the Company situated at "Akshar House", Chhatral-Kadi Road, Indrad - 382 715, Mehsana, Gujarat |
|-------------------------|--|

### **7.2 Financial Year Calendar (2023-24) (Tentative)**

|                                      |                                 |
|--------------------------------------|---------------------------------|
| Financial Year                       | April 1, 2023 to March 31, 2024 |
| Annual General Meeting               | August/ September, 2024         |
| First Quarter Results                | On or before August 14, 2023    |
| Half Yearly Results                  | On or before November 14, 2023  |
| Third Quarter Results                | On or before February 14, 2024  |
| Audited Results for the year 2023-24 | On or before May 30, 2024       |

## ANNEXURE G TO DIRECTORS' REPORT

### 7.3 Dividend payment date

Final Dividend of Rs. 0.50 per share (5%) for the Financial Year 2022-23 is proposed. The dividend on equity shares for the financial year ended March 31, 2023, if declared by the members, will be paid within thirty days of declaration by members.

- (i) to all those shareholders holding shares in physical and whose names appear in Company' Register of Members as on September 20, 2023.
- (ii) to all those beneficial owners holding shares in electronic mode, as per the ownership data made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end of the day on September 20, 2023.

#### Payment of dividend through Automated Clearing House (ACH)

The Company provides the facility for direct credit of the dividend to the Members' Bank Account. Listing Regulations also mandate Companies to credit the dividend to the Members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their bank account through the Banks' "Automated Clearing House" mode. Members who hold shares in demat mode should inform their Depository Participant, whereas Members holding shares in physical form should inform the Company of the core banking account details allotted to them by their bankers. In cases where the core banking account details are not made available, the Company will issue the demand drafts mentioning the existing bank details available with the Company.

#### Unclaimed Dividends

Pursuant to Section 124 (5) of the Companies Act, 2013 dividend that are unclaimed/unpaid for a period of seven years are to be transferred statutorily to the Investor Education and Protection Fund (IEPF) administered by the Central Government. The Company shall be transferring the unclaimed/unpaid dividend for the financial year 2015-16 on due date to the Investor Education and Protection Fund (IEPF). Members who have not encashed their

dividend may approach the Company or Registrar and Share Transfer Agent.

#### Transfer to Investor Education and Protection Fund (IEPF):

- (i) Transfer of unclaimed dividend

Members are hereby informed that under the Act, the Company is required to transfer the dividend which remains unpaid or unclaimed for a period of seven consecutive years or more to the credit of the Investor Education and Protection Fund ('the IEPF'). In view of the same, dividend of Rs. 11,25,305 pertaining to FY 2014-15 which remained unpaid or unclaimed was transferred to the IEPF Authority upto November 19, 2022. Members are requested to note the following due date(s) for claiming the unpaid or unclaimed dividend declared by the Company for FY 2015-16 and thereafter.

| Dividend Year     | Date of Declaration of Dividend | Due date of transfer to IEPF |
|-------------------|---------------------------------|------------------------------|
| 2016-17 - Interim | 16/03/2017                      | 13/04/2024                   |
| 2017-18 - Final   | 28/09/2018                      | 26/10/2025                   |
| 2018-19 - Final   | 30/09/2019                      | 28/10/2026                   |
| 2019-20 - Interim | 11/03/2020                      | 08/04/2027                   |
| 2020-21 - Final   | 28/09/2021                      | 26/10/2028                   |
| 2021-22 - Final   | 28/09/2022                      | 26/10/2029                   |

Members who have not encashed the dividend warrants so far in respect of the aforesaid period(s) are requested to make their claim to RTA well in advance of the above due dates.

- (ii) Transfer of shares to IEPF

Pursuant to the provisions of Section 124 of the Act read with the IEPF Rules, all the shares on which dividends remain unpaid or unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs.

The Company had sent individual notice to all the Members whose shares were due to be transferred to the IEPF Authority and had also published newspaper advertisements in this regard.

In addition, claims can also be made in respect of shares which have been transferred into the IEPF, as per the procedures/guidelines stated below:

Guidelines for Investors to file claim in respect



## ANNEXURE G TO DIRECTORS' REPORT

of the Unclaimed Dividend or Shares transferred to the IEPF:

1. Shareholders are advised to verify their details like address, bank mandate, PAN, status of outstanding dividend(s), etc. from M/s. Link Intime India Private Limited, Company's Registrar and Transfer Agent, before filing an application with IEPF.
2. Download the Form IEPF-5 from the website of IEPF (<http://www.iepf.gov.in>) for filing the claim for the refund of dividend/shares. Read the instructions provided on the website/ instruction kit along with the e-form carefully before filling the form.
3. After filling the form, submit the duly filled form by following the instructions given in the upload link on the website of IEPF. On successful uploading, an acknowledgement will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.
4. Take a print out of the duly filled Form No. IEPF-5 and the acknowledgement issued after uploading the form.
5. Submit an indemnity bond in original, copy of the acknowledgement and self-attested copy of e-form along with other documents as mentioned in the Form No. IEPF-5 to the Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked "Claim for refund of dividend from IEPF Authority" / "Claim for shares from IEPF" as the case may be. Kindly note that submission of original documents to the Company is necessary to initiate the refund process.
6. Claim forms completed in all respects will be verified by the Company and on the basis of Company's Verification Report, refund will be released by the IEPF Authority in favour of claimants' Aadhar linked bank account through electronic transfer and/or the shares shall be credited to the demat account of the claimant, as the case may be.

### 7.4 Name and address of each Stock Exchange(s) at which the Company securities are listed and a confirmation about payment of annual listing fee to each of such Stock Exchange(s)

The Equity Shares of the Company are listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

#### **Name and Address of Stock Exchange BSE Limited**

1st Floor, New Trading Ring  
Rotunda Building,  
P. J. Tower, Dalal Street, Fort  
Mumbai - 400 001

#### **National Stock Exchange of India Limited**

5th Floor, Exchange Plaza,  
Plot No. C/1, G Block  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai - 400 051

The Required Annual Listing Fees for the Financial Year 2023-24 have been paid to the stock exchanges within the stipulated time.

### 7.5 Stock Codes

1. 524598 (BSE)
2. AKSHARCHEM (NSE)

### 7.6 Corporate identification Number (CIN) of the Company

The Company's CIN, allotted by the Ministry of Corporate Affairs, Government of India is L24110GJ1989PLC012441.

### 7.7 International Securities Identification Number (ISIN)

The Company's scrip form part of Securities Exchange Board of India (SEBI) compulsory demat segment bearing ISIN INE542B01011. The name and address of depositories are:

#### **National Securities Depository Limited**

Trade World, 4th Floor, "A" Wing  
Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai - 400 013.

#### **Central Depository Services (India) Limited**

25th Floor, Marathon Futurex,  
N M Joshi Marg, Lower Parel (East),  
Mumbai - 400 013

## ANNEXURE G TO DIRECTORS' REPORT

The Annual Custodial fees for the financial year 2023-24 have been paid to National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL).

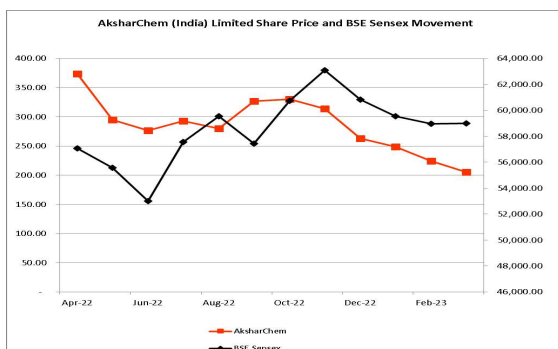
### 7.8 Market Price Data – high, low during each month in last financial year

The monthly High, Low (based on closing prices) and volumes of the equity shares of the Company during each month in the year 2022-23 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

| Month  | BSE        |           |                        | NSE        |           |                        |
|--------|------------|-----------|------------------------|------------|-----------|------------------------|
|        | High (Rs.) | Low (Rs.) | Volume (No. of Shares) | High (Rs.) | Low (Rs.) | Volume (No. of Shares) |
| Apr-22 | 429.05     | 347.00    | 53,408                 | 430.00     | 346.35    | 3,62,559               |
| May-22 | 375.00     | 270.55    | 31,566                 | 375.45     | 269.75    | 2,14,938               |
| Jun-22 | 314.55     | 232.30    | 18,627                 | 305.00     | 230.85    | 1,24,471               |
| Jul-22 | 304.95     | 261.25    | 13,913                 | 305.00     | 262.05    | 98,438                 |
| Aug-22 | 297.05     | 262.20    | 24,229                 | 298.35     | 262.10    | 1,62,131               |
| Sep-22 | 392.00     | 284.35    | 1,20,349               | 391.65     | 281.40    | 9,50,885               |
| Oct-22 | 374.55     | 314.95    | 27,328                 | 371.90     | 321.00    | 1,91,203               |
| Nov-22 | 358.05     | 284.70    | 58,959                 | 353.10     | 284.65    | 4,15,616               |
| Dec-22 | 318.55     | 239.05    | 37,164                 | 318.60     | 238.80    | 2,77,744               |
| Jan-23 | 288.10     | 238.10    | 22,848                 | 290.00     | 240.95    | 1,74,658               |
| Feb-23 | 258.25     | 210.60    | 2,75,157               | 257.00     | 209.70    | 3,84,615               |
| Mar-23 | 235.00     | 201.30    | 30,868                 | 235.95     | 201.05    | 1,85,569               |

### Performance of the Company' Equity Share vis-a-visa BSE Sensex during 2022-2023

The chart below provides the relative movement of the closing price of the Company's share and the BSE Sensex. The period covered is April 1, 2022 to March 31, 2023. The Management cautions that the stock movement shown in the chart should not be considered indicative of potential future stock price performance.



8. **IN CASE THE SECURITIES ARE SUSPENDED FROM TRADING THE DIRECTORS REPORT SHALL EXPLAIN THE REASON THEREOF:**  
Not Applicable

### 9. REGISTRAR AND TRANSFER AGENT Link Intime India Private Limited UNIT: AKSHARCHEM (INDIA) LIMITED Mumbai Office

C-101, 247 Park, L.B.S. Marg, Vikhroli (West),  
Mumbai – 400 083  
Tel: 022-49186000  
E-mail id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

#### Ahmedabad Branch Office

506-508, Amarnath Business Centre -1,  
(ABC-1), Besides Gala Business Centre,  
Near St. Xavier's College Corner, Off C.G. Road,  
Ellisbridge, Ahmedabad-380 006  
Tel: 079-26465179/86/87  
E-mail id: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

### 10. COMPLIANCE OFFICER AND COMPANY SECRETARY/NODAL OFFICER

#### Mr. Meet Joshi Aksharchem (India) Limited

"Akshar House", Chhatral-Kadi Road,  
Indrad - 382 715, Dist : Mehsana, Gujarat.  
Tel : (02764) 233007 to 10, Fax: (02764) 233550  
Email: [cs@aksharchemindia.com](mailto:cs@aksharchemindia.com)  
Website: [www.aksharchemindia.com](http://www.aksharchemindia.com)

## 11. CREDIT RATING

The CARE Ratings Limited has reviewed the ratings on the bank facilities of the Company and revised the rating as CARE A; Stable/CARE A1 to the long term/short term bank facilities.

## 12. SHARE TRANSFER SYSTEM

### (i) Share Transfer System:

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialised form. Transfers of these shares are done through the depositories with no involvement of the Company. The Registrar and Transfer Agent deal with Share Transfer both in Physical and dematerialized Mode.

The transfers with respect to shares held in physical form are executed within 15 days from the receipt of documents, provided documents are valid and complete in all respects. Securities Exchange Board of India vide its circular No. SEBI/LAD-NRO/ GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, effective from April 1, 2019, has discontinued transfer of shares in physical mode and hence, the Company is not required to process any transfer request on or after April 1, 2019. The Company holds Stakeholders' Relationship Committee Meetings for approving dematerialization, requests for transmission and rematerialization of equity shares. The Committee also reviews request for issue of duplicate share certificate, if any, received from shareholders. The Company obtains from a Company Secretary in Practice a half yearly certificate of compliance

with the share transfer formalities as required under the Regulation 40 (9) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

### (ii) Correspondence regarding change of address:

Shareholders are requested to ensure that any correspondence of Change of Address, change of Bank Mandates should be signed by the first named shareholder. Shareholders who hold shares in dematerialized form should correspond with the Depository participant with whom they opened Demat Account.

### (iii) Green Initiative for Paperless Communication:

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing service of documents by a Company to its members through electronic mode. The move of the ministry allows public at large to contribute to the green movement. Keeping in view the underlying theme, the Company will continue to send various communication and documents in electronic form in the email address provided by the members to the Depositories or to the Company.

### (iv) Pending Investors' Grievances:

Any shareholder whose grievance has not been resolved to his/her satisfaction may kindly write to the Company Secretary at the Registered office of the Company with a copy of earlier correspondence.

## 13. DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding as on March 31, 2023 is as under:

### a. Distribution by number of shares:

| Number of Equity Shares Held | Shareholders  |               | Shareholding     |               |
|------------------------------|---------------|---------------|------------------|---------------|
|                              | Number        | % of Total    | Number           | % of Total    |
| 1-500                        | 14,955        | 95.77         | 12,22,071        | 15.21         |
| 501-1000                     | 373           | 2.39          | 2,84,275         | 3.54          |
| 1001-2000                    | 169           | 1.08          | 2,41,629         | 3.00          |
| 2001-3000                    | 40            | 0.26          | 97,814           | 1.22          |
| 3001-4000                    | 23            | 0.15          | 79,473           | 0.99          |
| 4001-5000                    | 12            | 0.08          | 55,837           | 0.70          |
| 5001-10000                   | 21            | 0.13          | 1,52,004         | 1.89          |
| 10001 and above              | 23            | 0.14          | 58,99,996        | 73.45         |
| <b>Total</b>                 | <b>15,616</b> | <b>100.00</b> | <b>80,33,099</b> | <b>100.00</b> |

## ANNEXURE G TO DIRECTORS' REPORT

### b. Shareholding Pattern as at March 31, 2023 (Category wise)

| Sr. No.   | Category   | No. of Holders | No. of Shares    | % of Shareholding |
|-----------|--|----------------|------------------|-------------------|
| <b>A.</b> | <b>Promoters</b>                                   |                |                  |                   |
| 1.        | Indian Promoters                                   |                |                  |                   |
|           | Individuals  | -              | -                | -                 |
|           | Bodies Corporate                                   | 1              | 200              | 0.00              |
|           | Family Trust                                       | 2              | 47,19,205        | 58.75             |
|           | Others - LLP                                       | 1              | 3,17,132         | 3.95              |
| 2.        | Foreign Promoters                                  | -              | -                | -                 |
|           | <b>Total Promoters Holding</b>                     | <b>4</b>       | <b>50,36,537</b> | <b>62.70</b>      |
| <b>B.</b> | <b>Non Promoters</b>                               |                |                  |                   |
| 1.        | Institutional Investors                            |                |                  |                   |
| a.        | Mutual Funds                                       | 1              | 4500             | 0.06              |
| b.        | Banks, Financial Institutions, Insurance Companies | -              | -                | -                 |
| c.        | Foreign Portfolio Investors                        | 1              | 54,807           | 0.68              |
|           | <b>Sub Total</b>                                   | <b>2</b>       | <b>59,307</b>    | <b>0.74</b>       |
| 2.        | <b>Others</b>                                      |                |                  |                   |
| a.        | Bodies Corporate                                   | 82             | 62,763           | 0.78              |
| b.        | Indian Public                                      | 14,629         | 22,57,505        | 28.11             |
| c.        | NRIs/OCBs  | 225            | 76,457           | 0.95              |
| d.        | Clearing Members                                   | 11             | 1,330            | 0.01              |
| e.        | HUF  | 373            | 2,51,917         | 3.14              |
| f.        | Trust  | 1              | 343              | 0.00              |
| g.        | IEPF   | 1              | 1,20,556         | 1.50              |
| h.        | Foreign Bodies Corporate                           | 1              | 1,66,384         | 2.07              |
|           | <b>Sub Total</b>                                   | <b>15,323</b>  | <b>29,37,255</b> | <b>36.56</b>      |
|           | <b>Grand Total</b>                                 | <b>15,329</b>  | <b>80,33,099</b> | <b>100.00</b>     |

### List of top 10 Shareholders other than Promoters as at March 31, 2023

| Sr. No. | Name of the Shareholder  | No. of Shares held | % of Total Holding |
|---------|--|--------------------|--------------------|
| 1.      | DIC Corporation  | 1,66,384           | 2.07               |
| 2.      | Tarak V Vora   | 1,38,376           | 1.72               |
| 3.      | Investor Education and Protection Fund Authority Ministry of Corporate Affairs | 1,20,556           | 1.50               |
| 4.      | Pravinaben Vora  | 1,01,277           | 1.26               |
| 5.      | Gymkhana Partners L.P.   | 54,807             | 0.68               |
| 6.      | Tarak Vora   | 43,618             | 0.54               |
| 7.      | Santosh Kumar  | 30,853             | 0.38               |
| 8.      | Sandeep Jain   | 26,161             | 0.32               |
| 9.      | Kamini K Vora Pravinaben V Vora  | 24,097             | 0.30               |
| 10.     | Ameya Ashok Chandavarkar   | 24,065             | 0.29               |
|         | <b>Total</b>   | <b>7,30,194</b>    | <b>9.06</b>        |

#### 14. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company is INE542B01011. Nearly 97.39% of total listed Equity Shares have been dematerialised as on March 31, 2023. The status of shares held in demat and physical format is given below. The Company's shares are liquid and actively traded on the BSE and NSE.

##### Details of Dematerialised Shares as at March 31, 2023

| Particulars             | As at March 31, 2023 |               | As at March 31, 2022 |               |
|-------------------------|----------------------|---------------|----------------------|---------------|
|                         | Number of Shares     | Percentage    | Number of Shares     | Percentage    |
| Shares in Demat Form    |                      |               |                      |               |
| NSDL                    | 16,17,025            | 20.13         | 16,42,457            | 20.45         |
| CDSL                    | 62,06,423            | 77.26         | 61,69,757            | 76.80         |
| Shares in Physical Form | 2,09,651             | 2.61          | 2,20,885             | 2.75          |
| <b>Total</b>            | <b>80,33,099</b>     | <b>100.00</b> | <b>80,33,099</b>     | <b>100.00</b> |

#### 15. OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

There are no Global Depository Receipts or American Depository Receipts or Warrants outstanding as on March 31, 2023.

#### 16. PLANT LOCATIONS:

166-169, Village Indrad, Kadi-Kalol Road,  
Dist. Mehsana Gujarat – 382 715 (India)

Plot No. D-2/CH/152, Dahej-2 Industrial Estate,  
G.I.D.C. Dahej, Gujarat (India)

#### 17. ADDRESS FOR CORRESPONDENCE WITH THE COMPANY

##### The Company Secretary

##### Aksharchem (India) Limited

“Akshar House”, Chhatral-Kadi Road,  
Indrad - 382 715 Dist : Mehsana, Gujarat.

Tel : (02764) 233007 to 10

Fax: (02764) 233550

Email: cs@aksharchemindia.com

Website: www.aksharchemindia.com

#### 18. ADDRESS FOR CORRESPONDENCE WITH THE REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited

506-508, Amarnath Business Centre -1,  
(ABC-1), Besides Gala Business Centre,  
Near St. Xavier's College Corner, Off C. G. Road,  
Ellisbridge, Ahmedabad-380 006

Tel : 079-26465179/86/87

E-mail id: ahmedabad@linkintime.co.in

Website: www.linkintime.co.in

#### 19. OTHER DISCLOSURES

##### a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company

During the financial year 2022-23, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. The Board has approved a policy on related party transaction. The Register of Contracts/Statement of related party transactions is placed before the Board/Audit Committee regularly. Transactions with related parties as per requirements of Ind AS 24 and which are not materially significant are disclosed in Note 39 to the Financial Statements in the Annual Report and they are not in conflict with the interest of the Company at large. All transactions with related parties are at arms' length.

##### b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

A Statement of Compliance with all Laws and Regulations as certified by the Joint Managing Director and Company Secretary is placed at periodic intervals for review by the Board.

There were no instances of non-compliance, penalty or strictures imposed



## ANNEXURE G TO DIRECTORS' REPORT

on the Company by the Stock Exchange(s) or Securities Exchange Board of India (SEBI) or any statutory authority, on any matter related to capital markets, during the last three years.

**c. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee**

The Company has established a Whistle Blower policy and has established necessary mechanism to enable directors and employees to report concerns about ethical behaviour, actual or suspected fraud or violation of the Companies code of conduct. The policy offer appropriate protection to the whistle blowers from victimization, harassment or disciplinary proceedings. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No personnel is denied the opportunity to meet the Audit Committee members of the Company. A copy of the Whistle Blower Policy is also available on the website of the Company at <https://www.aksharchemindia.com/uploads/report/83115272278044.%20Policy%20of%20Whistle%20Blower%20Policy.pdf>

The ombudsman had not received any complaint during the financial year ended March 31, 2023.

**d. Details of compliance with mandatory requirements and adoption of the non mandatory requirements**

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

**e. Web link where policy for determining 'material' subsidiaries is disclosed**

The policy for determining 'material' subsidiaries is available on the website of the Company under 'Policies' in the 'Investors Relation' section and can be accessed at <https://www.aksharchemindia.com/uploads/report/38115272275328.%20Policy%20of%20Material%20Subsidiaries.pdf>

**f. Web link where policy on dealing with related party transactions is disclosed**

The policy on dealing with related party transactions is available on the website of the Company under 'Policies' in the 'Investors Relation' section and can be accessed at <https://www.aksharchemindia.com/uploads/report/90315272278263.%20Policy%20on%20Related%20Party%20Transaction.pdf>

**Commodity Price Risks and Foreign Exchange Risk and Hedging Activities**

The Company is subject to commodity price risks due to fluctuation in prices of crude oil. The Company's receivables are in U.S. Dollars and due to fluctuations in foreign exchange prices, it is subject to foreign exchange risks. The Company has in place a well structured risk management system for identification and monitoring and mitigation of commodity price and foreign exchange risks under the guidance of experienced Board of Directors.

**h. Compliance certificate from practicing company secretaries regarding compliance of conditions of corporate governance**

The Certificate from the Practising Company Secretary regarding compliance of conditions of corporate governance is annexed with the Directors' Report and forms an integral part of the Annual Report.

**i. Certificate from practicing company secretaries regarding non-disqualification of directors**

The Certificate from the Practising Company Secretary that none of the directors of the Company have been debarred or disqualified from being appointed or continuing as directors of the Companies by the board/Ministry of Corporate Affairs or any such statutory authority is annexed with the Directors' Report and forms an integral part of the Annual Report.

**j. Total Fees paid to the Statutory Auditors**

Total Fees paid to Statutory Auditors is Rs. 3.25 lakhs for the financial year 2022-23.

**k. Disclosure of Loans and advances in the nature of loans to firms/companies in which directors are interested:**

During the Financial Year ended March 31, 2023, there are no loans or advances

## ANNEXURE G TO DIRECTORS' REPORT

provided by the Company to firms/companies in which directors were interested.

### I. Redressal of Grievances under Sexual Harassment Policy

The Company has in place, a policy on Prevention, Prohibition and Redressal of Sexual Harassment of women at workplace in accordance with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The details of complaints received and resolved during the year are as follows:

| No. | Complaints Received                                     | Complaints Status |
|-----|---|-------------------|
| 1   | Number of grievances received during the financial year | Nil               |
| 2   | Number of grievances disposed during the financial year | Nil               |
| 3   | Number of complaints pending at end of financial year   | Nil               |

### 20. NON-COMPLIANCE OF ANY REQUIREMENTS OF CORPORATE GOVERNANCE

There are no instances of non-compliance of any requirement of Corporate Governance Report as mentioned in sub paras (2) to (10) of Para (C) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has been regularly submitting the quarterly compliance report to the Stock Exchanges as required under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 21. DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED

- The Company has an Executive Chairperson.
- The quarterly/half yearly results are not sent to the shareholders. However, the same are published in newspapers and are also posted on the Company's website.
- The Company's financial statements for the financial year 2022-23 do not contain

any audit qualification.

- The internal auditors report to the Audit Committee.

### 22. DECLARATION SIGNED BY THE CHIEF EXECUTIVE OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Company has obtained affirmation from Chairperson & Managing Director that all the members of the board and senior managerial personnel have complied with the Code of Conduct for Board members and Senior Managerial Personnel for the year ended March 31, 2023.

### 23. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

The disclosure as required under schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

- Aggregate number of shareholders and the outstanding share in the suspense account lying at the beginning of the year: Nil
- Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil
- Number of shareholders to whom shares were transferred from suspense account during the year: Nil
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: Nil
- Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: NA

### 24. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

Reconciliation of Share Capital Audit Report in terms of SEBI Circular No. CIR/MRD/DP/30/2010 dated 06.09.2010 and SEBI Directive no. D&CC/FITTC/CIR-16/2002 dated 31.12.2002, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis

## ANNEXURE G TO DIRECTORS' REPORT

and also submitted to the Stock Exchanges where the shares of the Company are listed.

### 25. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is annexed to the Directors Report and forms part of this Annual Report.

### 26. DISCLOSURE OF ACCOUNTING TREATMENT

The Company had adopted Ind AS with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs notification dated 16th February, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015. The Company has published Ind AS Financials for the year ended March 31, 2023 along with comparable as on March 31, 2022.

### 27. SUBSIDIARIES

During the year under review, your Company does not have any Subsidiary Company.

The policy for determining Material Subsidiary as approved by the Board may be accessed on the Company's website at <https://www.aksharchemindia.com/uploads/report/38115272275328.%20Policy%20of%20Material%20Subsidiaries.pdf>

### 28. MANAGEMENT

No material transaction has been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or

relatives etc. that may have a potential conflict with the interests of the Company.

### 29. CEO/CFO CERTIFICATION

The Joint Managing Director & CEO and Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Regulations.

### 30. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by Directors and designated employees of the Company. The code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by Directors and designated employees which in possession of unpublished price sensitive information in relation to the Company. The Company Secretary is responsible for implementation of the Code.

For and on behalf of Board of Directors

**PARU M. JAYKRISHNA**

*Chairperson & Mg. Director*

DIN: 00671721

Place : Ahmedabad

Date : August 10, 2023

### **CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY**

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the period ended March 31, 2023.

For, Aksharchem (India) Limited

Place : Ahmedabad  
Date : August 10, 2023

**PARU M. JAYKRISHNA**  
*Chairperson & Mg. Director*  
DIN: 00671721

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### **CERTIFICATE BY CEO AND CFO PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,  
The Board of Directors  
Aksharchem (India) Limited

We, the undersigned, in our respective capacities as Joint Managing Director & CEO and Chief Financial Officer (CFO) of Aksharchem (India) Limited ("the Company"), to the best of our knowledge and belief certify that:

- 1 We have reviewed the financial statements and the cash flow statement of Aksharchem (India) Limited for the year ended March 31, 2023 and that to the best of our knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2023 which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, wherever applicable, deficiencies in

the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the auditors and the Audit Committee:
  - a. that there have been no significant changes in internal control over financial reporting during the year ended March 31, 2023;
  - b. that there have been no significant changes in accounting policies during the year ended March 31, 2023 and that the same have been disclosed in the notes to the financial statements; and
  - c. that there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For, Aksharchem (India) Limited

**Munjal M. Jaykrishna**  
*Jt. Managing Director & CEO*  
DIN: 00671693

Place : Ahmedabad  
Date : August 10, 2023

**Hardik S. Shah**  
*Chief Financial Officer (CFO)*  
ICAI M. No. 132449

### CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The Members,  
AksharChem (India) Limited

I have examined the compliance of conditions of Corporate Governance by M/s. AksharChem (India) Limited (“the Company”), for the year ended on March 31, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

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

statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the management, I certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the Listing Regulations.

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

**Bipin L. Makwana**

*Company Secretary in Practice*

Membership No. 15650

C. P. No. 5265

Place : Ahmedabad

Date : August 10, 2023

UDIN: A015650E000780623

PRN No.: 2680/2022

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members,  
AksharChem (India) Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. AksharChem (India) Limited having CIN - L24110GJ1989PLC012441 and having registered office at “Akshar House”, Chhatral Kadi Road, Indrad – 382 715, Mehsana, Gujarat (hereinafter referred to as ‘the Company’), as made available to me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 and amendments thereof.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director              | DIN      | Date of Appointment | Date of Cessation |
|---------|-------------------------------|----------|---------------------|-------------------|
| 1       | Mrs. Paru Mrugesh Jaykrishna  | 00671721 | 04/07/1989          | -                 |
| 2       | Mr. Gautamkumar Mithalal Jain | 00160167 | 21/01/2014          | -                 |
| 3       | Mr. Gokul Mrugesh Jaykrishna  | 00671652 | 01/01/1994          | -                 |
| 4       | Mr. Munjal Mrugesh Jaykrishna | 00671693 | 28/06/1995          | -                 |
| 5       | Mr. Pradeepbhai Jasubhai Jha  | 01539732 | 28/05/2002          | -                 |
| 6       | Mr. Jigar Mukesh Patel        | 05291605 | 11/12/2017          | -                 |
| 7       | Ms. Maitri Kirankumar Mehta   | 07549243 | 28/03/2019          | -                 |
| 8       | Mr. Ashok Dolatsinh Barot     | 08366687 | 28/03/2019          | -                 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

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

**Bipin L. Makwana**

*Company Secretary in Practice*

Membership No. 15650

C. P. No. 5265

Place : Ahmedabad

Date : August 10, 2023

UDIN: A015650E000780623

PRN No.: 2680/2022



## Independent Auditor's Report

To  
The members of **Aksharchem (India) Limited**  
**Report on Audit of the IND AS Financial Statements**  
**Opinion**

We have audited the accompanying Financial Statements of **Aksharchem (India) Limited** (hereinafter referred to as "the Company") which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information. 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, as amended ("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, and its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31st March, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on

these matters. We have determined that there are no key audit matters to communicate in our report.

### **Information other than Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, 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 identified above and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

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

### **Auditor's Responsibility for the Audit of the 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial control with reference to financials statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease

to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other matter**

Corresponding figures for the year ended 31st March 2022 have been audited by another auditor who expressed an unmodified opinion dated 20th May, 2022 on the financial statements of the Company for the year ended 31st March, 2022. Our opinion on the financial statements is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order.
- 2.(A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit

and Loss including the statement of other comprehensive income, the Cash Flows statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the 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 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations on its financial position in its financial statement Refer Note 37 to the Financial Statement;
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- c) There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company
- d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the

like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.

- e) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend, as stated in Note 40 in financials.

The Board of Directors have recommended a final dividend for the financial year ended on March 31, 2023 subject to the approval of shareholders at the annual general meeting as stated in Note 17.4. The dividend declared is in accordance with Section 123 of the Act.

- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanation given to us, remuneration is paid/provided by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

**TALATI & TALATI LLP**  
*Chartered Accountants*  
FRN: 110758W/W100377

**Umesh Talati**  
*Partner*

Place: Ahmedabad  
Date: 30th May 2023

Membership No: 034834  
UDIN: 23034834BGWIIIE5691

## Annexure - A

to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2023

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- i. In respect of Company's Property, Plant and Equipment and Intangible Assets:
  - a) (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (ii) The Company is maintaining proper records showing full particulars of intangible assets.
  - b) The Property, Plant & Equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. According to information and explanation given to us, no material discrepancies were noticed on such verification
  - c) The title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) as disclosed in the Note no. 3 and 4 to the financial statements are held in the name of the Company.
  - d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or Intangible assets or both during the year.
  - e) According to the information and

explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any Prohibition of benami Property under the Benami Transactions Act, 1988 and rules made thereunder.

- ii.
  - a) The inventories have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared with books of account. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
  - b) During the year, The Company has been sanctioned working capital limits in excess of 5 crores, in aggregate, at any point of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements
  - c) comprising stock statements and book debt statements filed by the Company for certain quarters are not in agreement with the Reviewed books of accounts, however such differences between books of account and those submitted to bank are reconciled. (Refer Note 48 to the Financial Statements.)
- iii. The Company has not made investments and provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has granted loans or advances in the nature of loans to other parties, in respect of which:
  - a) The Company has provided Interest-free unsecured loans or advances in the nature of loans during the year and details of which are given below:

| Particulars          | Aggregate Amount during the year (In Lakhs) | Balance outstanding at Balance sheet date (In Lakhs) |
|----------------------|---|--|
| - Subsidiaries       | Nil   | Nil  |
| - Joint Ventures     | Nil   | Nil  |
| - Associates         | Nil   | Nil  |
| - Others (Employees) | 30.52                                       | 27.74  |

- b) In relation to loans and advances granted, we are of the opinion that the terms and conditions of the loans and advances provided are not prejudicial to the interest of the Company.
- c) In respect of interest-free loans or advances in the nature of loans provided by the Company to its employees, the schedule of repayment of principal has been stipulated and the repayments of principal amounts are regular as per stipulation in such cases/
- d) There are no amounts overdue for more than ninety days in respect of the loan granted by the Company.
- e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- f) According to information and explanations given to us and based on the audit procedures performed, 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 (iii)(f) is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of loans and investments. The Company has not granted loan or given guarantee or provided security as provided in the Section 185 and 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014, with regard to the deposits accepted are not applicable to the Company. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under Section 148 of the Act, and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues
- (a) The Company has been generally regular in depositing undisputed statutory dues including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2023 on account of any dispute, except the following:

| Name of the Statute   | Nature of dues | Amount (In Lakhs) | Period to which the account relates | Forum where the dispute is pending |
|-----------------------|----------------|-------------------|-------------------------------------|------------------------------------|
| Gujarat VAT Act, 2003 | Sales Tax      | 18.03             | 2004-05                             | Ahmedabad VAT Tribunal             |
| Income Tax Act, 1961  | Income Tax     | 10.28             | 2017-18                             | CIT (Appeal), Ahmedabad            |
| Income Tax Act, 1961  | Income Tax     | 11.40             | 2018-19                             | CIT (Appeal), Ahmedabad            |

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account or in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. a) According to the information and explanations given to us, and on the basis of our examination of records, the Company has not defaulted in repayment of loans or borrowing to banks and financial institutions during the year.
- b) According to the information and explanations



- given to us and on the basis of our examination of the records, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- c) According to the information and explanations given to us, and on the basis of our examination of the records, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the Company.
- e) The Company does not have subsidiaries or associates or joint ventures. Accordingly, clause 3(ix)(e) of the Order is not applicable to the Company.
- f) The Company does not have subsidiaries or associates or joint ventures. Accordingly, clause 3(ix)(f) of the Order is not applicable to the Company.
- x. a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.
- xi. a) Based on examination of to the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company on the Company has been noticed or reported during the course of the audit.
- b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) To the best of our knowledge and according to the information and explanations given to us, and as per representation received from management there are no whistle-blower complaints received during the year.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the company.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- xiv. a) Based on information and explanations provided to us and our audit procedures, 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 of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause (xvi) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company. Accordingly, clause 3(xvii) of the Order is not applicable to Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization

of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. The Company has fully spent the required amount towards Corporate social responsibility (CSR) and there is no unspent amount for the year requiring a transfer to a fund specified in schedule VII of the Companies Act or special account in compliance with the provision of sub section (6) of section 135 of Companies Act 2013. Accordingly, reporting under clause 3 (xx) of the Order is not applicable for the year.

TALATI & TALATI LLP  
*Chartered Accountants*  
FRN: 110758W/W100377

Umesh Talati  
*Partner*

Place: Ahmedabad  
Date: 30th May 2023

Membership No: 034834  
UDIN: 23034834BGWIIIE5691

## Annexure - B

to the Independent Auditors' Report

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

We were engaged to audit the internal financial controls over financial reporting of **AksharChem (India) Limited** ("the Company") as of 31st March 2023 in conjunction with our audit of the accompanying IND AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### Meaning of Internal Financial Controls Over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting 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.

**TALATI & TALATI LLP**  
Chartered Accountants  
FRN: 110758W/W100377

**Umesh Talati**  
Partner

Place: Ahmedabad  
Date: 30th May 2023

Membership No: 034834  
UDIN: 23034834BGWIIIE5691

## Balance Sheet

as at March 31, 2023

| Particulars   | Notes  | (₹ in Lakhs)            |                         |
|---|--------|-------------------------|-------------------------|
|   |        | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>I ASSETS</b>   |        |                         |                         |
| <b>1 Non-current Assets</b>   |        |                         |                         |
| (a) Property, Plant and Equipment   | 3      | 22,512.99               | 23,083.52               |
| (b) Capital Work-in-Progress  | 4      | 1,744.27                | 1,600.19                |
| (c) Other Intangible Assets   | 5      | 30.07                   | 39.71                   |
| (d) Intangible Assets under Development   |        | -                       | -                       |
| (e) Financial Assets  |        |                         |                         |
| (i) Investments   | 6      | 0.38                    | 0.38                    |
| (ii) Other Assets   | 7      | 185.73                  | 183.35                  |
| (f) Other Non-current Assets  | 8      | 363.98                  | 431.46                  |
| <b>Total Non-current Assets</b>   |        | <b>24,837.42</b>        | <b>25,338.61</b>        |
| <b>2 Current Assets</b>   |        |                         |                         |
| (a) Inventories   | 9      | 5,933.88                | 7,248.07                |
| (b) Financial Assets  |        |                         |                         |
| (i) Trade Receivables   | 10     | 3,615.69                | 5,293.17                |
| (ii) Cash and Cash Equivalents  | 11     | 14.74                   | 14.01                   |
| (iii) Bank balances other than Cash and Cash Equivalents                                  | 12     | 159.11                  | 185.60                  |
| (iv) Loans  | 13     | 27.74                   | 20.83                   |
| (v) Other Financial Assets  | 14     | 4.02                    | 26.38                   |
| (c) Current Tax Assets (Net)  | 15     | 552.65                  | 407.56                  |
| (d) Other Current Assets  | 16     | 1,379.66                | 2,063.17                |
| <b>Total Current Assets</b>   |        | <b>11,687.49</b>        | <b>15,258.79</b>        |
| <b>TOTAL ASSETS</b>   |        | <b>36,524.91</b>        | <b>40,597.40</b>        |
| <b>II EQUITY AND LIABILITIES</b>  |        |                         |                         |
| <b>1 Equity</b>   |        |                         |                         |
| (a) Equity Share Capital  | 17     | 803.31                  | 803.31                  |
| (b) Other Equity  | 18     | 27,033.16               | 27,168.64               |
| <b>Total Equity</b>   |        | <b>27,836.47</b>        | <b>27,971.95</b>        |
| <b>2 LIABILITIES</b>  |        |                         |                         |
| Non-current Liabilities   |        |                         |                         |
| (a) Borrowings  | 19     | 1,650.00                | 2,250.00                |
| (b) Provisions  | 20     | 27.09                   | 39.54                   |
| (c) Deferred Tax Liabilities (Net)  | 21     | 1,814.67                | 1,770.73                |
| <b>Total Non-current Liabilities</b>  |        | <b>3,491.76</b>         | <b>4,060.27</b>         |
| <b>3 Current Liabilities</b>  |        |                         |                         |
| (a) Financial Liabilities   |        |                         |                         |
| (i) Borrowings  | 22     | 812.54                  | 2,777.32                |
| (ii) Trade Payables   | 23     |                         |                         |
| - Total outstanding dues of Micro and Small Enterprises                                   |        | 162.59                  | 241.22                  |
| - Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises" |        | 3,668.71                | 4,772.08                |
| (iii) Other Financial Liabilities   | 24     | 206.52                  | 418.96                  |
| (b) Other Current Liabilities   | 25     | 303.14                  | 312.55                  |
| (c) Provisions  | 26     | 43.17                   | 43.05                   |
| <b>Total Current Liabilities</b>  |        | <b>5,196.68</b>         | <b>8,565.18</b>         |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |        | <b>36,524.91</b>        | <b>40,597.40</b>        |
| Significant Accounting Policies   | 2      |                         |                         |
| The accompanying notes are an integral part of financial statements                       | 3 - 60 |                         |                         |

As per our Report of even date attached.

For and on behalf of the Board of Directors  
**Aksharchem (India) Limited**

For **Talati & Talati LLP**  
Chartered Accountants  
Firm Registration No.110758W/W100377

**Hardik S. Shah**  
Chief Financial Officer  
(ICAI M.No.: 132449)

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
DIN: 00671721

**Umesh Talati**  
(Partner)  
Membership No. 034834

**Meet J. Joshi**  
Company Secretary  
(ICSI M.No.: FCS 9622)

**Munjal M. Jaykrishna**  
Jt. Managing Director & CEO  
DIN: 00671693

Place : Ahmedabad  
Date: May 30, 2023

Place : Ahmedabad  
Date: May 30, 2023

# Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars   | Notes | Year Ended<br>March 31, 2023 | Year Ended<br>March 31, 2022 |
|---|-------|------------------------------|------------------------------|
| I Revenue from Operations   | 27    | 33,467.86                    | 38,034.44                    |
| II Other Income   | 28    | 15.17                        | 65.34                        |
| <b>III Total Income (I+II)</b>  |       | <b>33,483.03</b>             | <b>38,099.78</b>             |
| <b>IV EXPENSES</b>  |       |                              |                              |
| Cost of Materials Consumed  | 29    | 18,419.95                    | 22,183.97                    |
| Purchase of Stock-in-Trade  |       | 2,508.36                     | 2,322.29                     |
| Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade | 30    | 901.40                       | (1,511.43)                   |
| Employee Benefits Expense   | 31    | 1,174.07                     | 1,238.30                     |
| Finance Costs   | 32    | 321.50                       | 220.55                       |
| Depreciation and Amortization Expenses                                      | 33    | 1,284.84                     | 1,221.78                     |
| Other Expenses  | 34    | 8,922.81                     | 10,629.64                    |
| <b>Total Expenses (IV)</b>  |       | <b>33,532.93</b>             | <b>36,305.10</b>             |
| <b>V Profit before Exceptional Items and Tax (III-IV)</b>                   |       | <b>(49.90)</b>               | <b>1,794.68</b>              |
| VI Exceptional Items  |       | -                            | -                            |
| <b>VII Profit before Tax (V-VI)</b>   |       | <b>(49.90)</b>               | <b>1,794.68</b>              |
| <b>VIII Tax Expenses</b>  |       |                              |                              |
| Current Tax   |       | -                            | 202.00                       |
| Deferred Tax  |       | 44.31                        | 136.55                       |
| Adjustment of Tax for Earlier Years   |       | -                            | (135.35)                     |
| Total Tax Expenses (VIII)   |       | 44.31                        | 203.20                       |
| <b>IX Profit for the Year (VII-VIII)</b>                                    |       | <b>(94.21)</b>               | <b>1,591.48</b>              |
| <b>X Other Comprehensive Income</b>   |       |                              |                              |
| A. Items that will not be reclassified to profit or loss                    |       |                              |                              |
| - Remeasurements of defined benefit plans                                   |       | 22.69                        | 23.74                        |
| - Equity instruments through other comprehensive income                     |       | -                            | -                            |
| - Income tax related to above items   |       | (5.71)                       | (5.97)                       |
| B. Items that will be reclassified to profit or loss                        |       |                              |                              |
| - Effective portion of gains / (losses) in cash flow hedges                 |       | (24.16)                      | 8.78                         |
| - Income tax related to above items   |       | 6.08                         | (2.21)                       |
| Other Comprehensive Income for the year (X)                                 |       | (1.10)                       | 24.34                        |
| <b>XI Total Comprehensive Income for the year (IX + X)</b>                  |       | <b>(95.31)</b>               | <b>1,615.81</b>              |
| XII Earning per Equity Share (Face Value of Rs. 10 Each)                    | 35    |                              |                              |
| Basic   |       | (1.17)                       | 19.50                        |
| Diluted   |       | (1.17)                       | 19.50                        |

Significant Accounting Policies

The accompanying notes are an integral part of financial statements

2  
3 - 60

As per our Report of even date attached.

For **Talati & Talati LLP**  
Chartered Accountants  
Firm Registration No.110758W/W100377

**Umesh Talati**  
(Partner)  
Membership No. 034834

Place : Ahmedabad  
Date: May 30, 2023

**Hardik S.Shah**  
Chief Financial Officer  
(ICAI M.No.: 132449)

**Meet J. Joshi**  
Company Secretary  
(ICSI M.No.: FCS 9622)

For and on behalf of the Board of Directors  
**AksharChem (India) Limited**

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
DIN: 00671721

**Munjal M. Jaykrishna**  
Jt. Managing Director & CEO  
DIN: 00671693

Place :Ahmedabad  
Date: May 30, 2023



## Statement of Changes in Equity

for the year ended March 31, 2023

### A. Equity Share Capital

(₹ in Lakhs)

| Particulars   | As at March 31, 2023 |        | As at March 31, 2022 |        |
|---|----------------------|--------|----------------------|--------|
|   | No. of Shares        | Amount | No. of Shares        | Amount |
| Equity shares of Rs. 10 each (Fully Paid up)                      |                      |        |                      |        |
| Balance at the beginning of the year                              | 80,33,099            | 803.31 | 82,02,590.00         | 820.26 |
| Changes in equity share capital during the year - Shares Buy Back | -                    | -      | 1,69,491.00          | 16.95  |
| Balance at the end of the year                                    | 80,33,099            | 803.31 | 80,33,099.00         | 803.31 |

### B. Other Equity

| Particulars                                    | Reserves and Surplus |                 |                            |                   | Other Components of Equity                            |   | Total            |
|--|----------------------|-----------------|----------------------------|-------------------|---|---|------------------|
|  | Securities Premium   | General Reserve | Capital Redemption Reserve | Retained Earnings | Equity Instruments through Other Comprehensive Income | Effective portion of gain or loss on cash flow hedges |                  |
| <b>Balance as at April 1, 2021</b>             | <b>6,822.54</b>      | <b>2,744.36</b> | -                          | <b>17,456.96</b>  | <b>17.16</b>  | <b>10.93</b>  | <b>27,051.97</b> |
| Profit for the year                            | -                    | -               | -                          | 1,591.48          | -   | -   | 1,591.48         |
| Other comprehensive income                     | -                    | -               | -                          | 17.77             | -   | 6.57  | 24.34            |
| Transfer to Capital Redemption Reserve         | -                    | (16.95)         | 16.95                      | -                 | -   | -   | -                |
| Shares Buy Back (Including tax thereon)        | (983.05)             | -               | -                          | (229.02)          | -   | -   | (1,212.07)       |
| <b>Total comprehensive income for the year</b> | <b>(983.05)</b>      | <b>(16.95)</b>  | <b>16.95</b>               | <b>1,380.23</b>   | -   | <b>6.57</b>   | <b>403.74</b>    |
| Dividend Paid                                  | -                    | -               | -                          | (287.09)          | -   | -   | (287.09)         |
| <b>Balance as at March 31, 2022</b>            | <b>5,839.49</b>      | <b>2,727.41</b> | <b>16.95</b>               | <b>18,550.10</b>  | <b>17.16</b>  | <b>17.50</b>  | <b>27,168.64</b> |
| <b>Balance as at April 1, 2022</b>             | <b>5,839.49</b>      | <b>2,727.41</b> | <b>16.95</b>               | <b>18,550.10</b>  | <b>17.16</b>  | <b>17.50</b>  | <b>27,168.64</b> |
| Profit for the year                            | -                    | -               | -                          | (94.21)           | -   | -   | (94.21)          |
| Other comprehensive income                     | -                    | -               | -                          | 16.98             | -   | (18.08)   | (1.10)           |
| <b>Total comprehensive income for the year</b> | -                    | -               | -                          | <b>(77.23)</b>    | -   | <b>(18.08)</b>  | <b>(95.31)</b>   |
| Dividend Paid                                  | -                    | -               | -                          | (40.17)           | -   | -   | (40.17)          |
| <b>Balance as at March 31, 2023</b>            | <b>5,839.49</b>      | <b>2,727.41</b> | <b>16.95</b>               | <b>18,432.70</b>  | <b>17.16</b>  | <b>(0.58)</b>   | <b>27,033.16</b> |

As per our Report of even date attached.

For and on behalf of the Board of Directors  
**Aksharchem (India) Limited**

For **Talati & Talati LLP**  
Chartered Accountants  
Firm Registration No.110758W/W100377

**Hardik S. Shah**  
Chief Financial Officer  
(ICAI M.No.: 132449)

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
DIN: 00671721

**Umesh Talati**  
(Partner)  
Membership No. 034834

**Meet J. Joshi**  
Company Secretary  
(ICSI M.No.: FCS 9622)

**Munjal M. Jaykrishna**  
Jt. Managing Director & CEO  
DIN: 00671693

Place : Ahmedabad  
Date: May 30, 2023

Place : Ahmedabad  
Date: May 30, 2023

# Cash Flow Statement

for the tear ended March 31, 2023

(₹ in Lakhs)

| Particulars   | Year Ended<br>March 31, 2023 | Year Ended<br>March 31, 2022 |
|---|------------------------------|------------------------------|
| <b>A. Cash Flow from Operating Activities</b>   |                              |                              |
| Profit Before Tax   | (49.90)                      | 1,794.68                     |
| Adjustments for :   |                              |                              |
| Depreciation and Amortisation Expenses  | 1,284.84                     | 1,221.78                     |
| Finance Cost  | 321.50                       | 220.55                       |
| (Profit)/ Loss on sales of Property, Plant and Equipment  | (0.73)                       | (8.32)                       |
| Interest Received   | (9.56)                       | (6.65)                       |
| (Profit) / Loss from sale of Investments  | -                            | (34.22)                      |
| Net (Gain)/Loss arising on financial assets measured at fair value through Profit or Loss (FVTPL) | -                            | (8.91)                       |
| Dividend Income   | - 1,596.05                   | (0.02) 1,384.21              |
| <b>Operating Profit Before Working Capital Changes</b>  | <b>1,546.15</b>              | 3,178.89                     |
| Working Capital Changes   |                              |                              |
| Adjustments for :   |                              |                              |
| (Increase)/Decrease Trade & Other receivables   | 2,468.36                     | (2,112.06)                   |
| (Increase)/Decrease Inventories   | 1,314.19                     | (1,452.10)                   |
| Increase/ (Decrease) Trade & other payables   | (1,379.08)                   | 1,239.58                     |
| Increase/ (Decrease) Long Term Provisions   | (12.45)                      | 9.09                         |
| <b>Cash Generated from Operations</b>   | <b>3,937.17</b>              | 863.40                       |
| Direct taxes paid (Net)   | (145.09)                     | (432.83)                     |
| <b>Net Cash Flow from / (used in) Operating Activities</b>  | <b>3,792.08</b>              | 430.57                       |
| <b>B. Cash Flow from Investing Activities</b>   |                              |                              |
| Purchase of Property, Plant & Equipment   | (890.33)                     | (2,492.48)                   |
| Proceeds from sale of Property, Plant & Equipment   | 42.32                        | 38.00                        |
| Sales/(Purchase) of Investments (Net)   | -                            | 67.72                        |
| Interest Income Received  | 7.75                         | 8.39                         |
| Dividend Income   | -                            | 0.02                         |
| <b>Net Cash Flow from / (used in) Investing Activities</b>  | <b>(840.26)</b>              | (2,378.35)                   |
| <b>C. Cash Flow from Financing Activities</b>   |                              |                              |
| Availment/(Repayment) of borrowings   | (2,564.78)                   | 3,548.41                     |
| Proceeds from Issue of Equity Shares  | -                            | (1,229.01)                   |
| Interest Paid   | (335.78)                     | (206.27)                     |
| Dividend Paid (including tax on dividend)   | (50.53)                      | (295.38)                     |
| <b>Net Cash Flow from / (used in) Financing Activities</b>  | <b>(2,951.08)</b>            | 1,817.75                     |
| <b>Net increase / (decrease) in cash and cash equivalents</b>                                     | <b>0.73</b>                  | (130.03)                     |
| Cash and cash equivalent at the beginning of the year   | 14.01                        | 144.04                       |
| <b>Cash and cash equivalent at the end of the year</b>  | <b>14.74</b>                 | 14.01                        |

As per our Report of even date attached.

For **Talati & Talati LLP**  
Chartered Accountants  
Firm Registration No.110758W/W100377

**Umesh Talati**  
(Partner)  
Membership No. 034834

Place : Ahmedabad  
Date: May 30, 2023

**Hardik S.Shah**  
Chief Financial Officer  
(ICAI M.No.: 132449)

**Meet J. Joshi**  
Company Secretary  
(ICSI M.No.: FCS 9622)

For and on behalf of the Board of Directors  
**AksharChem (India) Limited**

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
DIN: 00671721

**Munjal M. Jaykrishna**  
Jt. Managing Director & CEO  
DIN: 00671693

Place :Ahmedabad  
Date: May 30, 2023

## NOTES

### 1. Company Information

Aksharchem (India) Limited (the 'Company') is a public limited Company domiciled in India with its registered office at Akshar House 166/169, Village Indrad, Kadi Kalol Road, Dist. Mehsana, Gujarat - 382 715 (India). The equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

The Company is principally engaged in the business of manufacturing & export of Dyes Pigments and Precipitated Silica.

The financial statements as at March 31, 2023 present the financial position of the Company.

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorized for issue on May 30, 2023.

### 2. Significant Accounting Policies

#### 2.1 Basis of Preparation of Financial Statements

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

##### (i) Compliance with Ind-AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

##### (ii) Basis of Preparation and presentation

The financial statements have been prepared and presented on the going concern basis and at historical cost basis considering the applicable provisions of Companies Act 2013, except for the following items that have been measured at fair value as required by relevant IND AS.

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.

a) Certain financial assets/liabilities measured at fair value (refer accounting policy regarding financial instruments)

and

b) Any other item as specifically stated in the accounting policy.

The Shareholders have the power to amend the Financial Statements after the issue.

##### (iii) Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

##### (iv) Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the Company as its normal operating cycle.

##### (iv) Rounding off amounts

The financial statements are presented in INR and all values are rounded to the nearest Lakhs (INR 1,00,000) as per the requirement of Schedule III, unless otherwise stated.

#### 2.2 Key accounting estimates & judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

##### 2.2.1 Critical accounting estimates

a. Useful lives and residual values of Property, plant and equipment represent a material portion of the Company's asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are estimated by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are

based on various external and internal factors including historical experience, relative efficiency and operating costs and change in technology.

**b. Income taxes**

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

**c. Defined benefit obligations**

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management.

**d. Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

**2.3 Property, Plant and Equipment (PPE) (IND AS 16)**

These tangible assets are held for use in production, supply of goods or services or for administrative purposes. Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated. Cost includes purchase price after deducting trade discount/rebate, import duties, non-refundable taxes, Net of GST input credit wherever applicable, cost of replacing the component parts, borrowing costs and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the

economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognized as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise such items are classified as inventory.

Expenditure on acquisition of PPE for Research and Development (R&D) is included in PPE and depreciation thereon is provided as applicable.

The Company adjusts exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset. The depreciation on such foreign exchange difference is recognised from first day of its financial year.

**De-recognised upon disposal**

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when asset is derecognised.

**Treatment of Expenditure during Construction Period**

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

**Depreciation**

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the

asset's carrying amount, no depreciation charge is recognized till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

The Company depreciates its property, plant and equipment (PPE) over the useful life in the manner prescribed in Schedule II to the Act. Management believes that useful life of assets are same as those prescribed in Schedule II to the Act, except for plant and equipment wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act. Useful life considered for calculation of depreciation for various assets class are as follows:-

| <b>Asset Class</b>            | <b>Useful Life</b> |
|-------------------------------|--------------------|
| Factory Building              | 30 years           |
| Non-Factory Building          | 60 years           |
| Road, Fencing, Borewell, etc. | 5/10 years         |
| Plant & Equipment             | 15/20 years        |
| Lab Equipment                 | 10 years           |
| Electric Installation         | 10 years           |
| Furniture & Fixtures          | 10 years           |
| Office Equipment              | 5 years            |
| Vehicles                      | 8 years            |
| Computers                     | 3 years            |

The identified component of fixed assets are depreciated over the useful lives and the remaining components are depreciated over the life of the principal assets.

Depreciation on fixed assets added/disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leasehold Land is amortised over the primary period of the lease.

#### **2.4 Intangible assets (IND AS 38)**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is

recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

#### **Computer Software**

Computer software are amortized over period of 3 years.

#### **Internally Generated Intangible Assets - Research and Development Expenditure:**

Expenditure incurred on development is capitalised if such expenditure leads to creation of any intangible asset, otherwise, such expenditure is charged to the Statement of Profit and Loss. PPE procured for research and development activities are capitalised.

#### **2.5 Leases (Ind AS 116)**

The Company has adopted Ind AS 116 - Leases effective 1st April, 2019.

##### **As a Lessee**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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. The Company recognises a Right-of-Use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally,



the Company uses its incremental borrowing rate as the discount rate.

#### **Short-term leases and leases of low-value assets**

The Company has elected not to recognise right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognise the lease payments associated with these leases as an expenses on a straight-line basis over the lease term.

#### **As a Lessor**

The company, as a lessor, classifies a lease either as an operating lease or a finance lease. Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

### **2.6 Inventories (IND AS 2)**

Inventories consisting of stores and spares, raw materials, work in progress, stock in trade, goods in transit and finished goods are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

The cost is computed on moving weighted average basis and is net of credits under GST.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

Traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

### **2.7 Borrowing Cost (IND AS 23)**

Borrowing cost includes interest expense, amortisation of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is

ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing cost are recognised in the Statement of Profit and Loss in the period in which they are incurred.

### **2.8 Impairment of Assets (IND AS 36)**

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. 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. The resulting impairment loss is recognised in the Statement of Profit and Loss Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

### **2.9 Government Grants (IND AS 20)**

Government grants are recognized when there is reasonable assurance that the Company will

comply with the conditions attached to them and that the grants will be received. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

## **2.10 Taxes (IND AS 12)**

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

### **a) Current Tax**

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

### **b) Deferred Tax**

Deferred tax is recognised on temporary 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. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the

liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### **c) Minimum Alternate Tax (MAT):**

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

## **2.11 Employees Benefits (IND AS 19)**

### **a) Employee Benefits**

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

### **b) Post-employment obligations**

The Company operates the following post-employment schemes:

- (i) Defined benefit plans such as gratuity and;
- (ii) Defined contribution plans such as provident fund.

#### **(i) Defined benefit plans-Gratuity obligations**

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **(ii) Defined contribution plans**

The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The

contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

#### **2.12 Provisions, Contingent Liability and Contingent Assets (IND AS 37)**

Disputed liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax, Excise, GST etc.) pending in appeal / court for which no reliable estimate can be made and or involves uncertainty of the outcome of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts. However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimation can be made of the amount of obligation, is recognized in accounts in terms of discounted value, if the time value of money is material using a current pre-tax rate that reflects the risk specific to the liability. No contingent asset is recognized but disclosed by way of notes to accounts.

#### **2.13 Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

#### **2.14 Revenue Recognition (IND AS 18)**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government such as Goods and Services Tax, etc.

#### **Sale of Goods**

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customers and there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue from sales excludes GST. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

#### **Rendering of Services**

Revenue from rendering of services is recognized as per the terms of the contract with customers when related services are performed and when the outcome of the transactions involving rendering of services can be estimated reliably.

#### **Dividend Income**

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

#### **Interest Income**

Interest Income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method.

#### **Other Income**

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

### **2.15 Cash Flows and Cash and Cash Equivalents (IND AS 7)**

Statement of cash flows is prepared in accordance with the indirect method prescribed in the IND AS 7. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short term, highly liquid investments with original maturities of three 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 book overdrafts. However, Book overdrafts are shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

### **2.16 Earnings per share (IND AS 33)**

#### **(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

#### **(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after 'income-tax' effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### **2.17 Segment Reporting (IND AS 108)**

Based on "Management Approach" as defined in IND AS 108 – Operating Segments, the Management evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### **2.18 Foreign Currency Transactions (IND AS 21)**

In preparing the financial statements of the Company, transactions in foreign currencies, other than the Company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency, are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

### **2.19 Events occurring after the balance sheet date (IND AS 10)**

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the

estimation of amounts relating to conditions existing at the end of the reporting period.

Dividends declared by the Company after the reporting period are not recognized as liability at the end of the reporting period. Dividends declared after the reporting period but before the issue of financial statements are not recognized as liability since no obligation exists at that time. Such dividends are disclosed in the notes to the financial statements.

## 2.20 Financial Instruments (IND AS 109)

### i. Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

### ii. Classification and subsequent measurement

#### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss

#### De-recognition

##### Financial assets

The company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

##### Financial liabilities

The company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also de-recognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.



### **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### **2.21 Cash Dividend to Equity Holders of the Company:**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### **2.22 Research and Development**

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired intangible assets utilized for research and development are capitalized and depreciated / amortized in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

### **2.23 Goods and Service Tax / Service Tax input Credit:**

Goods and Service tax / Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

### **2.24 RECENT PRONOUNCEMENT**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

#### **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian

Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 106 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

## NOTES

### 3. Property, Plant and Equipment

(₹ in Lakhs)

| Particulars                         | Land            | Leasehold Land  | Building        | Plant and Machinery | Furniture and fixtures | Vehicles      | Office equipment | Total            |
|-------------------------------------|-----------------|-----------------|-----------------|---------------------|------------------------|---------------|------------------|------------------|
| <b>I. Gross Block</b>               |                 |                 |                 |                     |                        |               |                  |                  |
| Balance as at April 1, 2021         | 1,063.48        | 1,512.25        | 4,903.02        | 19,898.54           | 150.24                 | 448.21        | 251.47           | 28,227.18        |
| Additions                           | -               | 57.55           | 367.23          | 777.19              | 175.21                 | 19.14         | 59.04            | 1,455.36         |
| Deduction & Adjustment              | -               | -               | -               | 36.35               | -                      | -             | -                | 36.35            |
| Reclassification as held for sale   | -               | -               | -               | -                   | -                      | -             | -                | -                |
| <b>Balance as at March 31, 2022</b> | <b>1,063.48</b> | <b>1,569.80</b> | <b>5,270.25</b> | <b>20,639.38</b>    | <b>325.45</b>          | <b>467.35</b> | <b>310.51</b>    | <b>29,646.19</b> |
| Additions                           | 34.44           | -               | 223.23          | 414.63              | 9.09                   | 0.96          | 28.30            | 710.65           |
| Deduction & Adjustment              | -               | -               | -               | 7.51                | -                      | 9.75          | -                | 17.26            |
| Reclassification as held for sale   | -               | -               | -               | -                   | -                      | -             | -                | -                |
| <b>Balance as at March 31, 2023</b> | <b>1,097.92</b> | <b>1,569.80</b> | <b>5,493.48</b> | <b>21,046.50</b>    | <b>334.54</b>          | <b>458.56</b> | <b>338.81</b>    | <b>30,339.58</b> |
| <b>II. Accumulated Depreciation</b> |                 |                 |                 |                     |                        |               |                  |                  |
| Balance as at April 1, 2021         | -               | 3.10            | 722.98          | 4,075.54            | 116.84                 | 250.26        | 187.92           | 5,356.63         |
| Depreciation for the year           | -               | 17.29           | 185.61          | 949.70              | 4.28                   | 36.99         | 18.84            | 1,212.71         |
| Deduction & Adjustment              | -               | -               | -               | (6.67)              | -                      | -             | -                | (6.67)           |
| Reclassification as held for sale   | -               | -               | -               | -                   | -                      | -             | -                | -                |
| <b>Balance as at March 31, 2022</b> | <b>-</b>        | <b>20.39</b>    | <b>908.59</b>   | <b>5,018.57</b>     | <b>121.12</b>          | <b>287.25</b> | <b>206.76</b>    | <b>6,562.67</b>  |
| Depreciation for the year           | -               | 17.60           | 190.48          | 981.90              | 20.04                  | 36.05         | 29.13            | 1,275.20         |
| Deduction & Adjustment              | -               | -               | -               | 2.84                | -                      | 8.45          | -                | 11.29            |
| Reclassification as held for sale   | -               | -               | -               | -                   | -                      | -             | -                | -                |
| <b>Balance as at March 31, 2023</b> | <b>-</b>        | <b>37.99</b>    | <b>1,099.07</b> | <b>5,997.63</b>     | <b>141.16</b>          | <b>314.85</b> | <b>235.89</b>    | <b>7,826.58</b>  |
| <b>III. Net carrying amount</b>     |                 |                 |                 |                     |                        |               |                  |                  |
| Balance as at March 31, 2022        | 1,063.48        | 1,549.41        | 4,361.66        | 15,620.80           | 204.33                 | 180.10        | 103.75           | 23,083.52        |
| <b>Balance as at March 31, 2023</b> | <b>1,097.92</b> | <b>1,531.81</b> | <b>4,394.41</b> | <b>15,048.87</b>    | <b>193.38</b>          | <b>143.71</b> | <b>102.92</b>    | <b>22,512.99</b> |

3.1 All the title deeds for the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are in the name of the Company.

3.2 The Company has not done revaluation of PPE / Intangible assets.

### 4. Capital Work-in-Progress

(₹ in Lakhs)

| Particulars              | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------|----------------------|----------------------|
| Capital Work-in-Progress | 1,744.27             | 1,600.19             |
| Total                    | 1,744.27             | 1,600.19             |

#### 4.1 Details of Capital work in progress Ageing

Ageing of Capital work-in-progress as at 31/03/2023 is as follows

(₹ in Lakhs)

| Particulars        | Amount in Capital work-in-progress for the Period of |          |          |                   | Total    |
|--------------------|--|----------|----------|-------------------|----------|
|                    | Less than 1 Year                                     | 1-2 Year | 2-3 Year | More than 3 Years |          |
| Project in process | 564.70   | 1,175.33 | 4.24     | -                 | 1,744.27 |

Ageing of Capital work-in-progress as at 31/03/2022 is as follows

(₹ in Lakhs)

| Particulars        | Amount in Capital work-in-progress for the Period of |          |          |                   | Total    |
|--------------------|--|----------|----------|-------------------|----------|
|                    | Less than 1 Year                                     | 1-2 Year | 2-3 Year | More than 3 Years |          |
| Project in process | 1,080.83   | 479.44   | 15.55    | 24.37             | 1,600.19 |

## NOTES

### 5. Other Intangible Assets

(₹ in Lakhs)

| Particulars                               | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| <b>Computer Software &amp; ERP System</b> |                      |                      |
| <b>I. Gross Block</b>                     |                      |                      |
| Opening Balance                           | 81.19                | 35.51                |
| Additions                                 | -                    | 45.68                |
| Closing Balance                           | 81.19                | 81.19                |
| <b>II. Accumulated Amortization</b>       |                      |                      |
| Opening Balance                           | 41.48                | 32.39                |
| Amortization for the year                 | 9.64                 | 9.09                 |
| Closing Balance                           | 51.12                | 41.48                |
| <b>III. Net carrying amount</b>           | <b>30.07</b>         | <b>39.71</b>         |

### 6. Non-Current Investments

(₹ in Lakhs)

| Particulars  | As at March 31, 2023 |              | As at March 31, 2022 |         |
|--|----------------------|--------------|----------------------|---------|
|  | No. of Shares        | Amount       | No. of Shares        | Amount  |
| <b>Investments in Equity Instruments at Fair Value Through Profit &amp; Loss Quoted, Fully Paid Up</b>                               |                      |              |                      |         |
| Equity Shares of Rs. 10 each of Futura Polysters Limited   | 2,700                | 0.27         | 2,700                | 0.27    |
| Equity Shares of Rs. 10 each of Bihar Sponge Iron Limited.#  | 1,500                | 0.01         | 1,500                | 0.01    |
| Equity Shares of Rs. 10 each of Hindustan Unilever Limited#  | 1,000                | 22.98        | 1,000                | 22.98   |
| Equity Shares of Rs. 10 each of Tata Sponge Iron Limited.#   | 600                  | 1.14         | 600                  | 1.14    |
| Equity Shares of Rs. 10 each of Moser Baer (I) Limited*#   | 50                   | 0.00         | 50                   | 0.00    |
| Equity Shares of Rs. 10 each of Nath Seeds Limited.#   | 1,500                | 0.02         | 1,500                | 0.02    |
| Equity Shares of Rs. 10 each of Tata Chemicals Limited#  | 100                  | 0.22         | 100                  | 0.22    |
|  |                      | <b>24.64</b> |                      | 24.64   |
| <b>Unquoted, Fully Paid Up</b>   |                      |              |                      |         |
| Equity Shares of Rs. 10 each of DCL Finance Limited*#  | 400                  | 0.00         | 400                  | 0.00    |
| Equity Shares of Rs. 10 each of Flexitronics Software System Limited*#   | 100                  | 0.00         | 100                  | 0.00    |
| Equity Shares of Rs. 10 each of Raymond Synthetic Limited*#  | 150                  | 0.00         | 150                  | 0.00    |
| <b>In Equity Shares of Structured Entities (in which key management personnel or their relatives have significant influence):</b>    |                      |              |                      |         |
| Fully Paid Equity Shares of Rs. 10 each of Asahi Powertech Private Limited   | 1,000                | 0.10         | 1,000                | 0.10    |
| Fully Paid Equity Shares of Rs. 10 each of Akshar Silica Private Limited   | 100                  | 0.01         | 100                  | 0.01    |
|  |                      | <b>0.11</b>  |                      | 0.11    |
| * Amounts are less than Rs. 0.01 Lakh  |                      |              |                      |         |
| # The company is in process of obtaining duplicate certificates/dematerialisation and hence not available for physical verification. |                      |              |                      |         |
| Provision for Diminution in value of Investment  |                      | (24.37)      |                      | (24.37) |
| <b>Total of Investments in Equity Instruments at FVTPL</b>   |                      | <b>0.38</b>  |                      | 0.38    |
| <b>Total Non Current Investments</b>   |                      | <b>0.38</b>  |                      | 0.38    |
| Aggregate amount of quoted investments   |                      | 0.27         |                      | 24.64   |
| Aggregate market value of quoted investments   |                      | 0.27         |                      | 24.64   |
| Aggregate amount of unquoted investments   |                      | 0.11         |                      | 0.11    |
| Aggregate amount of impairment in value of investments   |                      | 24.37        |                      | 24.37   |

## NOTES

### 7. Other Non-current Financial Assets

(₹ in Lakhs)

| Particulars                | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------|----------------------|----------------------|
| Unsecured, considered good |                      |                      |
| a. Security Deposits       | 185.73               | 183.35               |
| <b>Total</b>               | <b>185.73</b>        | <b>183.35</b>        |

### 8. Other Non current Assets

(₹ in Lakhs)

| Particulars                            | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| a. Capital Advances                    | 131.06               | 190.21               |
| b. Balance with Government Authorities | 232.92               | 232.92               |
| c. Pre-paid Expenses                   | -                    | 8.33                 |
| <b>Total</b>                           | <b>363.98</b>        | <b>431.46</b>        |

### 9. Inventories

(₹ in Lakhs)

| Particulars  | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| <b>(Valued at lower of cost or net realized value)</b> |                      |                      |
| a. Raw materials                                       | 664.99               | 864.23               |
| b. Raw materials - in Transit                          | -                    | 176.09               |
| c. Work in progress                                    | 811.03               | 1,368.79             |
| d. Finished goods                                      | 3,258.87             | 3,042.73             |
| e. Finished Goods- in Transit                          | 484.87               | 1,040.98             |
| f. Stock in Trade                                      | 164.33               | 57.68                |
| g. Stock in Trade - in Transit                         | 63.04                | 173.36               |
| h. Stores and spares                                   | 318.86               | 377.75               |
| i. Packing Material                                    | 101.76               | 59.27                |
| j. Fuel & Oil  | 66.13                | 87.19                |
| <b>Total</b>   | <b>5,933.88</b>      | <b>7,248.07</b>      |

### 10. Trade Receivables

(₹ in Lakhs)

| Particulars                   | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------|----------------------|----------------------|
| a. Unsecured, considered good | 3,615.69             | 5,293.17             |
| <b>Total</b>                  | <b>3,615.69</b>      | <b>5,293.17</b>      |

Refer Note No. 39 for receivable from related parties

#### 10.1 Ageing of Trade Receivable

##### Ageing of Trade Receivables outstanding as at 31/03/2023

(₹ in Lakhs)

| Particulars  | Outstanding for following periods from due date of payment |                  |              |             |                   | Total           |
|--|--|------------------|--------------|-------------|-------------------|-----------------|
|  | Less than 6 months   | 6 months-1 Years | 1-2 Years    | 2-3 Years   | More than 3 Years |                 |
| a. Undisputed Trade Receivable-Considered good                     | 3,246.27   | 343.87           | 19.29        | 3.40        | 2.86              | 3,615.69        |
| b. Undisputed trade receivable-Significant increase in credit risk | -  | -                | -            | -           | -                 | -               |
| c. Undisputed Trade Receivable-Credit Impaired                     | -  | -                | -            | -           | -                 | -               |
| d. Disputed Trade Receivable-Considered good                       | -  | -                | -            | -           | -                 | -               |
| e. Disputed trade receivable-Significant increase in credit risk   | -  | -                | -            | -           | -                 | -               |
| f. Disputed Trade Receivable-Credit Impaired                       | -  | -                | -            | -           | -                 | -               |
| <b>Total</b>   | <b>3,246.27</b>  | <b>343.87</b>    | <b>19.29</b> | <b>3.40</b> | <b>2.86</b>       | <b>3,615.69</b> |

## NOTES

### Ageing of Trade Receivables outstanding as at 31/03/2022

(₹ in Lakhs)

| Particulars  | Outstanding for following periods from due date of payment |                  |               |             |                   | Total           |
|--|--|------------------|---------------|-------------|-------------------|-----------------|
|  | Less than 6 months   | 6 months-1 Years | 1-2 Years     | 2-3 Years   | More than 3 Years |                 |
| a. Undisputed Trade Receivable-Considered good                     | 5,089.16   | 86.76            | 100.77        | 2.96        | 13.51             | 5,293.17        |
| b. Undisputed trade receivable-Significant increase in credit risk | -  | -                | -             | -           | -                 | -               |
| c. Undisputed Trade Receivable-Credit Impaired                     | -  | -                | -             | -           | -                 | -               |
| d. Disputed Trade Receivable-Considered good                       | -  | -                | -             | -           | -                 | -               |
| e. Disputed trade receivable-Significant increase in credit risk   | -  | -                | -             | -           | -                 | -               |
| f. Disputed Trade Receivable-Credit Impaired                       | -  | -                | -             | -           | -                 | -               |
| <b>Total</b>   | <b>5,089.16</b>  | <b>86.76</b>     | <b>100.77</b> | <b>2.96</b> | <b>13.51</b>      | <b>5,293.17</b> |

### 11. Cash and Cash Equivalents

(₹ in Lakhs)

| Particulars                                | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| a. Balances with banks in current accounts | 4.23                 | 4.23                 |
| b. Cash on hand                            | 10.51                | 9.78                 |
| <b>Total</b>                               | <b>14.74</b>         | <b>14.01</b>         |

### 12. Bank Balances other than Cash and Cash Equivalents

(₹ in Lakhs)

| Particulars   | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| a. Earmarked balance for unpaid dividend  | 59.15                | 69.52                |
| b. Term deposits with bank held as margin money against letters of credit, bank guarantees and collateral security for working capital facilities | 99.96                | 116.08               |
| <b>Total</b>  | <b>159.11</b>        | <b>185.60</b>        |

### 13. Current Loans

(₹ in Lakhs)

| Particulars                       | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------|----------------------|----------------------|
| <b>Unsecured, considered good</b> |                      |                      |
| a. Loans & Advances to Employees  | 27.74                | 20.83                |
| <b>Total</b>                      | <b>27.74</b>         | <b>20.83</b>         |

### 14. Other Current Financial Assets

(₹ in Lakhs)

| Particulars                       | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------|----------------------|----------------------|
| a. Interest receivable            | 4.02                 | 2.22                 |
| b. Other Current financial assets | -                    | 24.16                |
| <b>Total</b>                      | <b>4.02</b>          | <b>26.38</b>         |

### 15. Current Tax Assets (Net)

(₹ in Lakhs)

| Particulars                                  | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| a. Advance payment of tax (Net of provision) | 552.65               | 407.56               |
| <b>Total</b>                                 | <b>552.65</b>        | <b>407.56</b>        |



## NOTES

### 16. Other Current Assets

(₹ in Lakhs)

| Particulars                             | As at March 31, 2023 |                 | As at March 31, 2022 |                 |
|---|----------------------|-----------------|----------------------|-----------------|
|   | No. of Shares        | Amount          | No. of Shares        | Amount          |
| a. Balance with Government Authorities  |                      | 747.86          |                      | 1,381.81        |
| b. Prepaid Expenses                     |                      | 77.86           |                      | 47.47           |
| c. Advances other than capital advances |                      | 457.72          |                      | 464.35          |
| d. Export Incentive Receivable          |                      | 96.22           |                      | 169.54          |
| <b>Total</b>                            |                      | <b>1,379.66</b> |                      | <b>2,063.17</b> |

Refer Note No. 39 for receivable from related parties

### 17. Share capital

(₹ in Lakhs)

| Particulars                                    | As at March 31, 2023 |               | As at March 31, 2022 |               |
|--|----------------------|---------------|----------------------|---------------|
|  | No. of Shares        | Amount        | No. of Shares        | Amount        |
| <b>Authorised Share Capital :</b>              |                      |               |                      |               |
| Equity Shares of Rs. 10 each                   | 2,00,00,000          | 2,000.00      | 2,00,00,000          | 2,000.00      |
| <b>Issued, Subscribed &amp; Fully Paid Up:</b> |                      |               |                      |               |
| Equity Shares of Rs. 10 each                   | 80,33,099            | 803.31        | 80,33,099            | 803.31        |
| <b>Total</b>                                   | <b>80,33,099</b>     | <b>803.31</b> | <b>80,33,099</b>     | <b>803.31</b> |

#### 17.1 The reconciliation of the no. of shares outstanding is set out below :

(₹ in Lakhs)

| Particulars                                 | As at March 31, 2023 |               | As at March 31, 2022 |               |
|---|----------------------|---------------|----------------------|---------------|
|   | No. of Shares        | Amount        | No. of Shares        | Amount        |
| <b>Equity shares</b>                        |                      |               |                      |               |
| At Beginning of the period                  | 80,33,099            | 803.31        | 82,02,590            | 820.26        |
| Add : Issued during the year                | -                    | -             | -                    | -             |
| Less:- Shares Buy Back                      | -                    | -             | 1,69,491             | 16.95         |
| <b>Outstanding at the end of the period</b> | <b>80,33,099</b>     | <b>803.31</b> | <b>80,33,099</b>     | <b>803.31</b> |

17.2 The Company has only one class of shares i.e. equity shares. All equity shares carry equal rights with respect to voting and dividend.

17.3 In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

17.4 Subsequent to Balance Sheet date, the Board of Directors has recommended a dividend of Rs. 0.50 per share to be paid on fully paid equity shares in respect of financial year ended on March 31, 2023. The equity dividend is subject to approval by shareholders at the ensuing annual general meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is Rs. 40.17 Lakhs.

17.5 The Board of Directors obtained at its meeting held on October, 29, 2021, the Company had offered Buy Back of Equity shares of all eligible equity shareholders of the Company on a proportionate basis through tender offer route using Stock Exchange mechanism. The buyback of equity shares through the Stock Exchange commenced on Wednesday, December 08, 2021 and closed on Tuesday, December 21, 2021. Accordingly, the Company bought back and extinguished a total of 1,69,491 equity shares of Rs. 10 each at a price of Rs. 590 per equity share, representing 2.07% of the pre-buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of Rs. 1000 Lakhs excluding costs such as fees, brokerage, buy back tax, securities transaction tax, goods and services tax, stamp duty etc. ("Transaction Costs").

17.6 Shares held by holding / ultimate holding company / or their subsidiaries / associates : Not Applicable

#### 17.7 Details of shareholders holding more than 5% shares

(₹ in Lakhs)

| Name of the shareholder             | As at March 31, 2023 |        | As at March 31, 2022 |        | % Change during the year |
|-------------------------------------|----------------------|--------|----------------------|--------|--------------------------|
|                                     | No. of Shares        | Amount | No. of Shares        | Amount |                          |
| Mrugesh Jaykrishna Family Trust - 2 | 31,22,673            | 38.87  | 31,22,673            | 38.87  | -                        |
| Munjal M. Jaykrishna Family Trust   | 15,96,532            | 19.87  | 15,96,532            | 19.87  | -                        |

#### 17.8 Disclosure of Shareholding of Promoters

##### Disclosure of shareholding of promoters as at March 31, 2023 is as follows

(₹ in Lakhs)

| Promoter Name                       | As at March 31, 2023 |        | As at March 31, 2022 |        | % Change during the year |
|-------------------------------------|----------------------|--------|----------------------|--------|--------------------------|
|                                     | No. of Shares        | Amount | No. of Shares        | Amount |                          |
| Mrugesh Jaykrishna Family Trust - 2 | 31,22,673            | 38.87  | 31,22,673            | 38.87  | -                        |
| Munjal M. Jaykrishna Family Trust   | 15,96,532            | 19.87  | 15,96,532            | 19.87  | -                        |
| Chelsea Marketing LLP               | 3,17,132             | 3.95   | 3,17,132             | 3.95   | -                        |
| Skyjet Aviation Private Limited     | 200                  | 0.00   | 200                  | 0.00   | -                        |

## NOTES

### Disclosure of shareholding of promoters as at March 31, 2022 is as follows

(₹ in Lakhs)

| Promoter Name                       | As at March 31, 2022 |        | As at March 31, 2021 |        | % Change during the year |
|-------------------------------------|----------------------|--------|----------------------|--------|--------------------------|
|                                     | No. of Shares        | Amount | No. of Shares        | Amount |                          |
| Mrugesh Jaykrishna Family Trust - 2 | 31,22,673            | 38.87  | 31,88,819            | 38.88  | (0.010)                  |
| Munjaj M. Jaykrishna Family Trust   | 15,96,532            | 19.87  | 16,30,361            | 19.88  | (0.010)                  |
| Chelsea Marketing LLP               | 3,17,132             | 3.95   | 3,23,837             | 3.95   | -                        |
| Skyjet Aviation Private Limited     | 200                  | 0.00   | 200                  | 0.00   | -                        |

17.9 Shares Reserved for Issued under options & contracts or commitments for the sale of shares or disinvestment, including terms of amounts : Nil

17.10 a. Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash: Nil

b. Aggregate number and class of shares allotted as fully paid by way of Bonus Shares : Nil

c. Aggregate number and class of shares bought back : Nil

17.11 Securities which are convertible into Equity Shares : Nil

17.12 Aggregate Value of Calls unpaid by directors and officers : Nil

### 18. Other Equity

(₹ in Lakhs)

| Particulars   | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| <b>Securities Premium</b>   |                      |                      |
| Balance at the beginning of the Year  | 5,839.49             | 6,822.54             |
| Add : Securities premium credited on Share issue  | -                    | -                    |
| Less : Securities premium debited on Buyback of shares  | -                    | (983.05)             |
| <b>Balance at the end of the Year</b>   | <b>5,839.49</b>      | <b>5,839.49</b>      |
| <b>General Reserve</b>  |                      |                      |
| Balance at the beginning of the Year  | 2,727.41             | 2,744.36             |
| Add: Appropriations From Current year's Profit  | -                    | (16.95)              |
| <b>Balance at the end of the Year</b>   | <b>2,727.41</b>      | <b>2,727.41</b>      |
| <b>Capital Redemption Reserve</b>   |                      |                      |
| Balance at the beginning of the Year  | 16.95                | -                    |
| Add: Transfer from General Reserve  | -                    | 16.95                |
| <b>Balance at the end of the Year</b>   | <b>16.95</b>         | <b>16.95</b>         |
| <b>Surplus in Statement of Profit and Loss</b>  |                      |                      |
| Balance at the beginning of the Year  | 18,550.10            | 17,456.96            |
| Add : Net Profit for the Year   | (94.21)              | 1,591.48             |
| Add : Other Comprehensive Income arising from remeasurement of denfined benefit obligation (net of tax) | 16.98                | 17.77                |
| Less : Dividend   | (40.17)              | (287.09)             |
| Less : Tax on Buy Back of Equity Shares   | -                    | (229.02)             |
| <b>Balance at the end of the Year</b>   | <b>18,432.70</b>     | <b>18,550.10</b>     |
| <b>Other Comprehensive Income</b>   |                      |                      |
| - Fair value gains/(loss) on Equity Instruments   | 17.16                | 17.16                |
| - Effective portion of cash flow hedge  | (0.58)               | 17.50                |
| <b>Total</b>  | <b>27,033.16</b>     | <b>27,168.64</b>     |

#### Securities Premium:

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

#### Capital Redemption Reserve:

Capital Redemption Reserve represents reserve created during buy back of Equity Shares and it is a non-distributable reserve.

#### General Reserve:

General Reserve has been created by transfer out of profit generated by the Company and is available for distribution to shareholders. Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

## NOTES

### Retained Earnings:

Retained earnings are the profits that the Company has earned till date including effect of remeasurement of defined benefit obligations less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Company.

### Equity Instruments through Other Comprehensive Income:

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

### Effective portion of Cash Flow Hedges:

This Reserve represents the cumulative effective portion of changes in Fair Value of derivatives that are designated as Cash Flow Hedges. It will be reclassified to profit or loss or included in the carrying amount of the non-financial asset in accordance with the Company's accounting policy.

### 19. Non-Current Borrowings

(₹ in Lakhs)

| Particulars            | As at March<br>31, 2023 | As at March<br>31, 2022 |
|------------------------|-------------------------|-------------------------|
| <b>a. Secured</b>      |                         |                         |
| <b>Term Loan</b>       |                         |                         |
| From HDFC Bank Limited | 1,650.00                | 2,250.00                |
| <b>Total</b>           | <b>1,650.00</b>         | <b>2,250.00</b>         |

#### 19.1 Details of security and rate of interest for term loan from HDFC Bank Limited

Primary Security:

First exclusive charge over factory land and building located at plot No. D-2/CH/152, GIDC Dahej, Gujarat.

First exclusive charge over movable fixed assets including Plant and Machinery located at Plot No. D-2/CH/152, GIDC Dahej, Gujarat.

Repayment Terms:

20 quarterly installments of Rs. 150 Lakhs each starting from January-22

Rate of Interest:

Interest rate for the year ranges between 6% to 8.5%

### 20. Non Current Provisions

(₹ in Lakhs)

| Particulars   | As at March<br>31, 2023 | As at March<br>31, 2022 |
|---|-------------------------|-------------------------|
| <b>Provision for Employee Benefits ( Ref. Note No.41)</b> |                         |                         |
| a. Leave Encashment                                       | 27.09                   | 39.54                   |
| <b>Total</b>  | <b>27.09</b>            | <b>39.54</b>            |

### 21. Deferred Tax Liabilities (Net)

(₹ in Lakhs)

| Particulars                                 | As at March<br>31, 2023 | As at March<br>31, 2022 |
|---|-------------------------|-------------------------|
| Opening Balance                             | 1,770.73                | 1,626.00                |
| Add/(Less): Liability/(Assets) for the year | 43.94                   | 144.73                  |
| <b>Total</b>                                | <b>1,814.67</b>         | <b>1,770.73</b>         |

#### 21.1 Component of Deferred Tax Liabilities (Net)

(₹ in Lakhs)

| Particulars                 | As at March<br>31, 2023 | As at March<br>31, 2022 |
|-----------------------------|-------------------------|-------------------------|
| a. Depreciation             | 192.40                  | (183.60)                |
| b. Employee Benefits        | 3.99                    | (0.33)                  |
| c. Other Timing Differences | (6.08)                  | 16.16                   |
| d. Mat Credit /DTA          | (146.37)                | 312.50                  |
| <b>Total</b>                | <b>43.94</b>            | <b>144.73</b>           |

### 22. Current Borrowings

(₹ in Lakhs)

| Particulars                                   | As at March<br>31, 2023 | As at March<br>31, 2022 |
|---|-------------------------|-------------------------|
| <b>a. Secured</b>                             |                         |                         |
| <b>Cash Credit/Working Capital Borrowings</b> |                         |                         |
| From State Bank of India                      | 212.54                  | 2,177.32                |
| <b>Current Maturities of Long Term Debt</b>   |                         |                         |
| From HDFC Bank Limited (refer note no.19)     | 600.00                  | 600.00                  |
| <b>Total</b>                                  | <b>812.54</b>           | <b>2,777.32</b>         |

## NOTES

### 22. 1 Details of security for working capital facilities from State Bank of India

**Repayment Schedule:**

Repayable on Demand

**Primary Security:**

Exclusive charge by way of hypothecation over entire present and future current assets of the company.

**Collateral Security:**

"- Exclusive charge, by way of Equitable Mortgage and Hypothecation on entire fixed assets (Land, Building, Plant & Machinery) both present and future of the company situated at "Akshar House" Survey Nos. 166,167,168 & 169, of Mouje Indrad Village, Kadi-Kalol Road, Chhatral, Taluka Kadi, Dist. Mehsana, Gujarat.

- Lien over TDR worth Rs. 25 Lakhs in lieu of waiver of ECGC policy."

**Rate of Interest:**

Interest rate for the year ranges between 6.25 to 8% (P.Y. 2021-22 between 7.5% to 8.4%)

### 23. Current Trade Payables

(₹ in Lakhs)

| Particulars                    | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------|----------------------|----------------------|
| a. Micro and Small Enterprises | 162.59               | 241.22               |
| b. Others                      | 3,668.71             | 4,772.08             |
| <b>Total</b>                   | <b>3,831.30</b>      | <b>5,013.30</b>      |

Refer Note No. 39 for payable to related parties

### 23. 1 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakhs)

| Particulars  | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| a. Principal amount remaining unpaid to any supplier as at the end of accounting year  | 162.59               | 241.22               |
| b. Interest due and remaining unpaid to any supplier as at the end of accounting year  | -                    | -                    |
| c. Amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year   | -                    | -                    |
| d. Amount of interest due and payable for the reporting period of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act, 2006  | -                    | -                    |
| e. Amount of interest accrued and remaining unpaid at the end of the accounting year.  | -                    | -                    |
| f. Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006 | -                    | -                    |

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

### 23.2 Ageing of Trade Payables

**Ageing of Trade Payables outstanding as on 31/03/2023**

(₹ in Lakhs)

| Particulars               | Outstanding for following periods from due date of payment |             |             |                   | Total           |
|---------------------------|--|-------------|-------------|-------------------|-----------------|
|                           | Less than 1 year   | 1-2 Year    | 2-3 Year    | More than 3 Years |                 |
| a. MSME                   | 162.59   | -           | -           | -                 | 162.59          |
| b. Others                 | 3,662.31   | 6.18        | 0.22        | -                 | 3,668.71        |
| c. Disputed dues - MSME   | -  | -           | -           | -                 | -               |
| d. Disputed dues - Others | -  | -           | -           | -                 | -               |
| <b>Total</b>              | <b>3,824.90</b>  | <b>6.18</b> | <b>0.22</b> | <b>-</b>          | <b>3,831.30</b> |

## NOTES

### Ageing of Trade Payables outstanding as on 31/03/2022

(₹ in Lakhs)

| Particulars               | Outstanding for following periods from due date of payment |             |              |                   | Total           |
|---------------------------|--|-------------|--------------|-------------------|-----------------|
|                           | Less than 1 year   | 1-2 Year    | 2-3 Year     | More than 3 Years |                 |
| a. MSME                   | 241.12   | -           | -            | -                 | 241.12          |
| b. Others                 | 4,741.45   | 8.98        | 15.46        | 6.28              | 4,772.18        |
| c. Disputed dues - MSME   | -  | -           | -            | -                 | -               |
| d. Disputed dues - Others | -  | -           | -            | -                 | -               |
| <b>Total</b>              | <b>4,982.57</b>  | <b>8.98</b> | <b>15.46</b> | <b>6.28</b>       | <b>5,013.30</b> |

### 24. Other Current Financial Liabilities

(₹ in Lakhs)

| Particulars                          | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------|----------------------|----------------------|
| a. Unpaid dividends*                 | 59.15                | 69.52                |
| b. Interest Accrued                  | -                    | 14.28                |
| c. Payable for Fixed Assets Supplier | 147.37               | 335.16               |
| <b>Total</b>                         | <b>206.52</b>        | <b>418.96</b>        |

\*The Company has transferred Rs. 11.25 lakhs (Previous year Rs. 14.26 lakhs) in the Investor Education and Protection Fund (IEPF) during the year.

### 25. Other Current Liabilities

(₹ in Lakhs)

| Particulars                     | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------|----------------------|----------------------|
| a. Statutory Dues               | 33.63                | 39.23                |
| b. Dues to Employees and others | 256.34               | 270.92               |
| c. Credit Balance of Customers  | 13.17                | 2.40                 |
| <b>Total</b>                    | <b>303.14</b>        | <b>312.55</b>        |

Refer Note No. 39 for payable to related parties

### 26. Current Provisions

(₹ in Lakhs)

| Particulars                                       | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Provison for Employee Benefits ( Ref. Note No.41) |                      |                      |
| a. Bonus  | 28.70                | 23.46                |
| b. Leave Encashment                               | 14.47                | 19.59                |
| <b>Total</b>                                      | <b>43.17</b>         | <b>43.05</b>         |

### 27. Revenue from Operations

(₹ in Lakhs)

| Particulars              | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--------------------------|---------------------------|---------------------------|
| <b>Sale of Products</b>  |                           |                           |
| Export Sales             | 20,237.65                 | 28,001.76                 |
| Domestic Sales           | 12,223.22                 | 8,820.15                  |
|                          | 32,460.87                 | 36,821.91                 |
| Other operating revenues | 1,006.99                  | 1,212.53                  |
| <b>Total</b>             | <b>33,467.86</b>          | <b>38,034.44</b>          |



## NOTES

### 27.1 Other Operating Revenue

(₹ in Lakhs)

| Particulars               | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|---------------------------|---------------------------|---------------------------|
| Export incentives         | 607.68                    | 782.86                    |
| Exchange Rate differences | 399.31                    | 429.67                    |
| Other Revenue             | -                         | -                         |
| <b>Total</b>              | <b>1,006.99</b>           | <b>1,212.53</b>           |

### 28. Other Income

(₹ in Lakhs)

| Particulars  | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|--|---------------------------|---------------------------|
| a. Interest income   | 9.56                      | 6.65                      |
| b. Dividend income   | -                         | 0.02                      |
| c. Net gain on sale of Investments                                 | -                         | 34.22                     |
| d. Net gain on fair valuation of Investments through Profit & Loss | -                         | 8.91                      |
| e. Net Gain on sale of fixed assets                                | 0.73                      | 8.32                      |
| f. Other miscellaneous income                                      | 4.88                      | 7.22                      |
| <b>Total</b>   | <b>15.17</b>              | <b>65.34</b>              |

### 29. Cost of Materials Consumed

(₹ in Lakhs)

| Particulars          | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|----------------------|---------------------------|---------------------------|
| Opening Stock        | 1,040.32                  | 1,222.45                  |
| Add : Purchases      | 18,044.62                 | 22,001.84                 |
| Sub Total            | 19,084.94                 | 23,224.29                 |
| Less : Closing Stock | 664.99                    | 1,040.32                  |
| <b>Total</b>         | <b>18,419.95</b>          | <b>22,183.97</b>          |

### 30. Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade

(₹ in Lakhs)

| Particulars  | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|--|---------------------------|---------------------------|
| <b>a. Inventories at the end of the year :</b>       |                           | -                         |
| Stock-in-Trade                                       | 227.37                    | 231.04                    |
| Finished goods                                       | 3,743.74                  | 4,083.71                  |
| Work-in-process                                      | 811.03                    | 1,368.79                  |
| <b>Total</b>   | <b>4,782.14</b>           | <b>5,683.54</b>           |
| <b>b. Inventories at the beginning of the year :</b> |                           |                           |
| Stock-in-Trade                                       | 231.04                    | 229.75                    |
| Finished goods                                       | 4,083.71                  | 3,037.01                  |
| Work-in-process                                      | 1,368.79                  | 905.35                    |
| <b>Total</b>   | <b>5,683.54</b>           | <b>4,172.11</b>           |
| <b>Total (Increase) / Decrease In Stock</b>          | <b>901.40</b>             | <b>(1,511.43)</b>         |

## NOTES

### 31. Employee benefit expense

(₹ in Lakhs)

| Particulars   | Year Ended March<br>31, 2023 | Year Ended March<br>31, 2022 |
|---|------------------------------|------------------------------|
| a. Salaries and wages   | 966.45                       | 969.06                       |
| b. Managerial remuneration including perquisites and commission | 101.80                       | 172.40                       |
| c. Contribution to provident & other funds                      | 51.29                        | 58.41                        |
| d. Staff welfare expenses                                       | 54.53                        | 38.43                        |
| <b>Total</b>  | <b>1,174.07</b>              | <b>1,238.30</b>              |

### 32. Finance Costs

(₹ in Lakhs)

| Particulars   | Year Ended March<br>31, 2023 | Year Ended March<br>31, 2022 |
|---|------------------------------|------------------------------|
| a. Interest on term loan facilities from bank       | 174.82                       | 75.02                        |
| b. Interest on working capital facilities from bank | 97.37                        | 88.21                        |
| c. Other borrowing costs                            | 49.31                        | 57.32                        |
| <b>Total</b>  | <b>321.50</b>                | <b>220.55</b>                |

### 33. Depreciation and Amortisation Expense

(₹ in Lakhs)

| Particulars                                    | Year Ended March<br>31, 2023 | Year Ended March<br>31, 2022 |
|--|------------------------------|------------------------------|
| a. Depreciation on property, plant & equipment | 1,275.20                     | 1,212.70                     |
| b. Amortization of intangible assets           | 9.64                         | 9.08                         |
| <b>Total</b>                                   | <b>1,284.84</b>              | <b>1,221.78</b>              |

### 34. Other Expenses

(₹ in Lakhs)

| Particulars   | Year Ended March<br>31, 2023 | Year Ended March<br>31, 2022 |
|---|------------------------------|------------------------------|
| a. Consumption of Stores & Spares                             | 509.02                       | 613.56                       |
| b. Power and Fuel   | 3,974.52                     | 4,554.14                     |
| c. Repairs to Building  | 18.27                        | 22.75                        |
| d. Repairs to Machinery                                       | 208.70                       | 282.02                       |
| e. Other Repairs  | 32.40                        | 24.21                        |
| f. Pollution Treatment Expenses                               | 900.05                       | 1,408.31                     |
| g. Labour Charges   | 1,017.33                     | 1,197.83                     |
| h. Rent   | 19.22                        | 17.14                        |
| i. Rates & Taxes  | 0.94                         | 5.18                         |
| j. Insurance  | 68.69                        | 64.84                        |
| k. Consumption of Packing Material                            | 366.96                       | 513.10                       |
| l. Sundry Debit balances written off                          | 93.14                        | -                            |
| m. Expenditure incurred on CSR activities (Refer Note No. 42) | 38.85                        | 47.48                        |
| n. Freight, Handling, Transportation & other Expenses         | 251.62                       | 206.15                       |
| o. Selling and Distribution Expenses                          | 570.06                       | 814.51                       |
| p. Travelling, Conveyance & Vehicle Expenses                  | 356.66                       | 339.30                       |
| q. Donation   | 2.78                         | 0.32                         |
| r. Directors Sitting Fees                                     | 1.80                         | 1.80                         |
| s. Legal & Professional Expenses                              | 339.47                       | 394.99                       |
| t. Auditors Remuneration (Refer Note No. 34.1)                | 3.25                         | 3.75                         |
| u. General Expenses   | 149.08                       | 118.26                       |
| <b>Total</b>  | <b>8,922.81</b>              | <b>10,629.64</b>             |

## NOTES

### 34.1 Auditor Remuneration & others

(₹ in Lakhs)

| Particulars         | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|---------------------|---------------------------|---------------------------|
| <b>As auditor :</b> |                           |                           |
| Audit fee           | 2.75                      | 2.75                      |
| Tax audit fee       | 0.50                      | 0.50                      |
| Other Expenses      | -                         | 0.50                      |
| <b>Total</b>        | <b>3.25</b>               | <b>3.75</b>               |

### 35. Earning Per Share

Earning Per share is calculated by dividing the Profit / (Loss) attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earning per Equity Share as stated below:

(₹ in Lakhs)

| Particulars  | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|--|---------------------------|---------------------------|
| Net Profit for the year attributable to Equity Shareholders (Rs. In Lakhs)         | (94.21)                   | 1,591.48                  |
| Weighted Average number of Equity Shares outstanding of Face Value of Rs. 10 each. | 80,33,099                 | 81,62,655                 |
| Number of Equity Shares for Basic EPS  | 80,33,099                 | 80,33,099                 |
| Number of Equity Shares for Diluted EPS  | 80,33,099                 | 80,33,099                 |
| Nominal Value Per Share (₹)  | 10                        | 10                        |
| Basic Earning Per Share (₹)  | (1.17)                    | 19.50                     |
| Diluted Earning Per Share (₹)  | (1.17)                    | 19.50                     |

### 36. Income Taxes

(₹ in Lakhs)

| Particulars  | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|--|---------------------------|---------------------------|
| The major components of income tax expense for the year as under:      |                           |                           |
| <b>a. Current tax</b>  | -                         | 202.00                    |
| <b>b. Deferred tax</b>   |                           |                           |
| In respect of Accumulated Depreciation                                 | 376.00                    | (183.60)                  |
| In respect of Investments and other timing differences (including OCI) | (17.92)                   | 15.83                     |
| Mat Credit /DTA  | (146.37)                  | 312.50                    |
| <b>Total deferred tax</b>  | <b>211.71</b>             | <b>144.73</b>             |
| <b>c. Adjustment of tax for earlier years</b>                          | -                         | (135.35)                  |
| <b>Total tax expenses charged to statement of Profit and Loss</b>      | <b>211.71</b>             | <b>211.38</b>             |

### 36.1 Reconciliation of Effective Tax Rate

(₹ in Lakhs)

| Particulars                                 | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|---|---------------------------|---------------------------|
| Applicable Tax Rate                         | 25.17%                    | 25.17%                    |
| Profit before tax                           | (49.90)                   | 1,794.68                  |
| Income not considered for tax purpose       | (9.31)                    | (17.23)                   |
| Expenses not allowed for tax purpose        | 118.07                    | 48.71                     |
| Adjustment for depreciation                 | (730.94)                  | (1,034.82)                |
| Others                                      | -                         | 17.11                     |
| Net Taxable income for the year             | (672.08)                  | 808.46                    |
| Effective Tax for the year                  | (169.15)                  | 203.47                    |
| Additional Tax Liability due to MAT         | -                         | -                         |
| Adjustment for income taxable at lower rate | -                         | (4.44)                    |
| Total current tax calculated for the year   | (0.00)                    | 199.03                    |
| Excess provision                            | -                         | 2.97                      |
| Effective current tax rate for the year     | 0.00%                     | 11.09%                    |

## NOTES

### 37. Contingent Liabilities and Commitments

(₹ in Lakhs)

| Particulars   | Year Ended<br>March 31, 2023 | Year Ended<br>March 31, 2022 |
|---|------------------------------|------------------------------|
| <b>Contingent Liabilities</b>   |                              |                              |
| a. Appellate order passed by Dy. Commissioner of Commercial Taxes, Appeals-3 at Gandhinagar for the year 2004-05 and Subsequently applied for Appeal at commercial tax commissioner Ahmedabad (VAT Tribunal). | 18.03                        | 18.03                        |
| b. The commissioner of Income Tax-1 Ahmedabad has filed an appeal in the High Court of Gujarat, Ahmedabad for the Asst. Year 2003- 04   | -                            | 44.27                        |
| c. Assessment order passed by Circle 1(1)(1) Ahmedabad for Asst. Year 2017- 18 for which Appeal filed with CIT (Ahmedabad)  | 10.28                        | 10.28                        |
| d. Assessment order passed by Circle 1(1)(1) Ahmedabad for Asst. Year 2018- 19 for which Appeal filed with CIT (Ahmedabad)  | 11.40                        | 11.40                        |
| e. Bills discounted under Export/Inland Letter of Credit  | 101.87                       | 110.08                       |
| f. Outstanding bank guarantees for contract demand  | 414.85                       | 418.60                       |
| <b>Commitments</b>  |                              |                              |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)  | 3.46                         | 179.03                       |

38. The Company operates in a single segment and in line with Ind AS - 108 - "Operating Segments", the operation of the Company fall under Chemical Business which is considered to be the only reportable business segment.

### 39. Related Party Disclosures

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the Company are as follows:  
Related Parties and Nature of Relationship

#### 39.1 Name of the Related Parties and Nature of Relationship:

##### A. Enterprises own or significantly influenced by key managerial personnel or their relatives

Asahi Songwon Colors Limited  
Skyways  
Skyjet Aviation Private Limited  
Akshar Silica Private Limited  
Chhatral Environment Management System Private Limited  
Chelsea Marketing LLP  
Mrugesh Jaykrishna Family Trust-2  
Munjal M. Jaykrishna Family Trust  
Munjal M. Jaykrishna HUF

##### B. Key Managerial Personnel:

###### EXECUTIVE DIRECTORS

Mrs. Paru M. Jaykrishna - Chairperson & Managing Director  
Mr. Munjal M. Jaykrishna - Jt. Managing Director & CEO  
Mr. Ashok D. Barot - Director

###### NON-EXECUTIVE DIRECTORS

Mr. Gokul M. Jaykrishna - Director  
Mr. Pradeep Jha - Independent Director  
Ms. Maitri K. Mehta - Independent Director  
Mr. Jigar M. Patel - Independent Director

###### EXECUTIVE OFFICERS

Mr. Hardik Shah - Chief Financial Officer (w.e.f. 20.05.2022)  
Mr. Meet Joshi - Company Secretary

##### C. Relative of Key Managerial Personnel

Mr. Mrugesh Jaykrishna  
Ms. Namrata Jaykrishna  
Mr. Sachin Jaykrishna

## NOTES

### 39.2 Details of Transactions carried out with related parties referred to in note 39.1 above in the ordinary course of business

(₹ in Lakhs)

| Particulars  | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|--|---------------------------|---------------------------|
| <b>A. Enterprises own or significantly influenced by key managerial personnel or their relatives</b> |                           |                           |
| Asahi Songwon Colors Limited   |                           |                           |
| Purchase of Goods  | -                         | 27.27                     |
| Sales of Goods   | 41.39                     | -                         |
| <b>Skyways</b>   |                           |                           |
| Rent Paid  | 2.30                      | 1.86                      |
| Rates and Taxes  | 0.56                      | 0.61                      |
| <b>Skyjet Aviation Private Limited</b>   |                           |                           |
| Air Tickets booking services   | -                         | 9.40                      |
| Dividend Paid  | 0.01                      | 0.01                      |
| <b>Chhatral Environment Management System Private Limited</b>  |                           |                           |
| Effluent Treatment Service Availed   | 37.83                     | 470.62                    |
| Rent Income  | 4.96                      | 4.96                      |
| Capital Goods Purchased  | -                         | 4.50                      |
| <b>Munjal M. Jaykrishna HUF</b>  |                           |                           |
| Rent Paid  | 3.75                      | 9.00                      |
| <b>Chelsea Marketing LLP</b>   |                           |                           |
| Dividend Paid  | 1.59                      | 11.33                     |
| <b>Mrugesh Jaykrishna Family Trust - 2</b>   |                           |                           |
| Dividend Paid  | 15.61                     | 111.61                    |
| <b>Munjal M. Jaykrishna Family Trust</b>   |                           |                           |
| Dividend Paid  | 7.98                      | 57.06                     |
| <b>B. Key Managerial Personnel and their relatives</b>   |                           |                           |
| <b>Mrs. Paru M. Jaykrishna</b>   |                           |                           |
| Remuneration, Allowances and Perquisites   | 42.00                     | 75.60                     |
| <b>Mr. Munjal M. Jaykrishna</b>  |                           |                           |
| Remuneration, Allowances and Perquisites   | 59.80                     | 76.80                     |
| Commission   | -                         | 20.00                     |
| <b>Mr. Ashok Barot</b>   |                           |                           |
| Director Sitting Fees  | 0.40                      | 0.40                      |
| Salary and allowances  | 16.95                     | 16.95                     |
| <b>Mr. Hardik S. Shah</b>  |                           |                           |
| Salary and allowances  | 22.96                     | -                         |
| <b>Mr. Meet Joshi</b>  |                           |                           |
| Salary and allowances  | 8.33                      | 8.30                      |
| <b>Mr. Mrugesh Jaykrishna</b>  |                           |                           |
| Consultancy  | 29.31                     | 29.31                     |



## NOTES

(₹ in Lakhs)

| Particular                    | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|-------------------------------|---------------------------|---------------------------|
| <b>Ms. Namrata Jaykrishna</b> |                           |                           |
| Salary and allowances         | 24.36                     | 24.36                     |
| <b>Mr. Sachin Jaykrishna</b>  |                           |                           |
| Consultancy                   | -                         | 7.97                      |
| Salary and allowances         | 32.40                     | -                         |
| <b>Mr. Pradeep Jha</b>        |                           |                           |
| Director Sitting Fees         | 0.46                      | 0.46                      |
| <b>Ms. Maitri K. Mehta</b>    |                           |                           |
| Director Sitting Fees         | 0.48                      | 0.48                      |
| <b>Mr. Jigar M. Patel</b>     |                           |                           |
| Director Sitting Fees         | 0.46                      | 0.46                      |

Remuneration does not include the provision made for gratuity, as they are determined on an actuarial basis for the company as a whole  
Income & expenses are Inclusive of applicable tax

### 39.3 Outstanding Balance with Related Parties

(₹ in Lakhs)

| Particulars                                 | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| <b>Payables/(Receivable)</b>                |                      |                      |
| Asahi Songwon Colors Limited                | (41.39)              | -                    |
| Skyways                                     | 0.27                 | 0.14                 |
| Skyjet Aviation Pvt. Ltd.                   | 0.57                 | 2.61                 |
| Chhatral Environment Mgt Sysytems Pvt. Ltd. | 30.94                | 43.07                |
| Munjal M. Jaykrishna H.U.F.                 | -                    | 0.68                 |
| Mrs. Paru M. Jaykrishna                     | -                    | 2.76                 |
| Mr. Munjal M. Jaykrishna                    | 11.30                | 3.44                 |
| Mr. Mrugesh Jaykrishna                      | 2.24                 | 2.24                 |
| Ms. Namrata Jaykrishna                      | 1.55                 | 1.34                 |
| Mr. Sachin Jaykrishna                       | 1.50                 | -                    |
| Mr. Ashok Barot                             | 1.16                 | 1.21                 |
| Mr. Hardik S. Shah                          | 1.04                 | -                    |
| Mr. Meet Joshi                              | 0.67                 | 0.46                 |

40. As at March 31, 2023, the Company has only one class of equity shares. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

### 40.1 Dividend on equity shares paid during the year

(₹ in Lakhs)

| Particulars   | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|---|---------------------------|---------------------------|
| Final Dividend for the Financial Year 2021-2022 (Rs. 0.50 per equity shares of Rs. 10/- each) | 40.17                     | 287.09                    |

### 41. Disclosures as Required by Indian Accounting Standard (Ind-AS) 19 "Employee Benefits"

#### (a) Defined contribution plans

Contribution to defined contribution plans, recognised as expense for the year is as under :

(₹ in Lakhs)

| Particulars                                       | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Employer's contribution to Provident & other Fund | 51.29          | 58.41          |

## NOTES

### (b) Defined benefit plan

Details of defined benefit obligation and plan assets in respect of retiring gratuity are given below :

#### i) Change in the Defined Benefit Obligation

(₹ in Lakhs)

| Particulars                                | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Define Benefit Obligation at the beginning | 300.37         | 283.45         |
| Current Service Cost                       | 20.06          | 21.06          |
| Interest Cost                              | 21.87          | 19.32          |
| Benefits Paid                              | (4.10)         | (7.61)         |
| Actuarial (Loss)/Gain on Obligation        | (33.34)        | (15.87)        |
| Defined Benefit Obligation at the end      | 304.85         | 300.37         |

#### ii) Change in the fair value of Plan Assets

(₹ in Lakhs)

| Particulars                                | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Fair Value of plan assets at the beginning | 312.41         | 292.21         |
| Expected Return on Plan Assets             | 22.75          | 19.93          |
| Employer Contributions                     | -              | -              |
| Benefits paid                              | (4.10)         | (7.61)         |
| Actuarial Gain/(Loss) on the Plan Assets   | (10.66)        | 7.87           |
| Fair Value of plan assets at the end       | 320.40         | 312.41         |

#### iii) Net Liability/(Asset) recognized in Balance Sheet

(₹ in Lakhs)

| Particulars  | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Present value of funded defined benefit obligation at the year end | 304.85         | 300.37         |
| Fair Value of plan assets at the year end                          | 320.40         | 312.41         |
| Amount recognized in Balance Sheet                                 | (15.55)        | (12.04)        |

#### iv) Expenses recognised in Statement of Profit & Loss

(₹ in Lakhs)

| Particulars   | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Current Service Cost  | 20.06          | 21.06          |
| Interest Cost on Obligation                                 | 21.87          | 19.32          |
| Expected Return on Plan Asset                               | (22.75)        | (19.93)        |
| Defined Benefit Cost included in Statement of Profit & Loss | 19.18          | 20.46          |

#### v) Amount recognised in Other Comprehensive Income for the year

(₹ in Lakhs)

| Particulars                                  | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Remeasurements due to experience adjustments | (33.34)        | (15.87)        |
| Return on plan assets                        | 10.66          | (7.87)         |
| Total remeasurements in OCI                  | (22.69)        | (23.74)        |

#### vi) Actuarial Assumptions

(i) Financial/Demographic Assumptions :

| Particulars  | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Mortality Rate (as % of IALM (2012-14) Ult. Mortality Table) | 100.00%        | 100.00%        |
| Disability Rate (as % of mortality Rate)                     | 0.00%          | 0.00%          |
| Withdrawal Rate  | 2.00%          | 2.00%          |
| Discount Rate (Per Annum)                                    | 7.51%          | 7.33%          |
| Salary Growth Rate (Per Annum)                               | 8.00%          | 8.00%          |
| Defined Benefit Cost included in Statement of Profit & Loss  | 19.18          | 20.46          |

## NOTES

### vii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis on defined benefit obligation is given below :

(₹ in Lakhs)

| Particulars                                  | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| <b>Sensitivity Level - Discount Rate</b>     |                |                |
| 1% Increase                                  | -5.29%         | -5.80%         |
| 1% Decrease                                  | 6.16%          | 6.80%          |
| <b>Sensitivity Level - Salary Escalation</b> |                |                |
| 1% Increase                                  | 6.84%          | 7.50%          |
| 1% Decrease                                  | -6.02%         | -6.50%         |
| <b>Sensitivity Level - Employee Turnover</b> |                |                |
| 1% Increase                                  | -0.33%         | -0.40%         |
| 1% Decrease                                  | 0.36%          | 0.50%          |

### viii) Major Categories of Plan Assets

(₹ in Lakhs)

| Particulars        | March 31, 2023 | March 31, 2022 |
|--------------------|----------------|----------------|
| Insurance policies | 100%           | 100%           |

### ix) Maturity Profile of Defined Benefit Obligations

(₹ in Lakhs)

| Particulars       | March 31, 2023 | March 31, 2022 |
|-------------------|----------------|----------------|
| Year 1            | 131.46         | 123.10         |
| Year 2 to 5       | 28.17          | 18.87          |
| More than 5 years | 422.90         | 152.93         |

x) The weighted average duration of the defined benefit obligation is 6.91 (P.Y. 7.52)

xi) Expected contribution to the defined benefit plan for the next reporting period - Rs. Nil (P.Y. NIL)

### 42. Disclosure on Corporate Social Responsibility (CSR) activities u/s 135 of the Companies Act, 2013 is as under:

(₹ in Lakhs)

| Particulars   | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|---|---------------------------|---------------------------|
| 1. Gross amount required to be spent by the Company       | 37.69                     | 47.37                     |
| 2. Amount spent during the year                           |                           |                           |
| (i) construction/acquisition of any asset                 | -                         | -                         |
| (ii) on purposes other than (i) above                     | 38.85                     | 47.48                     |
| 3. Shortfall at the end of the year                       | -                         | -                         |
| 4. Total of previous years' shortfall                     | -                         | -                         |
| 5. Reasons for shortfall                                  | -                         | -                         |
| 6. The nature of CSR activities undertaken by the Company |                           |                           |
| - Promoting Healthcare                                    | 14.50                     | 40.00                     |
| - Ensuring Environmental Sustainability                   | 5.21                      | 7.28                      |
| - Promoting Education                                     | 15.14                     | 0.20                      |
| - Sanitation  | 4.00                      | -                         |
| 7. CSR transactions with related parties                  | -                         | -                         |

### 43. Financial Risk Management - Objectives and Policies

The Company's financial liabilities comprise other than derivatives mainly of borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, other than derivatives, include trade and other receivables, other balances with banks, loans, investments and cash and cash equivalents that arise directly from its operations.

The Company's activities are exposed to Credit risk, Liquidity Risk and Market risk.

The Board of directors of the Company are overall responsible for the establishment and oversight of the company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The Company's audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its

## NOTES

oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

### 43.1 Credit Risk Management

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 receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade Receivables and Loans

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base. The company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the company's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the management of the company.

The company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 120 days for customers. More than 85% of the company's customers have been transacting with the company for over five years, and none of these customers' balances are credit-impaired at the reporting date.

Confirmation of balances from Debtors & Loans and Advances received, are being reconciled.

Cash and Cash Equivalents

The company holds cash and cash equivalents of Rs. 14.74 Lakhs at March 31, 2023 (P.Y. Rs. 14.01 Lakhs). The cash and cash equivalents are held with bank and cash on hand.

### 43.2 Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The company uses process costing to cost its products, which assists it in monitoring cash flow requirements and optimizing its cash return on investments.

### 43.3 Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

### 43.4 Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

(₹ in Lakhs)

| Nature of Borrowing                  | Change in basis points | Impact on PAT    |                  |
|--------------------------------------|------------------------|------------------|------------------|
|                                      |                        | As at 31-03-2023 | As at 31-03-2022 |
| Term Facilities from Bank            | 0.5%                   | 8.42             | 10.66            |
|                                      | -0.5%                  | (8.42)           | (10.66)          |
| Working Capital Facilities from Bank | 0.5%                   | 0.80             | 8.15             |
|                                      | -0.5%                  | (0.80)           | (8.15)           |

### 43.5 Foreign Currency Risk

The company operates internationally and is exposed to currency risk on account of its receivables in foreign currency. The functional currency of the company is Indian Rupee. The company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The company does not use derivative financial instruments for trading or speculative purposes.

### I. Foreign Currency Exposure

(₹ in Lakhs)

| Particulars  | As at March 31, 2023 |      |     | As at March 31, 2022 |      |     |
|--|----------------------|------|-----|----------------------|------|-----|
|  | USD                  | Euro | GBP | USD                  | Euro | GBP |
| Financial Assets                                     |                      |      |     |                      |      |     |
| Trade & Other Receivables                            | 16.25                | -    | -   | 33.90                | -    | -   |
| Less : Forward Contract for selling foreign currency | -                    | -    | -   | (33.90)              | -    | -   |
| Total  | 16.25                | -    | -   | -                    | -    | -   |
| Financial Liabilities                                | -                    | -    | -   | -                    | -    | -   |
| Net Exposure   | 16.25                | -    | -   | -                    | -    | -   |

## NOTES

### II. Foreign Currency Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments as below :

(₹ in Lakhs)

| Particulars | Movement in Rate | Impact on PAT |           |
|-------------|------------------|---------------|-----------|
|             |                  | 2022-2023     | 2021-2022 |
| USD         | 5%               | 49.96         | -         |
| USD         | -5%              | (49.96)       | -         |
| EURO        | 5%               | -             | -         |
| EURO        | -5%              | -             | -         |
| GBP         | 5%               | -             | -         |
| GBP         | -5%              | -             | -         |

### 43.6 Price Risk

#### Investment Price Risk

The company's exposure to price risk arises from investments in equity and mutual fund held by the company and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from investments, the company diversifies its portfolio.

#### Sensitivity Analysis

The table below summarises the impact of increase/decrease of the index on the company's equity and profit for the period. The analysis is based on the assumption that the price of the instrument has increased by 3% or decreased by 3% with all other variables held constant.

(₹ in Lakhs)

| Particulars            | Movement in Rate | Impact on PAT |           |
|------------------------|------------------|---------------|-----------|
|                        |                  | 2022-2023     | 2021-2022 |
| Equity Shares (Quoted) | 3%               | 0.01          | 0.01      |
| Equity Shares (Quoted) | -3%              | (0.01)        | (0.01)    |

#### Commodity Price Risk

Principal Raw Material for company's products is Acetanilide, CPC Blue & Sodium Silicate. Company sources its raw material requirements from domestic markets. Company effectively manages availability of material as well as price volatility through well planned procurement and inventory strategy and also through appropriate contracts and commitments.

#### Sensitivity Analysis

The table below summarises the impact of increase/decrease in prices of Acetanilide, CPC Blue & Sodium Silicate by Rs. 1 per kg on profit for the period.

(₹ in Lakhs)

| Particulars                                | Impact on PAT |           |
|--|---------------|-----------|
|  | 2022-2023     | 2021-2022 |
| Rs. 1 decrease in price of Acetanilide     | 21.95         | 25.66     |
| Rs. 1 Increase in price of Acetanilide     | (21.95)       | (25.66)   |
| Rs. 1 decrease in price of CPC Blue        | 6.05          | 7.91      |
| Rs. 1 Increase in price of CPC Blue        | (6.05)        | (7.91)    |
| Rs. 1 decrease in price of Sodium Silicate | 76.25         | 31.54     |
| Rs. 1 Increase in price of Sodium Silicate | (76.25)       | (31.54)   |

### 44. Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The company monitors capital using gearing ratio, which is net debt divided by total equity plus debt.

(₹ in Lakhs)

| Particular  | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Borrowings  | 2,462.54             | 5,027.32             |
| Less : Cash & Cash Equivalents Including investment in Liquid Fund. | 14.74                | 14.01                |
| Net Debt (A)  | 2,447.80             | 5,013.31             |
| Total Equity  | 27,836.47            | 27,971.95            |
| Equity and Net Debt (B)   | 30,284.27            | 32,985.26            |
| Gearing Ratio (A/B)   | 0.08                 | 0.15                 |



## NOTES

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowing in the current period.

As at March 31, 2023, the Company has only one class of equity shares. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 .

**45.** In the opinion of the Board, the current assets, loans and advances are approximately of the value stated in the balance sheet, if realised in the ordinary course of the business. Provision for depreciation and all known liabilities have been made in accounts.

**46.** In terms of Ind As 36 - Impairment of Assets issued by ICAI, the management has reviewed its fixed assets and arrived at the conclusion that impairment loss which is difference between the carrying amount and recoverable value of assets, was not material and hence no provision is required to be made.

### **47. Financial Instruments - Fair Values & Risk Management**

#### **47.1 Accounting Classifications & Fair Value Measurements**

The fair values of the financial assets and liabilities are measured at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All financial instruments are initially recognized and subsequently re-measured at fair value as described below :

1. The fair value of investment in quoted equity shares and mutual funds is measured at quoted price or NAV.
2. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
3. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.
4. The fair value of forward foreign exchange contracts and currency swaps is determined using forward exchange rates and yield curves at the balance sheet date.
5. The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:  
Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.  
Level 2 : Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

#### **I. Figures as at March 31, 2023**

(₹ in Lakhs)

| Particulars  | Carrying Amount | Fair Value  |                 |
|--|-----------------|-------------|-----------------|
|  |                 | Level 1     | Level 2         |
| <b>Financial assets at amortised cost:</b>                               |                 |             |                 |
| Investments (Non-Current)  | 0.38            | -           | 0.38            |
| Security Deposits (Non-Current)  | 185.73          | -           | 185.73          |
| Trade Receivables  | 3,615.69        | -           | 3,615.69        |
| Cash and Cash Equivalents  | 14.74           | -           | 14.74           |
| Bank Balances Other than Cash and Cash Equivalents                       | 159.11          | -           | 159.11          |
| Other Current Financial Assets   | 31.76           | -           | 31.76           |
| <b>Total</b>   | <b>4,007.41</b> | <b>-</b>    | <b>4,007.41</b> |
| <b>Financial assets at fair value through profit or loss:</b>            |                 |             |                 |
| Investments (Current)  | -               | -           | -               |
| Investments (Non-Current)  | 0.38            | 0.38        | -               |
| <b>Total</b>   | <b>0.38</b>     | <b>0.38</b> | <b>-</b>        |
| <b>Financial assets at fair value through other comprehensive income</b> |                 |             |                 |
| Investments (Non-Current)  | -               | -           | -               |
| <b>Total</b>   | <b>-</b>        | <b>-</b>    | <b>-</b>        |
| <b>Financial liabilities at amortised cost:</b>                          |                 |             |                 |
| "Borrowings (Non-Current)  | 1,650.00        | -           | 1,650.00        |
| Borrowings (Current)   | 812.54          | -           | 812.54          |
| Trade Payables   | 3,831.30        | -           | 3,831.30        |
| Other financial liabilities  | 206.52          | -           | 206.52          |
| <b>Total</b>   | <b>6,500.36</b> | <b>-</b>    | <b>6,500.36</b> |

## NOTES

## II. Figures as at March 31, 2022

(₹ in Lakhs)

| Particulars  | Carrying Amount  | Fair Value  |                  |
|--|------------------|-------------|------------------|
|  |                  | Level 1     | Level 2          |
| <b>Financial assets at amortised cost:</b>                               |                  |             |                  |
| Investments (Non-Current)  | 0.38             | -           | 0.38             |
| Security Deposits (Non-Current)  | 183.35           | -           | 183.35           |
| Trade Receivables  | 5,293.17         | -           | 5,293.17         |
| Cash and Cash Equivalents  | 14.01            | -           | 14.01            |
| Bank Balances Other than Cash and Cash Equivalents                       | 185.60           | -           | 185.60           |
| Other Current Financial Assets   | 47.21            | -           | 47.21            |
| <b>Total</b>   | <b>5,723.72</b>  | <b>-</b>    | <b>5,723.72</b>  |
| <b>Financial assets at fair value through profit or loss:</b>            |                  |             |                  |
| Investments (Current)  | -                | -           | -                |
| Investments (Non-Current)  | 0.38             | 0.38        | -                |
| <b>Total</b>   | <b>0.38</b>      | <b>0.38</b> | <b>-</b>         |
| <b>Financial assets at fair value through other comprehensive income</b> |                  |             |                  |
| Investments (Non-Current)  | -                | -           | -                |
| <b>Total</b>   | <b>-</b>         | <b>-</b>    | <b>-</b>         |
| <b>Financial liabilities at amortised cost:</b>                          |                  |             |                  |
| "Borrowings (Non-Current)  | 2,250.00         | -           | 2,250.00         |
| Borrowings (Current)   | 2,777.32         | -           | 2,777.32         |
| Trade Payables   | 5,013.30         | -           | 5,013.30         |
| Other financial liabilities  | 418.96           | -           | 418.96           |
| <b>Total</b>   | <b>10,459.58</b> | <b>-</b>    | <b>10,459.58</b> |

## 48. Borrowing based on security of current assets

(₹ in Lakhs)

| Quarter         | Name of 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 |
|-----------------|---------------------|------------------------------------|---------------------------------|--|----------------------|-----------------------------------|
| June, 2022      | State Bank of India | Inventory                          | 6847.00                         | 4405.00  | 2442.00              | Refer Note Below                  |
| June, 2022      | State Bank of India | Trade Receivable                   | 6129.00                         | 7502.00  | (1373.00)            |                                   |
| September, 2022 | State Bank of India | Inventory                          | 5845.00                         | 3962.00  | 1883.00              |                                   |
| September, 2022 | State Bank of India | Trade Receivable                   | 5035.00                         | 6130.00  | (1095.00)            |                                   |
| December, 2022  | State Bank of India | Inventory                          | 4568.00                         | 3781.00  | 787.00               |                                   |
| December, 2022  | State Bank of India | Trade Receivable                   | 4046.00                         | 4469.00  | (423.00)             |                                   |
| March, 2023     | State Bank of India | Inventory                          | 5933.00                         | 4919.00  | 1014.00              |                                   |
| March, 2023     | State Bank of India | Trade Receivable                   | 3603.00                         | 4183.00  | (580.00)             |                                   |

**Note- 'Reason for material discrepancies'**

- The differences in inventories and trade receivables are majorly on account of goods in transit where the goods have been physically dispatched from the Company location however, the same has not been considered as revenue from the purpose of revenue recognition principles and hence reversed from books of accounts for respective quarter ends.
- The management, basis their understanding with banks, submits stock statement of physical stock as available at respective locations at the period end. Accordingly adjustment for goods in transit (inward and outward) is not considered for the purpose of filing returns with banks.
- There are other differences on account of regrouping and reclassification of trade receivable balances. The Company has filed provisional return with banks for the quarter ended March 31, 2023, as per the due date and subsequently filed final return with respective banks where amounts as per return matches with underlying books of accounts as at March 31, 2022.

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### 49 Key Ratio

(₹ in Lakhs)

| Sr. Ratio No  | Amount as on 31st March 2023 | Ratio as on 31st March 2023 | Amount as on 31st March 2022 | Ratio as on 31st March 2022 | % Deviation | Reason for variance   |
|---|------------------------------|-----------------------------|------------------------------|-----------------------------|-------------|---|
| <b>1 Current Ratio</b>  |                              |                             |                              |                             |             |   |
| Current Assets  | 11,687.49                    | 2.25                        | 15,258.79                    | 1.78                        | 26.35%      | Improvement in the current ratio is on account of decrease in working capital gap |
| Current Liabilities   | 5,196.68                     |                             | 8,565.18                     |                             |             |   |
| <b>2 Debt-to-equity Ratio</b>   |                              |                             |                              |                             |             |   |
| Total Borrowing   | 2,462.54                     | 0.09                        | 5,027.32                     | 0.18                        | -50.78%     | Decrease in borrowing leads to decrease in Debt to equity Ratio                   |
| Shareholder's Equity  | 27,836.47                    |                             | 27,971.95                    |                             |             |   |
| <b>3 Debt Service Coverage Ratio</b>  |                              |                             |                              |                             |             |   |
| Earnings Available for Debt Servicing Interest and Principal Repayments             | 1,511.40<br>921.50           | 1.64                        | 2,982.36<br>370.55           | 8.05                        | -79.62%     | Decrease due to decrease in earnings available                                    |
| <b>4 Return on Equity Ratio</b>   |                              |                             |                              |                             |             |   |
| Net Profit After Tax  | -94.21                       | -0.34%                      | 1,591.48                     | 5.70%                       | -105.94%    | Decrease due to decrease in Net Profit  |
| Average Shareholder's Equity  | 27,836.47                    |                             | 27,922.09                    |                             |             |   |
| <b>5 Inventory Turnover Ratio</b>   |                              |                             |                              |                             |             |   |
| Net Sales   | 32,460.87                    | 4.93                        | 36,821.91                    | 5.65                        | -12.77%     | No major variance   |
| Average Inventory   | 6,590.98                     |                             | 6,522.02                     |                             |             |   |
| <b>6 Receivables Turnover Ratio</b>   |                              |                             |                              |                             |             |   |
| Net Sales   | 32,460.87                    | 7.29                        | 36,821.91                    | 9.08                        | -19.72%     | Ratio has improved due to better working capital management                       |
| Average Accounts Receivable   | 4,454.43                     |                             | 4,056.27                     |                             |             |   |
| <b>7 Payables Turnover Ratio</b>  |                              |                             |                              |                             |             |   |
| Net Credit Purchases plus Other Expenses  | 29,475.79                    | 6.67                        | 34,953.77                    | 7.94                        | -16.01%     | Ratio has improved due to better working capital management                       |
| Average Trade Payables  | 4,422.30                     |                             | 4,404.35                     |                             |             |   |
| <b>8 Net Capital Turnover Ratio</b>   |                              |                             |                              |                             |             |   |
| Net Sales   | 32,460.87                    | 5.00                        | 36,821.91                    | 5.50                        | -9.09%      | No major variance   |
| Working Capital   | 6,490.81                     |                             | 6,693.61                     |                             |             |   |
| <b>9 Net Profit Ratio</b>   |                              |                             |                              |                             |             |   |
| Profit After Tax  | -94.21                       | -0.29%                      | 1,591.48                     | 4.32%                       | -106.71%    | Decrease due to decrease in Net Profit  |
| Net Sales   | 32,460.87                    |                             | 36,821.91                    |                             |             |   |
| <b>10 Return on Capital employed Ratio</b>  |                              |                             |                              |                             |             |   |
| EBIT  | 271.60                       | 0.85%                       | 2,015.23                     | 5.80%                       | -85.41%     | Decrease due to decrease in EBIT  |
| Capital Employed  | 32,113.68                    |                             | 34,770.00                    |                             |             |   |
| <b>11 Return on investment Ratio</b>  |                              |                             |                              |                             |             |   |
| <b>(a) Fixed Income Investments (FD, Bonds, Debentures &amp; Preference Shares)</b> |                              |                             |                              |                             |             |   |
| Interest Income + Profit on redemption  | 9.56                         | 9.62%                       | 6.65                         | 6.55%                       | 46.82%      | Increase due to increase rate of Interest   |
| Average investment in Fixed Income investments                                      | 99.35                        |                             | 101.46                       |                             |             |   |

- 50.** The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. Hence any proceeding has not been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- 51.** The Company does not have any transactions with companies struck off.
- 52.** As on March 31, 2023 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.
- 53.** The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 54.** The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- 55.** The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

## NOTES

- 56.** The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 57.** The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 58.** The Company has considered the possible effects that may arise out of the still unfolding Covid-19 pandemic the carrying amounts of property, plant & equipment, intangible assets, inventories, trade receivables, etc. For this purpose, the Company has considered internal and external sources of information upto the date of approval of the financial statements. Based on the current estimates, the Company does not expect any significant impact on such carrying values. The impact of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of financial statements.
- 59.** The Parliament of India has approved the Code on Social Security, 2020 (the Code) which may impact the contributions by the Company towards provident fund, gratuity and ESIC. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. Final rules are yet to be notified. The Company will assess the impact of the Code when it comes into effect and will record related impact, if any.
- 60.** Previous year's figures have been regrouped/re-arranged/recasted, wherever necessary, so as to make them comparable with current year's figures.

As per our Report of even date attached.

For and on behalf of the Board of Directors  
**AksharChem (India) Limited**

For **Talati & Talati LLP**  
Chartered Accountants  
Firm Registration No.110758W/W100377

**Hardik S. Shah**  
Chief Financial Officer  
(ICAI M.No.: 132449)

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
DIN: 00671721

**Umesh Talati**  
(Partner)  
Membership No. 034834

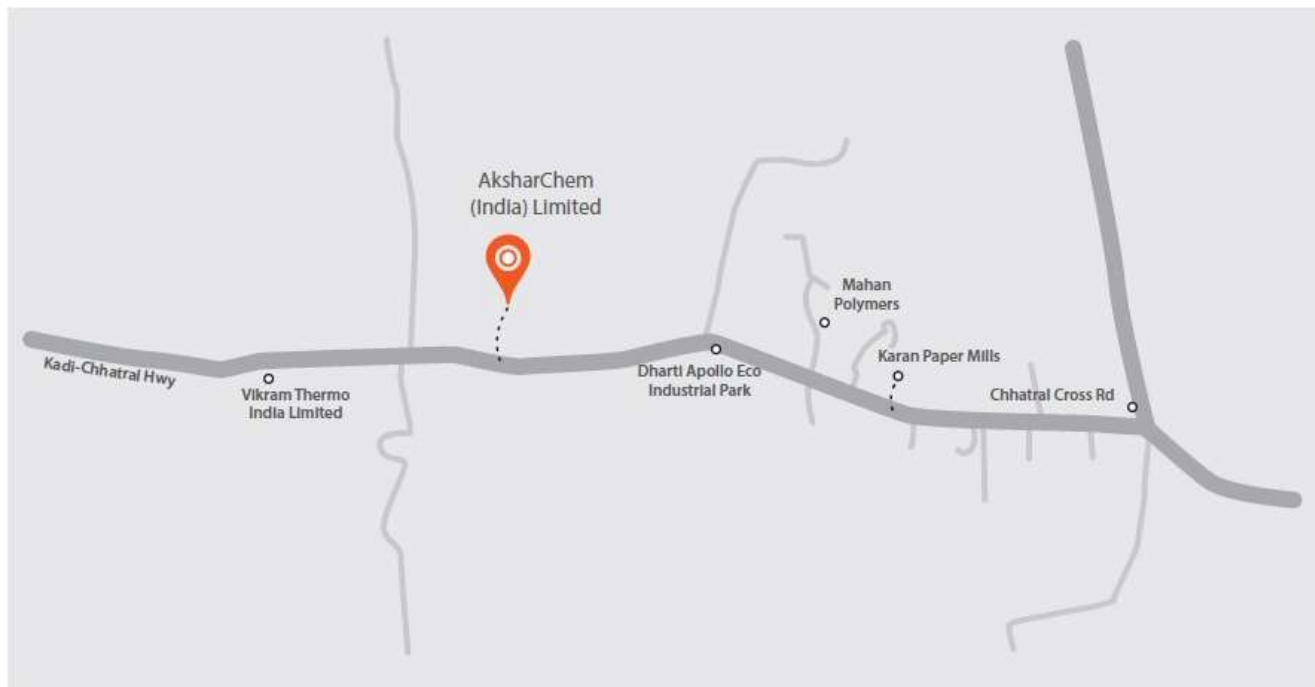
**Meet J. Joshi**  
Company Secretary  
(ICSI M.No.: FCS 9622)

**Munjal M. Jaykrishna**  
Jt. Managing Director & CEO  
DIN: 00671693

Place : Ahmedabad  
Date: May 30, 2023

Place : Ahmedabad  
Date: May 30, 2023

**CHHATRAL CROSS ROAD TO AKSHARCHEM (INDIA) LIMITED**  
**Route map to AGM**









# CORPORATE INFORMATION

## Board of Directors

**Mrs. Paru M. Jaykrishna**

*Chairperson & Mg. Director*

**Mr. Gautam M. Jain**

**Dr. Pradeep J. Jha**

**Mr. Jigar M. Patel**

**Ms. Maitri K. Mehta**

**Mr. Gokul M. Jaykrishna**

**Mr. Munjal M. Jaykrishna**

*Jt. Managing Director & CEO*

**Mr. Ashok D. Barot**

## Chief Financial Officer

**Mr. Hardik S. Shah**

*(w.e.f. May 20, 2022)*

## Company Secretary & Compliance Officer

**Mr. Meet J. Joshi**

## Auditor

**M/s. Talati & Talati LLP**

Chartered Accountants

Ahmedabad

## Registered Office

“Akshar House”,

Chhatral Kadi Road,

Indrad – 382 715,

Mehsana, Gujarat (India)

Tel : +91 2764 233007 to 10

Fax: +91 2764 233550

email : cs@aksharchemindia.com

Website: www.aksharchemindia.com

CIN: L24110GJ1989PLC012441

## Corporate Office

Corporate House No. 8,

Arista at 8,

Behind Rajpath Club,

Bodakdev,

Ahmedabad - 380 054

## Works

166 -169, Village Indrad,

Kadi Kalol Road, Dist. Mehsana

Gujarat - 382 715 (India)

Plot No. D-2/CH/152,

Dahej-2 Industrial Estate,

G.I.D.C. Dahej, Gujarat

## Bankers

State Bank of India

HDFC Bank Limited

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