



# ANNUAL REPORT 2022-23



**CHEMCON**  
Speciality Chemicals Ltd.

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## Chairman's Address to Stakeholders



*"We remained resolute in our commitment to expand our operations, aiming to bolster our capabilities and progressively amplify the contribution of specialty chemicals to our overall portfolio in the foreseeable future."*

*At Chemcon we have the growth mindset, and the right organizational structure and talent – giving us the resiliency for long term success.*

### **Dear Stakeholders,**

Warm greetings from Chemcon family!

On behalf of the Board of Directors and the entire Company, I am pleased to extend a warm welcome to all of you to the 34<sup>th</sup> Annual General Meeting of the Company.

The past year brought unusual challenges for both people and businesses. The global economic recovery faced significant headwinds amid new waves of Covid-19 infections, supply chain challenges, uncertain shipping and commodity price increases and rising inflationary pressures. However, many countries, including India, adopted various economic and financial policies to promote financial stability and reduce vulnerability to the crisis.

Amidst this situation, we firmly believe that in the medium to long run, companies which are cost competitive, practice holistic sustainable policies will retain the market share in key products and will increase customer share supported by introduction of new products.

### **PERFORMANCE REVIEW AND CAPACITY EXPANSION**

Amidst this demanding landscape, we have showcased a remarkable performance, with our Revenue from Operations surging to Rs. 302.9 crore in the fiscal year 2022-23, a substantial leap from Rs. 257.1 crore achieved in the preceding year. Profit After Tax was Rs. 55.1 crore as against Rs. 62.8 crore the previous year.

The Company's gross margin was impacted due to rising raw material costs and limited ability of price pass through which was due to subdued demand across the globe. The Company had

aggressively pursued cost reduction efforts considering the difficult external environment and executed a pricing strategy with a balanced approach to maintain volume growth.

In alignment with our strategy of diversification and growth, we have achieved a significant milestone by initiating the commercial production of Bromo Benzene. This accomplishment includes the successful addition of 2,400 MTPA capacity at our P9 facility, which will serve global agrochemical manufacturers. This expansion not only enhances our capabilities but also introduces Organic Bromides into our product portfolio, broadening the range of offerings we provide.

## **CLOSING THOUGHTS**

To propel our future growth, we are primed to direct our attention and investments toward augmenting our production capacities and broadening our array of products. Additionally, we have set our sights on fortifying the marketing division through strategic investments, with the goal of extending the reach and prominence of our product offerings.

We remain grateful to our shareholders for their constant trust and faith in our capabilities. I express my gratitude to each stakeholder including our employees, for your continued support and continuous motivation to scale new peaks of success year after year. Resting on our strategic interventions and consistent efforts to improvise novel ways of delivering exceptional performances, we remain optimistic about a brighter future and better prospects.

**Warm Regards,**

**Kamalkumar Rajendra Aggarwal**

**Chairman and Managing Director**

## BOARD OF DIRECTORS



### **Kamalkumar Rajendra Aggarwal**

#### **Chairman and Managing Director**

Experience: 27 Years

Member of the Board Since: January 19, 2004

Holds Diploma in Petrochemical Technology (Plastic Technology) from Maharaja Sayajirao University of Baroda, Gujarat



### **Navdeep Naresh Goyal**

#### **Deputy Managing Director**

Experience: 12 Years

Member of the Board Since: April 01, 2015

A techno-commercial entrepreneur diversified into various sectors like Speciality chemicals, Pharmaceuticals, Mechanical-Engineering and technical textile industry.



### **Rajesh Chimanlal Gandhi**

#### **Whole-time Director and Chief Financial Officer**

Experience: 24 Years

Member of the Board Since: May 01, 2012

Holds a bachelor's degree in Commerce from Gujarat University



### **Himanshu Prafulchandra Purohit**

#### **Whole-time Director**

Experience: 24 Years

Member of the Board Since: May 01, 2012

Holds a Master's degree in Science in Inorganic Chemistry from Sardar Patel University, Gujarat



## Rajveer Kamal Aggarwal

### Whole-time Director

Experience: 7 Years

Member of the Board Since: October, 2017

Holds a Bachelor's degree in Chemical Engineering from Gujarat Technological University, Gujarat



## Lalit Devidutt Chaudhary

### Independent Director

Experience: 22 Years

Member of the Board Since: April 29, 2019

Holds a Bachelor's degree in Commerce from Sardar Patel University, Gujarat. He has been associated with Chaudhary Crains Private Limited as a director since 1993



## Neelu Atulkumar Shah

### Independent Director

Experience: 7 Years

Member of the Board Since: April 29, 2019

Holds a Bachelor's degree in Science from Kanpur University, UP and a Master's degree in business administration from the Jiwaji University, Gwalior.



## Bharat Chunilal Shah

### Independent Director

Experience: 39 Years

Member of the Board Since: April 29, 2019

Holds a Bachelor's degree in Science from Maharaja Sayajirao University of Baroda, Gujarat. In the past, he has been associated with Bank of Baroda in various roles

# CORPORATE INFORMATION

## Board Of Directors

### **Kamalkumar Rajendra Aggarwal**

Chairman & Managing Director

### **Navdeep Naresh Goyal**

Deputy Managing Director

### **Rajesh Chimanlal Gandhi**

Whole-time Director and Chief Financial Officer

### **Rajveer Kamal Aggarwal**

Whole-time Director

### **Himanshu Prafulchandra Purohit**

Whole-time Director

### **Lalit Devidutt Chaudhary**

Independent Director

### **Bharat Chunilal Shah**

Independent Director

### **Neelu Atulkumar Shah**

Independent Director

## Company Secretary & Compliance Officer

Shahilkumar Maheshbhai Kapatel

## Registered office

Block No. 355, Manjusar-Kunpad Road, Village Manjusar, Taluka - Savli, Dist. Vadodara - 391 775, Gujarat, India

## Statutory Auditors

### **M/s. K C Mehta & Co LLP**

Chartered Accountants

## Secretarial Auditors

### **M/s. Rathod & Co.**

Practicing Company Secretaries

## Banker

HDFC Bank Ltd.

## Registrar and Share Transfer Agents

### **Link Intime India Pvt. Ltd.**

C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083

## Committees of Board

### Audit Committee

#### **Bharat Chunilal Shah**

Chairman

#### **Kamalkumar Rajendra Aggarwal**

Member

#### **Neelu Atulkumar Shah**

Member

### Stakeholder Relationship Committee

#### **Bharat Chunilal Shah**

Chairman

#### **Rajesh Chimanlal Gandhi**

Member

#### **Lalit Devidutt Chaudhary**

Member

### Nomination and Remuneration Committee

#### **Lalit Devidutt Chaudhary**

Chairman

#### **Neelu Atulkumar Shah**

Member

#### **Bharat Chunilal Shah**

Member

### Corporate Social Responsibility Committee

#### **Navdeep Naresh Goyal**

Chairman

#### **Bharat Chunilal Shah**

Member

#### **Rajveer Kamal Aggarwal**

Member

### Risk Management Committee

#### **Rajesh Chimanlal Gandhi**

Chairman

#### **Neelu Atulkumar Shah**

Member

#### **Himanshu Prafulchandra Purohit**

Member

# MANAGEMENT DISCUSSION AND ANALYSIS

## ECONOMIC REVIEW

### World Economic Outlook

On the surface, the global economy appears poised for a gradual recovery from the powerful blows of the pandemic and of Russia's unprovoked war on Ukraine. China is rebounding strongly following the reopening of its economy. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronous tightening of monetary policy by most central banks should start to bear fruit, with inflation moving back toward its targets.

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks, most notably, the COVID-19 pandemic and Russia's invasion of Ukraine, manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multidecade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored.

Inflation is much stickier than anticipated. While global inflation has declined, that reflects mostly the sharp reversal in energy and food prices. But core inflation, excluding the volatile energy and food components, has not yet peaked in many countries. Activity too shows signs of resilience as labour markets remain historically tight in most advanced economies.

The major forces that shaped the world economy in 2022 seem set to continue into this year, but with changed intensities. Debt levels remain high, limiting the ability of fiscal policymakers to respond to new challenges. Commodity prices that rose sharply following Russia's invasion of Ukraine have moderated, but the war continues, and geopolitical tensions are high. Infectious COVID-19 strains caused widespread outbreaks last year, but economies that were hit hard, most notably China, appear to be recovering, easing supply-chain disruptions. Despite the fillips from lower food and energy prices and improved supply-chain functioning, risks are firmly to the downside with the increased uncertainty from the recent financial sector turmoil.

Source: IMF World Economic Outlook April 2023

### Indian Economic Outlook

India is one of the fastest growing economies of the world and is poised to continue on this path, with aspirations to reach high middle-income status by 2047, the centenary of Indian independence. It is also committed to ensuring that its continued growth path is equipped to deal with the challenges of climate change, and in line with its goal of achieving net-zero emissions by 2070.

The growth of the past two decades has also led to India making remarkable progress in reducing extreme poverty. Between 2011 and 2019, the country is estimated to have halved the share of the population living in extreme poverty - below \$2.15 per person per day (2017 PPP) (World Bank Poverty and Inequality Portal and Macro Poverty Outlook, Spring 2023). In recent years, however, the pace of poverty reduction has slowed especially during the COVID-19 pandemic but has since moderated in 2021-22.

After real GDP contracted in FY20/21 due to the COVID-19 pandemic, growth bounced back strongly in FY21/22, supported by accommodative monetary and fiscal policies and wide vaccine coverage. Consequently, in 2022, India emerged as one of the fastest growing economies in the world, despite significant challenges in the global environment – including renewed disruptions of supply lines



following the rise in geopolitical tensions, the synchronized tightening of global monetary policies, and inflationary pressures.

In FY22/23, India’s real GDP expanded at an estimated 6.9 percent. Growth was underpinned by robust domestic demand, strong investment activity bolstered by the government’s push for investment in infrastructure, and buoyant private consumption, particularly among higher income earners. The composition of domestic demand also changed, with government consumption being lower due to fiscal consolidation.

Since Q3 FY22/23, however, there have been signs of moderation, although the overall growth momentum remains robust. The persisting headwinds – rising borrowing costs, tightening financial conditions and ongoing inflationary pressures – are expected to weigh on India’s growth in FY23/24. Real GDP growth is likely to moderate to 6.3 percent in FY23/24 from the estimated 6.9 percent in FY22/23.

Source: [www.worldbank.org/en/country/india/overview#1](http://www.worldbank.org/en/country/india/overview#1)

	2020	2021	2022	2023
GDP - Constant Prices (INR Billions)	136871.200	149258.400	159453.688	168845.337
% Change in GDP - Constant Prices	-5.831%	9.050%	6.831%	5.890%
Inflation, Average Consumer Prices	6.175%	5.507%	6.673%	4.945%

Source: International Monetary Fund, World Economic Outlook Database, April 2023

## INDUSTRY STRUCTURE AND DEVELOPMENTS

The Specialty Chemicals Industry in India had been experiencing significant growth and development. Specialty chemicals are distinct from commodity chemicals and are known for their specific applications and unique properties. These chemicals cater to various industries such as pharmaceuticals, agrochemicals, textiles, personal care products, construction, and more. The industry structure and development in India can be summarized as follows:

### Industry Structure:

The specialty chemicals industry in India had a diverse structure, consisting of both large multinational corporations and smaller, domestic companies. Several Indian companies had established themselves as major players in the global specialty chemicals market. India has a significant presence in the production of pharmaceutical intermediates, contributing to the country's robust pharmaceutical industry.

India is a major player in the global pharmaceutical intermediates market. The country's strong chemical manufacturing base, skilled workforce, and cost competitiveness have contributed to its success in producing intermediates for pharmaceuticals.

### Development and Trends:

The specialty chemicals industry in India is experiencing several developments and trends:

**Global Competitiveness:** Indian companies are increasingly competing on a global scale, leveraging their manufacturing capabilities and cost-effectiveness.

**Research and Development:** Companies are investing in research and development to develop innovative products and solutions, thereby expanding their product portfolios.

**Regulations and Compliance:** Stringent environmental regulations and safety standards are encouraging companies to adopt greener and more sustainable practices.

**Custom Manufacturing:** Indian companies have gained a reputation for their custom manufacturing capabilities, providing tailor-made solutions to global customers.

**Competitive Pricing:** India's cost advantage allows it to offer competitive pricing for pharmaceutical intermediates, making it an attractive outsourcing destination for global pharmaceutical companies.

**Investments:** Both domestic and foreign investments are pouring into the Indian specialty chemicals sector, leading to capacity expansions and modernization of facilities.

**Innovation:** Companies are emphasizing innovation to develop advanced chemicals with enhanced functionalities, catering to evolving customer demands.

**Skill Development:** The industry is focusing on skill development initiatives to address the need for a skilled workforce capable of handling advanced chemical processes.

## OPPORTUNITIES AND THREATS

Pharmaceutical intermediaries play a pivotal role in the drug manufacturing process by providing the necessary chemical compounds and materials that form the foundation of pharmaceutical products. Here are some potential opportunities and threats in the pharmaceutical intermediaries industry:

Opportunities	Threats
<p><b>Growing Demand for Pharmaceuticals:</b> The global demand for pharmaceuticals continues to rise which translates to a consistent demand for pharmaceutical intermediaries.</p> <p><b>Increasing Outsourcing:</b> Many pharmaceutical companies are outsourcing the manufacturing of intermediaries to specialized firms. This trend offers opportunities for intermediaries manufacturers to expand their services and cater to the growing demand.</p> <p><b>Technological Advancements:</b> Innovations in chemical synthesis, process optimization, and automation can lead to more efficient and cost-effective production of intermediaries.</p> <p><b>Customization and Specialization:</b> There's potential for the Company to specialize in producing specific types of intermediaries or offering customization services, catering to the unique needs of pharmaceutical companies and increasing their value proposition.</p> <p><b>Global Expansion:</b> The pharmaceutical industry is global, and there are opportunities to expand operations into new markets, especially in regions with a growing pharmaceutical sector.</p>	<p><b>Regulatory Challenges:</b> Stringent regulations in the pharmaceutical industry can be a challenge for intermediaries manufacturers. Meeting regulatory standards can be costly and time-consuming.</p> <p><b>Supply Chain Disruptions:</b> Global events, such as pandemics, natural disasters, or geopolitical tensions, can disrupt the supply chain and impact the availability of raw materials needed for intermediaries production.</p> <p><b>Quality Control and Safety:</b> Ensuring the consistent quality and safety of intermediaries is crucial. Any issues related to quality control or safety can lead to product recalls, reputational damage, and legal liabilities.</p> <p><b>Fluctuating Raw Material Costs:</b> The prices of raw materials used in intermediaries manufacturing can be volatile. Sudden price increases can impact profitability if manufacturers are unable to pass on the costs to clients.</p> <p><b>Environmental Concerns:</b> Increased scrutiny on environmental sustainability can require manufacturers to adopt eco-friendly practices, which might incur additional costs.</p>

## STRENGTHS AND WEAKNESSES

Pharmaceutical intermediaries play a crucial role in the drug manufacturing process, serving as the link between the raw materials and the final pharmaceutical products. Here are some strengths and weaknesses associated with pharmaceutical intermediaries:

Strengths	Weaknesses
<p><b>Essential Link in Drug Production:</b> Pharmaceutical intermediaries are crucial components in the synthesis of active pharmaceutical ingredients (APIs) and final drug formulations. They serve as the building blocks for drug manufacturing.</p> <p><b>Cost Efficiency:</b> Outsourcing the production of intermediaries to specialized manufacturers can be cost-effective for pharmaceutical companies, as it allows them to focus on their core competencies.</p> <p><b>Global Reach:</b> The manufacturers often have a global presence and can provide their services to pharmaceutical companies worldwide.</p> <p><b>Research and Development:</b> The manufacturers invest in research and development to discover new synthetic routes and improve the efficiency of existing processes, which can lead to innovative solutions.</p> <p><b>Regulatory Compliance:</b> manufacturers are well-versed in regulatory requirements and quality standards, ensuring that their products meet the necessary regulatory guidelines.</p>	<p><b>Dependency on Raw Materials:</b> The availability and quality of raw materials for production can be unpredictable, leading to potential supply chain disruptions.</p> <p><b>Regulatory Challenges:</b> Meeting complex regulatory standards and maintaining compliance can be challenging, requiring substantial resources and effort.</p> <p><b>Quality Control Struggles:</b> Ensuring consistent quality across batches of is essential. Any deviation in quality can impact the final product's safety and efficacy.</p> <p><b>Market Competition:</b> The pharmaceutical intermediaries market can be competitive, with multiple manufacturers vying for contracts. This can lead to pricing pressures and reduced profit margins.</p> <p><b>Dependency on Pharmaceutical Industry:</b> The demand for intermediaries is closely tied to the pharmaceutical industry's health. Shifts in the industry, such as changes in drug development strategies, could impact the demand for intermediaries.</p>

## OPERATIONAL REVIEW

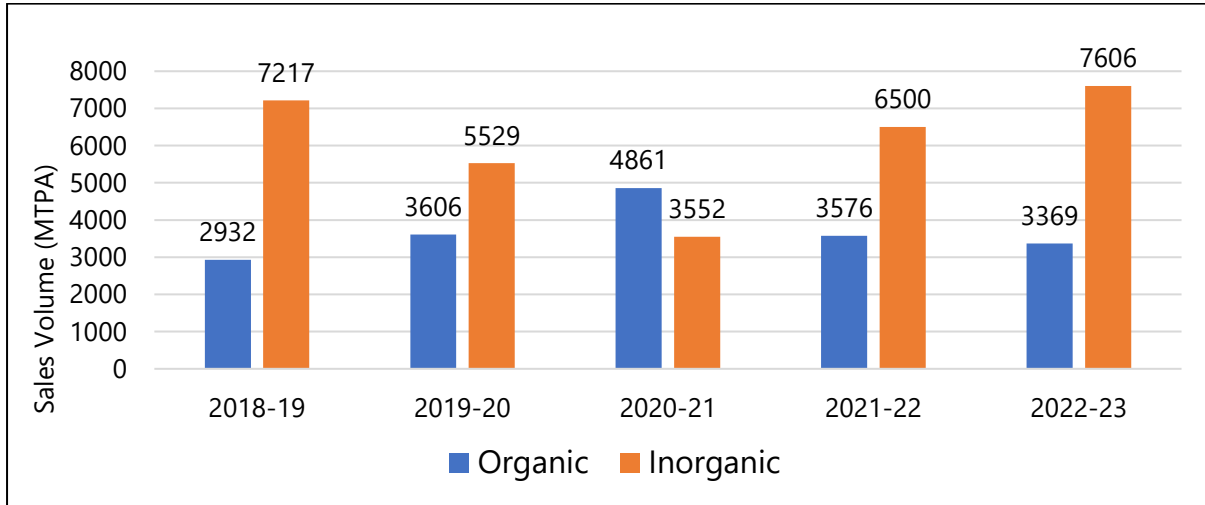
Chemcon Speciality Chemicals Limited is in wide range of specialty chemicals, including organic and inorganic chemicals. The range of products manufactured by the Company includes Organic Chemicals such as HMDS, CMIC, Bromobenzene, etc. and inorganic chemicals like Bromides.

Manufacturing Plants at Manjusar, Vadodara

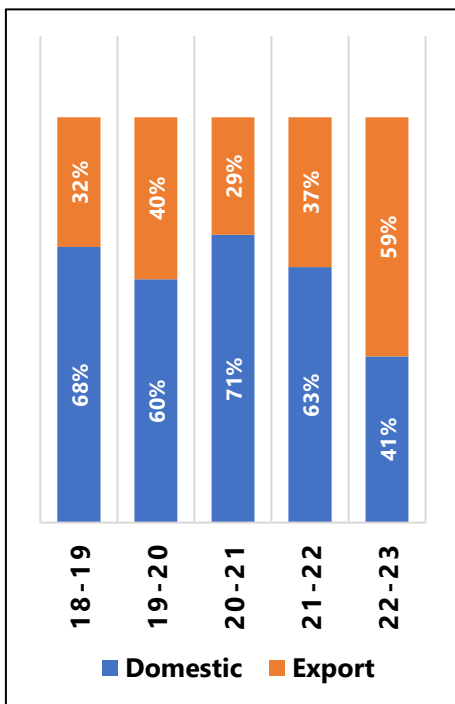


Our manufacturing plants are located at Manjusar, Vadodara in Gujarat. We have nine individual operational plants, along with warehouses for storage of the products and raw materials. We also have in-house laboratory to test raw materials procured and the products at various stages of the manufacturing process and for research and development of new product.

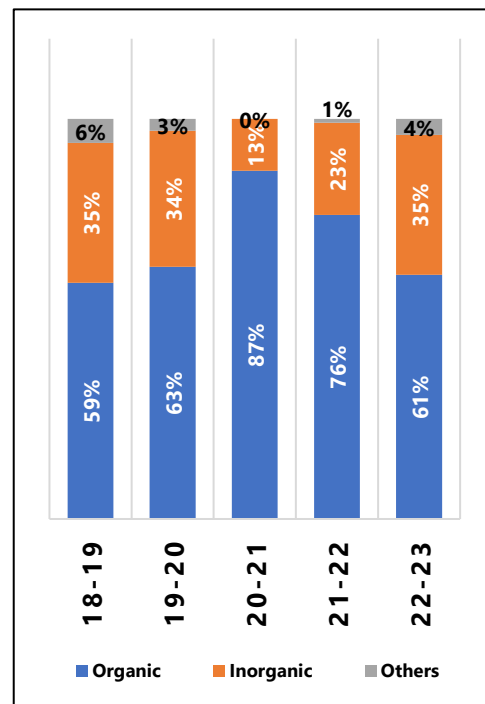
## SEGMENT WISE PERFORMANCE



### Geographic-Wise (%)



### Business-wise (%)



## RISKS AND CONCERNS

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

These risks may be caused by the internal and external factors resulting into impairment of the assets of the Company causing adverse influence on the achievement of Company's strategies, operational and financial objectives, earning capacity and financial position.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- (a) Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- (b) Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

## MARKET RISK

Market risk is the risk that changes in market prices- such as foreign exchange rates, interest rates and equity prices- will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The major components of market risk are foreign currency risk, interest rate risk and price risk.

### a. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

### b. Interest Rate Risk

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

## CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, trade receivables and loans and advances.

## LIQUIDITY RISK

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

## INTERNAL CONTROLS

The Company has designed and implemented robust internal control systems in line with the nature, size, geographical spread and complexities of business operations. Internal control policies and procedures are designed to provide reasonable assurance towards the effectiveness and efficiency of its operations, reliability of financial reporting, compliance with applicable laws and regulations, prevention and detection of frauds & errors and Safeguarding of its assets.

The Company has a strong governance structure with related authorities and responsibilities assigned to the Committees of the Board, function heads and various process owners. The established policy framework is reviewed periodically to keep them contemporary and relevant to the changing business environment.

Compliance with policies and procedures is an integral part of the management review process. The Company's ERP, system infrastructure and checks are integral parts of the internal control system. The Company has been leveraging data analytics, predictive and visualisation tools to identify data exceptions and trends for minimising errors and avenues to improve the processes. Active efforts are invested to move from manual detective control to automated preventive controls. The Company has a strong compliance management system to monitor the compliance status and to update compliance requirements with the latest changes in statutes and business operations.

Regular communication and awareness towards the Code of Conduct, whistle blower process and various policies and procedures are done to ensure common understanding. The Company has strong Internal Audit governance to assure the adequacy and effectiveness of internal controls. The Audit Committee periodically reviews the adequacy and effectiveness of the Company's internal financial controls and the implementation of audit recommendations.

## HUMAN RESOURCES

Human resources play a critical role in ensuring that the workforce is skilled, engaged, and aligned with the company's goals and values. As at the end of the fiscal year, the Company had 204 permanent employees on its pay roll. Specialty chemical manufacturing requires a workforce with specialized skills and knowledge. Our HR team identify and attract candidates with backgrounds in chemistry, engineering, and related fields.

Due to the technical nature of our products, continuous skills development is crucial. Chemcon has conducted various training programmes for the employees focusing on cultivating learning and creating a deeper understanding of the Business and industry. The HR team collaborate closely with operations and technical teams to identify skill gaps and design training programs that keep employees up to date with the latest technologies and processes. With new products and technologies emerging regularly, the Company facilitates smooth transitions during periods of change by effectively communicating the reasons for change, providing training, and addressing employee concerns.

The Company also ensures that employees are well-trained in safety protocols, and that the company complies with industry regulations and standards. We regularly conduct safety training, maintain accurate records, and foster a safety-first culture. Health and safety regulations are considered paramount.

## FINANCIAL REVIEW OF THE YEAR

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

The Company's revenue grew by 17.8% to Rs. 302.9 crore aided by improvement in volume & realisation. EBITDA was Rs. 70.7 crore in FY 2022-23 as against Rs. 81.6 crore in FY 2021-22 and Profit After Tax was Rs. 55.1 crore as against Rs. 62.8 crore the previous year. Earnings Per Share in FY 2022-23 was Rs. 15.04 as compared to Rs. 17.13 over the previous fiscal.

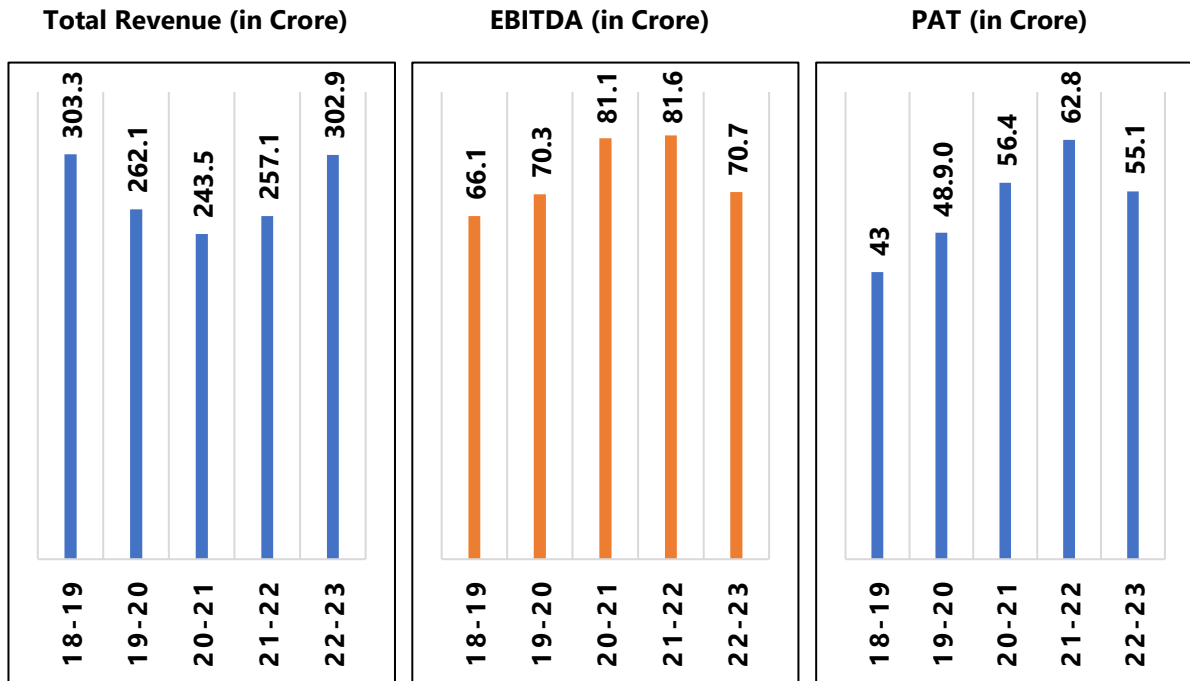
The table below sets forth some of the key financial indicators for and FY 2022-23 and FY 2021-22 YoY basis:

(Rs. in Crore)			
Particulars	FY 2022-23	FY 2021-22	Growth Y-o-Y
<b>Revenue from Operations</b>	<b>302.9</b>	<b>257.1</b>	<b>17.8%</b>
Cost of Goods Sold	175.7	124.4	
Employee Cost	20.5	19.1	
Other Expenses	35.9	32.0	
<b>EBITDA</b>	<b>70.7</b>	<b>81.6</b>	<b>-13.4%</b>
<b>EBITDA Margin %</b>	<b>23.3%</b>	<b>31.7%</b>	
Other Income	13.3	9.2	
Depreciation	8.4	6.3	
<b>EBIT</b>	<b>75.6</b>	<b>84.6</b>	<b>-10.6%</b>
<b>EBIT Margin %</b>	<b>25.0%</b>	<b>32.9%</b>	
Finance Cost	1.5	0.6	
Profit Before Tax	<b>74.2</b>	84.0	
Tax	19.0	21.2	
<b>PAT</b>	<b>55.1</b>	<b>62.8</b>	<b>-12.2%</b>
<b>PAT Margin %</b>	<b>18.2%</b>	<b>24.4%</b>	
Basic EPS (In INR)	15.04	17.13	

The Company's gross margin was impacted due to rising raw material costs and limited ability of price pass through which was due to subdued demand across the globe. The Company had aggressively pursued cost reduction efforts considering the difficult external environment and executed a pricing strategy with a balanced approach to maintain volume growth.

Despite recent disruptions in the industry, we have successfully commissioned several capex projects which we will continue to gradually scale-up over the next few years.

## FINANCIAL TRENDS



### KEY FINANCIAL RATIOS

Sr. No.	Particulars	FY 2022-23	FY 2021-22	% of Variance	Reason for Variance if above 25%
1	Debtors Turnover Ratio (times)	3.54	2.6	36.07%	Increase in ratio is basically due to increase in turnover and reduction in average receivables.
2	Inventory Turnover Ratio (times)	5.31	5.33	-0.44%	No Significant Changes
3	Debt service coverage Ratio (times)	18.02	17.68	1.90%	No Significant Changes
4	Current Ratio (times)	3.41	4.84	-29.57%	Decrease is primarily on account of decrease in Short-term bank deposit.
5	Debt Equity Ratio (times)	0.14	0.09	64.30%	Increase is primarily on account of utilisation of Overdraft facility.
6	Operating Profit Margin (%) (EBIT)	23.30%	31.70%	-8.40%	No Significant Changes
7	Net Profit Margin (%) (PAT)	18.29%	24.44%	-6.15%	No Significant Changes
8	Return on Net Worth (%)	12.05%	15.04%	-2.99%	No Significant Changes





## CHEMCON SPECIALITY CHEMICALS LIMITED

CIN: L24231GJ1988PLC011652

Registered office: Block No. 355, Manjusar-Kunpad Road, Village: Manjusar, Taluka: Savli, Dist.: Vadodara – 391 775, Gujarat  
Tel. +91 265 2981195 / 2983754 | Email: [investor.relations@cscpl.com](mailto:investor.relations@cscpl.com) | Website: [www.cscpl.com](http://www.cscpl.com)

### Notice of 34<sup>th</sup> Annual General Meeting

**NOTICE** is hereby given that the Thirty-fourth Annual General Meeting (AGM) of the members of Chemcon Speciality Chemicals Limited (the Company) will be held on Thursday, September 28, 2023, at 11.30 a.m. (IST) through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of Directors and the Auditors thereon;
2. To appoint a director in place of Mr. Navdeep Naresh Goyal (DIN: 02604876), who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

3. Ratification of remuneration of the Cost Auditors for the financial year ending March 31, 2024.

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

**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of INR 70,000/- (INR Seventy Thousand Only) plus XBRL conversion charges, reimbursement of out-of-pocket expenses as per actuals and applicable government taxes/levies, payable to M/s Chetan Gandhi & Associates, Cost Accountants (Firm Registration No. 101341), who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2024.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, matters, things and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

4. Re-appointment of Mr. Lalit Devidutt Chaudhary (DIN: 00651372) as an Independent Director of the Company.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions of the Companies Act, 2013 (‘the Act’), if any, read with Schedule IV to the Act, the

Companies (Appointment and Qualifications of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, the Articles of Association of the Company and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Lalit Devidutt Chaudhary (DIN: 00651372), Independent Director of the Company, whose term of office as an independent director expires on April 28, 2024 and who has given his consent for re-appointment as an Independent Director of the Company and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who is eligible for re-appointment as an Independent Director, be and is hereby re-appointed as an Independent Director of the Company for a second term of 5 consecutive years commencing from April 29, 2024 to April 28, 2029 (both days inclusive), and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

5. Re-appointment of Mr. Bharat Chunilal Shah (DIN: 08281811) as an Independent Director of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions of the Companies Act, 2013 ('the Act'), if any, read with Schedule IV to the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, the Articles of Association of the Company and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Bharat Chunilal Shah (DIN: 08281811), Independent Director of the Company, whose term of office as an independent director expires on April 28, 2024 and who has given his consent for re-appointment as an Independent Director of the Company and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who is eligible for re-appointment as an Independent Director, be and is hereby re-appointed as an Independent Director of the Company for a second term of 5 consecutive years commencing from April 29, 2024 to April 28, 2029 (both days inclusive), and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

6. Re-appointment of Ms. Neelu Atulkumar Shah (DIN: 08283933) as an Independent Director of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions of the Companies Act, 2013 ('the Act'), if any, read with Schedule IV to the Act, the

Companies (Appointment and Qualifications of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, the Articles of Association of the Company and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Ms. Neelu Atulkumar Shah (DIN: 08283933), Independent Director of the Company, whose term of office as an independent director expires on April 28, 2024 and who has given her consent for re-appointment as an Independent Director of the Company and who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who is eligible for re-appointment as an Independent Director, be and is hereby re-appointed as an Independent Director of the Company for a second term of 5 consecutive years commencing from April 29, 2024 to April 28, 2029 (both days inclusive), and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

**Registered Office:**

Block No. 355, Manjusar-Kunpad Road,  
Village: Manjusar, Taluka: Savli,  
Dist.: Vadodara – 391 775, Gujarat

Place: Vadodara

Date: August 31, 2023

By Order of the Board  
**For Chemcon Speciality Chemicals Limited**

**Shahilkumar Kapatel**  
Company Secretary & Compliance Officer  
M. No.: A52211

## NOTES:

1. In terms of General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 (collectively referred to as 'MCA Circulars') issued by the Ministry of Corporate Affairs ('MCA'), the Annual General Meeting ('AGM') is being held through Video Conferencing ('VC') facility / Other Audio Visual Means ('OAVM') without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the MCA Circulars, the 34<sup>th</sup> AGM of the Company is being held through VC/OAVM on Thursday, September 28, 2023, at 11:30 a.m. (IST). The proceedings of the 34<sup>th</sup> AGM shall be deemed to be conducted at the Registered Office of the Company at Block No. 355, Manjusar-Kunpad Road, Village: Manjusar, Taluka: Savli, Dist.: Vadodara – 391 775, Gujarat.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. since this AGM is being held pursuant to the MCA circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice.
3. The Explanatory Statement pursuant to Section 102 of the Act setting out the material concerning the business under item nos. 3 to 6 of the Notice and the details as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) in respect of the Directors seeking appointment/ re-appointment at this Annual General Meeting is annexed hereto.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
7. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act will be available electronically for inspection by the Members during the AGM. All documents referred to in this Notice will also be available for electronic inspection by the members from the date of circulation of this Notice up to the date of 34<sup>th</sup> AGM, i.e., Thursday, September 28, 2023, without any fee. Members seeking to inspect such documents can send an email to [investor.relations@cscpl.com](mailto:investor.relations@cscpl.com) by mentioning their Name and Folio Number / DP ID and Client ID.

8. In terms of the MCA Circulars and SEBI Circulars, the Notice of the 34<sup>th</sup> AGM along with the Annual Report for financial year 2022-23 are being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories. The Company shall send the physical copy of the Annual Report 2022-23 only to those Member who specifically request for the same at [investor.relations@cscpl.com](mailto:investor.relations@cscpl.com) mentioning their Folio No./DP ID and Client ID, full name, PAN, number of shares held and address. The Notice convening the AGM and the Annual Report 2022-23 has been uploaded on the website of the Company at [www.cscpl.com](http://www.cscpl.com) and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively. The AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
9. The Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 34<sup>th</sup> AGM and the Annual Report 2022-23 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:
  - a. For Members holding shares in physical form - please send scan copy of a signed request letter mentioning your name, folio number, complete address, email address to be registered along with scanned share certificate (front and back), self- attested scanned copy of the PAN and self-attested scanned copy of address proof, by email to the Company's email address at: [investor.relations@cscpl.com](mailto:investor.relations@cscpl.com).
  - b. For the Members holding shares in demat form: please update your email address through your respective Depository Participant/s.
10. **Cut-off Date:** Thursday, September 21, 2023, would be the cut-off date for the purpose of reckoning the members / beneficial owners entitled to e-vote and attend the AGM through VC/OAVM. The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the said cut- off date. Further, there is no closure of Register of Members and Share Transfer Book of the Company.
11. SEBI vide its Circular dated November 3, 2021, December 14, 2021, and March 16, 2023, mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities through Form ISR-1, the format of which is available on the Company's website at [www.cscpl.com](http://www.cscpl.com). It may be noted that any service request or complaint can be processed only after the folio is KYC compliant.

In terms of SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, folios of Physical shareholders wherein any one of the above said details such as PAN, email address, mobile number, bank account details and nomination are not available on or after October 01, 2023, shall be frozen by the RTA.

The security holder(s) whose folio(s) have been frozen shall be eligible to lodge grievance or avail any service request from the RTA only after furnishing the complete documents / details as mentioned above. Also, with effect from April 01, 2024, the security holder(s) whose folio(s) have been frozen shall be eligible for any payment including dividend, interest or redemption payment in respect of such frozen folios, only through electronic mode. An intimation will be sent by the Company to the securityholder that such payment is due and shall be made electronically only upon receipt of the complete documents / details as mentioned above.

Further, the frozen folios shall be referred by RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002,

if they continue to remain frozen as on December 31, 2025. The RTA shall revert the frozen folios to normal status upon receipt of all the documents/details as above.

12. In accordance with Regulation 40 of the SEBI Listing Regulations, as amended, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Also, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Accordingly, members holding shares of the Company in physical form are requested to get their shares converted into demat/electronic form to get inherent benefits of dematerialisation.
13. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR /2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website at [www.cscpl.com](http://www.cscpl.com). It may be noted that any service request or complaint can be processed only after the folio is KYC compliant.
14. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, PAN, registering of nomination and power of attorney, Bank Mandate details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP in case the shares are held in electronic form, and to the RTA in case the shares are held in physical form.
15. **Nomination facility:** As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form ISR-3 or Form SH-14, as the case may be. The said forms can be downloaded from the Company's website at [www.cscpl.com](http://www.cscpl.com). Members are requested to submit the said form to their DPs in case the shares are held in electronic form and to the Registrar at [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in), in case the shares are held in physical form, quoting their folio no.

#### **16. Remote e-Voting before / during the AGM:**

- a. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Secretarial Standard-2 on General Meetings issued by ICSI, Regulation 44 of Listing Regulations, as amended from time to time, and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-Voting during the AGM will be provided by NSDL. Resolution(s) passed by Members through e-Voting is/are deemed to have been passed as if they have been passed at the AGM.
- b. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Thursday, September 21, 2023, may cast their vote by remote e-Voting. A person who is not a member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of

Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before/during the AGM. Any non-individual Shareholder or Shareholder holding securities in physical mode who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date may follow the login process as mentioned in this notice.

- c. The remote e-voting period begins on Sunday, September 24, 2023, at 09:00 A.M. and ends on Wednesday, September 27, 2023, at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Thursday, September 21, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- d. Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote at the end of discussion on the resolutions on which voting is to be held, upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.
- e. The e-Voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
- f. The Company has appointed Mr. Chirag Vinodbhai Rathod, Proprietor, Rathod & Co., Practicing Company Secretaries, as the Scrutiniser to scrutinise the voting during the AGM and remote e-voting process in a fair and transparent manner. The Scrutiniser will submit his report to the Chairman or to any other person authorised by the Chairman after the completion of the scrutiny of the votes cast through remote e-Voting before/during the AGM, within the time stipulated under the applicable laws. The result declared along with the Scrutiniser's report shall be communicated to the Stock Exchanges on which the Company's shares are listed, NSDL and will also be displayed on the Company's website at [www.cscpl.com](http://www.cscpl.com).
- g. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e., Thursday, September 28, 2023.

**17. Instructions for Members for attending the AGM through VC/OAVM and remote e-Voting (before and during the AGM) are given below:**

**A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM:**

- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned below for login to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

- ii. Members may join the AGM through laptops, smartphones, tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- iii. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to the Company's email address at [investor.relations@cscpl.com](mailto:investor.relations@cscpl.com) before September 21, 2023, 5:00 pm. The Company will reply to the questions suitably.
- iv. Members who would like to express their views/ ask questions at the Meeting may pre-register themselves as a speaker by sending a request in advance atleast 7 days prior to meeting from their registered email address mentioning their name, DP ID and Client ID/Folio number, PAN and mobile number at [investor.relations@cscpl.com](mailto:investor.relations@cscpl.com). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

## B. INSTRUCTIONS FOR REMOTE E-VOTING BEFORE / DURING THE AGM:

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

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

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




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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "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



	<p>provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <ol style="list-style-type: none"> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. 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;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<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</li> </ol>

	<p>or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<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 or joining virtual meeting &amp; voting during the meeting.</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.**

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>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</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>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</p>

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below:

<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  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b. For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c. For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c. How to retrieve your 'initial password'?
  - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - 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 and join General Meeting 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 and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**The instructions for remote e-Voting during the AGM are as under:**

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

**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 [investor.relations@cscpl.com](mailto:investor.relations@cscpl.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 [investor.relations@cscpl.com](mailto:investor.relations@cscpl.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### General Guidelines for Members:

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 [compliance@rathod-panchal.com](mailto:compliance@rathod-panchal.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.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Registered Office:**

Block No. 355, Manjusar-Kunpad Road,  
Village: Manjusar, Taluka: Savli,  
Dist.: Vadodara – 391 775, Gujarat

Place: Vadodara  
Date: August 31, 2023

By Order of the Board  
**For Chemcon Speciality Chemicals Limited**

**Shahilkumar Kapatel**  
Company Secretary & Compliance Officer  
M. No.: A52211

## EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

The following Explanatory Statement sets out all the material facts relating to the Item Nos. 3 to 6 of the accompanying Notice dated August 31, 2023.

### Item No. 3:

In accordance with the provisions of Section 148 of the Act and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a Cost Auditor to audit the cost records of the Company. On the recommendation of the Audit Committee, the Board of Directors of the Company has approved the re-appointment of M/s Chetan Gandhi & Associates, Cost Accountants (Firm Registration No. 101341), Vadodara, as the Cost Auditor of the Company for the Financial Year ending March 31, 2024, at a remuneration of INR 70,000 (INR Seventy Thousand Only) plus XBRL conversion charges, reimbursement of out-of-pocket expenses as per actual and applicable government taxes/levies.

In terms of the provisions of Section 148(3) of Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor is required to be ratified by members of the Company.

Accordingly, members are requested to consider and ratify the remuneration payable to Cost Auditors for the year 2023-24 as set out in the resolution for the aforesaid services.

The Board recommends the resolution set out in item no. 3 of this Notice for the approval of the members of the Company by way of an Ordinary Resolution.

None of the other directors, key managerial personnel of the Company and their relatives are concerned or interested in the resolution set out at item no. 3 of the Notice.

### Item No. 4:

The members of the Company at their Extra-Ordinary General Meeting held on April 29, 2019, had appointed Mr. Lalit Devidutt Chaudhary (DIN: 00651372) as an Independent Director of the Company for a term of five years commencing from April 29, 2019, to April 28, 2024, (both days inclusive) pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Thus, the current term of Mr. Lalit Chaudhary as an Independent Director of the Company ends on April 28, 2024.

Pursuant to Section 149 read with Schedule IV to the Act and Regulation 25 read with Schedule II of the Listing Regulations, an Independent Director can hold office for a term of upto five consecutive years on the Board of a Company, and he/she shall be eligible for re-appointment on passing of a Special Resolution by the Company. Also, no Independent Director shall hold office for more than two consecutive terms.

The Nomination and Remuneration Committee (NRC), after considering the performance evaluation of Mr. Lalit Chaudhary during his first term of five years and considering his skills, background, experience, integrity, knowledge, contributions and time commitment, has recommended to the Board his reappointment for a second term of five years. The NRC and the Board are of the view that Mr. Lalit Chaudhary possesses the requisite skills and capabilities, which would be of benefit to the Company, and hence, it is desirable to reappoint him as an independent director.

In the opinion of the Board, Mr. Lalit Chaudhary fulfils the conditions specified in the Act and Listing Regulations for his re-appointment as an Independent Director of the Company and is independent of the Management. Further, Mr. Lalit Chaudhary have given declarations to the Board of Directors to the effect that he meets the criteria of independence as provided in the Act and Listing Regulations and that he is not disqualified from being appointed as Director in terms of Section 164 of the Act nor debarred from holding the office of director by virtue of any SEBI order or any other authority. In terms of Regulation 25(8) of the Listing Regulations, Mr. Lalit Chaudhary has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

Accordingly, the Board of Directors at its meeting held on August 31, 2023, based on the recommendation of the NRC, proposed the re-appointment of Mr. Lalit Chaudhary as an Independent Director of the Company for a second term of five consecutive years commencing from April 29, 2024, to April 28, 2029 (both days inclusive), for the approval of the members by way of a Special Resolution, and his office shall not be liable to retire by rotation.

Pursuant to Section 160 of the Act, the Company has received a notice in writing under the hand of Mr. Lalit Chaudhary signifying his candidature for his reappointment as an Independent Director. Further, Brief Profile and other disclosures, as required under Regulation 36 of the Listing Regulations and SS-2 issued by the Institute of Company Secretaries of India, are annexed to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the SEBI Listing Regulations and other applicable provisions of the Act and SEBI Listing Regulations, the re-appointment of Mr. Lalit Chaudhary as an Independent Director is now placed for the approval of the Members as a Special Resolution.

The Board recommends passing of the Special Resolution, as set out at Item No. 4 of this Notice, for the approval of the members.

None of the Directors or Key Managerial Personnel ('KMP') of the Company or their respective relatives, except Mr. Lalit Chaudhary and his relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice.

#### **Item No. 5:**

The members of the Company at their Extra-Ordinary General Meeting held on April 29, 2019, had appointed Mr. Bharat Chunilal Shah (DIN: 08281811) as an Independent Director of the Company for a term of five years commencing from April 29, 2019, to April 28, 2024, (both days inclusive) pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Thus, the current term of Mr. Bharat Shah as an Independent Director of the Company ends on April 28, 2024.

Pursuant to Section 149 read with Schedule IV to the Act and Regulation 25 read with Schedule II of the Listing Regulations, an Independent Director can hold office for a term of upto five consecutive years on the Board of a Company, and he/she shall be eligible for re-appointment on passing of a Special Resolution by the Company. Also, no Independent Director shall hold office for more than two consecutive terms.

The Nomination and Remuneration Committee (NRC), after considering the performance evaluation of Mr. Bharat Shah during his first term of five years and considering his skills, background, experience, integrity, knowledge, contributions and time commitment, has recommended to the Board his



reappointment for a second term of five years. The NRC and the Board are of the view that Mr. Bharat Shah possesses the requisite skills and capabilities, which would be of benefit to the Company, and hence, it is desirable to reappoint him as an independent director.

In the opinion of the Board, Mr. Bharat Shah fulfils the conditions specified in the Act and Listing Regulations for his re-appointment as an Independent Director of the Company and is independent of the Management. Further, Mr. Bharat Shah have given declarations to the Board of Directors to the effect that he meets the criteria of independence as provided in the Act and Listing Regulations and that he is not disqualified from being appointed as Director in terms of Section 164 of the Act nor debarred from holding the office of director by virtue of any SEBI order or any other authority. In terms of Regulation 25(8) of the Listing Regulations, Mr. Bharat Shah has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

Accordingly, the Board of Directors at its meeting held on August 31, 2023, based on the recommendation of the NRC, proposed the re-appointment of Mr. Bharat Shah as an Independent Director of the Company for a second term of five consecutive years commencing from April 29, 2024, to April 28, 2029 (both days inclusive), for the approval of the members by way of a Special Resolution, and his office shall not be liable to retire by rotation.

Pursuant to Section 160 of the Act, the Company has received a notice in writing under the hand of Mr. Bharat Shah signifying his candidature for his reappointment as an Independent Director. Further, Brief Profile and other disclosures, as required under Regulation 36 of the Listing Regulations and SS-2 issued by the Institute of Company Secretaries of India, are annexed to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the SEBI Listing Regulations and other applicable provisions of the Act and SEBI Listing Regulations, the re-appointment of Mr. Bharat Shah as an Independent Director is now placed for the approval of the Members as a Special Resolution.

The Board recommends passing of the Special Resolution, as set out at Item No. 5 of this Notice, for the approval of the members.

None of the Directors or Key Managerial Personnel ('KMP') of the Company or their respective relatives, except Mr. Bharat Shah and his relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice.

#### **Item No. 6:**

The members of the Company at their Extra-Ordinary General Meeting held on April 29, 2019, had appointed Ms. Neelu Atulkumar Shah (DIN: 08283933) as an Independent Director of the Company for a term of five years commencing from April 29, 2019, to April 28, 2024, (both days inclusive) pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Thus, the current term of Ms. Neelu Shah as an Independent Director of the Company ends on April 28, 2024.

Pursuant to Section 149 read with Schedule IV to the Act and Regulation 25 read with Schedule II of the Listing Regulations, an Independent Director can hold office for a term of upto five consecutive years on the Board of a Company, and he/she shall be eligible for re-appointment on passing of a Special Resolution by the Company. Also, no Independent Director shall hold office for more than two consecutive terms.

The Nomination and Remuneration Committee (NRC), after considering the performance evaluation of Ms. Neelu Shah during her first term of five years and considering her skills, background, experience, integrity, knowledge, contributions and time commitment, has recommended to the Board her reappointment for a second term of five years. The NRC and the Board are of the view that Ms. Neelu Shah possesses the requisite skills and capabilities, which would be of benefit to the Company, and hence, it is desirable to reappoint her as an independent director.

In the opinion of the Board, Ms. Neelu Shah fulfils the conditions specified in the Act and Listing Regulations for her re-appointment as an Independent Director of the Company and is independent of the Management. Further, Ms. Neelu Shah have given declarations to the Board of Directors to the effect that she meets the criteria of independence as provided in the Act and Listing Regulations and that she is not disqualified from being appointed as Director in terms of Section 164 of the Act nor debarred from holding the office of director by virtue of any SEBI order or any other authority. In terms of Regulation 25(8) of the Listing Regulations, Ms. Neelu Shah has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.

Accordingly, the Board of Directors at its meeting held on August 31, 2023, based on the recommendation of the NRC, proposed the re-appointment of Ms. Neelu Shah as an Independent Director of the Company for a second term of five consecutive years commencing from April 29, 2024, to April 28, 2029 (both days inclusive), for the approval of the members by way of a Special Resolution, and her office shall not be liable to retire by rotation.

Pursuant to Section 160 of the Act, the Company has received a notice in writing under the hand of Ms. Neelu Shah signifying her candidature for her reappointment as an Independent Director. Further, Brief Profile and other disclosures, as required under Regulation 36 of the Listing Regulations and SS-2 issued by the Institute of Company Secretaries of India, are annexed to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the SEBI Listing Regulations and other applicable provisions of the Act and SEBI Listing Regulations, the re-appointment of Ms. Neelu Shah as an Independent Director is now placed for the approval of the Members as a Special Resolution.

The Board recommends passing of the Special Resolution, as set out at Item No. 6 of this Notice, for the approval of the members.

None of the Directors or Key Managerial Personnel ('KMP') of the Company or their respective relatives, except Ms. Neelu Shah and her relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice.

**Registered Office:**

Block No. 355, Manjusar-Kunpad Road,  
Village: Manjusar, Taluka: Savli,  
Dist.: Vadodara – 391 775, Gujarat

Place: Vadodara  
Date: August 31, 2023

By Order of the Board  
**For Chemcon Speciality Chemicals Limited**

**Shahilkumar Kapatel**  
Company Secretary & Compliance Officer  
M. No.: A52211

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE AGM**

(Pursuant to Regulation 36(3) of the listing regulations and Secretarial Standard - 2 on General Meetings)

<b>NAVDEEP NARESH GOYAL</b> Deputy Managing Director DIN: 02604876	<b>LALIT DEVIDUTT CHAUDHARY</b> Independent Director DIN: 00651372	<b>BHARAT CHUNILAL SHAH</b> Independent Director DIN: 08281811	<b>NEELU ATULKUMAR SHAH</b> Independent Director DIN: 08283933
Date of Birth (Age):			
08/05/1990 (33 years)	01/01/1960 (63 Years)	07/05/1958 (65 Years)	12/10/1970 (52 Years)
Qualification, Brief resume, expertise, skills and capabilities of the Director:			
<p>Mr. Navdeep Goyal is a second-generation techno-commercial entrepreneur. A businessman by choice; driven by a single-minded focus to succeed, he belongs to an elite league of business leaders who has achieved what many others would just be left dreaming about.</p> <p>What he has achieved today, stands testimony of the first-generation visionary skills and him now taken over the reign with his leadership and managerial skills like Negotiation, Team Building, Account Management, Product Development, and Strategic Planning.</p> <p>What it seeks to accomplish in the future is perceptible evidence of his acumen as an entrepreneur to rapidly evolve in a fiercely competitive global marketplace. An aggressive marketer, his ability to get work done lies in his soft skills, aggressive approach to managing business and a flair to instantly forge a bond with his business partners and associates.</p> <p>His entrepreneurial drive has led him to diversify into various sectors like Speciality chemicals, Pharmaceuticals, Mechanical- Engineering and technical textile industry and still growing each sector continuously.</p>	<p>Mr. Lalit Chaudhary holds a bachelor's degree in commerce from the Sardar Patel University, Gujarat, and his career spans over 22 years. He serves as director in Chaudhary Crains Private Limited since 1993, demonstrating his effectiveness in management and entrepreneurship. Mr. Lalit Chaudhary is known for his commitment to ethical governance, integrity, and dedication to driving Chemcon towards sustainable success. his strategic insights, coupled with his ability to navigate challenges, make him a valuable asset to the board and the entire organization.</p>	<p>Mr. Bharat Shah holds a bachelor's degree in science from the Maharaja Sayajirao University of Baroda, Gujarat. In past, he has been associated with Bank of Baroda in various roles. He brings a wealth of experience and expertise to Chemcon in the field of finance and audit. With a strong track record of more than 37 years in financial services sector, Mr. Bharat Shah has consistently demonstrated strategic vision, leadership acumen, and a commitment to driving organizational growth.</p>	<p>Ms. Neelu Shah holds bachelor's degree in science from Kanpur University, Uttar Pradesh and a master's degree in business administration from the Jiwaji University, Gwalior. She has been a dedicated member of the team at "Dageena-the Jewellery Shoppe" since the year 2014, where she has held the significant role of a Sales Manager. With an impressive track record spanning over 7 years in the realm of sales, she has consistently demonstrated her exceptional skills, knowledge, and commitment to driving sales growth and customer satisfaction.</p>
Summary of Performance Evaluation of Independent Director:			
Not Applicable	<p>The Independent Directors are specifically evaluated on following parameters in addition to general evaluation parameters which are common for evaluation of all Directors:</p> <ol style="list-style-type: none"> <li>Maintenance of independence and no conflict of interest.</li> <li>Exercise of objective independent judgment in the best interest of the company.</li> </ol>		

	<p>c. Ability to contribute to and monitor corporate governance practice; and</p> <p>d. Adherence to the code of conduct for independent directors.</p> <p>The performance evaluation of Independent Directors is done by the Board of Directors and Nomination and Remuneration Committee (NRC). As per the evaluation, the performance of Mr. Lalit Chaudhary, Mr. Bharat Shah and Ms. Neelu Shah meets/exceeds expectations.</p>		
Terms and conditions of appointment or re-appointment and remuneration sought to be paid:			
Director liable to retire by rotation and being eligible, offers himself for re-appointment.	Mr. Lalit Chaudhary, Mr. Bharat Shah and Ms. Neelu Shah are proposed to be appointed as Independent Directors of the Company for a term of five years commencing from April 29, 2024, to April 28, 2029. They shall be paid sitting fees for attending the Board and Committee Meetings as determined by the Board and within the permissible limits.		
Date of first appointment on the Board:			
April 1, 2015	April 29, 2019	April 29, 2019	April 29, 2019
Number of Board Meetings attended during the financial year 2022-23:			
5	2	3	5
Remuneration drawn during the financial year 2022-23:			
322.00 Lacs	NA	NA	NA
Number of shares held in the Company as on March 31, 2023:			
a. Own			
b. For other persons on a beneficial basis			
a. *86,08,166	c. Nil	a. Nil	a. Nil
b. Nil	d. Nil	b. Nil	b. Nil
Relationship with other Directors, Manager and other KMP:			
Nil	Nil	Nil	Nil
Directorship in other Companies as on March 31, 2023:			
a. Supertech Fabrics Private Limited	a. Chaudhary Cranes Private Limited	Nil	Nil
b. Super Industrial Lining Private Limited			
c. Dtech Products Private Limited			
d. GGC Chemicals & Pharmaceuticals Private Limited			
Committee position held in other Companies as on March 31, 2023:			
Nil	Nil	Nil	Nil
Listed entities from which the Director has resigned from Directorship in last three (3) years:			
Nil	Nil	Nil	Nil

\* The 86,08,166 equity shares held by Mr. Navdeep Naresh Goyal includes 62,33,500 Equity Shares which are jointly held by Navdeep Naresh Goyal, first holder and Shubharangana Goyal, Second holder.

## DIRECTOR'S REPORT

To,  
The Members,  
Chemcon Speciality Chemicals Limited

The directors have pleasure in presenting the 34<sup>th</sup> Annual Report on the business and operations of Chemcon Speciality Chemicals Limited ("the Company") together with the audited financial statements for the financial year ended March 31, 2023.

### FINANCIAL SUMMARY AND HIGHLIGHTS:

The financial performance of the Company for the year ended March 31, 2023, is summarised below:

(INR in Lacs)

PARTICULARS	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations	30,288.47	25,711.11
Other Income	1,331.47	922.37
<b>Total Income</b>	<b>31,619.94</b>	<b>26,633.49</b>
Profit before Financial Cost, Depreciation and tax	8,401.14	9,083.39
Less: Finance Costs	148.86	56.94
Less: Depreciation/ Amortisation/ Impairment	837.14	626.90
<b>Profit before Tax</b>	<b>7,415.14</b>	<b>8,399.55</b>
Less: Tax Expense (Current & Deferred)	1,904.13	2,123.89
<b>Profit after tax for the year</b>	<b>5,511.01</b>	<b>6,275.66</b>
Other Comprehensive Income/(loss)	(28.08)	(35.16)
<b>Total Comprehensive Income for the year</b>	<b>5,482.92</b>	<b>6,240.50</b>

The above figures are extracted from the audited financial statements prepared in accordance with Indian Accounting Standards (Ind AS) as specified in the Companies (Indian Accounting Standard) Rules, 2015, as amended, in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (the "Listing Regulations").

### STATE OF COMPANY'S AFFAIR:

For the financial year ended March 31, 2023, the Company has achieved an increase in revenue from operations by 17.80% amounting to Rs. 30,288.47 Lacs aided by improvement in volume & realisation. Profit before Tax was Rs. 7,415.14 Lacs in FY 2022-23 as against Rs. 8,399.55 Lacs in FY 2021-22 and Profit After Tax was Rs. 5,511.01 Lacs as against Rs. 6,275.66 Lacs the previous year. Earnings Per Share in FY 2022-23 was Rs. 15.04 as compared to Rs. 17.13 over the previous fiscal year.

- The Company has achieved a significant milestone by successfully initiating commercial production at its P9 facility located in Manjusar, Gujarat. This achievement marks a pivotal moment in the company's operational journey, reflecting its commitment to expansion and growth.
- The Company has launched new Organic chemical product Bromo Benzene and added a capacity of 2,400 MTPA of Bromo Benzene at the P9 facility.

- For a comprehensive understanding of the Company's performance, stakeholders are encouraged to refer to the "Management Discussion and Analysis" section in the Annual Report.

#### **DIVIDEND:**

During the financial year 2022-23, the Board of directors had declared an interim dividend of Rs. 4/- per equity share in the Board meeting held on August 8, 2022. The Board does not recommend any final dividend for the financial year 2022-23.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the Company's website at <https://cscpl.com/investors-relations/disclosure-under-regulation-46-of-the-lodr/policies/>

#### **UNPAID / UNCLAIMED DIVIDEND:**

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, there was no unpaid / unclaimed dividends to be transferred during the Financial Year under review to the Investor Education and Protection Fund.

#### **TRANSFER TO RESERVE:**

During the Financial Year under review, Company has not transferred any amount to any reserves.

#### **SHARE CAPITAL:**

As on March 31, 2023:

- The Authorised Share Capital of the Company was INR 50,00,00,000/- (INR Fifty Crores Only) divided in to 5,00,00,000 (Five Crores) Equity Shares of INR 10/- (INR Ten only) each; and
- The Issued, subscribed and Paid-up Share Capital of the Company is INR 36,63,07,010/- (INR Thirty-Six Crores Sixty-Three Lacs Seven Thousand and Ten only) divided into 3,66,30,701 (Three Crores Sixty-Six Lacs Thirty Thousand Seven Hundred and One) Equity Shares of INR 10/- (INR Ten Only) each.

During the financial year ended March 31, 2023, the Company has not bought back any of its securities, has not issued any Sweat Equity Shares or Bonus Shares and has not provided any Stock Option Scheme to the employees.

Further, the Company has not raised any funds through preferential allotment or qualified institutions placement during the financial year ended March 31, 2023.

#### **UTILISATION OF IPO PROCEEDS:**

The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on October 01, 2020. The IPO proceeds were utilised as per the objects stated in the prospectus of the Company and pursuant to Regulation 32 of the Listing Regulations there was no deviation/variation in utilisation of funds raised in respect of the Initial Public Offering of the Company. The Company had appointed HDFC Bank Limited as Monitoring Agency in terms of regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

as amended from time to time, to monitor the utilisation of IPO proceeds and the Company had obtained monitoring reports from the Monitoring Agency from time to time.

A certificate has also been obtained from the Statutory Auditors of the Company confirming the utilisation of the IPO proceeds as per the objects stated in the prospectus of the Company.

The proceeds of the Initial Public Offering were completely utilised during the FY 2022-23 by quarter ended September 30, 2022. The fact that the Company has fully utilized the IPO proceeds is evident from the Monitoring Agency Report submitted by the Company for the said quarter.

As per Regulation 32(2) of the SEBI (LODR) Regulations, 2015, the Company shall submit the statement of deviation(s) or variation(s) till such time the issue proceeds have been fully utilised. Accordingly, the Company had submitted the statement(s) and report as required under Regulation 32 of the Listing Regulations to both the exchanges where the shares of the Company are listed, namely, BSE Limited and National Stock Exchange of India Limited on timely basis till the quarter ended September 30, 2022.

#### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company does not have any subsidiary, joint venture or associate Company.

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

The directors of the Company as on March 31, 2023, are:

<b>Sr. No.</b>	<b>Name of Director / KMP</b>	<b>Category of Directorship / KMP</b>
1.	Mr. Kamalkumar Rajendra Aggarwal	Chairman & Managing Director
2.	Mr. Navdeep Naresh Goyal	Deputy Managing Director
3.	Mr. Rajesh Chimanlal Gandhi	Whole-time Director and Chief Financial Officer
4.	Mr. Himanshu Purohit	Whole-time Director
5.	Mr. Rajveer Aggarwal	Whole-time Director
6.	Ms. Neelu Shah	Independent Director
7.	Mr. Lalit Chaudhary	Independent Director
8.	Mr. Samir Chandrakant Patel	Independent Director
9.	Mr. Bharat Shah	Independent Director
10.	Mr. Pradeep Vishambhar Agrawal	Independent Director
11.	Mr. Shahilkumar Kapatel	Company Secretary and Compliance Officer

As on the financial year ended March 31, 2023, the board of directors of the Company comprised of an optimum combination of executive and non-executive directors where 50% of the board of directors comprises of non-executive independent directors including one woman independent director.

#### **A. Retirement by Rotation:**

As per the provisions of Section 152(6) of the Companies Act, 2013, not less than two-third of the total number of Directors, other than Independent Directors shall be liable to retire by rotation. One-third of these Directors are required to retire every year and if eligible, these Directors qualify for reappointment. Accordingly, Mr. Navdeep Naresh Goyal (DIN: 02604876), deputy managing director of the Company, shall retire by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible, offers himself for reappointment.

A detailed profile of Mr. Navdeep Naresh Goyal along with additional information required under Regulation 36(3) of Listing Regulations and Secretarial Standard on General Meetings is provided separately by way of Annexure to the Notice convening the 34<sup>th</sup> Annual General Meeting of the Company. The Board recommends his re-appointment.

#### **B. Appointment during the financial year 2022-23:**

During the financial year 2022-23, Mr. Pradeep Vishambhar Agrawal (DIN: 00048699) was appointed as an Additional Director (Non-Executive, Independent) by the Board at its meeting held on April 28, 2022, and subsequently approved and regularised by the shareholder at the 33<sup>rd</sup> Annual General Meeting of the company held on July 26, 2022.

#### **C. Re-appointment of Independent Directors:**

Mr. Lalit Devidutt Chaudhary, Mr. Bharat Chunilal Shah and Ms. Neelu Atulkumar Shah were appointed as Independent Directors of the Company by the members of the Company at their Extra-Ordinary General Meeting held on April 29, 2019, for a term of five years commencing from April 29, 2019, to April 28, 2024. Thus, the current term of Mr. Lalit Chaudhary, Mr. Bharat Shah and Ms. Neelu Shah as Independent Directors of the Company ends on April 28, 2024.

After considering the knowledge, acumen, expertise, experience, independence and substantial contribution and time commitments of Mr. Lalit Chaudhary, Mr. Bharat Shah and Ms. Neelu Shah, and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on August 31, 2023, proposed the re-appointment of Mr. Lalit Chaudhary, Mr. Bharat Shah and Ms. Neelu Shah as Independent Directors of the Company for a second term of five consecutive years commencing from April 29, 2024, to April 28, 2029 (both days inclusive), for the approval of the members who shall not be liable to retire by rotation.

The aforesaid Independent Directors have given their declarations to the Board of Directors to the effect that they meet the criteria of independence as provided in the Act and Listing Regulations and that they are not disqualified from being appointed as Director in terms of Section 164 of the Act nor debarred from holding the office of director by virtue of any SEBI order or any other authority.

A detailed profile of the Independent Directors seeking re-appointment along with additional information required under Regulation 36(3) of Listing Regulations and Secretarial Standard on General Meetings is provided separately by way of Annexure to the Notice convening the 34<sup>th</sup> Annual General Meeting of the Company.

Approval of the Members is sought for re-appointment of aforesaid Director at the forthcoming AGM.

#### **D. Resignation of Independent Director between the period from the closure of the Financial Year till the date of this report:**

After the closure of the financial year ended March 31, 2023, till the date of this report, the following changes took place in Independent Directors of the Company:

- Mr. Samir Chandrakant Patel (DIN: 00086774) stepped down from his role as an independent director at the Company, with effect from May 13, 2023, due to personal reasons and other business commitments.



- Mr. Pradeep Vishambhar Agrawal (DIN: 00048699) resigned from the position of independent director of the company with effect from of June 26, 2023, due to many other engagements and occupations.

The Board placed on record their appreciation for the assistance and guidance provided by them during their tenure as Independent Director of the Company.

#### **E. Declaration by Independent Directors:**

Pursuant to the provisions of Section 149 of the Companies Act, 2013, the Independent Directors' have submitted separate declaration that each of them meets the criteria of independence as laid down in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and are not disqualified from continuing as Independent Directors of the Company. Further, during the financial year ended March 31, 2023, there has been no change in the circumstances affecting their status as Independent Directors of the Company.

#### **F. Compliance with the Code of Conduct:**

Pursuant to the requirements of Regulation 26(3) of the Listing Regulations, all members of the Board of Directors, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the code of conduct for Board of Directors, Key Managerial Personnel and senior management Personnel for the financial year ended March 31, 2023.

#### **G. Familiarisation programme for Independent Directors:**

The familiarisation programme is to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes and about the overall functioning and performance of the Company.

The policy and details of familiarisation programme is available on the website of the Company at <https://cscpl.com/investors-relations/familiarization-programme/>.

#### **MEETINGS OF THE BOARD OF DIRECTORS:**

During the financial year ended March 31, 2023, 7 (Seven) Meetings of the Board of Directors were held in accordance with the provisions of the Companies Act, 2013 and rules made there under, applicable Secretarial Standards and regulation 17 of the Listing Regulations. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report which forms part of the Annual Report of the Company.

#### **COMMITTEES OF BOARD:**

The Company has duly constituted the following Committees in terms of the provisions of the Companies Act, 2013 read with relevant rules framed there under & Listing Regulations:

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

The composition of all such Committees, brief terms of reference, number of meetings held, their dates and attendance during the financial year ended March 31, 2023, and other details have been provided in the Corporate Governance Report which forms part of the Annual Report of the Company. There has been no instance during the year where the recommendations of the Committees were not accepted by the Board.

#### **A. Audit Committee:**

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

As of March 31, 2023, the Company's Audit Committee comprised of Mr. Bharat Chunilal Shah as the Chairperson and Ms. Neelu Atulkumar Shah, Mr. Samir Chandrakant Patel and Mr. Kamalkumar Rajendra Aggarwal as members of the Committee. Thereafter, Mr. Samir Chandrakant Patel (DIN: 00086774) resigned from the position of independent director and as member of Audit Committee of the company with effect from May 13, 2023.

#### **B. Stakeholders Relationship Committee:**

In compliance with the provisions of section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Board has duly constituted a "Stakeholders Relationship Committee" to consider and resolve the grievances of security holders of the company.

#### **C. Nomination and Remuneration Committee:**

The Company, pursuant to Section 178(1) of the Companies Act, 2013 and regulation 19 of Listing Regulations, has constituted the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has formulated a policy defining the criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees known as Nomination and Remuneration Policy (NRC Policy). The NRC Policy is available on the Company's website at <https://cscpl.com/investors-relations/shareholder-information/disclosure-policies/>.

The salient features of the NRC Policy are as under:

1. Setting out scope and objective of the policy.
2. Defining role of the Committee.
3. Laying down the qualifications and criteria to appoint a Director.
4. Identification of criteria of independence for Independent Director.
5. Identifying the entitlement to non-executive Directors.
6. Framing structure of remuneration to the Executive Directors and Key Managerial Personnel and other employees.

#### **D. Corporate Social Responsibility (CSR) Committee:**

The Company has constituted as Corporate Social Responsibility Committee in terms of Section 135 of the Companies Act, 2013 and the rules made thereunder.

As of March 31, 2023, The Corporate Social Responsibility (CSR) Committee of the Company comprised of three members, Mr. Navdeep Naresh Goyal as the Chairperson and Mr. Bharat Chunilal Shah and Mr. Pradeep Vishambhar Agrawal as members of the Committee. Thereafter Mr. Pradeep Vishambhar Agrawal (DIN: 00048699) resigned from the position of independent director of the Company and as a member of CSR Committee with effect from of June 26, 2023.

Subsequently, owing to the resignation of Mr. Pradeep Agarwal as Independent Director and resulting a vacancy of member in the CSR committee, The Board of Director at its meeting held on August 11, 2023, reconstituted the CSR Committee by appointing Mr. Rajveer Kamal Aggarwal, Wholetime director of the Company, as member of the CSR Committee.

The Company has adopted the Corporate Social Responsibility Policy as recommended by CSR Committee pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. This policy is available on Company's website at <https://cscpl.com/investors-relations/shareholder-information/disclosure-policies/>.

In accordance with the provisions of Section 135(5) of Companies Act, 2013, the Company has spent INR 67.13 lacs towards various CSR programs during the financial year ended March 31, 2023. Further, the unspent CSR amount of Rs. 77.02 Lacs shall be transferred by the Company to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year i.e. on or before September 30, 2023.

A detailed Annual Report on CSR activities for the financial year 2022-23, prepared in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended as **Annexure - I** to this report.

#### **E. Risk Management Committee:**

The Risk Management Committee (RMC) of the Company is constituted in line with the provisions of Regulation 21 of the Listing Regulations of the Listing Regulations.

As of March 31, 2023, The Risk Management Committee of the Company comprised of three members, Mr. Samir Chandrakant Patel as the Chairperson and Mr. Rajesh Chimanlal Gandhi and Mr. Himanshu Prafulchandra Purohit as members of the Committee. Thereafter Mr. Samir Chandrakant Patel (DIN: 00086774) resigned from the position of independent director of the Company and as a member of RMC with effect from May 13, 2023.

Subsequently, owing to the resignation of Mr. Samir Patel as Independent Director and resulting a vacancy of member and Chairperson in the RMC, The Board of Director at its meeting held on August 11, 2023, reconstituted the RMC by appointing Ms. Neelu Atulkumar Shah, Independent Director, as a member of the committee and designated Mr. Rajesh Chimanlal Gandhi as Chairperson of the committee.

The Board of Directors periodically evaluates the processes for Risk Identification and Risk Mitigation. The management of the Company has duly adopted the Risk Management Policy to articulate the Company's approach and expectations in relation to the management of risk across the organisation. The Risk Management Policy is available on Company's website at <https://cscpl.com/investors-relations/shareholder-information/disclosure-policies/>.

There are no specific risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which are inherent in business and type of industry in which the

Company operations are elaborately described in the Management Discussion and Analysis forming part of the Annual Report.

#### **VIGIL MECHANISM:**

As per provisions of Section 177(9) of the Companies Act, 2013 read with Regulation 22(1) of the Listing Regulations, the Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the employees to report their grievances / concerns about instances of unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct.

The Policy provides for adequate safeguards against victimisation of employees who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee in certain cases. It is affirmed that no personnel of the Company have been denied access to the Audit Committee.

The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time. The Whistle Blower policy is available on the Company's website at <https://cscpl.com/investors-relations/disclosure-under-regulation-46-of-the-lodr/policies/>.

#### **PERFORMANCE EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors have carried out annual performance evaluation of the Board as a whole, Board Committees, Individual Directors and Independent Directors on the basis of criteria laid down in Performance Evaluation Policy of the Company.

The performance of Independent Directors, Non-executive Directors, Executive Directors, Whole-time Directors, Managing Directors and Chairperson was evaluated by all the members of the Nomination and Remuneration Committee (other than the member evaluating) on the basis of criteria laid down in Performance Evaluation Policy.

As required under Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held to evaluate the performance of the Chairperson, Non-Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

The performance evaluation made by Nomination and Remuneration Committee and Independent Directors at their meeting was noted by the Board.

#### **AUDITORS:**

##### **Statutory Auditor:**

M/s. K C Mehta & Co LLP (Chartered Accountants) have been appointed as statutory auditor of the Company by the member at their 30<sup>th</sup> Annual General Meeting (AGM) held on June 14, 2019, to hold office for the period of 5 years till the conclusion of 35<sup>th</sup> AGM of the Company.

M/s. K C Mehta & Co LLP, Statutory Auditors, have not made any modified opinion, qualifications, reservations, adverse remarks or disclaimers in their report for the financial year ended March 31, 2023. Accordingly, the board is not required to provide any explanation or comments in terms of Section 134(3)(f)(i) of the Companies Act, 2013.

There are no frauds reported by the Auditor which are required to be disclosed under Section 143(12)

of Companies Act, 2013 for the financial year ended March 31, 2023.

#### **Cost Auditor:**

Based on the recommendation made by the Audit Committee, the Board of Directors of the Company has appointed, M/s Chetan Gandhi & Associates, Cost Accountants (Firm Registration No. 101341) as the Cost Auditor of the Company for the financial year 2023-24. The remuneration payable to the Cost Auditor is required to be ratified by the Shareholders at the ensuing AGM and accordingly, a resolution seeking ratification has been included in the Notice convening the 34<sup>th</sup> AGM.

The Cost Audit report for the financial year ended March 31, 2023, does not contain any qualification, reservation or adverse remark and has been furnished to the Central Government within the prescribed time limits.

The Company has made and maintained necessary cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

#### **Secretarial Auditor:**

Pursuant to provision of section 204 of the Companies Act 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended or re-enacted from time to time), and as recommended by the Audit Committee, M/s. Rathod & Co, Practising Company Secretaries, were appointed as Secretarial Auditor by the Board for conducting the Secretarial Audit of the Company for the financial year 2022-23.

The Secretarial Audit report for the financial year 2022-23 as provided by M/s. Rathod & Co, Practising Company Secretaries, is appended as **Annexure II** to this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

In accordance with the SEBI Circular dated 8 February 2019 read with Regulation 24A of the SEBI Listing Regulations, the Company has obtained an Annual Secretarial Compliance Report from M/s. Rathod & Co, Practising Company Secretaries, confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the financial year 2022-23. The Annual Secretarial Compliance Report for abovesaid financial year has been submitted to the stock exchanges within 60 days of the end of the said financial year.

M/s. Rathod & Co, Practising Company Secretaries, has issued a certificate confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by Securities and Exchange Board of India ("SEBI")/Ministry of Corporate Affairs ("MCA") or any such statutory authority. The said Certificate is annexed to the Report on Corporate Governance which forms part of the Annual Report.

#### **Internal Auditor:**

The Internal Auditor of the Company is appointed by the Board on yearly basis, on the recommendation of the Audit Committee. The findings of internal audit are reported by the Internal Auditor to the Audit Committee on a periodic basis.

M/s. M Sahu & Co., Chartered Accountants, (FRN: 130001W), are appointed as the Internal Auditors of

the Company to conduct the internal audit for the financial year 2023-24.

#### **PARTICULARS OF EMPLOYEES AND REMUNERATION:**

Disclosures with respect to information 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 and the statement required under Rule 5(2) of the said rules is appended as **Annexure III**.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company, to the best of their knowledge and belief and according to information and explanation obtained by them, confirm that:

- a. In the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards had been followed and there is no material departures;
- b. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended March 31, 2023, and of the profit and loss of the company for that period;
- c. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. They have prepared the annual accounts on a going concern basis;
- e. They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- f. They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

#### **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR):**

The Business Responsibility and Sustainability Report, as stipulated under Regulation 34(2)(f) of the Listing Regulations, describing the initiatives taken by the Company from an environmental, social and governance perspective is appended as **Annexure IV**.

#### **CORPORATE GOVERNANCE:**

As per Regulation 34 read with Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, a separate section on Report on Corporate Governance practices followed by the Company is included in the Annual Report.

A Certificate from M/s. Rathod & Co, Practicing Company Secretaries regarding compliance with the conditions of Corporate Governance is appended as **Annexure V**.

#### **ANNUAL RETURN:**

As required under Section 134(3)(a) of the Companies Act, 2013, the draft of the Annual Return, referred to in sub-section (3) of section 92, for the financial year ended March 31, 2023, is placed on the Company's website and can be accessed at <https://cscpl.com/investors-relations/shareholder-information/general-meeting/34th-agm/>.

### **INTERNAL FINANCIAL CONTROLS:**

Internal Financial Controls are an integrated part of the risk management process. The Company has adequate internal financial controls in place to address financial and financial reporting risks. The internal financial controls with reference to the financial statements are commensurate with the size and nature of business of the Company.

This internal financial control system of the Company is being checked by the Internal Auditors. The system helps in improving operational and financial efficiency of the Company, safeguarding of assets and prevention and detection of frauds, if any. No material observations have been received from the Internal Auditors of the Company regarding inefficiency or inadequacy of such controls.

During the financial year 2022-23, the Company has tested its controls and the same are effectively working. Report on Internal Financial Controls as required under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, is provided by the Statutory Auditor of the Company and forms part of the Independent Auditors' Report.

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

The Company has zero tolerance for sexual harassment at workplace and has set up an Internal Complaints Committee to consider and resolve all complaints relating to sexual harassment to its women employees at workplace. The Company has taken various initiatives to ensure a safe and healthy workplace for its women employees.

The Company has also adopted a policy for prevention of Sexual Harassment of Women at workplace pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints of sexual harassment were received by the Company during the financial year 2022-23.

### **CREDIT RATING:**

As at the financial year ended March 31, 2023, the Company had a Long-Term Rating of CRISIL BBB+/Stable. The Credit Rating Letter is also available on the website of the Company at, <https://cscpl.com/investors-relations/disclosure-under-regulation-46-of-the-lodr/credit-ratings/>.

The Company has also submitted the disclosure in respect of the above to both the exchanges where the shares of the Company are listed, namely, BSE Limited and National Stock Exchange of India Limited as required under Regulation 30 of the Listing Regulations.

### **RELATED PARTY TRANSACTIONS:**

All Related Party Transactions that were entered into by the Company with the Related Parties, during the financial year 2022-23, were on an arm's length basis, in the ordinary course of business and in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

All Related Party Transactions are appropriately approved by the Audit Committee. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the name of the Related Party, nature and value of the transactions.

During the year under review, there were no material contracts or arrangement or transactions entered into by the Company with related parties hence, there were no transactions with Related Parties during the year which are required to be reported in Form AOC-2.

Disclosure of all the transactions entered by the Company with related parties are set out in Note No. 35 of the Financial Statements of the Company in the format prescribed in the relevant Accounting Standards.

In terms of the requirements of the Companies Act, 2013 and the Listing Regulations, the Company has adopted a Policy on Related Party Transactions which is available on the website of the Company at <https://cscpl.com/investors-relations/disclosure-under-regulation-46-of-the-lodr/policies/>.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED AGAINST THE COMPANY:**

During the financial year 2021-22, the Company's manufacturing operations were closed from an interim period of around 1.5 months, pursuant to the issuance of notice by Gujarat Pollution Control Board (GPCB) directing closure of operations of manufacturing plants situated at Manjusar, Vadodara under Environmental (Protection) Act, 1986, for the violations of the Hazardous & Other Waste (Management & Transboundary Movement) Rules, 2016. Subsequently, upon application for revocation made by the Company, GPCB vide its revocation order dated October 22, 2021, granted temporary revocation of closure directions issued to the Company for three months.

Further, upon various representations made by the Company, GPCB has given permanent revocation of closure order on May 19, 2022.

#### **DEPOSITS:**

No public deposits have been accepted or renewed by the Company during the financial year 2022-23 pursuant to the provisions of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Companies Act, 2013 or the details of deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013 is not applicable.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

During the financial year 2022-23, the Company has not given any loan, has not provided any guarantee or security for any loan nor has made any investments under the provisions of Section 186 of the Companies Act, 2013.

#### **ISO CERTIFICATE:**

The Company is holding ISO 9001: 2015 and ISO 14001:2015 certification.

#### **INDUSTRIAL RELATIONS:**

Industrial relations at all divisions of the Company have always been cordial and continue to be so. The relationship with the workmen and staff remained cordial and harmonious during the year and the management received full cooperation from the employees. The Company strives to provide a healthy, conducive and competitive work environment to enable the employees excel and create new benchmarks of quality, productivity, efficiency and customer delight.



## **INSURANCE:**

The Company has obtained public liability insurance in compliance with the requirements under the Public Liability Insurance Act, 1991, as amended, as well as industrial all risk insurance (including material damage and business interruption insurance) with respect to our manufacturing facility, covering inter alia buildings, plant and machinery, furniture and stock located therein and a marine cargo open policy with respect to our key products and raw materials. The Company has also obtained standard fire and special perils policies with respect to our corporate office, marketing office at Hyderabad, leased warehouses and solar plant. The Company has obtained a money insurance policy covering our corporate office and manufacturing facility at Vadodara. Further, the Company has also undertaken Directors and Officers insurance ('D and O insurance') as per Regulation 25(10) of the Listing Regulations.

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

The details pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134(3) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is appended as [Annexure VI](#).

## **COMPLIANCE OF SECRETARIAL STANDARDS:**

During the financial year 2022-23, the Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government, in terms of Section 118(10) of the Companies Act, 2013.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY:**

There have been no material changes and commitments affecting the financial position of the Company occurred after the closure of financial year ended March 31, 2023, and the date of this report.

## **GENERAL DISCLOSURES:**

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

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise as per Section 43(a)(ii) of the Companies Act, 2013;
- b. The Company does not have any subsidiaries hence, disclosure on remuneration or commission received by the Managing Director or the Whole-time Directors of the Company from any of its subsidiaries is not applicable.
- c. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;
- d. Disclosure on non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013 is not applicable.
- e. The Company has not made any application and there are no pending proceedings under the Insolvency and Bankruptcy Code, 2016.
- f. The Company is solvent and financially healthy hence there were no instance of one-time settlement with Banks or Financial Institutions during the financial year 2022-23.

**ACKNOWLEDGEMENT:**

The Directors place on record their sincere appreciation for the steadfast commitment and highly motivated performance by employees at all levels, which was instrumental in sustained performance of the Company. The Directors would also like to express their appreciation for the assistance and co-operation of Central and State Government authorities, bankers, customers, suppliers and business associates. The Directors acknowledge with gratitude, the encouragement and support extended by the Company's valued stakeholders.

For and on behalf of the Board  
**Chemcon Speciality Chemicals Limited**

**Kamalkumar Rajendra Aggarwal**  
Chairman & Managing Director  
DIN: 00139199

Place: Vadodara  
Date: August 31, 2023

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to section 135 of the Companies Act, 2013 read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014]

### 1. A brief outline of the company's CSR Policy:

Chemcon Speciality Chemicals Limited (the "Company") is well aware of its corporate social responsibility and it leads to growing the trust of all stakeholders. The Corporate Social Responsibility Policy (the "CSR Policy") shall apply to all CSR activities undertaken or sponsored by the Company. The policy underlines the guiding principles and mechanisms for undertaking various CSR activities/programs by the Company in accordance with Section 135 and Schedule VII of the Companies Act, 2013 (the "Act") read with rules made thereunder.

### 2. The Composition of the CSR Committee:

As on March 31, 2023, the CSR Committee comprised of following members:

Sr. No.	Name of Director	Designation	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Navdeep Naresh Goyal	Chairman	Deputy Managing Director	1	1
2	Bharat Chunilal Shah	Member	Independent Director	1	1
3	*Pradeep Vishambhar Agrawal	Member	Independent Director	1	0

\*Mr. Pradeep Vishambhar Agrawal (DIN: 00048699) resigned from the position of independent director of the Company and as a member of CSR Committee with effect from of June 26, 2023. Subsequently, the Board of Director at its meeting held on August 11, 2023, reconstituted the CSR Committee by appointing Mr. Rajveer Kamal Aggarwal, Wholetime director of the Company, as member of the CSR Committee

### 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.csopl.com>

### 4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable for the year under review.

**5. CSR obligation for the financial year:**

(INR in Lacs)

Sr. No.	Particulars	Amount
(a)	Average net profit of the company as per section 135(5)	7,433.33
(b)	Two percent of average net profit of the company as per sub-section (5) of section 135:	148.67
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	0
(d)	Amount required to be set-off for the financial year, if any.	4.52
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)].	144.15

**6. CSR amount spent or unspent for the Financial Year:**

(INR in Lacs)

Sr. No.	Particulars	Amount
(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	67.13
(b)	Amount spent in Administrative Overheads.	0.00
(c)	Amount spent on Impact Assessment, if applicable.	0.00
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	67.13

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

(INR in Lacs)

Total amount spent for the financial year	Amount unspent				
	Total amount transferred to the Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per the second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
67.13	-	-	-	-	-

In accordance with the provisions of Section 135 (5) of Companies Act, 2013, the Company is liable to transfer Rs. 77.02 Lacs unspent amount to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Accordingly, the Company shall transfer the said amount on or before September 30, 2023. The board of directors of the Company have decided to transfer the unspent amount of Rs. 77.02 Lacs to a fund specified in Schedule VII as recommended by CSR Committee.

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

(INR in Lacs)

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

**7. Details of the unspent Corporate Social Responsibility amount for the preceding three financial years:**

(INR in Lacs)

Sl. No	Preceding financial year	Amount transferred to the Unspent CSR Account under sub-section (6) of section 135	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount spent in the reporting financial year	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of Transfer		
1	2021-22	24.39	-	24.39	-	-	-	-
2	2020-21	-	-	-	93.22	30-09-2021	-	-
3	2019-20	-	-	-	-	-	-	-

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

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

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

(INR in Lacs)

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

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

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

The company was in the process of exploring and finalising the key area(s) where it can undertake expenditure/contribution toward Corporate Social Responsibility and hence the company was unable to spend the requisite amount towards the Corporate Social Responsibility activities during the financial year 2022-23.

For and on behalf of the Board  
**Chemcon Speciality Chemicals Limited**

**Kamalkumar Rajendra Aggarwal** Chairman & Managing Director  
DIN: 00139199

**Navdeep Naresh Goyal** Chairman CSR Committee  
DIN: 02604876

Place: Vadodara  
Date: August 31, 2023

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Chemcon Speciality Chemicals Limited  
Block No. 355, Manjusar Kunpad Road,  
Manjusar Village, Taluka Savli,  
Vadodara - 391775, Gujarat

I, Chirag Vinodbhai Rathod, Proprietor, Rathod & Co., Practicing Company Secretary, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Chemcon Speciality Chemicals Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made 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 Foreign Direct Investment, 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;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the Audit Period)

- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the Audit Period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the Audit Period)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the Audit Period)
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (Not applicable to the Company during the Audit Period)
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) other laws as may be applicable specifically to the Company are as follows:
- (a) The Environment (Protection) Act, 1986 and the Rules made thereunder;
  - (b) The Factories Act, 1948 and the Rules made thereunder;
  - (c) Minimum Wages Act, 1948 and the Rules made thereunder;
  - (d) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Rules made thereunder.

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) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

**I further report that:**

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

Adequate notice 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.

Dissenting members' views were not required to be captured and recorded as part of the minutes of Board Meetings and Committee Meetings as there was no such instance.

I further report that based on the review of systems and processes adopted by the Company and the certificate for compliance of various applicable laws submitted by the Company Secretary and other officials of the Company on quarterly basis and placed before the meeting of Board of Directors and

which were taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

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

**For Rathod & Co.**

Practicing Company Secretaries

Place: Anand

Date: 25<sup>th</sup> August 2023

UDIN: A054460E000868350

**Chirag Vinodbhai Rathod**

Membership No.: 54460

CP. No.: 20186

Peer Review Certificate No.: 1762/2022



**Annexure A**

To,  
The Members,  
**Chemcon Speciality Chemicals Limited**  
Block No. 355, Manjusar Kunpad Road,  
Manjusar Village, Taluka Savli,  
Vadodara - 391775, Gujarat

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My Responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. My Audit was based on examination, in physical or electronic form, as feasible under the prevailing circumstances, of books and records maintained by the Company.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
6. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on a test basis.
7. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Rathod & Co.**  
Practicing Company Secretaries

Place: Anand  
Date: 25<sup>th</sup> August 2023  
UDIN: A054460E000868350

**Chirag Vinodbhai Rathod**  
Membership No.: 54460  
CP. No.: 20186  
Peer Review Certificate No.: 1762/2022

**DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013**
**PART (A) - DISCLOSURE AS REQUIRED UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ending March 31, 2023:

Name	Number of Times	
	if total remuneration of the Director, excluding variable pay, is considered	if total remuneration of the Director is considered
<b>Chairman and Managing Director</b>		
Kamalkumar Rajendra Aggarwal	18.82	116.82
<b>Deputy Managing Director</b>		
Navdeep Naresh Goyal	28.23	126.23
<b>Whole-time Director and Chief Financial Officer</b>		
Rajesh Chimanlal Gandhi	12.23	12.23
<b>Whole-time Director</b>		
Himanshu Prafulchandra Purohit	12.23	12.23
Rajveer Kamal Aggarwal	9.41	9.41
<b>Independent Director</b>		
Lalit Devidutt Chaudhary	NA	NA
Pradeep Vishambhar Agrawal	NA	NA
Neelu Atulkumar Shah	NA	NA
Bharat Chunilal Shah	NA	NA
Samir Chandrakant Patel	NA	NA

Independent Directors were in receipt of sitting fees only. There has been no change in the payment criteria for remuneration to Independent Directors. Sitting Fees paid to the Directors has not been considered as remuneration.

- ii. The % increase in remuneration of Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, for the financial year ending March 31, 2023:

Name	% Increase/(Decrease) over last FY
<b>Chairman and Managing Director</b>	
Kamalkumar Rajendra Aggarwal	(16.76%)
<b>Deputy Managing Director</b>	
Navdeep Naresh Goyal	(15.71%)
<b>Whole-time Director and Chief Financial Officer</b>	
Rajesh Chimanlal Gandhi	0.00%
<b>Whole-time Director</b>	
Himanshu Prafulchandra Purohit	0.00%
Rajveer Kamal Aggarwal	0.00%
<b>Company Secretary</b>	
Shahilkumar Maheshbhai Kapatel	33.45%
<b>Independent Director</b>	

Name	% Increase/(Decrease) over last FY
Lalit Devidutt Chaudhary	NA
Pradeep Vishambhar Agrawal	NA
Neelu Atulkumar Shah	NA
Bharat Chunilal Shah	NA
Samir Chandrakant Patel	NA

- iii. The % increase in the median remuneration of employees during the financial year ended March 31, 2023:

There was an increase of 21.26% in the median remuneration of employees during the financial year ended March 31, 2023

- iv. The number of permanent employees on the rolls of the Company as on March 31, 2023:

There were 204 permanent employees on the rolls of the Company as on March 31, 2023.

- v. Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration.

Average percentile increase made in the salaries of employees other than the managerial personnel during the financial year 2022-23 was 18.00 %. On the contrary, the managerial remuneration during the financial year 2022-23 was diminished by 14.52%.

- vi. It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

**PART (B) - Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended March 31, 2023.**

- i. Details of Top Ten Employees in terms of Remuneration drawn during the Financial Year ended March 31, 2023:

Sr. No.	Name of Employee	Designation	Remuneration (Rs. In Lacs)	Nature of Employment	Qualification	Experience in Years	Date of commencement of Employment	Age in Years	The Last Employment held before joining the Company	% of Equity share held
1	Kamalkumar Rajendra Aggarwal	Chairman and Managing Director	298.00	Permanent	Diploma in petrochemical technology (plastic technology)	27	19/01/2004	60	First Employment	#27.81%
2	Navdeep Naresh Goyal	Deputy Managing Director	322.00	Permanent	Higher secondary examinations	12	01/04/2015	33	First Employment	#23.5%

Sr. No.	Name of Employee	Designation	Remuneration (Rs. In Lacs)	Nature of Employment	Qualification	Experience in Years	Date of commencement of Employment	Age in Years	The Last Employment held before joining the Company	% of Equity share held
3	Rajesh Chimanal Gandhi	Whole-time Director and Chief Financial Officer	31.20	Permanent	Bachelor's degree in commerce	24	19/01/2004	52	First Employment	NIL
4	Himanshu Prafulchandra Purohit	Whole-time Director	31.20	Permanent	Master's degree in science in inorganic chemistry	24	19/01/2004	50	First Employment	NIL
5	Rajveer Kamal Aggarwal	Whole-time Director	24.00	Permanent	Bachelor's degree in chemical engineering	7	01/10/2017	28	First Employment	6.91%
6	Pramod Laxman Mokal	Manager - Production	18.27	Permanent	BE – Chemical	9	01/01/2014	48	Paushak Ltd.	NIL
7	Ashish Babubhai Luhar	Manager - Production	17.86	Permanent	B.SC. – Chemical, M.SC. – Chemical	12	05/08/2011	48	Cadila Healthcare Ltd.	NIL
8	Ajaykumar Harishchandra Mehta	Manager - Purchase	17.04	Permanent	Diploma – Electrical	20	04/01/2003	50	First Employment	NIL
9	Chiragkumar Jayantkumar Joshi	Manager - Engineering	16.60	Permanent	BE – Mechanical	6	28/01/2017	49	Best Value Chem Private Limited	NIL
10	Jalpa Maneklal Chauhan	Manager - Marketing	16.30	Permanent	BCA, MBA – Marketing	8	08/04/2015	34	Prakash Chemicals International Private Ltd.	NIL

# Includes % of Equity share jointly held

ii. Disclosure of relation of employee with director or manager of the Company:

Mr. Kamalkumar Rajendra Aggarwal is father of Mr. Rajveer Kamal Aggarwal. No other employee is related with any director or manager of the Company.

iii. Details of every Employee, who was employed throughout the Financial Year, was in receipt of Remuneration for that year which, in the aggregate, was not less than One Crore and Two lakh Rupees:

No other employee was in receipt of remuneration, in the aggregate, of One Crore and Two lakh Rupees or more except from those already disclosed in point i. above.

- iv. Details of every Employee, who was employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight lakh fifty thousand Rupees per Month: **Not Applicable**
- v. Details of every Employee, who was employed throughout the financial year or part thereof, was in receipt of Remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than Two percent of the Equity Shares of the Company: **Not Applicable**
- vi. Details of Employees posted and working in a country outside India, not being Directors or their relatives, drawing more than Sixty lakh Rupees per financial year or Five lakh Rupees per month, as the case may be, during the Financial Year 2022-23: **Not Applicable**

For and on behalf of the Board  
**Chemcon Speciality Chemicals Limited**

**Kamalkumar Rajendra Aggarwal**  
Chairman & Managing Director  
DIN: 00139199

Place: Vadodara  
Date: August 31, 2023

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

For the financial year ended March 31, 2023

### SECTION A: GENERAL DISCLOSURES

#### I. DETAILS OF THE LISTED ENTITY

1.	Corporate Identity Number (CIN) of the Listed Entity	L24231GJ1988PLC011652
2.	Name of the Listed Entity	CHEMCON SPECIALITY CHEMICALS LIMITED
3.	Year of incorporation	15/12/1988
4.	Registered office address	Block No. 355, Manjusar-Kunpad Road, Village: Manjusar, Taluka: Savli, Dist.: Vadodara – 391 775, Gujarat
5.	Corporate address	9th Floor, Onyx Business Center, Akshar Chowk, Old Padra Road, Vadodara – 390020, Gujarat, India
6.	E-mail	<a href="mailto:investor.relations@cscpl.com">investor.relations@cscpl.com</a>
7.	Telephone	+91 265 2981195
8.	Website	<a href="http://www.cscpl.com">www.cscpl.com</a>
9.	Financial year for which reporting is being done	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and BSE Limited
11.	Paid-up Capital	366307010
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Kamalkumar Rajendra Aggarwal Chairman & Managing Director +91 265 2981195 <a href="mailto:investor.relations@cscpl.com">investor.relations@cscpl.com</a>
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis

#### II. PRODUCTS/SERVICES

14. DETAILS OF BUSINESS ACTIVITIES (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1.	Manufacturing of Organic and Inorganic Chemicals	Manufacturing of Hexamethyl Disilazane (HMDS), Chloromethyl Isopropyl Carbonate (CMIC), Bromobenzene and Bromides	96.49%

15. PRODUCTS/SERVICES SOLD BY THE ENTITY (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of Total Turnover Contributed
1.	Manufacture of organic and inorganic chemical compounds n.e.c	20119	100.00%

### III. OPERATIONS

16. NO. OF LOCATIONS WHERE PLANTS AND/OR OPERATIONS/OFFICES OF THE ENTITY ARE SITUATED:

Location	Number of plants	Number of offices	Total
National	*9	2	11
International	-	-	-

\*All the above plants are located at single location at Manjusar, Vadodara.

17. MARKETS SERVED BY THE ENTITY:

a.	Number of Locations	<b>Locations</b>	<b>Number</b>
		National (No. of States)	13 States
		International (No. of Countries)	9 Countries
b.	What is the contribution of exports as a percentage of the total turnover of the entity?	58.62%	
c.	A brief on types of customers	The Company is engaged in manufacturing oil-field completion chemicals, pharmaceutical intermediaries and agro-chemicals, hence the types of customers the company serves belongs to Agro-chemical industries, oil & gas industries and pharmaceutical industry.	

### IV. EMPLOYEES

18. DETAILS AS AT THE END OF FINANCIAL YEAR 2022-23:

a. Employees and workers (including differently abled):

No.	Particulars	Total (A)	Male		Female		
			No. (B)	% (B/A)	No. (C)	% (C/A)	
1.	EMPLOYEES	Permanent (D)	204	201	98.53%	3	1.47%
2.		Other than Permanent (E)	-	-	-	-	-
3.		Total Employees (D + E)	204	201	98.53%	3	1.47%
4.	WORKERS	Permanent (F)	-	-	-	-	-
5.		Other than Permanent (G)	152	152	100%	-	-
6.		Total Employees (F + G)	152	152	100%	-	-

b. Differently abled employees and workers:

No.		Particulars	Total (A)	Male		Female	
				No. (B)	% (B/A)	No. (C)	% (C/A)
1.	DIFFERENTLY ABLED EMPLOYEES	Permanent (D)	1	1	100%	-	-
2.		Other than Permanent (E)	-	-	-	-	-
3.		Total Employees (D + E)	1	1	100%	-	-
4.	DIFFERENTLY ABLED WORKERS	Permanent (F)	-	-	-	-	-
5.		Other than Permanent (G)	-	-	-	-	-
6.		Total Employees (F + G)	-	-	-	-	-

#### 19. PARTICIPATION/INCLUSION/REPRESENTATION OF WOMEN

Particular	Total (A)	No. of percentage of females	
		No. (B)	% (B/A)
Board of Directors	10	1	10%
Key Managerial Personnel (including Chairman & Managing Director, Deputy Managing Director, Whole Time Director, CFO and CS)	*6	-	-

\*The Key Managerial Personnel includes Whole-time Directors and Managing Director who are also included in the number of Board of Directors.

#### 20. TURNOVER RATE FOR PERMANENT EMPLOYEES AND WORKERS

Particular	2022-23 (Turnover rate in current FY)			2021-22 (Turnover rate in previous FY)			2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	26.28%	1.46%	27.74%	21.50%	0.50%	22.00%	10.70%	-	10.70%
Permanent Workers	-	-	-	-	-	-	-	-	-

### V. HOLDING, SUBSIDIARY AND ASSOCIATE ENTITIES (INCLUDING JOINT VENTURES)

21. (a) NAMES OF HOLDING/SUBSIDIARY/ASSOCIATE COMPANIES/JOINT VENTURES:

Sr. No.	Name of the holding/subsidiary/associate companies/ joint ventures (A)	Indicate whether holding/subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the business responsibility initiatives of the listed entity? (Yes/No)
-	-	-	-	-

### VI. CSR DETAILS

22.	Particular	
(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
(ii)	Turnover (in Rs.) (FY 2022-23)	3,02,88,46,530
(iii)	Net worth (in Rs.) (FY 2022-23)	4,57,35,91,309



## VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

### 23. COMPLAINTS/GRIEVANCES ON ANY OF THE PRINCIPLES (PRINCIPLES 1 TO 9) UNDER THE NATIONAL GUIDELINES ON RESPONSIBLE BUSINESS CONDUCT

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No)	(If yes, then provide the weblink for the grievance redress policy)	2022-23 (Current financial year)			2021-22 (Previous financial year)		
			Number of complaints filed during the year	Number of complaints pending Resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending Resolution at close of the year	Remarks
Communities	Yes	<a href="https://cscpl.com/investors-relations/shareholder">https://cscpl.com/investors-relations/shareholder</a>	-	-	-	-	-	-
Investors (Other than shareholders)	Yes		-	-	-	-	-	-
Shareholders	Yes		11	0	-	5	0	-
Employees and workers	Yes	-	-	-	-	-	-	-
Value Chain Partners	Yes	<a href="#">information/disclosure-policies/</a>	-	-	-	-	-	-
Other (please specify)	NA	-	-	-	-	-	-	-

### 24. OVERVIEW OF THE ENTITY'S MATERIAL RESPONSIBLE BUSINESS CONDUCT ISSUES

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










Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Regulatory Compliance	Risk	Industries face increasing regulations related to environmental protection, resource usage, emissions, waste management, and more. Failure to comply with these regulations can result in fines, legal actions, and reputational damage.	Timely and accurate adherence to compliance with applicable laws and regulations.	Negative Implications
2	Climate Change	Risk	Industries are vulnerable to the physical impacts of climate change such as extreme weather events, rising sea levels, and changing temperature patterns.	Transition to Renewable Energy so far as possible.	Negative Implications

3	Supply Chain	Risk	Global supply chains can be vulnerable to disruptions caused by environmental factors, such as natural disasters, as well as social issues like labour rights violations.	Avoiding relying heavily on a single supplier or location.	Negative Implications
4	Innovation and New Markets	Opportunity	Developing sustainable products and technologies can open new markets and revenue streams and eventually gain a competitive advantage.	NA	Positive Implications
5	Employee Engagement	Opportunity	Demonstrating a commitment to sustainability can attract and retain employees who are aligned with the company's values and mission.	NA	Positive Implications
6	Reducing Carbon Footprint	Opportunity	Mitigating the effects of global climate change, improves energy efficiency, improves climate change impacts.	NA	Positive Implications

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

The National Guidelines on Responsible Business Conduct (NGRBC) released by the Ministry of Corporate Affairs has recognised nine thematic pillars of business responsibility which are called Principles. These principles are as under:

<b>Principle 1</b>		Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.
<b>Principle 2</b>		Businesses should provide goods and services in a manner that is sustainable and safe.
<b>Principle 3</b>		Businesses should respect and promote the well-being of all employees, including those in their value chains.
<b>Principle 4</b>		Businesses should respect the interests of and be responsive to all its stakeholders.
<b>Principle 5</b>		Businesses should respect and promote human rights.
<b>Principle 6</b>		Businesses should respect and make efforts to protect and restore the environment.
<b>Principle 7</b>		Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
<b>Principle 8</b>		Businesses should promote inclusive growth and equitable development.
<b>Principle 9</b>		Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	Business Ethics	Product Sustainability	Employees Wellbeing	Stakeholder Engagement	Human Rights	Environment and Safety	Responsible Advocacy	CSR	Customer Value
	P-1	P-2	P-3	P-4	P-5	P-6	P-7	P-8	P-9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<a href="https://cscpl.com/investors-relations/shareholder-information/disclosure-policies/">https://cscpl.com/investors-relations/shareholder-information/disclosure-policies/</a>								
2. Whether the entity has translated the policy into procedures? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your Value Chain Partners? (Yes/No)	No	Yes	Yes	No	No	No	No	No	No
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company is practicing the following standards: - ISO 9001:2015 - ISO 14001:2015								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	-	-	-	-	-	-	-	-	-
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Governance, leadership and oversight</b>									
7. Statement by the Director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has a flexibility regarding the placement of this disclosure)	<p>At Chemcon Speciality Chemicals Limited, we recognize that our success is inseparable from our commitment to Environmental, Social, and Governance (ESG) principles. As a responsible corporate citizen, we are dedicated to addressing the challenges posed by ESG issues, setting ambitious targets, and celebrating our achievements. Our holistic approach to ESG underscores our commitment to sustainable growth and positive societal impact.</p> <p>We acknowledge the urgency of climate change and are committed to reducing our carbon footprint. We also recognize the importance of preserving natural resources and are targeting to reduce water consumption and minimize waste generation through increased recycling and sustainable initiatives.</p> <p>As we look forward, we remain steadfast in our dedication to addressing ESG challenges, meeting our targets, and advancing responsible business practices. By aligning our actions with our values, we aim to create long-term value for our shareholders, employees, customers, and the planet. Together, we are shaping a sustainable future.</p>								

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Kamalkumar Rajendra Aggarwal Chairman & Managing Director +91 265 2981195 <a href="mailto:investor.relations@cscpl.com">investor.relations@cscpl.com</a>
9. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes/No). If yes, provide details.	Yes Kamalkumar Rajendra Aggarwal Chairman & Managing Director +91 265 2981195 <a href="mailto:investor.relations@cscpl.com">investor.relations@cscpl.com</a>

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ any other Committee									Frequency (annually/ half-yearly/ quarterly/any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Director									Annually								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Director									Annually								

Question	P-1	P-2	P-3	P-4	P-5	P-6	P-7	P-8	P-9
11. Has the entity carried out an independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	No	No	No	No	No	No	No	No	No

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

Questions	P-1	P-2	P-3	P-4	P-5	P-6	P-7	P-8	P-9
The entity does not consider the principles material to its business (Yes/No)	<b>Not Applicable</b>								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is

mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

## PRINCIPLE 1

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

### ❖ ESSENTIAL INDICATORS:

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	3	<ul style="list-style-type: none"> <li>• Directors Familiarisation Program</li> <li>• Code of Conduct</li> <li>• Risk Management</li> </ul>	100%
Key Managerial Personnel (KMP)	-	-	-
Employees other than BOD and KMPs	14	<ul style="list-style-type: none"> <li>• Seminar On Social Compact</li> <li>• Code of Conduct, Discipline, Safety Etc.</li> <li>• Training program on HR Leadership and HR Payroll Module</li> <li>• Training program on Good Document Practice</li> <li>• Training program on Fire Fighting &amp; Basic Safety Training</li> <li>• Training program on Communication, Team Building, Leadership and Time Management</li> <li>• POSH at workplace</li> </ul>	100%
Workers	42	<ul style="list-style-type: none"> <li>• Training program on Workplace Safety</li> <li>• Training program on Safety, Material Handling Etc.</li> <li>• Training program On Safe Loading, Unloading, Material Handling. Packaging Etc</li> <li>• Training program On Plant Operations, Activities, SOP's, Safety Operations Etc.</li> <li>• Training program on Good Manufacturing Practices</li> <li>• Training program on Importance of PPE's at Workplace</li> </ul>	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/

judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

<b>MONETARY</b>					
	<b>NGRBC Principle</b>	<b>Name of the regulatory/ enforcement agencies/judicial institutions</b>	<b>Amount (In INR)</b>	<b>Brief of the case</b>	<b>Has an appeal been preferred. (Yes/No)</b>
Penalty/fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

<b>NON-MONETARY</b>				
	<b>NGRBC Principle</b>	<b>Name of the regulatory/ enforcement agencies/judicial institutions</b>	<b>Brief of the case</b>	<b>Has an appeal been preferred. (Yes/No)</b>
Imprisonment	-	-	-	-
Punishment	-	-	-	-

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

<b>Case details</b>	<b>Name of the regulatory, judicial institutions</b>
NA	NA

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

Yes, the Company does have an anti-corruption and anti-bribery policy in place.

The main objective of the policy is to promote transparency, integrity, and ethical conduct within the organization and society at large. An effective anti-corruption and anti-bribery policy promotes a culture of integrity and helps mitigate the risks associated with corruption, ensuring that organizations and societies operate in a transparent and accountable manner.

The Company's anti-corruption and anti-bribery policy can be found at <https://cscpl.com/investors-relations/shareholder-information/disclosure-policies/>

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

	<b>2022-23 (Current financial year)</b>	<b>2021-22 (Previous financial year)</b>
DIRECTORS	-	-
KMPS	-	-
EMPLOYEES	-	-
WORKERS	-	-

6. Details of complaints with regard to conflict of interest.

	2022-23 (Current financial year)		2021-22 (Previous financial year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest: **Not Applicable**

**PRINCIPLE 2**

**Businesses should provide goods and services in a manner that is sustainable and safe.**

❖ **ESSENTIAL INDICATORS:**

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

	2022-23 (Current financial year)	2021-22 (Previous financial year)	Details of improvements in environmental and social impacts
R&D	0.00 %	0.00 %	-
CAPEX	4.54 %	0.00 %	Installation of Renewable power capacity through Solar Park

2.

a.	Does the entity have procedures in place for sustainable sourcing? (Yes/No):	Yes
b.	If yes, what percentage of inputs were sourced sustainably?	52% of the inputs were sourced Sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for -

a.	Plastics (including packaging)	The packing drums and other plastic waste are disposed through authorized recycler.
b.	E-waste	The Company's manufacturing process creates minimal e-waste which disposed through authorized recycler.
c.	Hazardous waste and	Solid Hazardous Chemical Waste are disposed through approved land filling and incineration. Liquid Hazardous Chemical Waste are captively consumed and are processed to convert the same into different new products.
d.	other waste	Flyash is waste residual of Boiler which is used as a raw material for Brick manufacturing.

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

Extended Producer Responsibility (EPR) is not applicable to the Company.

### PRINCIPLE 3

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

❖ **ESSENTIAL INDICATORS:**

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

Category	% of Employees Covered By										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	201	109	54.23%	109	54.23%	-	-	-	-	-	-
Female	3	-	-	-	-	3	100%	-	-	-	-
Total	204	109	53.43%	109	53.43%	3	1.47%	-	-	-	-
<b>Other than Permanent Employees</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

- a. Details of measures for the well-being of workers:

Category	% of Workers Covered By										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Workers</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
<b>Other than Permanent Workers</b>											
Male	152	152	100%	152	100%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	152	152	100%	152	100%	-	-	-	-	-	-



2. Details of retirement benefits for the Current FY and Previous FY

Benefits	2022-23 (Current financial year)			2021-22 (Previous financial year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	54.23%	100%	Y	66.67%	100%	Y
Others	-	-	-	-	-	-

3. Accessibility of workplaces

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

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

The Company does have a policy on Equal Employment Opportunity in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016, read with the Rights of Persons with Disabilities Rules, 2017. The weblink to the policy is <https://cscpl.com/investors-relations/shareholder-information/disclosure-policies/>.

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

	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	-	-	-	-
<b>Total</b>	-	-	-	-

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

	Yes/No (If yes, then give details of the mechanism in brief)	
Permanent workers	Yes	The Company has in place a three tier Grievance Redressal Mechanism for the workers. The workers being at manufacturing plant shall report their grievance to plant supervisor. The Plant supervisor shall communicate the grievance to the Plant Manager who shall redress the grievance. The grievance raised by the worker, its resolution and feedback from the worker shall be reported to HR Manager.
Other than permanent workers	Yes	

Permanent employees	Yes	The employee shall raise the Grievance to the respective Head of Department through mail. The grievances are further communicated to the reporting authority of the Head of Departments who shall redress the grievance. In some cases where the grievance is not redressed then the same is communicated to the Board of Directors for redressal.
Other than permanent employees	Yes	

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

Category	2022-23 (Current financial year)			2021-22 (Previous financial year)		
	Total employees/ workers in the respective category (A)	No. of employees/ workers in the respective categories, who are part of association(s) or union(B)	% (B/A)	Total employees/ workers in the respective category (C)	No. of employees/ workers in the respective categories, who are part of association(s) or union(D)	% (D/C)
<b>Total Permanent Employees</b>						
Male	201	-	-	203	-	-
Female	3	-	-	4	-	-
<b>Total Permanent Workers</b>						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	2022-23 (Current financial year)					2021-22 (Previous financial year)				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees (Permanent + Direct Consultants)</b>										
Male	201	201	100%	201	100%	204	204	100%	204	100%
Female	3	3	100%	3	100%	3	3	100%	3	100%
<b>Total</b>	<b>204</b>	<b>204</b>	<b>100%</b>	<b>204</b>	<b>100%</b>	<b>207</b>	<b>207</b>	<b>100%</b>	<b>207</b>	<b>100%</b>
<b>Workers</b>										
Male	152	152	100%	152	100%	154	154	100%	154	100%
Female	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>152</b>	<b>152</b>	<b>100%</b>	<b>152</b>	<b>100%</b>	<b>154</b>	<b>154</b>	<b>100%</b>	<b>154</b>	<b>100%</b>

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

Category	2022-23 (Current financial year)			2021-22 (Previous financial year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	201	201	100%	203	203	100%
Female	3	3	100%	4	4	100%
Total	204	204	100%	207	207	100%
<b>Workers</b>						
Male	152	-	-	154	-	-
Female	-	-	-	-	-	-
Total	152	-	-	154	-	-

10. Health and safety management system:

a.	Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?	<p>Yes.</p> <p>All the Plants and offices of the Company are covered under the health and safety management system. The Company has established an Occupational Health Centre at its plants. A certified Doctor visits the plants periodically for health-related checks. Moreover, the Company has engaged a well-known hospital within reach of the plant to address any severe health related issue of the employees and workers.</p> <p>The manufacturing plants are equipped with smoke detectors, sprinklers, fire extinguisher, fire hydrant system, gas detector, safety showers, mobile foam monitors, Personal Protection equipment (PPE) for ensuring the safety of the workers and employees.</p>
b.	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The Company has different procedures to identify work-related hazards and assess risk on a routine and non-routine basis i.e. Job Safety Analysis (JSA), Hazard and Operability Study (HAZOP), Hazard Identification and Risk Assessment (HIRA) and Process Safety Hazard.
c.	Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)	<p>Yes.</p> <p>The Company has in place an on-site emergency plan. The Plants are equipped with Occupational Health Centre (OHC) where first aid treatment is readily available and any hazard may be reported through Accident Form.</p> <p>The Company has dedicated Assembly Points at the plants where the workers can assemble in the event of accident. The manufacturing plants has an Emergency Control Centre, Crisis Resolution team and round the clock dedicated safety team for addressing emergency.</p>
d.	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes, all eligible employees are covered under the ESI scheme. The Company also organizes annual medical and health check-ups at its plants.

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

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

12. Describe the measures taken by the entity to ensure a safe and healthy workplace:

The Company takes various measures to ensure a safe and healthy workplace such as:

- HIRA i.e. Hazard identification and Risk Assessment and Management is being done in accordance with Hazard Identification and Risk Assessment (HIRA) Procedure.
- Job Safety Analysis (JSA) Procedure is being followed for non-routine jobs.
- HAZOP i.e. Hazard and operability studies are being done to ensure adequate controls are in place to prevent process related events.
- Workplace monitoring and detection systems are in place to detect health hazards such as smoke detectors, sprinklers, fire extinguisher, fire hydrant system, gas detector, safety showers and mobile foam monitors.
- The workers are provided with PPE Kits for ensuring safety.

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

	2022-23 (Current financial year)			2021-22 (Previous financial year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working conditions	-	-	-	-	-	-
Health & safety	-	-	-	-	-	-

14. Assessments for the year:

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

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

## PRINCIPLE 4

**Businesses should respect the interests of and be responsive to all its stakeholders.**

### ❖ **ESSENTIAL INDICATORS:**

1. Describe the processes for identifying key stakeholder groups of the entity.

At Chemcon, stakeholder identification is an ongoing process. As the Company progresses and evolves, new stakeholders may emerge, and existing stakeholders' roles may change. Regularly reviewing and updating stakeholders ensures effective relationship management and address their concerns. The relevant stakeholder identification exercise has been carried out by senior management in consultation with board members and different departments. The identified stakeholder includes both internal and external stakeholders relevant to the organisation. The key stakeholder for the organisation includes employees and workers, Investors and shareholders, Government and regulators, Suppliers, Customers, Bank and financial institution and the community.

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

<b>Stakeholder Group</b>	<b>Whether identified as Vulnerable &amp; Marginalised Group (Yes/No)</b>	<b>Channels of Communication</b>	<b>Frequency of engagement (annually/ half yearly/ quarterly/other - please Specify)</b>	<b>Purpose and Scope of engagement, including key topics and concerns raised during such engagement</b>
Employees and workers	No	- E-mail - Notice Board - Employee Meets	Annually	<ul style="list-style-type: none"> <li>• Training and development</li> <li>• Health and safety</li> <li>• Performance evaluation and recognition</li> </ul>
Investors and shareholders	No	- E-mail - Newspapers - Website - Investor Presentations	Quarterly	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Regulatory Compliances</li> <li>• Company Performance</li> </ul>
Government and regulators	No	- Mandatory regulatory filings	Ongoing	<ul style="list-style-type: none"> <li>• Compliance with rules and regulations</li> <li>• Timely reporting through various compliance-based forms</li> </ul>
Suppliers	No	- E-mail - Telephone - Supplier Meets	Ongoing	<ul style="list-style-type: none"> <li>• Fair and ethical procurement &amp; engagement practices</li> <li>• Pricing and favourable terms of payment</li> </ul>
Customers	No	- Pamphlets - Website - Product packaging	Need Based	<ul style="list-style-type: none"> <li>• Consistent quality at competitive prices</li> <li>• Timely deliveries</li> </ul>

Bank and financial institution	No	- E-mail - In-person meets	Need Based	<ul style="list-style-type: none"> <li>Access financial resources.</li> <li>financial services and investments</li> </ul>
Community	No	- Newspapers - Website	Need Based	Community development programmes through CSR initiatives

## PRINCIPLE 5

### Businesses should respect and promote human rights.

#### ❖ **ESSENTIAL INDICATORS:**

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

Category	2022-23 (Current financial year)			2021-22 (Previous financial year)		
	Total (A)	No. of Employees / Workers covered (B)	% (B/A)	Total (C)	No. Employees / Workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent Employees	204	204	100%	207	207	100%
Other than Permanent Employees	-	-	-	-	-	-
<b>Total Employees</b>	<b>204</b>	<b>204</b>	<b>100%</b>	<b>207</b>	<b>207</b>	<b>100%</b>
<b>Workers</b>						
Permanent Workers	-	-	-	-	-	-
Other than Permanent Workers	152	152	100%	154	154	100%
<b>Total Workers</b>	<b>152</b>	<b>152</b>	<b>100%</b>	<b>154</b>	<b>154</b>	<b>100%</b>

- Details of minimum wages paid to employees and workers, in the following format:

Category	2022-23 (Current financial year)					2021-22 (Previous financial year)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent Employees										
Male	201	-	-	201	100%	203	-	-	203	100%
Female	3	-	-	3	100%	4	-	-	4	100%
Other than Permanent Employees										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Permanent Workers										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent Workers										
Male	152	152	100%	-	-	154	154	100%	-	-
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of the respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	*5	31,20,000	-	-
Key Managerial Personnel	1	7,00,00	-	-
Employees other than BoD and KMP	201	2,90,966	3	3,40,260
Workers	152	1,10,230	-	-

\*BoD includes Managing Director and Whole-time Directors and excludes Independent Directors.

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

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

Employees and Workers who believe their human rights have been violated can submit a formal complaint to the HR Manager. The complaint can be submitted either by e-mail or in writing at the HR Office. The complaints are handled with strict confidentiality to protect complainants from retaliation or harm. Upon receiving a complaint, an impartial and independent investigation will be initiated. This investigation aims to gather evidence, interview relevant parties, and assess the veracity of the complaint. Throughout the process, the complainant will be kept informed about the progress of the investigation and any developments. If a human rights violation is confirmed, appropriate remedy will be provided to the complainant whether legal or otherwise and the responsible party(ies) will be held accountable through legal and administrative actions.

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

	2022-23 (Current financial year)			2021-22 (Previous financial year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Preventing adverse consequences to complainants in discrimination and harassment cases is crucial to ensure their safety, well-being, and willingness to come forward with their complaints. The Company's POSH as well as whistleblower policy discloses about the protection of complainant that s/he should not be under any risk of retaliation or adverse consequence due to their disclosure. During the investigation process, the complainant's identity shall be kept confidential as much as possible and shall be provided with strong legal protections. These protections shield them from any form of retaliation, including threats to their job, reputation, or personal safety. The Company also provides a facility to submit the complaint anonymously. If required, the Company shall also provide legal assistance and counselling services to complainants, helping them understand their rights, the process, and provide emotional support. The Company shall prioritize timely resolution of discrimination and harassment cases to minimize the duration of stress on complainants.

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

9. Assessments for the year:

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child Labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – Please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above - **Not Applicable**

## PRINCIPLE 6

**Businesses should respect and make efforts to protect and restore the environment.**

### ❖ **ESSENTIAL INDICATORS:**

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

<b>Parameter</b>	<b>2022-23 (Current financial year)</b>	<b>2021-22 (Previous financial year)</b>
Total electricity consumption (A)	19767967.2 MJ	16937409.6 MJ
Total fuel consumption (B)	1390686.0 MJ	1776880.0 MJ
Energy consumption through other sources (C)	133420330.8 MJ	173060838.0 MJ
<b>Total energy consumption (A+B+C)</b>	<b>154578984.0 MJ</b>	<b>191775127.6 MJ</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.05	0.07



Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - **No**

- Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. - **No**
- Provide details of the following disclosures related to water, in the following format:

Parameter	2022-23 (Current financial year)	2021-22 (Previous financial year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	68538 KL	45736 KL
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	68538 KL	45736 KL
Total volume of water consumption (in kilolitres)	68538 KL	45736 KL
Water intensity per rupee of turnover (Water consumed / turnover)	0.00002	0.00002

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - **No**

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

Yes, the Company has implemented zero liquid discharge mechanism at all its plant. The Company has installed Multiple Effective Evaporator (MEE) for reuse of treated Liquid Discharge.

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

Parameter	Please specify unit	2022-23 (Current financial year)	2021-22 (Previous financial year)
NOx	Microgrammes / m <sup>3</sup>	20.77	22.33
SOx	Microgrammes / m <sup>3</sup>	17.44	20.11
Particulate matter (PM)	Microgrammes / m <sup>3</sup>	77.33	77.33
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

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

Yes, the assessment is carried out by certificated pollution mitigator consultants, Aryan Ecogreens Private Limited.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	2022-23 (Current financial year)	2021-22 (Previous financial year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	Not Available	Not Available
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	Not Available	Not Available
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>		-	-
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> – the relevant metric may be selected by the entity		-	-

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

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. - **No**

8. Provide details related to waste management by the entity, in the following format:

Parameter	2022-23 (Current financial year)	2021-22 (Previous financial year)
<b>Total waste generated (in metric tonnes)</b>		
Plastic waste <b>(A)</b>	-	-
E-waste <b>(B)</b>	-	1.080 MT
Bio-medical waste <b>(C)</b>	0.00385 MT	0.00139 MT
Construction and demolition waste <b>(D)</b>	-	-
Battery waste <b>(E)</b>	-	-
Radioactive waste <b>(F)</b>	-	-
Other Hazardous waste. Please specify, if any. <b>(G)</b>	14128.3 MT	7315.15 MT
Other Non-hazardous waste generated <b>(H)</b> Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
<b>Total (A+B + C + D + E + F + G + H)</b>	14128.3038 MT	7316.2313 MT

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

Category of waste		
(i) Recycled	779.91 MT	5104.14 MT
(ii) Re-used	11558.81 MT	2013.22 MT
(iii) Other recovery operations	-	-
<b>Total</b>	<b>12338.72 MT</b>	<b>7117.36 MT</b>

**For each category of waste generated, total waste disposed by nature of disposal method. (in metric tonnes)**

Category of waste		
(i) Incineration	77.2438 MT	65.4813 MT
(ii) Landfilling	1712.34 MT	133.39 MT
(iii) Other disposal operations	-	-
<b>Total</b>	<b>1789.5838 MT</b>	<b>198.8713 MT</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - **No**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company integrates a waste management plan for hazardous and non-hazardous waste with a comprehensive approach towards waste minimisation, segregation, and safe disposal. Waste generated during the production operations is disposed/recycled in compliance with the applicable environmental laws. The generated waste by the company is transported to an authorized facility specialized in hazardous waste management and disposed off through the authorized TSDF/CHWIF via online tracking system of GPCB manifest only. To reduce the total waste, the company utilized Multiple Effect Evaporation (MEE) processes, additionally the company maintained Zero Liquid Discharge (ZLD) System.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N). If no, the reasons thereof and corrective action taken, if any.
-	-	-	-

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Proposed expansion project for manufacturing of Synthetic Organic Chemical	SIA/GJ/IND3/234042/2021	08.12.2021	Yes	Yes	<a href="https://environmentclearance.nic.in/TrackState_proposal.aspx?type=EC&amp;status=EC_new&amp;statename=Gujarat&amp;pno=SIA/GJ/IND3/234042/2021&amp;pid=192193">https://environmentclearance.nic.in/TrackState_proposal.aspx?type=EC&amp;status=EC_new&amp;statename=Gujarat&amp;pno=SIA/GJ/IND3/234042/2021&amp;pid=192193</a>

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: **Yes**.

Sr. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
-	-	-	-	-

## PRINCIPLE 7

**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

### ❖ ESSENTIAL INDICATORS:

1. a. Number of affiliations with trade and industry chambers/ associations.

The Company is a member of two industrial chambers / associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Chemexil	National
2.	Federation of Gujarat Industries	State

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
-	-	-

## PRINCIPLE 8

### Businesses should promote inclusive growth and equitable development.

#### ❖ **ESSENTIAL INDICATORS:**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of the project	SIA notification no.	Date of notification	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain	Relevant weblink
-	-	-	-	-	-

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity in the following format:

Sr. no	Name of the project for which R&R is ongoing	State	District	No. of project affected. families (PAFs)	% PAFs covered	Amounts paid to PAFs
-	-	-	-	-	-	-

3. Describe the mechanisms to receive and redress grievances of the community.

Creating effective mechanism to receive and redress grievances of the community is crucial for maintaining harmony, addressing concerns, and ensuring a sense of justice among community members. Chemcon has establish various communication channels such as email, contact numbers, online forms and social media platforms where community members can voice their grievances. The Company also allows community members to submit grievances anonymously if they are uncomfortable to reveal their identity in order to encourage more people to come forward with their concerns. After grievances have been addressed, feedback shall be taken from the individuals involved to ensure that the resolutions were effective and satisfactory.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	2022-23 (Current financial year)	2021-22 (Previous financial year)
Directly sourced from MSMEs/ small producers	0.16 %	0.27%
Sourced directly from within the district and neighbouring districts	19.42%	10.75%

## PRINCIPLE 9

**Businesses should engage with and provide value to their consumers in a responsible manner.**

### ❖ **ESSENTIAL INDICATORS:**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Creating effective mechanisms to receive and respond to consumer complaints and feedback is crucial for maintaining customer satisfaction, improving products and services, and building a positive brand reputation. Chemcon has a phone line that customers can call to report complaints or provide feedback. The Company has also provided an email address and online form on its website where customers can submit their complaints and feedback. The Company monitors the social media platforms for mentions of the brand, products, or services and responds to complaints and feedback posted on these platforms promptly and professionally. We believe that the key to successful complaint and feedback management is responsiveness, empathy, and a genuine commitment to improving customer experiences. Regularly analyzing the feedback received and making meaningful changes based on it will build stronger customer relationships and enhance the business's reputation.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	<b>As a Percentage to total turnover</b>
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Usage recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	<b>2022-23 (Current financial year)</b>			<b>2021-22 (Previous financial year)</b>		
	<b>Received during the year</b>	<b>Pending resolution at end of year</b>	<b>Remarks</b>	<b>Received during the year</b>	<b>Pending resolution at end of year</b>	<b>Remarks</b>
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Services	-	-	-	-	-	-
Restrictive trade practices	-	-	-	-	-	-
Unfair trade practices	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues:

	<b>Number</b>	<b>Reasons for recall</b>
Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy. - **No**

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. - **Not Applicable**

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

To,  
The Members,  
**Chemcon Speciality Chemicals Limited**  
Block No. 355, Manjusar Kunpad Road,  
Manjusar Village, Taluka Savli,  
Vadodara - 391775, Gujarat

I, Chirag Vinodbhai Rathod, Proprietor, Rathod & Co., Practicing Company Secretary, have examined the compliance of conditions of Corporate Governance by Chemcon Speciality Chemicals Limited ('the Company') for the financial year ended on 31<sup>st</sup> March, 2023, as stipulated in Chapter IV and referred in Regulation 15 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes design, implementation and maintenance of internal control and procedures to ensure the compliances with the conditions of the Corporate Governance stipulated in SEBI (LODR) Regulations, 2015.

My responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the Compliance with Corporate Governance requirements by the Company and based on our examination of the relevant records and according to the information and explanations provided to us and the presentations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and Para C, D and E of Schedule V of the SEBI (LODR) Regulations, 2015 during the financial year ended March 31, 2023.

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

**For Rathod & Co.**  
Practicing Company Secretaries

Place: Anand  
Date: 25-08-2023  
UDIN: A054460E000868451

**Chirag Vinodbhai Rathod**  
Membership No.: 54460  
CP. No.: 20186  
Peer Review Certificate No.: 1762/2022



## Annexure-VI

**Disclosures of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 134(3) of the companies act, 2013 read with rule 8(3) of the companies (accounts) rules, 2014 is as under:**

### A. CONSERVATION OF ENERGY:

The Company is continuously making efforts to improve Energy Management by way of monitoring energy related parameters on a regular basis. The Company is committed to transform energy conservation into a strategic business goal along with the technological sustainable development of Energy Management Systems. It is making best endeavors to reduce energy consumption in all its operations and activities.

- i. To achieve the above objectives the following steps are being undertaken by the Company:
  - a. Continuous monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilization, etc. on regular basis.
  - b. Increasing the awareness of energy saving within the organization to avoid wastage of energy.
  - c. We have installed LEDs across all our plants and the air conditioning system of the plant works without the use of compressor.
  - d. Installing energy efficient equipment's to ensure optimum utilisation of energy.
- ii. Steps taken by the Company for utilising alternate sources of energy: The Company has installed a solar power plant of 2.1 MW (DC) for conversion of renewable energy from sunlight into electricity. The Company has generated 16,06,618 Units power from the same during Financial Year 2022-23.
- iii. Capital investment on energy conservation equipment: During the financial year 2022-23, the Company has made investment of around Rs. 808.68 Lacs and commissioned solar power plant of 2.1 MW (DC) in Q2 of FY 2022-23.

### B. TECHNOLOGY ABSORPTION:

1.	Efforts in brief made towards technology absorption, adoption and innovation.	The Company upgraded many of its processes and operations by embracing new technology, using more efficient equipment and automation.
2.	Benefits derived as a result of the above efforts. e.g. product improvement, cost reduction, development, import substitution etc.	The above efforts have resulted in improvement in quality, increase in yield, and increase in output and decrease in manpower.
3.	In case of imported technology (imported during the last 5 years reckoned from the beginning of financial year)	The Company did not import any technology.
4.	The expenditure incurred on Research and Development	FY 2022-2023 (Rs. In Lacs)
(a)	Capital	0.00
(b)	Recurring	9.95
(c)	Total	0.00
(d)	Total R&D expenditure as a percentage of total sales.	0.03%

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

<b>Total foreign exchange earnings and outgo</b>		<b>FY 2022-2023 (Rs. In lacs)</b>
i.	Total foreign exchange outgo in terms of actual outflows	16,375.09
ii.	Total foreign exchange earned in terms of actual inflows	10,150.24

For and on behalf of the Board  
**Chemcon Speciality Chemicals Limited**

**Kamalkumar Rajendra Aggarwal**  
Chairman & Managing Director  
DIN: 00139199

Place: Vadodara  
Date: August 31, 2023

Corporate Governance Framework

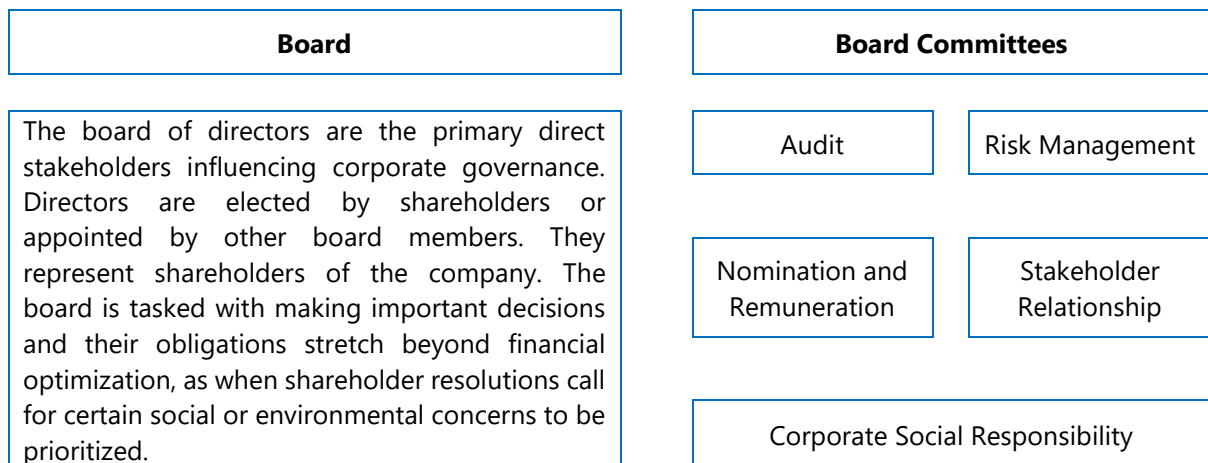
# FAIRNESS, TRANSPARENCY, RESPONSIBILITY, ACCOUNTABILITY

Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, senior management executives, customers, suppliers, financiers, the government, and the community.

Since corporate governance provides the framework for attaining a company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

**Core Principals of Corporate Governance**  
Accountability, Transparency, Integrity, Social Responsibility, Environment and Regulatory Compliances

## Corporate Governance and the Board of Directors



## Characteristics of Good Corporate Governance



# Corporate Governance Report

For the financial year ended March 31, 2023

The Board present the Report on Corporate Governance of the Company for the financial year ended March 31, 2023, pursuant to Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

Chemcon's philosophy on the code of governance centres on promoting responsible business practices that prioritize the well-being of customers, stakeholders, and the environment. We believe that effective governance requires transparency, accountability, integrity and assurance in all aspects of the business. To achieve this, the company's code of governance establishes clear policies and procedures for ensuring compliance with regulatory requirements and industry standards, as well as providing guidance for ethical behaviour and decision-making.

Defining the roles and responsibilities of the Board of Directors



By defining the roles and responsibilities of the Board of Directors, Chemcon ensures effective oversight of strategic planning, risk management, financial reporting, and executive compensation.

Promoting diversity and inclusion



By promoting diversity and inclusion, Chemcon fosters an inclusive and equitable workplace that values the unique perspectives of all employees.

Engaging with stakeholders



By engaging with stakeholders, Chemcon seeks to understand and incorporate feedback to ensure that its business practices align with stakeholder expectations.

Robust risk management program



Through a robust risk management program, Chemcon identifies potential risks and develops strategies to mitigate them.

Responsible and sustainable business practices



By committing to responsible and sustainable business practices, Chemcon minimizes negative impacts on the environment and society, and actively contributes to positive social and environmental outcomes.

## 2. BOARD OF DIRECTORS:

The Board of Directors ("the Board") of Chemcon Speciality Chemicals Limited, have a fiduciary responsibility to ensure that the Company's actions and objectives are aligned to sustainable growth and long-term value creation. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage.

The Members of the Board of Directors of the Company are eminent personalities from various fields who bring in a wide range of skills and experience to the Board and they are entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the

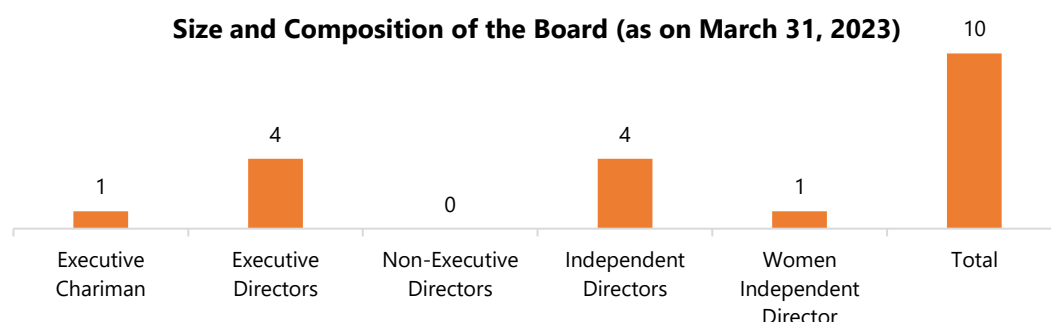
Company. The Company has an engaged and well-informed Board with qualifications and experience in diverse areas.

**(i) Composition and Category of Directors**

The Board of Directors of the Company comprises an optimum combination of Executive and Non-Executive Directors including an Independent Woman Director. The Board of Directors as on financial year ended on March 31, 2023, comprised of Ten (10) Directors, out of which five (5) were Executive Directors and Five (5) Independent Directors including one (1) Independent Women Director. The Chairman of the Company is an Executive Director.

As on March 31, 2023, the Board composition is in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('the Listing Regulations') and the Companies Act, 2013 ("the Act") and the members on the Board are classified and categorized as under:

Sr. No.	Category	Name of Director
i.	Promoter and Executive Directors	Kamalkumar Rajendra Aggarwal <i>Chairman &amp; Managing Director</i>  Navdeep Naresh Goyal <i>Deputy Managing Director</i>
ii.	Other Executive Directors	Rajesh Chimanlal Gandhi <i>Whole-time Director and Chief Financial Officer</i>  Himanshu Prafulchandra Purohit <i>Whole-time Director</i>  Rajveer Kamal Aggarwal <i>Whole-time Director</i>
iii.	Non-Executive Independent Directors and	Neelu Atulkumar Shah Lalit Devidutt Chaudhary Samir Chandrakant Patel Bharat Chunilal Shah Pradeep Vishambhar Agrawal



The details of Directors on the Board, category of directorships, other Directorships, Committee Memberships and Chairpersonships during the year ended March 31, 2023, are given below:

Name of Director	Category of Directorship	Number of other Directorships and Committee Memberships / Chairpersonships			Directorships & category in other listed companies
		Other Directorships	Committee Memberships	Committee Chairpersonships	
Mr. Kamalkumar Rajendra Aggarwal	Chairman & Managing Director	1	1	-	-
Mr. Navdeep Naresh Goyal	Deputy Managing Director	-	-	-	-
Mr. Rajesh Chimanlal Gandhi	Whole-time Director and Chief Financial Officer	1	1	-	-
Mr. Himanshu Purohit	Whole-time Director	-	-	-	-
Mr. Rajveer Aggarwal	Whole-time Director	1	-	-	-
Ms. Neelu Shah	Independent Director	-	1	-	-
Mr. Lalit Chaudhary	Independent Director	-	1	-	-
Mr. Samir Chandrakant Patel	Independent Director	-	1	-	-
Mr. Bharat Shah	Independent Director	-	2	2	-
Mr. Pradeep Vishambhar Agrawal	Independent Director	3	1	-	Bharat Petroleum Corporation Limited – Independent Director

**Note:**

- The number of other Directorships excludes directorship in Chemcon Speciality Chemicals Limited, Directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.
- For Committee memberships and chairpersonships of a director, only memberships of Audit Committee and Stakeholders Relationship Committee are considered including membership/chairpersonships in Chemcon Speciality Chemicals Limited.
- The number of committee memberships includes the number of chairpersonships, as a chairperson is deemed to be a member.

The number of shares and convertible instruments held by directors and disclosure of relationships between directors inter-se at the year ended March 31, 2023, are given below:

Name of Director	Number of Shares held in the Company	number of convertible instruments held in the Company	relationships between directors inter-se
Mr. Kamalkumar Rajendra Aggarwal	*1,01,87,080	-	Father of Mr. Rajveer Aggarwal, Whole-time Director of the Company.
Mr. Navdeep Naresh Goyal	**86,08,166	-	-
Mr. Rajesh Chimanlal Gandhi	-	-	-
Mr. Himanshu Purohit	-	-	-
Mr. Rajveer Aggarwal	25,32,800	-	Son of Mr. Kamalkumar Rajendra Aggarwal, Promoter, Chairman & Managing Director of the Company.
Ms. Neelu Shah	-	-	-
Mr. Lalit Chaudhary	-	-	-
Mr. Samir Chandrakant Patel	-	-	-
Mr. Bharat Shah	-	-	-
Mr. Pradeep Vishambhar Agrawal	-	-	-

- a. \*Includes 5,10,000 Equity Shares which are jointly held by Mr. Kamalkumar Aggarwal, first holder and Mr. Rajveer Aggarwal, Second holder.
- b. \*\*Includes 62,33,500 Equity Shares which are jointly held by Navdeep Naresh Goyal, first holder and Shubharangana Goyal, Second holder.

## (ii) Board Meetings:

During the Financial Year 2022-23, Seven (7) Board Meetings were held on April 28, 2022, May 26, 2022, June 28, 2022, August 8, 2022, October 4, 2022, November 11, 2022, and February 3, 2023. The maximum gap between any two Board Meetings was not more than 120 days as required under Regulation 17 of Listing Regulations, Section 173 of the Companies Act, 2013 and Secretarial Standard on Meeting of the Board of Directors.

The details of attendance of Directors at the Board Meetings held during the Financial Year 2022-23 and at the previous Annual General Meeting (33<sup>rd</sup> AGM of the Company), is as under:

Name of the Director	No. of Board Meeting which the Director was entitled to attend	No. of Board Meetings Attended	Attendance at Last AGM
Mr. Kamalkumar Rajendra Aggarwal	7	7	Yes
Mr. Navdeep Naresh Goyal	7	5	Yes
Mr. Rajesh Chimanlal Gandhi	7	7	Yes
Mr. Himanshu Purohit	7	6	Yes
Mr. Rajveer Aggarwal	7	6	Yes
Ms. Neelu Shah	7	5	No
Mr. Lalit Chaudhary	7	2	No

<b>Name of the Director</b>	<b>No. of Board Meeting which the Director was entitled to attend</b>	<b>No. of Board Meetings Attended</b>	<b>Attendance at Last AGM</b>
Mr. Samir Chandrakant Patel	7	4	Yes
Mr. Bharat Shah	7	3	Yes
Mr. Pradeep Vishambhar Agrawal	6	2	No

**(iii) Board Procedure:**

The Board meets at regular intervals to discuss and decide on the Company/business policy and strategy apart from other Board business. The Board Meetings (including Committee Meetings) of the Company are scheduled in advance to facilitate the Directors to plan their schedule and ensure meaningful participation in the meetings.

Department heads communicate with the Company Secretary in advance with regard to matters requiring the approval of the Board to enable inclusion of the same in the agenda for the Board Meetings. The detailed agenda as approved by the Chairman together with the relevant attachments are circulated amongst the Directors in advance. Where it is not practicable to circulate any document in advance or if the agenda is of a confidential nature, the same is tabled at the meeting. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the approval of chairman and majority of the Directors.

In addition to above, the Company places all the required information before the Board from time to time in compliance with Regulation 17(7) and Part A of Schedule II of the Listing Regulations.

**(iv) Independent Directors:**

The Independent Directors of the Company have been appointed in terms of requirements of the Act and Listing Regulations. The selection of eminent people for appointment as Independent Directors on the Board is considered by the Nomination and Remuneration Committee. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of directorships and memberships held in various committees of other companies by such person and recommend the same to the Board. The Board considers the Committee's recommendation and takes appropriate decision.

Based on the disclosures received from the Independent Directors, the Board of Directors of the Company confirms that in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are Independent of the management.

**(v) Performance Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors have carried out annual performance evaluation of the Board as a whole, Board Committees, Individual Directors and Independent Directors on the basis of criteria laid down in Performance Evaluation Policy of the Company.

The performance of Independent Directors, Non-executive Directors, Executive Directors, Whole-time Directors, Managing Directors and Chairperson was evaluated by all the members



of the Nomination and Remuneration Committee (other than the member evaluating) on the basis of criteria laid down in Performance Evaluation Policy.

As required under Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held to evaluate the performance of the Chairperson, Non-Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

The performance evaluation made by Nomination and Remuneration Committee and Independent Directors at their meeting was noted by the Board.

**(vi) Familiarisation program for Independent Directors:**

The Company has formulated various programmes for familiarising the Independent Directors about the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, global business environment, business strategy and risks involved etc. The details of familiarisation programmes imparted to Independent Directors is available on the Company's website at <https://cscpl.com/investors-relations/familiarization-programme/>.

**(vii) Skills / Expertise / Competencies of the Board of Directors:**

The Board comprises distinguished, qualified and experienced members who bring in the requisite skills, expertise and competence that allows them to make a valuable contribution to the Board and its Committees. The details of core skills, expertise and competence identified by the Board of Directors required in the context of Company's Business and Sectors and Directors who have such skills, expertise and competence are as follows:

Sr No.	Nature of Skills / Expertise / Competencies	Mr. Kamal Aggarwal	Mr. Navdeep Goyal	Mr. Rajesh Gandhi	Mr. Himanshu Purohit	Mr. Rajveer Aggarwal	Ms. Neelu Shah	Mr. Lalit Chaudhary	Mr. Samir Patel	Mr. Pradeep Agrawal	Mr. Bharat Shah
1.	<b>Industry Knowledge:</b>										
	Knowledge on Company's Businesses	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Policies and Culture (Including the Mission, Vision and Values of the Company)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Major risks / threats and potential opportunities and knowledge of the industry in which the Company operates	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.	<b>Behavioral Competencies/ Personal Attributes:</b>										
	Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Sr No.	Nature of Skills / Expertise / Competencies	Mr. Kamal Aggarwal	Mr. Navdeep Goyal	Mr. Rajesh Gandhi	Mr. Himanshu Purohit	Mr. Rajveer Aggarwal	Ms. Neelu Shah	Mr. Lalit Chaudhary	Mr. Samir Patel	Mr. Pradeep Agrawal	Mr. Bharat Shah
<b>3.</b>	<b>Strategic Expertise:</b>										
	Business Strategy	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
	Sales & Marketing	✓	✓	-	-	✓	✓	✓	✓	-	-
	Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Forex Management	✓	✓	✓	-	✓	-	-	-	✓	✓
	Administration	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Decision Making	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>4.</b>	<b>Technical Skill:</b>										
	Financial and Management skills	✓	✓	✓	-	✓	✓	✓	✓	✓	✓
	Legal expertise	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Technical / Professional skills and specialized	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>5.</b>	<b>Other Skills:</b>										
	Decision making skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Communication skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Leadership skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Stakeholder Relations	✓	✓	✓	-	✓	-	-	-	-	-
	Risk Management Skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

### 3. COMMITTEES OF BOARD OF DIRECTORS:

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable regulation which concern the Company and need a closer review. The Board Committees are set up 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 governance practice. The minutes of the meeting of all Committees are placed before the Board for review from time to time.

The Board has established the following Committees:

#### (A) Audit Committee:

##### (i) Composition of Audit Committee:

As of March 31, 2023, the Company's Audit Committee comprised of Mr. Bharat Chunal Shah as the Chairperson and Ms. Neelu Atulkumar Shah, Mr. Samir Chandrakant Patel and Mr. Kamalkumar Rajendra Aggarwal as members of the Committee. Thereafter, Mr. Samir Chandrakant Patel (DIN: 00086774) resigned from the position of independent director and as member of Audit Committee of the company with effect from May 13, 2023.

The Committee's composition meets with requirements of Section 177 of the Act and Listing Regulations. All members of the Audit Committee are financially literate and at least one member possesses accounting and related financial management expertise.

The Company Secretary of the Company acts as a Secretary to the Audit Committee. The Audit Committee was constituted to ensure prudent financial and accounting practices, fiscal discipline and transparency in financial reporting. The quarterly results are reviewed by the audit committee and recommended to the board for its adoption.

**(ii) Powers of Audit Committee:**

The Audit Committee shall have the authority to investigate into any matter in relation to the items specified its terms of reference or such other matter as may be referred to it by the Board and for this purpose, shall have the power to obtain professional advice from external sources and have full access to information contained in the records of the Company and seek information from any employee of the Company.

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

- (a) Management discussion and analysis of financial condition and results of operations;
- (b) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
- (c) Internal audit reports relating to internal control weaknesses;
- (d) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- (e) Statement of deviations:
  - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
  - ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and

**(iii) Brief Description of Terms of Reference of the Audit Committee:**

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter-alia, performs the following functions:

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

- a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
  7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the 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;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the whistle blower mechanism;

19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
21. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

**(iv) Meetings of Audit Committee and Attendance thereat:**

During the financial year 2022-23, the Audit Committee met Seven (7) times i.e. on May 13, 2022, May 26, 2022, August 8, 2022, October 4, 2022, November 11, 2022, February 3, 2023 and March 31, 2023. The details of attendance of members in such meetings are as under:

Name of the Director	Designation	13-05-22	26-05-22	08-08-22	04-10-22	11-11- 22	03-02-23	31-03-23
Mr. Bharat Shah	Chairman	✓	✓	✓	-	✓	✓	✓
Ms. Neelu Shah	Member	-	-	✓	✓	✓	✓	✓
Mr. Samir Patel	Member	✓	✓	-	✓	-	-	-
Mr. Kamal Aggarwal	Member	✓	✓	✓	✓	✓	✓	✓

**(B) Nomination and Remuneration Committee:**

**(i) Composition of Nomination and Remuneration Committee:**

Pursuant to Section 178 of the Act and Regulation 19 of the Listing Regulations, the Board of Directors has duly constituted the Nomination & Remuneration Committee. The Company's Nomination and Remuneration Committee comprises Mr. Lalit Chaudhary as the Chairperson and Ms. Neelu Shah and Mr. Bharat Shah as members of the Committee. All the members of the Committee are Non-Executive Directors, and the chairperson is an Independent Director.

**(ii) Brief Description of Terms of Reference of Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures. The role of Nomination and Remuneration Committee, inter-alia, includes:

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. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board

and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of performance of independent directors and the Board;
  4. Devising a policy on Board diversity;
  5. Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
  6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
  7. recommend to the board, all remuneration, in whatever form, payable to senior management.

**(iii) Meetings of Nomination and Remuneration Committee and Attendance thereat:**

During the financial year 2022-23, the Nomination and Remuneration Committee met two (2) times i.e. on April 28, 2022, and November 1, 2022. The details of attendance of members in such meetings are as under:

<b>Name of the Director</b>	<b>Designation</b>	<b>April 28, 2022</b>	<b>November 1, 2022</b>
Mr. Lalit Chaudhary	Chairman	✓	✓
Ms. Neelu Shah	Member	✓	✓
Mr. Bharat Shah	Member	-	-

**(iv) Performance evaluation criteria for Independent Directors:**

Performance evaluation of Independent Directors is done by the entire Board, excluding the Independent Director being evaluated, on the basis of following evaluation criteria:

- (a) Participation at Board/Committee Meetings
- (b) Managing Relationship
- (c) Knowledge and Skill
- (d) Personal Attributes and
- (e) Ethical Standards of Integrity and Probity.

### (C) Stakeholders' Relationship Committee:

#### (i) Composition of Stakeholders' Relationship Committee:

The Board of Directors of the Company constituted a Stakeholders' Relationship Committee in terms of the requirements of Section 178 of the Act and Rules framed thereunder read with Regulation 20 of the Listing Regulations. The Stakeholders' Relationship Committee comprises Mr. Bharat Shah as the Chairperson and Mr. Rajesh Chimanlal Gandhi and Mr. Lalit Chaudhary as members of the Committee.

Mr. Bharat Shah, chairperson of the Committee, is a non-executive Independent Director of the Company.

#### (ii) Brief Description of Terms of Reference of Stakeholders' Relationship Committee:

The role of Stakeholders' Relationship Committee includes resolving the grievances of shareholders, ensuring expeditious share transfer process, evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company. The role of the committee shall inter-alia include the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

#### (iii) Meetings of Stakeholders' Relationship Committee and Attendance thereat:

During the financial year 2022-23, the Stakeholders' Relationship Committee met Once i.e. on November 1, 2022. The details of attendance of members in such meeting are as under:

Name of the Director	Designation	November 1, 2022
Mr. Bharat Shah	Chairman	-
Mr. Lalit Chaudhary	Member	✓
Mr. Rajesh Gandhi	Member	✓

#### (iv) Shareholders' Complaints:

The Company and Link Intime India Private Limited (Registrar & Share Transfer Agent) attend to all the complaints of the Shareholders' promptly. Continuous efforts are being made to ensure that Shareholders' Complaints are expeditiously resolved to the satisfaction of the shareholder.

Details of shareholders' complaints during the Financial Year 2022-23 are as follows:

Number of shareholders' complaints received during the Financial Year	11
Number of complaints resolved during the Financial Year	11
Number of complaints not solved to the satisfaction of shareholders'	0
Number of complaints pending at the end of the Financial Year	0

**(v) Name and designation of the Compliance Officer:**

Mr. Shahilkumar Kapatel, Company Secretary & Compliance Officer.

**(D) Risk Management Committee:**

**(i) Composition of Risk Management Committee:**

The Risk Management Committee (RMC) of the Company is constituted in line with the provisions of Regulation 21 of the Listing Regulations of the Listing Regulations.

As of March 31, 2023, The Risk Management Committee of the Company comprised of three members, Mr. Samir Chandrakant Patel as the Chairperson and Mr. Rajesh Chimanlal Gandhi and Mr. Himanshu Prafulchandra Purohit as members of the Committee. Thereafter Mr. Samir Chandrakant Patel (DIN: 00086774) resigned from the position of independent director of the Company and as a member of RMC with effect from May 13, 2023.

Subsequently, owing to the resignation of Mr. Samir Patel as Independent Director and resulting a vacancy of member and Chairperson in the RMC, The Board of Director at its meeting held on August 11, 2023, reconstituted the RMC by appointing Ms. Neelu Atulkumar Shah, Independent Director, as a member of the committee and designated Mr. Rajesh Chimanlal Gandhi as Chairperson of the committee.

**(ii) Brief Description of Terms of Reference of Risk Management Committee:**

The role of Risk Management Committee includes the implementation of Risk Management Systems and Framework, review the Company's financial and risk management policies, assess risk and procedures to minimise the same. The role of the committee, inter alia, include the following:

1. To formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;



4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

**(iii) Meetings of Risk Management Committee and Attendance thereat:**

During the financial year 2022-23, the Risk Management Committee met two (2) times i.e. on July 15, 2022 and January 10, 2023. The details of attendance of members in such meetings are as under:

Name of the Director	Designation	July 15, 2022	January 10, 2023
Mr. Samir Chandrakant Patel	Chairman	-	✓
Mr. Himanshu Prafulchandra Purohit	Member	✓	✓
Mr. Rajesh Chimanlal Gandhi	Member	✓	✓

**(E) Corporate Social Responsibility Committee:**

**(i) Composition of Corporate Social Responsibility Committee:**

The Company has constituted as Corporate Social Responsibility Committee in terms of Section 135 of the Companies Act, 2013 and the rules made thereunder.

As of March 31, 2023, The Corporate Social Responsibility (CSR) Committee of the Company comprised of three members, Mr. Navdeep Naresh Goyal as the Chairperson and Mr. Bharat Chunilal Shah and Mr. Pradeep Vishambhar Agrawal as members of the Committee. Thereafter Mr. Pradeep Vishambhar Agrawal (DIN: 00048699) resigned from the position of independent director of the Company and as a member of CSR Committee with effect from of June 26, 2023.

Subsequently, owing to the resignation of Mr. Pradeep Agarwal as Independent Director and resulting a vacancy of member in the CSR committee, The Board of Director at its meeting held on August 11, 2023, reconstituted the CSR Committee by appointing Mr. Rajveer Kamal Aggarwal, Wholetime director of the Company, as member of the CSR Committee.

**(ii) Brief Description of Terms of Reference of Corporate Social Responsibility Committee:**

The role of Corporate Social Responsibility Committee includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of Company in the areas of CSR.

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

- (a) To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
- (b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (d) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (e) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- (f) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013.

**(iii) Meetings of Corporate Social Responsibility Committee and Attendance thereat:**

During the financial year 2022-23, the Corporate Social Responsibility Committee met Once i.e. on June 28, 2022. The details of attendance of members in such meeting are as under:

<b>Name of the Director</b>	<b>Designation</b>	<b>June 28, 2022</b>
Mr. Navdeep Naresh Goyal	Chairman	✓
Mr. Bharat Chunilal Shah	Member	✓
Mr. Pradeep Vishambhar Agrawal	Member	-

**4. SENIOR MANAGEMENT:**

Particulars of senior management personnels:

<b>Name of Senior Management Personnel</b>	<b>Designation</b>	<b>Date of Appointment</b>
Mr. Rajesh Chimanlal Gandhi	Chief Financial Officer	May 1, 2019
Mr. Shahilkumar Kapatel	Company Secretary	September 26, 2018

No changes took place in senior management since the close of the previous financial year.

**5. REMUNERATION OF DIRECTORS:**

**(i) Pecuniary relationship or transactions of the non-executive Directors with the Company:**

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from sitting fees for attending Board and

Committee meetings. The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company. Independent Directors are currently entitled for sitting fees of Rs. 10,000/- for attending every Board Meeting and Rs. 5000/- for attending every Committee Meeting.

During the Financial Year 2022-23, the following sitting fees were accrued to the non-executive Directors:

(INR in lacs)

Name of the Director	Designation	Sitting Fees
Ms. Neelu Shah	Independent Director	0.90
Mr. Lalit Chaudhary	Independent Director	0.40
Mr. Samir Chandrakant Patel	Independent Director	0.60
Mr. Bharat Shah	Independent Director	0.70
Mr. Pradeep Vishambhar Agrawal	Independent Director	0.20

**(ii) Criteria of making payments to non-executive Directors:**

The Non-Executive Independent Directors are entitled to sitting fees for attending the meetings and for their valuable contributions to the meetings of the Board and Committees. Sitting fees specified for Non-Executive Independent Directors are within the limits prescribed by the Companies Act, 2013 and as approved by the Board of Directors from time to time on the recommendation by Nomination and Remuneration Committee.

**(iii) Remuneration of Executive Directors:**

The details of remuneration package of each director summarized under major groups and the details of fixed component and performance linked incentive for the financial year 2022-23 is as follows:

(INR in Lacs)

Name of the Director	Designation	Salary & Allowances	Bonus	Perquisites	Contribution to Provident Fund	Contribution to Pension Fund	Variable Pay	Total
Mr. Kamalkumar Rajendra Aggarwal	Chairman & Managing Director	48.00	-	-	-	-	250.00	298.00
Mr. Navdeep Naresh Goyal	Deputy Managing Director	72.00	-	-	-	-	250.00	322.00
Mr. Rajesh Chimanlal Gandhi	Whole-time Director and CFO	31.20	-	-	0.22	-		31.42
Mr. Himanshu Purohit	Whole-time Director	31.20	-	-	0.22	-		31.42
Mr. Rajveer Aggarwal	Whole-time Director	24.00	-	-	-	-		24.00

The variable pay is linked to profits of the Company and is computed in the manner laid down in Section 198 of the Act. The performance criteria for the variable pay portion of the Executive Directors comprise of key indicators of Company's Performance such as Sales, EBITDA and PBT.

The Company has not entered into any Service Contract with the Directors and has not made any provision relating to notice period and severance fees.

The Company has not established Stock Options Scheme and has not provided any stock options to Directors.

## 6. GENERAL BODY MEETINGS:

- a. Location, date and time of Annual General Meetings held during the last 3 years and the summary of Special Resolutions passed therein are as below:

<b>Financial Year</b>	2021-22
<b>Date of Meeting</b>	July 26, 2022
<b>Time of Meeting</b>	11:30 AM
<b>Venue</b>	Meeting held through Video Conferencing ("VC")/ other Audio- Visual Means("OAVM")
<b>Special Resolution Passed</b>	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Pradeep Vishambhar Agrawal (DIN: 00048699) as a Director and as an Independent Director</li> <li>2. Re-appointment of Mr. Kamalkumar Rajendra Aggarwal (DIN: 00139199) as a Managing Director</li> <li>3. Re-appointment of Mr. Navdeep Naresh Goyal (DIN: 02604876) as a Deputy Managing Director</li> <li>4. Re-appointment of Mr. Rajesh Chimanlal Gandhi (DIN: 03296784) as a Whole-time Director</li> <li>5. Re-appointment of Mr. Rajveer Kamal Aggarwal (DIN: 07883896) as a Whole-time Director</li> <li>6. Re-appointment of Mr. Himanshu Prafulchandra Purohit (DIN: 03296807) as a Whole-time Director</li> </ol>
<b>Financial Year</b>	2020-21
<b>Date of Meeting</b>	September 28, 2021
<b>Time of Meeting</b>	11:00 AM
<b>Venue</b>	Meeting held through Video Conferencing ("VC")/ other Audio- Visual Means("OAVM")
<b>Special Resolution Passed</b>	<ol style="list-style-type: none"> <li>1. Approval of increase in remuneration of Mr. Rajesh Chimanlal Gandhi (DIN: 03296784), Whole-Time Director &amp; Chief Financial Officer of the Company</li> <li>2. Approve increase in remuneration of Himanshu Prafulchandra Purohit (DIN: 03296807), Whole-time Director of the Company</li> </ol>
<b>Financial Year</b>	2019-20
<b>Date of Meeting</b>	August 22, 2020
<b>Time of Meeting</b>	04:00 PM

<b>Venue</b>	Block No. 355, Manjusar-Kunpad Road, Village Manjusar, Taluka Savli, Dist. Baroda - 391775, Gujarat
<b>Special Resolution Passed</b>	NIL

- b. No Extra-Ordinary General Meeting of the Members was held during the financial year 2022-23.
- c. Whether any Special Resolution passed last year through postal ballot and details of voting pattern – No special resolution was passed through postal ballot during the previous financial year.
- d. Person who conducted the postal ballot exercise – Not Applicable
- e. Whether any special resolution is proposed to be conducted through postal ballot – At present, there is no proposal to pass any special resolution through Postal Ballot.
- f. Procedure for Postal Ballot – Not Applicable

## 7. MEANS OF COMMUNICATION:

### (i) Financial Results:

The quarterly, half yearly and annual financial results of the Company are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre in accordance with the requirements of Listing Regulations. The financial results are displayed on BSE and NSE websites. The financial results are also published in "Business Standard" (English) and "Loksatta Jansatta" (Gujarati) newspapers and posted on the Company's website at [www.cscpl.com](http://www.cscpl.com).

### (ii) Press Release/ Analyst Call:

The official media releases and presentations made to Institutional Investors / Analysts and audio recording of Analyst Calls, and transcripts are posted on the Company's website and are uploaded on website of BSE and NSE.

## 8. GENERAL SHAREHOLDER INFORMATIONS:

<b>AGM Date, Time, and Venue</b>	Thursday, September 28, 2023, at 11:30 a.m. through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) at Vadodara.	
<b>Financial Year</b>	Starting from April 01 to March 31	
<b>Financial Calendar</b>	a. FY 2022-23 - Q4 and Annual Results	On May 26, 2023
	b. FY 2023-24 - Q1 Results	On August 11, 2023
	c. FY 2023-24 - Q2 Results	On or before November 14, 2023
	d. FY 2023-24 - Q3 Results	On or before February 14, 2024
<b>Dividend payment date</b>	The Board has not recommended any final dividend for the year ended March 31, 2023.	

<b>Dates of Book Closure</b>	There is no closure of Register of Members and Share Transfer Book of the Company.
<b>Listing on Stock Exchanges</b>	<p><b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001, India</p> <p><b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051, India</p> <p>The annual listing fee has been paid to BSE &amp; NSE for the FY 2023-24. Further, the Securities of the Company have not been suspended from trading during the Financial Year 2022-23.</p>
<b>Listing Date</b>	<p><b>BSE Limited:</b> October 01, 2020</p> <p><b>National Stock Exchange of India Limited:</b> October 01, 2020</p>
<b>Stock Code / Symbol</b>	<p><b>BSE Limited:</b> 543233</p> <p><b>National Stock Exchange of India Limited:</b> CHEMCON</p>
<b>Registrar &amp; Share transfer Agent</b>	<p><b>Link Intime India Private Limited</b> C-101, 1st Floor, 247 Park, 86 Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra, India Tel. No.: 022-49186000   Fax No.: 022-49186060 Email: <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a></p>
<b>Share Transfer System</b>	In accordance with Regulation 40 of the SEBI Listing Regulations, as amended, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Also, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.
<b>Dematerialisation of Equity Shares and Liquidity</b>	As on March 31, 2023, 100.00% of the total Shares of the Company representing 3,66,30,701 shares were held in dematerialized form through National Securities Depository Limited and Central Depository Services (India) Limited.
<b>Global Depository Receipts / American Depository Receipts / Warrants / Convertible Instruments</b>	The Company does not have any outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.
<b>Disclosure for Commodity price risk or foreign exchange risk and hedging activities</b>	During the Financial Year 2022-23, the Company had managed the foreign exchange risk to the extent considered necessary. The details of foreign currency exposure are disclosed in <b>Note No. 37.2</b> to the Financial Statement. The Company has not undertaken any hedging activities for commodity price risk and foreign exchange risk.
<b>Plant Locations</b>	The Company's manufacturing operations are based at Manufacturing Facility located at Manjusar, near Vadodara City in the state of Gujarat.

	The Manufacturing Facility, comprising of individual operational plants, is located at single location, which is owned by the Company. The Manufacturing Facility comprises of nine individual operational plants, which are dedicated towards the manufacture of specific products.
<b>Credit Ratings</b>	As at the financial year ended March 31, 2023, the Company had a Long-Term Rating of CRISIL BBB+/Stable. The Credit Rating Letter is also available on the website of the Company at, <a href="https://cscpl.com/investors-relations/disclosure-under-regulation-46-of-the-lodr/credit-ratings/">https://cscpl.com/investors-relations/disclosure-under-regulation-46-of-the-lodr/credit-ratings/</a> .
<b>Address for Correspondence</b>	<b>Chemcon Speciality Chemicals Limited</b> Block No. 355, Manjusar-Kunpad Road, Village: Manjusar, Taluka: Savli, District: Vadodara, Gujarat – 391775 Email id: <a href="mailto:investor.relations@cscpl.com">investor.relations@cscpl.com</a> Website: <a href="http://www.cscpl.com">www.cscpl.com</a>

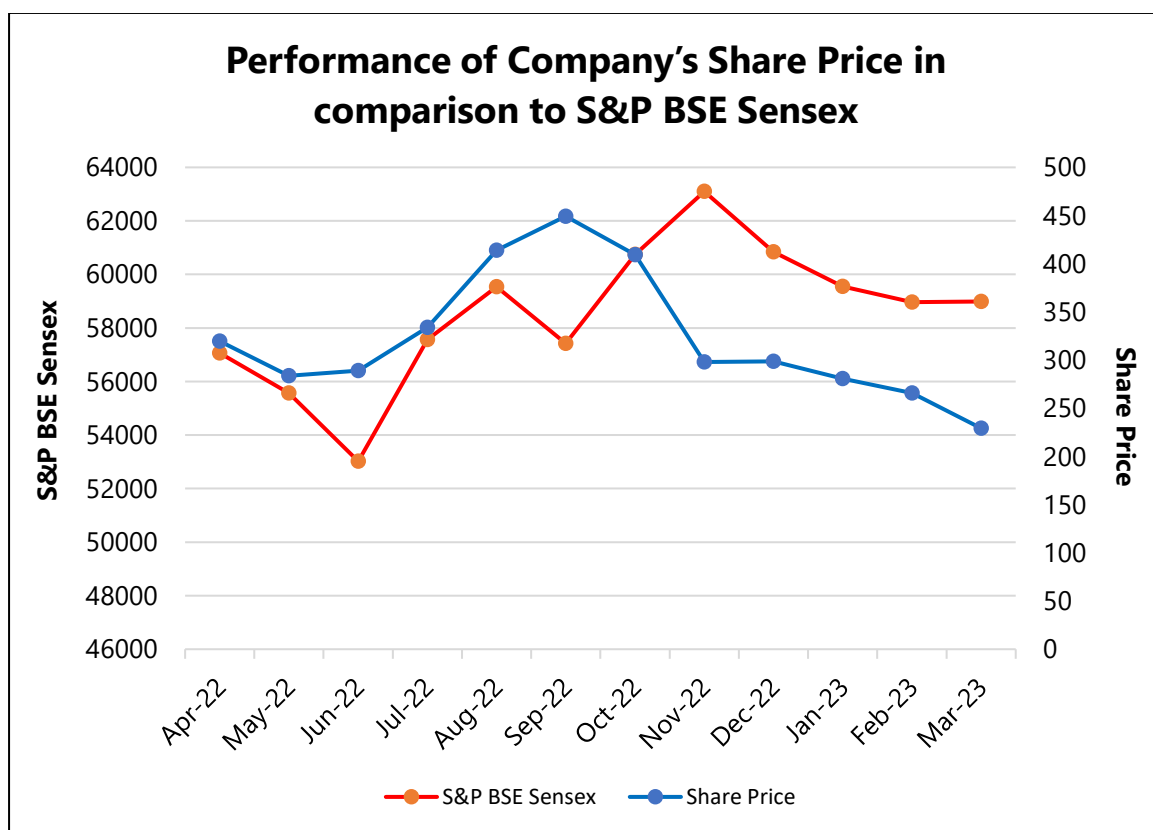
#### Market Price Data of Equity Shares:

The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the year ended March 31, 2023, are as under:

Month	BSE			NSE		
	High Price	Low Price	Volume of Shares (in Lakhs)	High Price	Low Price	Volume of Shares (in Lakhs)
<b>Apr-22</b>	350.85	267.00	2.90	351.00	269.00	27.83
<b>May-22</b>	328.85	265.80	3.71	328.95	266.25	25.71
<b>Jun-22</b>	314.60	265.60	2.19	314.00	266.20	14.63
<b>Jul-22</b>	357.05	279.25	2.60	355.35	280.20	30.03
<b>Aug-22</b>	433.75	328.55	7.17	434.00	328.95	95.32
<b>Sep-22</b>	465.65	398.05	10.75	465.75	398.00	85.87
<b>Oct-22</b>	477.70	407.55	6.04	477.95	407.80	45.30
<b>Nov-22</b>	412.15	284.00	6.81	412.25	284.05	58.62
<b>Dec-22</b>	313.95	270.00	3.23	313.50	273.00	19.24
<b>Jan-23</b>	302.95	270.15	1.31	303.00	271.00	9.79
<b>Feb-23</b>	292.30	260.00	1.23	288.80	260.90	10.62
<b>Mar-23</b>	278.60	221.00	1.48	278.50	221.00	11.92

**Performance of Company's Share Price in comparison to S&P BSE Sensex:**

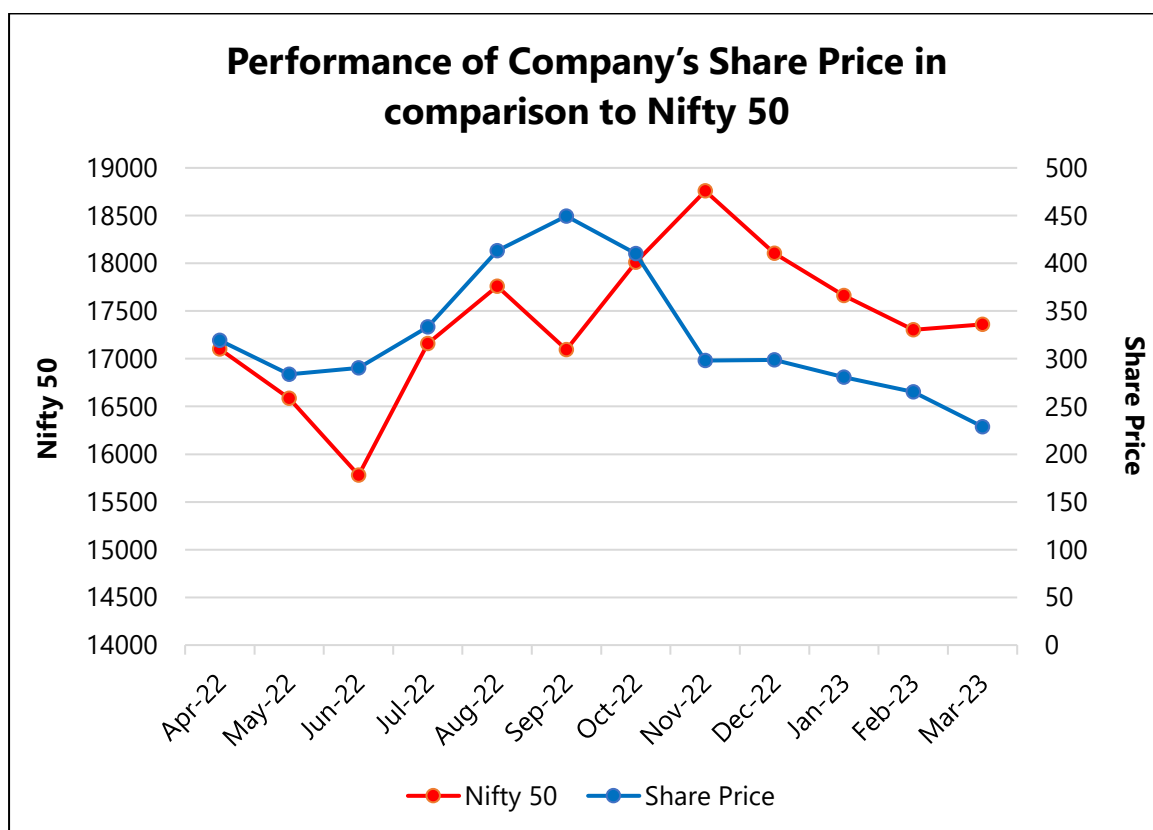
Month	Share Price (Close)	S&P BSE Sensex (Close)
Apr-22	319.55	57060.87
May-22	283.90	55566.41
Jun-22	289.10	53018.94
Jul-22	333.80	57570.25
Aug-22	413.85	59537.07
Sep-22	449.30	57426.92
Oct-22	409.45	60746.59
Nov-22	297.90	63099.65
Dec-22	298.75	60840.74
Jan-23	280.80	59549.90
Feb-23	265.70	58962.12
Mar-23	229.30	58991.52





**Performance of Company's Share Price in comparison to Nifty 50:**

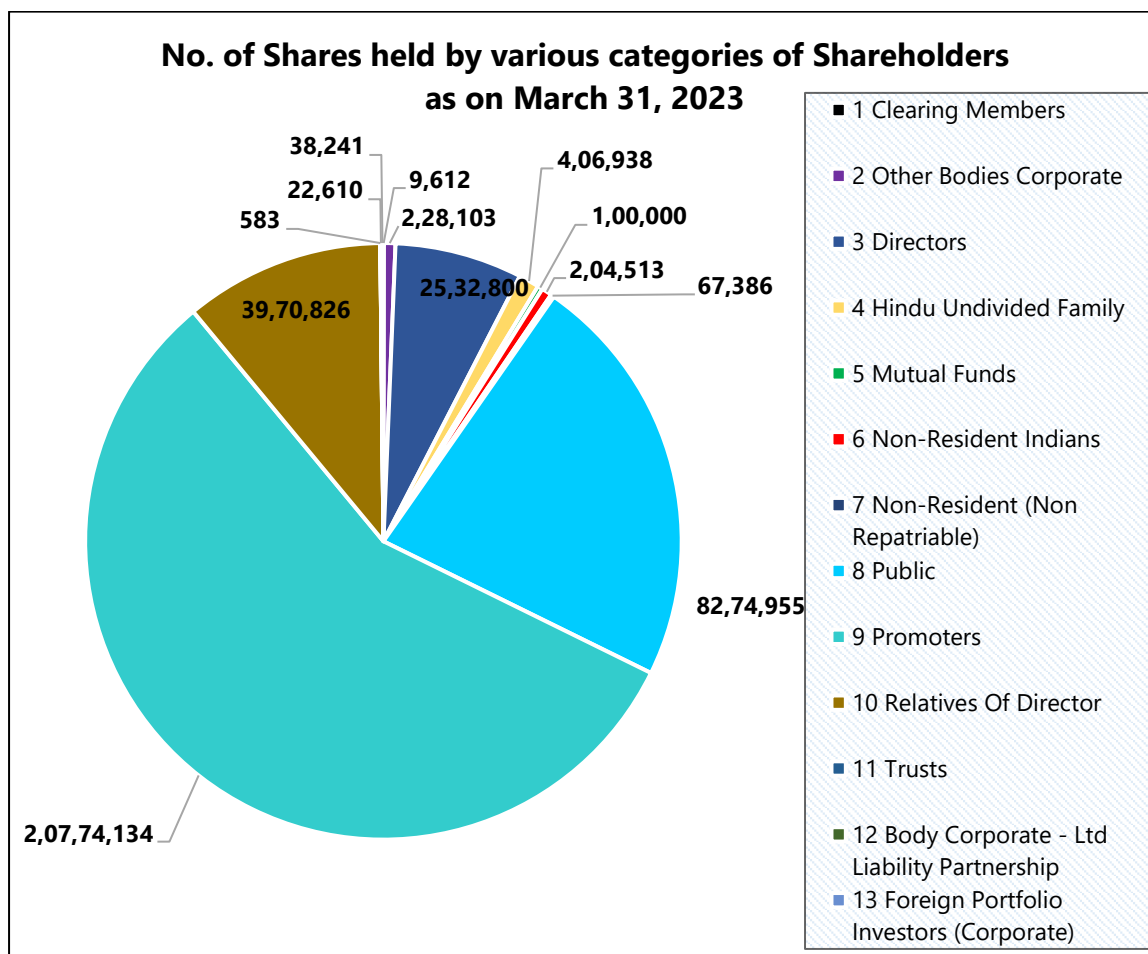
Month	Share Price (Close)	Nifty 50 (Close)
Apr-22	319.10	17102.55
May-22	283.75	16584.55
Jun-22	290.35	15780.25
Jul-22	333.30	17158.25
Aug-22	413.15	17759.30
Sep-22	449.50	17094.35
Oct-22	410.10	18012.20
Nov-22	298.15	18758.35
Dec-22	298.90	18105.30
Jan-23	280.65	17662.15
Feb-23	265.20	17303.95
Mar-23	228.80	17359.75



### Categories of Shareholders:

Categories of Shareholders as on March 31, 2023, is as follows:

Sr. No.	Category	No. of Shares	No. of Holders	% of holding
1.	Clearing Members	9612	31	0.0262
2.	Other Bodies Corporate	228103	164	0.6227
3.	Directors	2532800	1	6.9144
4.	Hindu Undivided Family	406938	1588	1.1109
5.	Mutual Funds	100000	1	0.2730
6.	Non-Resident Indians	204513	704	0.5583
7.	Non-Resident (Non Repatriable)	67386	294	0.1840
8.	Public	8274955	83372	22.5902
9.	Promoters	20774134	3	56.7124
10.	Relatives Of Director	3970826	3	10.8402
11.	Trusts	583	1	0.0016
12.	Body Corporate - Ltd Liability Partnership	22610	18	0.0617
13.	Foreign Portfolio Investors (Corporate)	38241	4	0.1044
<b>TOTAL</b>		<b>36630701</b>	<b>86184</b>	<b>100.0000</b>



### Distribution of Shareholding:

The distribution of Shareholding on the basis of DP ID and Client ID as on March 31, 2023, is as follows:

Holding	Shareholders		Shares	
	Number	%	Number	%
1 - 500	85159	97.2768	5018245	13.70
501 – 1000	1404	1.6038	1074778	2.93
1001 - 2000	560	0.6397	828727	2.26
2001 – 3000	167	0.1908	423533	1.16
3001 – 4000	58	0.0663	206877	0.56
4001 – 5000	52	0.0594	241205	0.66
5001 – 10000	86	0.0982	594375	1.62
10001 and above	57	0.0651	28242961	77.10
<b>Total</b>	<b>87543</b>	<b>100.0000</b>	<b>3,66,30,701</b>	<b>100.00</b>

## 9. OTHER DISCLOSURE:

### Disclosure on materially significant related party transactions:

During the Financial Year 2022-23, there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large. Related party transactions during the year have been disclosed as part of Financial Statements as required under Indian Accounting Standard issued by The Institute of Chartered Accountants of India. The Audit Committee reviews these transactions and the transactions executed with the related party(ies) were in the ordinary course of business and on arm's length basis. The Policy on Related Party Transactions has been uploaded on the website of the Company, at <https://cscpl.com/investors-relations/disclosure-under-regulation-46-of-the-lodr/policies/>.

### Details of Non-compliance:

There were no instances of non-compliance by the Company nor any penalties, strictures were imposed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the reporting period of last three years.

### Whistle Blower Policy:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has established a Whistle-blower Policy wherein the employees are encouraged to report violation of laws, rules and regulations. The confidentiality of such reporting is maintained and is not subject to any discriminatory practice. We affirm that no employee has been denied access to the Audit Committee during the financial year 2022-23.

The said Whistle-Blower Policy has been hosted on the website of the Company, at <https://cscpl.com/investors-relations/disclosure-under-regulation-46-of-the-lodr/policies/>.

### **Compliance with Mandatory requirements and adoption of non-mandatory requirements:**

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations.

In addition to the above, the Company has adopted certain discretionary requirements as specified under Part E of Schedule II of Listing Regulations and accordingly,

- The Audit Report on the Company's Financial Statements for the year ended March 31, 2023, is unmodified.
- The Internal Auditors reports directly to the Audit Committee.

### **Policy for Material Subsidiaries:**

In accordance with the provisions of the Listing Regulations, the Company has duly formulated policy for Material Subsidiaries in order to determine the Material Subsidiaries and to provide governance framework for such subsidiaries. There were no Material Subsidiaries of the Company during the Financial Year 2022-23. The policy for Material Subsidiaries has been placed on the website of the Company, at, <https://cscpl.com/investors-relations/disclosure-under-regulation-46-of-the-lodr/policies/>.

### **Details of utilization of Funds raised through preferential allotment or qualified institutions placement:**

The Company has not raised any funds through preferential allotment or qualified institutions placement during the Financial Year 2022-23.

### **Certificates from Company Secretary in Practice:**

A certificate from Mr. Chirag Rathod, Proprietor, Rathod & Co., Practicing Company Secretaries, to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI, Ministry of Corporate Affairs or any such Statutory Authority, is appended as **Annexure – I** to this report.

### **Dividend Distribution Policy:**

The Board of Directors of the Company has adopted a Dividend Distribution Policy, which aims to ensure fairness, sustainability and consistency in distributing profits to the Shareholders. The Dividend Distribution Policy is appended as **Annexure – II** to this report and is also available on the website of the Company, at, <https://cscpl.com/investors-relations/disclosure-under-regulation-46-of-the-lodr/policies/>.

### **Recommendations of the Committees:**

All the mandatorily required recommendations made by the Committees of Board during the Financial Year 2022-23 were accepted and approved by the Board.

### Total Fees to Statutory Auditors:

Total fees for all services paid by the Company to K C Mehta & Co LLP, Statutory Auditors of the Company:

(INR in Lacs)	
<b>Payment to Statutory Auditors</b>	<b>Financial Year 2022-23</b>
Statutory Audit Fees	7.25
Limited Review	2.25
Certification Fees	0.20
<b>Total</b>	<b>9.70</b>

### Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has zero tolerance for sexual harassment at workplace and has set up an Internal Complaints Committee to consider and resolve all complaints relating to sexual harassment to its women employees at workplace. The Company has taken various initiatives to ensure a safe and healthy workplace for its women employees.

The Company has also adopted a policy for prevention of Sexual Harassment of Women at workplace pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy is hosted on the website of the Company at <https://cscpl.com/investors-relations/shareholder-information/disclosure-policies/>

No complaints of sexual harassment were received by the Company during the financial year 2022-23.

### Loans and advances in the nature of loans to firms/companies in which directors are interested:

No loans and advances in the nature of loans to firms/companies in which directors are interested were given by the Company during the financial year 2022-23.

### Demat Suspense Account – Unclaimed Suspense Account:

The Company did not have any funds lying unpaid or unclaimed for a period of seven years and therefore transfer of unclaimed and unpaid dividends as well as transfer of shares to IEPF is not applicable for the Financial Year 2022-23.

### Disclosure of Certain Types of Agreements Binding the Company:

During the financial year 2022-23, no agreements were entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

## 10. CODE OF CONDUCT:

The Company has framed and adopted the code of conduct for Directors and Senior Management in terms of requirements of the Listing Regulations. The said code has been communicated to the Directors and the members of the Senior Management. The code has been uploaded on the Company's website, at, <https://cscpl.com/investors-relations/shareholder-information/disclosure-policies/>

## Annexure I to Corporate Governance Report

### 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,  
**Chemcon Speciality Chemicals Limited**  
Block No. 355, Manjusar Kunpad Road,  
Manjusar Village, Taluka Savli,  
Vadodara - 391775, Gujarat

I, Chirag Vinodbhai Rathod, Proprietor, Rathod & Co., Practicing Company Secretary, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Chemcon Speciality Chemicals Limited, having CIN: L24231GJ1988PLC011652 and having registered office at Block No. 355, Manjusar Kunpad Road, Manjusar Village, Taluka Savli, Vadodara - 391775, Gujarat, (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://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 31<sup>st</sup> March, 2023, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA) or any such other Statutory Authority.

The list of the Directors as at 31<sup>st</sup> March, 2023 is as follows:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Kamalkumar Rajendra Aggarwal	00139199	19/01/2004
2.	Navdeep Naresh Goyal	02604876	01/04/2015
3.	Rajesh Chimanlal Gandhi	03296784	01/05/2012
4.	Himanshu Prafulchandra Purohit	03296807	01/05/2012
5.	Rajveer Kamal Aggarwal	07883896	01/10/2017
6.	Samir Chandrakant Patel	00086774	29/04/2019
7.	Lalit Devidutt Chaudhary	00651372	29/04/2019
8.	Bharat Chunilal Shah	08281811	29/04/2019
9.	Neelu Atulkumar Shah	08283933	29/04/2019
10.	Pradeep Vishambhar Agrawal	00048699	28/04/2022

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 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.

**For Rathod & Co.**

Practicing Company Secretaries

Place: Anand

Date: 25-08-2023

UDIN: A054460E000868438

**Chirag Vinodbhai Rathod**

Membership No.: 54460

CP. No.: 20186

Peer Review Certificate No.: 1762/2022



## Annexure II to Corporate Governance Report

### DIVIDEND DISTRIBUTION POLICY

#### PREAMBLE

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") require the top 1000 listed companies, based on market capitalization as on March 31 of every financial year, to disclose a Dividend Distribution Policy in the annual report and on the corporate website.

The Board of Directors ("Board") of Chemcon Speciality Chemicals Limited ("Company") has adopted this Dividend Distribution Policy ("Policy") to comply with the Listing Regulations.

The Company currently has only one class of shares, i.e., equity, for which this Policy is applicable. The Policy is subject to review if and when the Company issues different classes of shares.

#### DIVIDEND DISTRIBUTION PHILOSOPHY

The Company is deeply committed to driving superior value creation for all its stakeholders'. The Company's focus will continue to be on the sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

#### DIVIDEND

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount of the paid-up shares they hold. Dividend includes Interim Dividend.

#### CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board:

- i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.
- ii. In the event of higher working capital requirement for business operations or otherwise.
- iii. When Company's liquidity is jeopardized for any reason, impairing its ability to pay the dividend.
- iv. In the event of loss or inadequacy of profits.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

The Company will take a decision on the dividend distribution keeping all external and internal factors in view and duly adopting a judicious balance between directly rewarding the shareholders through dividend declaration on the one hand and increasing shareholder's wealth in future through appropriate retention of projects and its realisation for sustainable growth, on the other.

## **INTERIM AND FINAL DIVIDEND**

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, shall be intimated to the stock exchanges and post board meeting, the outcome of the meeting shall also be provided to the stock exchanges, as required under the Listing Regulations.

## **FINANCIAL PARAMETERS AND OTHER INTERNAL AND EXTERNAL FACTORS THAT WOULD BE CONSIDERED FOR DECLARATION OF DIVIDEND**

- Distributable surplus available with the Company;
- Company's liquidity position and future cash flow needs;
- Track record of dividend distribution of the Company;
- Dividend payout ratios of the comparable companies;
- Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution;
- Capital expenditure requirements considering the expansion and acquisition opportunities;
- Cost and availability of alternative sources of financing;
- Stipulations / covenants of loan agreements;
- Macroeconomic and business conditions in general; and
- Any other relevant factors that the Board may deem fit to consider before recommending / declaring Dividend.

## **UTILISATION OF RETAINED EARNINGS**

Subject to the applicable provisions, the retained earnings of the Company shall be applied for:

- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc.;
- Buyback of shares subject to applicable limits;
- Payment of dividend in future years;
- Issue of Bonus Shares; and
- Any other permissible purpose

## **MODIFICATION OF THE POLICY**

The Board is authorised to change/amend this Policy from time to time at its sole discretion, as it may deem fit, and/or in pursuance of any amendments made in the Act, the Listing Regulations, etc.

**DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT UNDER SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Kamalkumar Rajendra Aggarwal, Chairman and Managing Director of Chemcon Speciality Chemicals Limited, hereby declare and affirm that, the members of Board of Directors and senior management personnel of the Company have affirmed compliance with the code of conduct of Board of Directors and senior management, as applicable to them, for the financial year ended March 31, 2023.

**Kamalkumar Rajendra Aggarwal**

Chairman and Managing Director

DIN: 00139199

Date: August 31, 2023

Place: Vadodara

## COMPLIANCE CERTIFICATE

In terms of Regulation 17(8) & Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended), we, the undersigned, hereby certify that -

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2023, and to the best of our knowledge and belief:
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee –
- 1) significant changes in internal control over financial reporting during the year;
  - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Kamalkumar Rajendra Aggarwal**  
Managing Director

**Rajesh Chimanlal Gandhi**  
Chief Financial Officer

Date: August 31, 2023  
Place: Vadodara

## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
**Chemcon Speciality Chemicals Limited**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS:**

#### **Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified 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 total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 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 made 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.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these financial statements of the current year. 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 be communicated in our report.

#### **Information Other than the Financial Statements and Auditors' Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance Report, Business Responsibility and Sustainability Report and Shareholder's Information but does not include the financial statements

and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

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.

When we read the information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditors' Responsibilities 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 auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, we report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
  - e. on the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B".
  - g. with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

- h. the other matters to be included in the Auditors' Report in accordance with Rule 11 of with respect to 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:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses as at March 31, 2023;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the



company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) is applicable to the Company from Financial Year beginning on or after April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year 2022-2023.

For **K C Mehta & Co LLP**  
Chartered Accountants  
Firm's Registration No. 106237W/W100829

**Chhaya M. Dave**  
Partner  
Membership No. 100434  
UDIN: 23100434BGXKNQ7113

Place: Vadodara  
Date: May 26, 2023

## Annexure “A” to the Independent Auditors’ Report

The annexure referred to in our Independent Auditors’ Report to the members of **Chemcon Speciality Chemicals Limited** (“the Company”) on the financial statements for the year ended March 31, 2023, we report that:

- i. In respect of the Company’s Property, Plant and Equipment:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (“PPE”);  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Company has a regular program of physical verification of fixed assets which, in our opinion is reasonable. The assets which were to be covered as per the said program have been physically verified by the management during the year. In our opinion and According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
  - d) The Company has not revalued its PPE (including Right of Use Assets) or intangible assets or both during the year, and hence reporting under this clause of the Order is not applicable to the Company.
  - e) According to the information and explanations given to us no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules thereunder, hence disclosure in its financial statements is not required.
- ii. In respect of Inventories:
  - a) The Inventories except for goods-in-transit have been physically verified by the management during the year and in our opinion, the coverage and procedure for such verification is reasonable. As explained to us, there were no discrepancies of 10% or more in the aggregate for each class of inventory on physical verification of inventory as compared to the book records.
  - b) According to the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks are in agreement with the books of accounts of the Company.
- iii. During the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and therefore the reporting under this clause of the Order is not applicable to the Company.

- iv. The Company has not granted any loans, made any investments, or provided any guarantees or security to which provisions of section 185 and 186 of the Act apply and therefore, reporting under clause (iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year from the public and consequently, the directives issued by Reserve Bank of India, the provisions of sections 73 to 76 of the Act and rules framed there under are not applicable to the Company.
- vi. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii.
  - a) According to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including Goods and Services Tax, provident fund, income-tax, cess and other material statutory dues applicable to it. Further, no undisputed amounts payable in respect of Goods and Services Tax, provident fund, income tax, cess and any other statutory dues were in arrears, as at March 31, 2023, for a period of more than six months from the date they become payable.
  - b) According to the information and explanations given to us, there are no statutory dues as referred to in subclause (a) above, except as stated below, which have not been deposited on account of any dispute.

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Forum where the Dispute is Pending</b>	<b>Period to which the Amount Relates</b>	<b>Amount Unpaid (in lakhs)</b>
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	AY 2018-19	25.67
		Commissioner of Income Tax (Appeals)	AY 2021-22	255.07

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
  - a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
  - b) The Company has not been declared wilful defaulter by any bank or financial institution or other lenders.

- c) In our opinion and according to the information and explanation given to us, the Company has utilized the money obtained by way term loans for the purpose for which they were obtained.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements 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 any subsidiaries, associates or joint ventures and hence, reporting under clause of (ix) (e) the Order is not applicable to the Company.
- f) The Company has not raised any loans on pledge of securities during the year and therefore reporting under clause (ix) (f) of the Order is not applicable to the Company.
- x. a) They have not raised money by way of initial public offer or further public offer (including debt instrument) during the year and therefore, reporting under clause (x) (a) of the Order is not applicable to the Company.
- b) During the year Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and therefore, reporting under clause (x) (b) of the Order is not applicable to the Company.
- xi. a) To the best of our knowledge and according to information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year;
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;
- c) According to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year.
- xii. The Company is not a Nidhi company and therefore, the reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business;
- b) The reports of internal auditors for the period under audit have been considered by us.

- 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 directors or persons connected with directors and therefore, reporting under clause (xv) of the Order is not applicable to the Company.
- xvi. a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.
- b) In our opinion and according to the information and explanations given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and therefore, reporting under this clause of the Order is not applicable to the 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due;
- xx. a) The company has not transferred the amount in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year till the date of our report. However, the time period for such transfer, has not elapsed till the date of our report.
- b) There are no amounts remaining unspent pursuant to ongoing projects in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

- xxi. The Company is not required to prepare consolidated financial statements and therefore, reporting under this clause of the Order is not applicable to the Company.

For **K C Mehta & Co LLP**  
Chartered Accountants  
Firm's Registration No. 106237W/W100829

**Chhaya M. Dave**  
Partner  
Membership No. 100434  
UDIN: 23100434BGXKNQ7113

Place: Vadodara  
Date: May 26, 2023

## **ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT**

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Chemcon Speciality Chemicals Limited** on the financial statements of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls with reference to financial statements of Chemcon Speciality Chemicals Limited (“the Company”) as of March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditors’ Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

## Meaning of Internal Financial Controls with reference to financial statements

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

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

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K C Mehta & Co LLP**

Chartered Accountants

Firm's Registration No. 106237W/W100829

**Chhaya M. Dave**

Partner

Membership No. 100434

UDIN: 23100434BGXKNQ7113

Place: Vadodara  
Date: May 26, 2023



# BALANCE SHEET

As at March 31, 2023

(In ₹ lacs)

Particular	Note No.	As at March 31, 2023	As at March 31, 2022
<b>I. ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property, Plant & Equipment	3.1	14,137.86	8,174.30
b) Capital Work-in-Progress	3.2	1,364.47	3,400.22
c) Right of Use - Assets	3.3	3.88	47.07
d) Intangible Assets	3.4	0.64	1.06
e) Financial Assets			
i) Other Financial Assets	4	8,404.29	91.98
f) Other Non-Current Assets	5	289.20	513.23
<b>Total Non-Current Assets</b>		<b>24,200.34</b>	<b>12,227.88</b>
<b>Current Assets</b>			
a) Inventories	6	7,904.58	3,462.21
b) Financial Assets			
i) Trade Receivables	7	6,760.33	10,249.05
ii) Cash and Cash Equivalents	8.1	4,444.21	3,585.23
iii) Bank Balances Other than ii) above	8.2	8,637.53	18,822.71
iv) Other Financial Assets	9	433.66	548.13
c) Current Tax Assets (net)	17.6	512.70	69.79
d) Other Current Assets	10	2,442.33	833.79
<b>Total Current Assets</b>		<b>31,135.34</b>	<b>37,570.92</b>
<b>TOTAL ASSETS</b>		<b>55,335.68</b>	<b>49,798.79</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	11	3,663.07	3,663.07
b) Other Equity	12	42,072.84	38,055.15
<b>Total Equity</b>		<b>45,735.91</b>	<b>41,718.22</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	13	73.16	60.22
ia) Lease Liabilities	14	-	19.00
ii) Other Financial Liabilities	15	82.71	206.77
b) Non-current Provisions	16	12.95	9.12
c) Deferred Tax Liabilities (Net)	17.7	305.55	29.84
<b>Total Non-Current Liabilities</b>		<b>474.37</b>	<b>324.96</b>
<b>Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	18	6,324.10	3,491.32
ia) Lease Liabilities	14	4.27	31.49
ii) Trade Payables	19		
- Total outstanding dues of micro and small enterprises		12.01	68.51
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,125.53	2,318.85
iii) Other Financial Liabilities	20	414.47	710.63
b) Other current Liabilities	21	243.10	981.84
c) Short term Provisions	22	1.92	1.30
d) Current Tax Liabilities (Net)	17.5	0.00	151.67
<b>Total Current Liabilities</b>		<b>9,125.40</b>	<b>7,755.61</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>55,335.68</b>	<b>49,798.79</b>

The accompanying Notes form an integral part of the Financial Statements

As per our report of even date

For **K C Mehta & Co LLP**  
Chartered Accountants  
Firm Registration No: 106237W/W100829

**Chhaya M. Dave**  
Partner  
Membership No. 100434

Place: Vadodara  
Date: May 26, 2023

For and on behalf of the Board of Directors  
**CHEMCON SPECIALITY CHEMICALS LIMITED**

**Kamalkumar Aggrawal**  
Chairman & Managing Director  
DIN: 00139199

**Rajesh Gandhi**  
Whole-time Director and CFO  
DIN: 03296784

**Navdeep Goyal**  
Deputy Managing Director  
DIN: 02604876

**Shahilkumar Kapatel**  
Company Secretary  
ACS: 52211

# Statement of Profit and Loss

For the financial year ended March 31, 2023

(In ₹ lacs)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
I. Revenue from Operations	23	30,288.47	25,711.11
II. Other Income	24	1,331.47	922.37
III. <b>Total Income (I+II)</b>		<b>31,619.94</b>	<b>26,633.49</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	25	18,740.68	11,665.14
Purchases of Stock-in-Trade		33.33	465.46
Changes in inventories of finished goods and work-in-progress	26	(1,199.63)	307.29
Employee Benefit expenses	27	2,052.11	1,911.46
Finance costs	28	148.86	56.94
Depreciation and Amortisation expenses	29	837.14	626.90
Other expenses	30	3,592.31	3,200.74
<b>Total expenses (IV)</b>		<b>24,204.79</b>	<b>18,233.94</b>
V. <b>Profit before tax (III-IV)</b>		7,415.14	8,399.55
VI. <b>Tax Expense:</b>	17		
a) Current tax			
- Current tax		1,743.45	2,159.95
- Taxes for earlier years		5.53	(12.83)
b) Deferred Tax (Credit)/Charge		155.15	(23.22)
<b>Total tax expense (VI)</b>		<b>1,904.14</b>	<b>2,123.89</b>
VII. <b>Profit for the year (V-VI)</b>		<b>5,511.01</b>	<b>6,275.66</b>
VIII. <b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified subsequently to Profit and Loss</b>			
Remeasurement of Gains/(Losses) on defined benefit Plans		(37.53)	(46.99)
Deferred tax		9.45	11.83
<b>Other Comprehensive Income(expense)/ income, Net of Tax (VIII)</b>		<b>(28.08)</b>	<b>(35.17)</b>
IX. <b>Total Comprehensive Income for the year (VII+VIII)</b>		5,482.92	6,240.50
X. <b>Earnings Per Equity Share</b>	39		
a) Basic (₹)		15.04	17.13
b) Diluted (₹)		15.04	17.13

The accompanying Notes form an integral part of the Financial Statements

As per our report of even date

For **K C Mehta & Co LLP**

Chartered Accountants

Firm Registration No: 106237W/W100829

For and on behalf of the Board of Directors

**CHEMCON SPECIALITY CHEMICALS LIMITED**

**Chhaya M. Dave**

Partner

Membership No. 100434

**Kamalkumar Aggrawal**

Chairman & Managing Director

DIN: 00139199

**Navdeep Goyal**

Deputy Managing Director

DIN: 02604876

Place: Vadodara

Date: May 26, 2023

**Rajesh Gandhi**

Whole-time Director and CFO

DIN: 03296784

**Shahilkumar Kapatel**

Company Secretary

ACS: 52211

## Statement of Changes in Equity

For the financial year ended March 31, 2023

### A. Equity Share Capital

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Equity Share Capital		
Balance at the beginning of the year	3,663.07	3,663.07
Changes in Equity Share Capital due to prior period errors	-	-
<b>Restated balance at the beginning of the year</b>	<b>3,663.07</b>	<b>3,663.07</b>
Changes during the year	-	-
<b>Balance at the end of the year</b>	<b>3,663.07</b>	<b>3,663.07</b>

### B. Other Equity

(In ₹ lacs)

Particulars	Reserves & Surplus		Total
	Securities Premium Reserve	Retained Earning	
<b>Balance as at April 1, 2021</b>	<b>14,612.52</b>	<b>17,093.74</b>	<b>31,706.26</b>
Changes in accounting policy or prior period errors	-	-	-
<b>Restated balance as at April 1, 2021</b>	<b>14,612.52</b>	<b>17,093.74</b>	<b>31,706.26</b>
Profit for the Year	-	6,275.66	6,275.66
Re-measurements of Defined Benefit Plans (Net of Tax)	-	(35.17)	(35.17)
Tax Adjustment on Share issue expenses	108.39	-	108.39
<b>Balance as at March 31, 2022</b>	<b>14,720.91</b>	<b>23,334.24</b>	<b>38,055.15</b>
Changes in accounting policy or prior period errors	-	-	-
<b>Restated balance as at March 31, 2022</b>	<b>14,720.91</b>	<b>23,334.24</b>	<b>38,055.15</b>
Profit for the Year	-	5,511.01	5,511.01
Re-measurements of Defined Benefit Plans (Net of Tax)	-	(28.08)	(28.08)
Dividend Paid on equity shares	-	(1,465.23)	(1,465.23)
Tax Adjustment on Share issue expenses	-	-	-
<b>Balance as at March 31, 2023</b>	<b>14,720.91</b>	<b>27,351.93</b>	<b>42,072.84</b>

The accompanying Notes form an integral part of the Financial Statements

As per our report of even date

For **K C Mehta & Co LLP**

Chartered Accountants

Firm Registration No: 106237W/W100829

For and on behalf of the Board of Directors

**CHEMCON SPECIALITY CHEMICALS LIMITED**

**Chhaya M. Dave**

Partner

Membership No. 100434

**Kamalkumar Aggrawal**

Chairman & Managing Director

DIN: 00139199

**Navdeep Goyal**

Deputy Managing Director

DIN: 02604876

Place: Vadodara

Date: May 26, 2023

**Rajesh Gandhi**

Whole-time Director and CFO

DIN: 03296784

**Shahilkumar Kapatel**

Company Secretary

ACS: 52211

# Statement of Cash Flows

For the financial year ended March 31, 2023

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	<b>7,415.14</b>	<b>8,399.55</b>
<b>Adjustment for:</b>		
Depreciation and Amortization expense	812.63	591.33
Depreciation on Right of use assets	24.51	35.57
(Gain)/Loss on disposal of Property, Plant and Equipment (Net)	(65.34)	30.88
Finance Cost	148.86	56.94
Interest received from Banks/ Others	(943.65)	(814.73)
Expected Credit Loss Allowance	-	-
Unrealised exchange rate difference (net)	(57.34)	(40.36)
<b>Operating Profit before Working Capital Changes</b>	<b>7,334.81</b>	<b>8,259.19</b>
<b>Adjustment for:</b>		
Change in Trade receivables	3,529.47	(745.40)
Change in Other Non-current financial assets	(0.02)	(42.03)
Change in Other current financial assets	114.47	(148.35)
Change in Other assets	(1,631.35)	(375.76)
Change in Inventories	(4,442.37)	2,434.93
Change in Trade payables	(247.90)	133.27
Change in Other current financial liabilities	(296.16)	(134.11)
Change in Other Non-current financial liabilities	(124.06)	(289.48)
Change in Other current liabilities and provisions	(749.00)	629.98
<b>Cash generated/(used) from Operations</b>	<b>3,487.89</b>	<b>9,722.25</b>
Less: Income tax paid/(Refund) (including TDS) (net)	2,213.56	2,309.53
<b>Net Cash generated/(used) from Operating Activities (A)</b>	<b>1,274.33</b>	<b>7,412.71</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment, Investment Property & Intangibles and Capital Advances	(4,619.71)	(5,008.57)
Decrease/(increase) in bank balances not considered as cash and cash equivalents (net)	10,185.18	(9,073.77)
Term deposits with maturity more than 12 months	(8,312.29)	3,980.00
Sale proceeds of Property, Plant & Equipment	169.08	32.84
Interest received from Banks/ Others	943.65	814.73
<b>Net Cash generated/(used) in Investing Activities (B)</b>	<b>(1,634.09)</b>	<b>(9,254.78)</b>

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost	(146.62)	(48.96)
Dividend Paid	(1,465.23)	-
Proceeds/(Repayment) of Short-term Borrowings	2,959.89	3,317.15
Proceeds of Long-term Borrowings	70.00	60.00
(Repayment) of Long-term Borrowings	(184.18)	(310.80)
Payments of interest portion of lease liabilities	(2.23)	(7.99)
Payments of principal portion of lease liabilities	(27.55)	(27.59)
<b>Net Cash generated/(used) in Financing Activities (C)</b>	<b>1,204.08</b>	<b>2,981.81</b>
Net (Decrease)/ Increase in Cash & Cash Equivalents (A) + (B) + (C)	844.32	1,139.74
Effect of exchange rate changes on cash and cash equivalents	14.66	9.48
Cash & Cash Equivalents at the beginning of the year	3,585.23	2,436.00
<b>Cash &amp; Cash Equivalents at the end of the year (Refer Note: 8.1)</b>	<b>4,444.21</b>	<b>3,585.23</b>

The accompanying Notes form an integral part of the Financial Statements

a) Cash & Cash Equivalents comprises of: -

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with Banks	4,439.84	3,580.83
Cash on hand	4.37	4.39
<b>Total</b>	<b>4,444.21</b>	<b>3,585.23</b>

As per our report of even date

**For K C Mehta & Co LLP**

Chartered Accountants

Firm Registration No: 106237W/W100829

For and on behalf of the Board of Directors

**CHEMCON SPECIALITY CHEMICALS LIMITED**

**Chhaya M. Dave**

Partner

Membership No. 100434

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Chairman & Managing Director

DIN: 00139199

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Deputy Managing Director

DIN: 02604876

Place: Vadodara

Date: May 26, 2023

**Rajesh Gandhi**

Whole-time Director and CFO

DIN: 03296784

**Shahilkumar Kapatel**

Company Secretary

ACS: 52211

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

### 1. COMPANY INFORMATION

Chemcon Speciality Chemicals Limited ("the Company") is a Public limited company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange in India Limited (NSE). The Company is registered with the ROC, Gujarat, Dadra and Nagar Haveli at Ahmedabad under having Corporate Identification number (CIN) L24231GJ1988PLC011652. The Registered office of the Company is located at Block No 355, Manjusar Kunpad Road Vill: Manjusar, Tal:Salvi Baroda Gujarat.

The Company is in pharmaceutical intermediates, Agro Chemicals and Oilfield Chemicals (Completion Fluids) Industry. The company is leading manufacturer of specialised chemicals, such as HMDS and CMIC which are predominantly used in the pharmaceuticals industry, Bromobenzene used as agrochemical intermediates and inorganic bromides, predominantly used as completion fluids in the oilfield industry.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1. Basis of preparation and Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time).

The financial statements are prepared, on a historical cost basis except for certain assets and liabilities which are measured at fair value at the end of each reporting period; as explained in the accounting policies below. These accounting policies have been applied consistently over all periods presented in these financials statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Financial Statements are presented in Indian Rupees which is Company's presentation and functional currency and all values are rounded to the nearest lacs (up to two decimals) except when otherwise indicated

#### Application of Indian Accounting Standards

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

### **New Standards/ amendments and other changes effective April 1,2022 or thereafter**

Ministry of Corporate Affairs notifies new standard or amendments to the existing standards. During the year, no new standard or modifications in existing standards have been notified which will be applicable from April 1, 2022, or thereafter.

### **New Standards/ amendments and other changes effective April 1, 2023**

#### **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

#### **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning, restoration and similar obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

#### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

## **2.2. Fair Value Measurement**

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### **2.3. Property Plant and Equipment (PPE)**

Property, Plant & Equipment (PPE) comprises of Tangible assets and Capital Work in progress. PPE are stated at cost, less accumulated depreciation and accumulated impairment losses, if any; until the date of the Balance Sheet. The cost of PPE comprises of its purchase price or its construction cost (net of eligible applicable tax credit, if any), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management and decommissioning costs. Direct costs are capitalized until the asset is ready for use and includes borrowing cost capitalized in accordance with the Company's accounting policy.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Depreciation of these PPE commences when the assets are ready for their intended use.

Freehold Land is not depreciated. Depreciation on PPE other than Land has been provided on Straight line method over the useful lives of the assets as per Schedule II to the Companies Act



Useful lives of each class of PPE as prescribed under Part C of Schedule II to the Companies Act, 2013:

<b>Class of Assets</b>	<b>Range of useful life</b>
Building	03 – 60 Years
Plant and Equipment	10 – 20 Years
Furniture and Fixtures	10 Years
Vehicles	08 Years
Office Equipment	05 Years
Computers	03 Years

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

#### **2.4. Intangible Assets and Amortisation**

Intangible assets with finite useful life acquired separately, are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets including Computer software are amortized on straight-line basis over a period of three years.

The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

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

## 2.5. Impairment of tangible assets and intangible assets

The Company reviews at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. If at the reporting period, there is an indication that there is change in the previously assessed impairment loss, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognized earlier may no longer exist or may have decreased. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the Statement of Profit and Loss.

## 2.6. Inventories

The inventories are valued at cost or net realizable value whichever is lower. The basis of determining the value of each class of inventory is as follows:

Inventories	Cost Formula
Raw material	First in first out basis
Raw Material (Goods in transit)	At invoice value
Work in Progress	Raw material, labour and appropriate proportion of manufacturing expenses and overheads as per stage of completion.
Finished Goods (Including in Transit)	Raw material, labour and appropriate proportion of manufacturing expenses and overheads.
Stores, spares, packing materials	First in first out basis

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished

products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

## **2.7. Revenue recognition**

The Company earns revenue primarily from sale of products and sale of services.

### **Sale of Products and Services**

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract and represents amounts receivable for goods and services provided in the normal course of business, net off Goods and Services Tax (GST), etc. Any retrospective revision in prices is accounted for in the year of such revision.

### **Interest Income:**

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

### **Export Incentives and Other Income:**

Export Incentives and Other Income is recognized on accrual basis except when realisation of such income is uncertain.

### **Insurance Claim:**

Insurance and other claims are recognised only when it is reasonably certain that the ultimate collection will be made.

## **2.8. Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, 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 as a Lessee:**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these

short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## **2.9. Foreign Currency Transactions**

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which the Company operates.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using closing exchange rate prevailing on the last day of the reporting period.

Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

Non-monetary items denominated in foreign currency, (such as PPE, capital/revenue advances other than expected to be settled in cash etc.) are recorded at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

## 2.10. Employee Benefits

### Short-term employee Benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised, undiscounted, during the period the employee renders services. These benefits include salary, wages, bonus, performance incentives etc.

Post-Employment Benefits and Other Long Term Employee Benefits

### Defined contribution plans

Contributions to defined contribution schemes such as provident fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

### Defined benefit plans

The liabilities towards defined benefit schemes are determined using the Projected Unit Credit method. Actuarial valuations under the Projected Unit Credit method are carried out at the balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by plan assets.

### Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at present value of the defined benefit obligation at the balance sheet date.

### Remeasurements:

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which it occurs. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements in respect of other long-term benefits are recognised in the Statement of Profit and Loss.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service cost comprising current service cost, past-service cost, gains and losses on curtailments and nonroutine settlements; and
- Net interest expense or income

Past service cost is recognised in profit or loss on the earlier of.

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring cost

## 2.11. Taxes on Income

Income tax expense represents the sum of the current tax and deferred tax.

### Current tax

The tax currently payable is based on taxable profit for the year.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements 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 to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting 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 deferred tax asset to be utilized.

Deferred tax liabilities and assets 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 end of the reporting period.

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance

sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **Current and deferred tax expense for the year / period**

Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## **2.12. Borrowing Costs**

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings.

General and specific borrowing costs attributable to acquisition and construction of qualifying assets is added to the cost of the assets upto the date 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. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

## **2.13. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

## 2.14. Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. However, Trade receivables that do not contain a significant financing component are measured at transaction price.

### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### **(i) Financial assets**

##### **Cash and bank balances**

Cash and bank balances consist of:

Cash and cash equivalents - which includes cash in hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

##### **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **Financial assets measured at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



### **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition.

### **Impairment of financial assets**

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

### **De-recognition of financial assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of profit and loss.

## **(ii) Financial liabilities and equity instruments**

### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### **Equity instruments**

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

## **Financial Liabilities**

Trade and other payables are initially measured at fair value, net of directly attributable costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

## **De-recognition of financial liabilities**

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

## **Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously

### **2.15. Earnings per share**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving the basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### **2.16. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

### **2.17. Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits, which are subject to insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined above.

### **2.18. Segment reporting**

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems.

## 2.19. Current/non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is Expected to be settled in normal operating cycle
- It is Held primarily for the purpose of trading
- is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash Equivalents. The Company has identified twelve months as its operating cycle.

## 2.20. Critical accounting judgements, assumptions and Key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key source of judgments, assumptions and estimates in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of Property, Plant and

Equipment, impairment, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets & liabilities.

## **2.21. Critical judgments in applying accounting policies**

The following are the critical judgements, apart from those involving estimations (Refer note 2.23), that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

### **(i) Determining whether an arrangement contain leases and classification of leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

### **(ii) Evaluation of indicators for impairment of Property, Plant and Equipment**

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

## **2.22. Key sources of estimates and assumptions**

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

### **(i) Defined benefit obligation (DBO)**

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies

consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

**(ii) Contingent Liabilities and Assets**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

**(iii) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

**(iv) Allowance for impairment of trade receivables**

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

**(v) Useful lives of Property, Plant and Equipment/Intangible Assets**

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The

depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

**(vi) Income taxes**

The Company uses estimates and judgements based on the relevant facts, circumstances, present and past experience, rulings, and new pronouncements while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

### 3.1 PROPERTY, PLANT & EQUIPMENT

(In ₹ lacs)

Particulars	Property, Plant & Equipment							Total
	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer	
<b>Gross Carrying Amount</b>								
<b>As at April 1, 2021</b>	1,625.67	1,690.31	4,488.62	226.73	940.04	140.97	24.57	9,136.91
Additions during the year	5.92	955.43	1,194.56	0.69	109.46	11.31	4.29	2,281.65
Disposal/Adjustment during the year	-	-	(15.11)	(27.33)	(98.79)	(79.93)	(0.66)	(221.83)
<b>As at March 31, 2022</b>	1,631.60	2,645.74	5,668.06	200.09	950.70	72.34	28.19	11,196.73
<b>As at April 1, 2022</b>	1,631.60	2,645.74	5,668.06	200.09	950.70	72.34	28.19	11,196.73
Additions during the year	2,412.73	562.58	3,669.57	0.19	218.89	8.72	6.35	6,879.02
Disposal/Adjustment during the year	-	(31.72)	(64.46)	(4.53)	(156.26)	-	-	(256.97)
<b>As at March 31, 2023</b>	4,044.33	3,176.61	9,273.16	195.75	1,013.33	81.06	34.55	17,818.78
<b>Depreciation</b>								
<b>As at April 1, 2021</b>	-	233.14	1,832.79	94.90	304.14	105.26	19.59	2,589.83
Provided for the year	-	98.40	351.33	18.37	111.14	9.41	2.05	590.70
Disposal/Adjustment during the year	-	-	(11.44)	(25.96)	(49.35)	(70.80)	(0.55)	(158.10)
<b>As at March 31, 2022</b>	-	331.54	2,172.69	87.32	365.93	43.87	21.10	3,022.43
<b>As at April 1, 2022</b>	-	331.54	2,172.69	87.32	365.93	43.87	21.10	3,022.43
Provided for the year	-	130.35	531.02	18.16	118.25	9.54	4.39	811.72
Disposal/Adjustment during the year	-	(9.56)	(52.78)	(4.30)	(86.59)	-	-	(153.23)
<b>As at March 31, 2023</b>	-	452.33	2,650.93	101.18	397.59	53.41	25.49	3,680.92
<b>Net Carrying Amount</b>								
As at March 31, 2022	1,631.60	2,314.20	3,495.37	112.78	584.77	28.48	7.10	8,174.30
<b>As at March 31, 2023</b>	4,044.33	2,724.28	6,622.24	94.58	615.74	27.65	9.06	14,137.86

**Notes:**

- 1) Refer note 18 for information on property, plant and equipment given as security.
- 2) The title deeds of all the immovable properties are held in the name of the Company.

### 3.2 CAPITAL WORK-IN-PROGRESS

#### a) Capital Work-in-Progress (CWIP) Ageing Schedule as at March 31, 2023

(In ₹ lacs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Year	2-3 Year	More than 3 years	
(i) Projects in progress	370.79	993.67	-	-	1,364.47
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>370.79</b>	<b>993.67</b>	<b>-</b>	<b>-</b>	<b>1,364.47</b>

#### b) Capital Work-in-Progress (CWIP) Ageing Schedule as at March 31, 2022

(In ₹ lacs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Year	2-3 Year	More than 3 years	
(i) Projects in progress	2,982.65	417.58	-	-	3,400.22
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2,982.65</b>	<b>417.58</b>	<b>-</b>	<b>-</b>	<b>3,400.22</b>

#### c) There are no projects whose completion is overdue or has exceeded the cost compared to its original budget as at March 31, 2023

#### d) Capital Work-in-Progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022

(In ₹ lacs)

Particulars	To be Completed in				Total
	Less than 1 year	1-2 Year	2-3 Year	More than 3 years	
(i) Project P-8 and P-9 along with Utility	2,500.91	-	-	-	2,500.91
<b>Total</b>	<b>2,500.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500.91</b>

The delay in completion of the above projects was mainly due to the pandemic situation which was prevailing in the past two years.



### 3.3 RIGHT-OF-USE ASSETS

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Opening Gross Carrying Amount</b>	<b>130.56</b>	<b>232.05</b>
Addition during the year	-	46.61
Deductions during the year	(36.15)	(148.10)
<b>Closing Gross Carrying Amount</b>	<b>94.41</b>	<b>130.56</b>
<b>Opening Accumulated depreciation</b>	<b>83.48</b>	<b>90.08</b>
Depreciation expense for the year	24.51	35.57
Less: Disposals during the year	(17.47)	(42.17)
<b>Closing Accumulated depreciation</b>	<b>90.52</b>	<b>83.48</b>
<b>Net Carrying Amount</b>	<b>3.88</b>	<b>47.07</b>

### 3.4 INTANGIBLE ASSETS

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Computer Software</b>		
<b>Opening Gross Carrying Amount</b>	<b>3.11</b>	<b>3.11</b>
Addition during the year	0.48	-
Deductions during the year	-	-
<b>Closing Gross Carrying Amount</b>	<b>3.59</b>	<b>3.11</b>
<b>Opening Accumulated amortisation</b>	<b>2.05</b>	<b>1.42</b>
Amortisation expense for the year	0.91	0.63
Less: Disposals during the year	-	-
<b>Closing Accumulated amortisation</b>	<b>2.96</b>	<b>2.05</b>
<b>Net Carrying Amount</b>	<b>0.64</b>	<b>1.06</b>

### 4. OTHER FINANCIAL ASSETS

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, Considered Good)</b>		
Security deposits for utilities and premises	92.00	91.98
Bank deposits balances with banks		-
- Earmarked *	7,312.29	
- Others	1,000.00	-
<b>Total</b>	<b>8,404.29</b>	<b>91.98</b>

\* The Company has Lien above deposits with the bank as margin money for Bank guarantee, Letter of Credit, Working capital facility, Term Loan and Overdraft against Fixed deposit facility.

## 5. OTHER NON-CURRENT ASSETS

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, Considered Good)</b>		
Capital Advances	289.20	513.23
<b>Total</b>	<b>289.20</b>	<b>513.23</b>

## 6. INVENTORIES

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(Valued at lower of Cost and net Realisable value)</b>		
Raw Materials	3,503.67	1,557.33
Goods in Transit (Raw Materials)	1,804.12	788.66
Packing Material	34.71	17.91
Work-in-progress	635.75	328.60
Finished goods	1,194.13	287.60
Goods in Transit (Finished goods)	389.12	403.17
Other (Fuel)	15.83	19.93
Consumables and Stores	327.25	59.02
<b>Total</b>	<b>7,904.58</b>	<b>3,462.21</b>

- 1) Refer note 18 for information on Inventories given as security.
- 2) Carrying value as at March 31, 2023 of Raw Materials is net of provision of Rs. 0.13 lacs (PY Rs. 114.14 Lacs) towards slow moving and non-moving stock and is included in cost of material consumed in Statement of Profit and Loss.
- 3) Carrying value as at March 31, 2023 of Finished goods is net of provision of Rs. 58.93 lacs (PY Rs. 159.67 Lacs) towards slow moving and non-moving stock and is included in changes in inventories in Statement of Profit and Loss.

## 7. TRADE RECEIVABLES

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>From Related Parties</b>		
Considered good – Unsecured (Refer Note 35)	188.70	222.07
<b>From Others</b>		
Considered good - Secured	-	-
Considered good - Unsecured	6,584.18	10,039.53
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables – credit impaired	-	-
<b>Total</b>	<b>6,772.88</b>	<b>10,261.60</b>
Less: Allowance for expected credit losses (Refer Note 7.1)	12.55	12.55
<b>Total</b>	<b>6,760.33</b>	<b>10,249.05</b>

1) Refer note 18 for information on Trade Receivables given as security.

### 7.1 Movement in Expected Credit Loss Allowance:

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at beginning of the year</b>	12.55	12.55
Movement in Expected Credit Loss Allowance on trade receivables calculated at lifetime expected credit losses	-	-
<b>Balance at end of the year</b>	<b>12.55</b>	<b>12.55</b>

## 7.2 Trade Receivable Ageing Schedule as at March 31, 2023

(In ₹ lacs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months-1 Year	1-2 Year	2-3 Year	More than 3 years	
i) Undisputed Trade receivables - considered good	3,560.85	2,634.70	141.39	435.94	-	-	6,772.88
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) -Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>3,560.85</b>	<b>2,634.70</b>	<b>141.39</b>	<b>435.94</b>	<b>-</b>	<b>-</b>	<b>6,772.88</b>
Less: Allowance for expected credit losses							12.55
<b>Total</b>							<b>6,760.33</b>

### 7.3 Trade Receivable Ageing Schedule as at March 31, 2022

(In ₹ lacs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months-1 Year	1-2 Year	2-3 Year	More than 3 years	
i) Undisputed Trade receivables - considered good	6,406.08	3,412.68	437.33	3.30	2.20		10,261.60
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>6,406.08</b>	<b>3,412.68</b>	<b>437.33</b>	<b>3.30</b>	<b>2.20</b>	<b>-</b>	<b>10,261.60</b>
Less: Allowance for expected credit losses							12.55
<b>Total</b>							<b>10,249.05</b>

## 8. CASH AND CASH EQUIVALENTS & OTHER BANK BALANCES

### 8.1 Cash & Cash Equivalents

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance with Banks:</b>		
- In Current Accounts	3.85	4.93
- In Cash Credit Accounts	3,729.88	3,002.78
- In Exchange earners' foreign currency account (EEFC) Account	706.12	573.13
Cash in hand	4.37	4.39
<b>Sub-Total (A)</b>	<b>4,444.21</b>	<b>3,585.23</b>

### 8.2 Other Bank Balances

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
- In CSR Unspent Account (earmarked for CSR spend)	5.00	5.00
- In Unpaid dividend Accounts (earmarked for Dividend)	0.66	-
- Short-term bank deposit (Earmarked) *	7,027.35	11,155.47
- Short-term bank deposit	1,604.52	7,662.24
<b>Sub-Total (B)</b>	<b>8,637.53</b>	<b>18,822.71</b>
<b>Total (A+B)</b>	<b>13,081.74</b>	<b>22,407.93</b>

\* The Company has Lien above deposits with the bank as margin money for Bank guarantee, Letter of Credit, Working capital facility, Term Loan and Overdraft against Fixed deposit facility.

## 9. OTHER FINANCIAL ASSETS

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, Considered Good)</b>		
Interest Accrued on Fixed Deposits	413.39	538.03
Other Receivables	20.27	10.10
<b>Total</b>	<b>433.66</b>	<b>548.13</b>

## 10. OTHER CURRENT ASSETS

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, Considered Good)</b>		
Advances to suppliers	357.52	675.84
Advances to Employees	6.29	0.76
Balances with Revenue Authorities	2,001.81	50.01
Prepaid Expenses	76.71	79.84
Pre-Spent Corporate Social Responsibilities (CSR) Expense (Refer Note 38)	-	4.52
Gratuity (Refer Note 33.2)	-	22.82
<b>Total</b>	<b>2,442.33</b>	<b>833.79</b>

## 11. EQUITY SHARE CAPITAL

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised Capital</b>		
As at March 31, 2023: 500 Lacs Equity Shares of Rs. 10/- each	5,000.00	5,000.00
As at March 31, 2022: 500 Lacs Equity Shares of Rs. 10/- each		
<b>Issued, Subscribed &amp; Fully Paid-up Capital</b>		
As at March 31, 2023: 366.31 Lacs Equity Shares of Rs. 10/- each fully paid up	3,663.07	3,663.07
As at March 31, 2022: 366.31 Lacs Equity Shares of Rs. 10/- each fully paid up		
<b>Total Share Capital</b>	<b>3,663.07</b>	<b>3,663.07</b>

### a) Reconciliation of the number of Equity shares

(No of shares in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Equity Share Capital</b>		
Balance at the beginning of the year	366.31	366.31
Changes in equity share capital during the year		
Add: Issued during the year	-	-
<b>Balance at the end of the year</b>	<b>366.31</b>	<b>366.31</b>

**b) Rights, Preferences & Restrictions of each class of shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Particulars of shares issued/allotted as fully paid-up by way of consideration other than cash during the period of five years immediately preceding the reporting date**

The Company had allotted 238.33 Lacs number of fully paid Bonus shares on November 3, 2018, in the ratio of three equity share of Rs. 10 each fully paid up for everyone existing equity shares of Rs. 10 each fully paid up.

**d) Details of Equity Shareholders holding more than 5% shares in the company:**

(No of shares in Lacs)

Sr No.	Particulars	As at March 31, 2023		As at March 31, 2022	
		% of Holding	No of Shares	% of Holding	No of Shares
1.	Kamal Rajendra Aggarwal	26.42%	96.77	26.42%	96.77
2.	Naresh Vijaykumar Goyal	8.29%	30.36	8.29%	30.36
3.	Navdeep Goyal & Shubhangana Goyal *	17.02%	62.34	17.02%	62.34
4.	Rajveer Kamal Aggarwal	6.91%	25.33	6.91%	25.33
5.	Shubhangana Naresh Goyal	5.40%	19.79	5.40%	19.79
6.	Navdeep Naresh Goyal	6.48%	23.75	6.48%	23.75
8.	Kamal Aggarwal & Rajveer Aggarwal *	1.39%	5.10	1.39%	5.10
<b>Total</b>		<b>71.91%</b>	<b>263.43</b>	<b>71.91%</b>	<b>263.43</b>

\* Joint Holding

**e) Details of Equity Shareholders holding of Promoters**

(No of shares in Lacs)

Sr No.	Particulars	As at March 31, 2023			As at March 31, 2022		
		% of Holding	No of Shares	% Change during the year	% of Holding	No of Shares	% Change during the year
1.	Kamal Rajendra Aggarwal	26.42%	96.77	0.00%	26.42%	96.77	0.00%
2.	Navdeep Goyal & Shubhangana Goyal *	17.02%	62.34	0.00%	17.02%	62.34	0.00%
3.	Shubhangana Naresh Goyal	5.40%	19.79	0.00%	5.40%	19.79	0.00%
4.	Navdeep Naresh Goyal	6.48%	23.75	0.00%	6.48%	23.75	0.00%
5.	Kamal Aggarwal & Rajveer Aggarwal *	1.39%	5.10	0.00%	1.39%	5.10	1.39%
<b>Total</b>		<b>56.71%</b>	<b>207.74</b>		<b>56.71%</b>	<b>207.74</b>	

\* Joint Holding



## 12. OTHER EQUITY

(In ₹ lacs)

Particulars	Reserves & Surplus		Total
	Securities Premium	Retained Earning	
<b>Balance as at April 1, 2021</b>	<b>14,612.52</b>	<b>17,093.74</b>	<b>31,706.26</b>
Profit for the Year	-	6,275.66	6,275.66
Re-measurements of Defined Benefit Plans (Net of Tax)	-	(35.17)	(35.17)
Tax Adjustment on Share issue expenses*	108.39	-	108.39
<b>Balance as at March 31, 2022</b>	<b>14,720.91</b>	<b>23,334.24</b>	<b>38,055.15</b>
Profit for the Year	-	5,511.01	5,511.01
Re-measurements of Defined Benefit Plans (Net of Tax)	-	(28.08)	(28.08)
Dividend Paid on equity shares	-	(1,465.23)	(1,465.23)
Tax Adjustment on Share issue expenses *	-	-	-
<b>Balance as at March 31, 2023</b>	<b>14,720.91</b>	<b>27,351.93</b>	<b>42,072.84</b>

\* Tax Adjustment on Share issue expenses incurred in financial year ended March 31, 2021.

- A) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- B) **Re-measurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.
- C) **Securities Premium:** These reserves are created by the company on premium arising out of public issue adjusted against all issue related expenses. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

## 13. BORROWINGS

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
<b>Term Loans:</b>		
- From Banks	112.50	218.68
- From Financial institutions	7.72	15.72
	<b>120.22</b>	<b>234.40</b>
Less: Current Maturities of Long term Borrowings	47.06	174.18
<b>Total</b>	<b>73.16</b>	<b>60.22</b>

### 13.1 Nature of security for long term secured borrowings including current maturities

(In ₹ lacs)

Term Loan	Nature of Security	Current maturities of each loan	Amount loan outstanding
		Current Year	Current Year
		(Previous Year)	(Previous Year)
<b>From Bank</b>			
<b>A. HDFC Bank Limited</b>			
Vehicle Loan - I	Loans is secured by hypothecation of the respective vehicle	- (2.11)	- (2.11)
Vehicle Loan - II	Loans is secured by hypothecation of the respective vehicle	- (0.87)	- (0.87)
Vehicle Loan - III	Loans is secured by hypothecation of the respective vehicle	- (21.91)	- (21.91)
Vehicle Loan - IV	Loans is secured by hypothecation of the respective vehicle	6.37 (14.39)	6.37 (20.76)
Vehicle Loan - V	Loans is secured by hypothecation of the respective vehicle	7.48 (6.97)	19.01 (25.98)
Vehicle Loan - VI	Loans is secured by hypothecation of the respective vehicle	7.48 (6.97)	19.01 (25.98)
Property Loan	Property Loan secured by way of Equitable Mortgage of property	8.12 (22.50)	8.12 (30.62)
Term Loan	1st Exclusive charge by the way of lien over fixed Deposits upto 110% of the limit amount parked with HDFC Bank Ltd	- (61.93)	- (61.93)
<b>B. YES Bank</b>			
Vehicle Loan - I	Loans is secured by hypothecation of the respective vehicle	- (28.52)	- (28.52)
<b>C. Bank of Baroda Bank</b>			
Vehicle Loan - I	Loans is secured by hypothecation of the respective vehicle	12.82 -	60.00 -
<b>From Financial institutions</b>			
<b>D. Kotak Mahindra Prime Ltd</b>			
Vehicle Loan - I	Loans is secured by hypothecation of the respective vehicle	4.80 (8.00)	7.72 (15.72)
<b>Total</b>	Current Year (CY)	<b>47.06</b>	<b>120.22</b>
	Previous Year (PY)	<b>(174.18)</b>	<b>(234.40)</b>

**13.2 The terms of repayment of the above loans are as follows:**

Term Loan	Rate of Interest	No of Monthly Instalments	No. of Instalments due after balance sheet date		Maturity Date
			Current Year	(Previous Year)	
<b>From Bank</b>					
<b>A. HDFC Bank Limited</b>					
Vehicle Loan - I	8.50%	48	-	(3.00)	07-06-2022
Vehicle Loan - II	9.50%	48	-	(6.00)	05-09-2022
Vehicle Loan - III	8.00%	60	-	(12.00)	07-03-2023
Vehicle Loan - IV	8.50%	60	5.00	(17.00)	05-08-2023
Vehicle Loan - V	7.05%	48	29.00	(41.00)	07-08-2025
Vehicle Loan - VI	7.05%	48	29.00	(41.00)	07-08-2025
Property Loan	12.00%	120	4.00	(16.00)	07-07-2023
Term Loan	5.90%	14 quarterly instalments post 18 Months moratorium period	-	(1.00)	24-04-2022
<b>B. YES Bank</b>					
Vehicle Loan - I	9.50%	37	-	(6.00)	15-09-2022
<b>C. Bank of Baroda Bank</b>					
Vehicle Loan - I	7.15%	60	50.00	-	04-05-2027
<b>From Financial institutions</b>					
<b>D. Kotak Mahindra Prime Ltd</b>					
Vehicle Loan - I	Variable	60	30.00	(42.00)	01-09-2025

#### 14. LEASE LIABILITIES

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-Current:</b>		
Lease Liabilities (Refer Note 40)	-	19.00
<b>Total</b>	<b>-</b>	<b>19.00</b>
<b>Current:</b>		
Lease Liabilities (Refer Note 40)	4.27	31.49
<b>Total</b>	<b>4.27</b>	<b>31.49</b>

#### 15. OTHER FINANCIAL LIABILITIES

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Creditor for capital goods	82.71	206.77
<b>Total</b>	<b>82.71</b>	<b>206.77</b>

#### 16. NON-CURRENT PROVISIONS

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Provision for Employee Benefits</b>		
- Gratuity	-	-
- Compensated absences	12.95	9.12
<b>Total</b>	<b>12.95</b>	<b>9.12</b>

#### 17. CURRENT AND DEFERRED TAX

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

##### 17.1 Income tax expense recognised in the Statement of Profit and Loss:

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>i) Current tax</b>		
Current tax on profit for the year	1,743.45	2,159.95
Adjustments for current tax of prior periods	5.53	(12.83)
<b>Total current tax expense</b>	<b>1,748.99</b>	<b>2,147.11</b>
<b>ii) Deferred tax</b>		
(Decrease)   Increase in deferred tax liabilities	97.58	24.00
Decrease   (Increase) in deferred tax assets	57.57	(47.22)
<b>Total deferred tax expense   (benefit)</b>	<b>155.15</b>	<b>(23.22)</b>
<b>Total tax expense</b>	<b>1,904.14</b>	<b>2,123.89</b>

### 17.2 Income tax expense recognised in the other comprehensive income (OCI):

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>i) Deferred tax</b>		
Premeasurement gain   (loss) on defined benefit plans	(9.45)	(11.83)
<b>Total deferred tax expense   (benefit)</b>	<b>(9.45)</b>	<b>(11.83)</b>

### 17.3 Income tax expense recognised in the Other Equity:

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>i) Current tax</b>		
Expense   (benefit) on Share Issue Expenses	(130.00)	(4.89)
<b>ii) Deferred tax</b>		
(Decrease   (Increase) in deferred tax assets on Share Issue Expenses	130.00	(103.50)
<b>Total Tax Expense   (Benefit)</b>	<b>-</b>	<b>(108.39)</b>

### 17.4 The Income Tax Expense for the Year can be Reconciled to the Accounting Profit as Follows:

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Profit before tax	7,415.14	8,399.55
2. Income tax rate (%) applicable to the Company	25.17%	25.17%
3. Income tax expense calculated	1,866.24	2,114.00
<b>Adjustments:</b>		
Expenses not allowed in Income Tax	42.82	34.95
Effect of recognition of Prior year tax	5.53	(12.26)
Other Adjustments	(10.46)	(12.80)
4. Total effect of tax adjustments	37.89	9.89
5. Income Tax recognised in Statement of Profit and Loss (3+4)	1,904.14	2,123.89
6. Effective tax Rate	25.68%	25.29%

## 17.5 Current Tax Liabilities

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Opening Balance</b>	151.67	306.14
Income tax (paid)/Refund (including Advance Tax, TDS, TCS) (Net)	(162.72)	(2,309.53)
Income tax payable for the year	-	2,155.06
Income tax provision (Reversal)/Charge of earlier years	11.05	-
<b>Net Current Income Tax Liabilities at the end</b>	<b>-</b>	<b>151.67</b>

## 17.6 Current Tax Assets

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Opening Balance</b>	69.79	56.96
Income tax paid/(Refund) (including Advance Tax, TDS, TCS) (Net)	2,056.41	-
Income tax payable for the year	(1,613.00)	-
Income tax provision Reversal/(Charge) of earlier years	(0.05)	12.83
<b>Net Current Income Tax Assets at the end</b>	<b>512.70</b>	<b>69.79</b>

## 17.7 Deferred Tax Liabilities/(Assets)

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred Tax Liability</b>		
Temporary difference in the carrying amount of property, plant and equipment	363.83	266.25
<b>Net Deferred Tax Liability (A)</b>	<b>363.83</b>	<b>266.25</b>
<b>Deferred Tax Asset</b>		
Lease Transaction	0.10	1.04
Provision for doubtful debts	3.16	3.16
Provision for slow moving and non-moving inventory	14.86	68.91
Expenses allowed on payment basis	3.74	(3.12)
On Account of Preliminary Expenses	36.42	166.42
<b>Net Deferred Tax Assets (B)</b>	<b>58.28</b>	<b>236.41</b>
<b>Net Deferred Tax Liability/(Assets) (A-B)</b>	<b>305.55</b>	<b>29.84</b>

## 17.8 Movement in Deferred Tax Liabilities/(Assets)

The movement in deferred tax balances for the year ended March 31, 2023, is as follows:

(In ₹ lacs)

Particulars	Balance as at April 1, 2022	Recognized in statement of profit and loss	Recognized in OCI   Equity	Balance as at March 31, 2023
<b>Deferred tax liability (gross)</b>				
Temporary difference in the carrying amount of property, plant and equipment	266.25	97.58	-	363.83
<b>Total deferred tax liabilities (A)</b>	<b>266.25</b>	<b>97.58</b>	<b>-</b>	<b>363.83</b>
<b>Deferred Tax Asset (gross)</b>				
Lease Transaction	1.04	(0.94)	-	0.10
Provision for doubtful debts	3.16	-	-	3.16
Provision for slow moving and non-moving inventory	68.91	(54.05)	-	14.86
Expenses allowed on payment basis	(3.12)	(2.58)	9.45	3.74
On Account of Preliminary Expenses	-	-	-	-
On Account of Share Issue Expenses	166.42	-	(130.00)	36.42
<b>Total deferred tax assets (B)</b>	<b>236.41</b>	<b>(57.57)</b>	<b>(120.55)</b>	<b>58.28</b>
<b>Net Deferred Tax Liability/(Assets) (A-B)</b>	<b>29.84</b>	<b>155.15</b>	<b>120.55</b>	<b>305.55</b>

The movement in deferred tax balances for the year ended March 31, 2022, is as follows:

(In ₹ lacs)

Particulars	Balance as at April 1, 2021	Recognized in statement of profit and loss	Recognized in OCI   Equity	Balance as at March 31, 2022
<b>Deferred tax liability (gross)</b>				
Temporary difference in the carrying amount of property, plant and equipment	242.26	24.00	-	266.25
<b>Total deferred tax liabilities (A)</b>	<b>242.26</b>	<b>24.00</b>	<b>-</b>	<b>266.25</b>
<b>Deferred Tax Asset (gross)</b>				
Lease Transaction	2.85	(1.81)	-	1.04
Provision for doubtful debts	3.16	-	-	3.16
Provision for slow moving and non-moving inventory	-	68.91	-	68.91
Expenses allowed on payment basis	4.18	(19.12)	11.83	(3.12)
On Account of Preliminary Expenses	0.76	(0.76)	-	0.00
On Account of Share Issue Expenses	62.92	-	103.50	166.42
<b>Total deferred tax assets (B)</b>	<b>73.86</b>	<b>47.22</b>	<b>115.33</b>	<b>236.41</b>
<b>Net Deferred Tax Liability/(Assets) (A-B)</b>	<b>168.40</b>	<b>(23.22)</b>	<b>(115.33)</b>	<b>29.84</b>

## 18. BORROWINGS

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured Loans from banks Repayable on Demand</b>		
- Overdraft against Fixed deposits	6,277.04	3,317.15
<b>Secured Loans from banks &amp; Financial institutions</b>		
- Current Maturities of Long-term Borrowings (Refer Note 13)	47.06	174.18
<b>Total</b>	<b>6,324.10</b>	<b>3,491.32</b>

Rate of interest on Cash Credit loans

8.70% p.a. linked to Repo rate (4%) reset quarterly

Rate of interest on Overdraft against Fixed deposits

Weighted average FD rate + 0.50%

### Nature of security:

#### A. HDFC Bank Cash Credit Loan, working capital demand loan, Buyer Credit Loan and Export Packing Credit Loan:

##### Primary Security:

First and exclusive hypothecation charge on entire current assets of the company both present and future.

##### Secondary Collateral

**Factory Land & Building:** First and exclusive charge on entire land and hypothecation charge on building and entire movable fixed assets at

- 1) 901 & 902, 9th Floor, ONYX Business Center, Akshar Chowk - Baroda – 390020
- 2) Block No: 355, 357, 357/1, 358, 359 Manjusar, Tal: Savli, Vadodara.

**Residential Property:** First and exclusive charge on

- 1) Residential Property of Kamal Aggarwal at flat no 1, Heritage Corner, New Alkapuri Sevasi Road, Vadodara.
- 2) Residential Property of Naresh Goyal at flat no 4, Heritage Corner, New Alkapuri Sevasi Road, Vadodara and First and exclusive hypothecation charge on entire movable fixed assets.

**Fixed Deposits:** First and exclusive charge created lien over Fixed Deposit of Rs. 990 Lacs.

**Personal Guarantee:** Personal guarantee Mr. Kamal Aggarwal.

#### B. Overdraft against Fixed deposits

Overdraft against Fixed deposit repayable on demand from HDFC banks is secured against 1st Exclusive charge by the way of lien over fixed Deposits upto 110% of the limit amount parked with HDFC Bank Limited.



## 19. TRADE PAYABLES

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade Payables</b>		
- Total outstanding dues of micro and small enterprises (Refer Note 42)	12.01	68.51
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,125.53	2,318.85
<b>Total</b>	<b>2,137.54</b>	<b>2,387.37</b>

- 1) Above trade payables include amount due to related parties Rs. 31.57 Lacs (March 31, 2021, Rs. 7.41 Lacs) - Refer Note 35

### 19.1 Trade Payables Ageing Schedule as at March 31, 2023

(In ₹ lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 Year	2-3 Year	More than 3 years	
i) MSME	12.01	-	-	-	-	12.01
ii) Others	1,612.70	456.56	0.90	0.90	3.00	2,074.06
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	51.47	51.47
<b>Total</b>	<b>1,624.71</b>	<b>456.56</b>	<b>0.90</b>	<b>0.90</b>	<b>54.47</b>	<b>2,137.54</b>

### 19.2 Trade Payables Ageing Schedule as at March 31, 2022

(In ₹ lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 Year	2-3 Year	More than 3 years	
v) MSME	68.51	-	-	-	-	68.51
vi) Others	1,913.27	354.04	0.07	-	-	2,267.39
vii) Disputed dues - MSME	-	-	-	-	-	-
viii) Disputed dues - Others	-	-	-	51.47	-	51.47
<b>Total</b>	<b>1,981.79</b>	<b>354.04</b>	<b>0.07</b>	<b>51.47</b>	<b>-</b>	<b>2,387.37</b>

## 20. OTHER FINANCIAL LIABILITIES

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital creditors	142.40	379.25
Salary & Wages Payable	217.21	237.02
Other expenses Payable	54.21	94.36
Unclaimed dividends *	0.66	-
<b>Total</b>	<b>414.47</b>	<b>710.63</b>

1) Above Capital creditors include amount due to related parties Rs. 2.75 Lacs (March 31, 2022, Rs. 17.33 Lacs) - Refer Note 35

\* No amount due to be credited to Investor Education and Protection Fund.

## 21. OTHER CURRENT LIABILITIES

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from Customers	96.12	848.51
Statutory dues	69.97	108.94
CSR unspent to be deposited in Special Bank Account related to "Ongoing projects" (Refer note 38)	-	24.39
CSR unspent to be deposited in Fund (Refer note 38)	77.01	-
<b>Total</b>	<b>243.10</b>	<b>981.84</b>

## 22. SHORT TERM PROVISIONS

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
- Gratuity	0.27	-
- Compensated absences	1.65	1.30
<b>Total</b>	<b>1.92</b>	<b>1.30</b>

## 23. REVENUE FROM OPERATIONS

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Products	29,035.66	24,620.41
Sale of Services	1,087.84	1,054.52
<b>Revenue from contracts with customers</b>	<b>30,123.50</b>	<b>25,674.93</b>
<b>Other Operating Revenues</b>		
- Export Incentive	93.93	29.73
- Other	71.04	6.46
<b>Total</b>	<b>30,288.47</b>	<b>25,711.11</b>

Refer note 34 for geographical disaggregation of the revenue.

## 24. OTHER INCOME

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on financial assets carried at amortised cost		
- Deposits with bank	943.65	814.73
Net gain on Foreign Currency Transactions	320.60	107.59
Gain on disposal of property, plant and equipment (Net)	65.34	-
Other Non-operating Income	1.88	0.05
<b>Total</b>	<b>1,331.47</b>	<b>922.37</b>

## 25. COST OF MATERIALS CONSUMED

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials and packing materials consumed		
Stocks at commencement	2,363.91	4,529.49
Add: Purchases and incidental expenses	21,719.28	9,499.55
Less: Stocks at close (Refer Note 6)	5,342.51	2,363.91
<b>Total cost of Materials Consumed</b>	<b>18,740.68</b>	<b>11,665.14</b>

## 26. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Stocks at commencement		
Finished goods	690.77	860.12
Work-in-progress	328.60	466.53
<b>Sub- Total (A)</b>	<b>1,019.36</b>	<b>1,326.65</b>
<b>Less:</b> Stocks at close (Refer Note 6)		
Finished goods	1,583.25	690.77
Work-in-progress	635.75	328.60
<b>Sub- Total (B)</b>	<b>2,218.99</b>	<b>1,019.36</b>
<b>(Increase)   Decrease in stocks (A-B)</b>	<b>(1,199.63)</b>	<b>307.29</b>

## 27. EMPLOYEE BENEFIT EXPENSES

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	1,907.29	1,824.57
Contribution to provident and other funds	71.25	62.05
Staff welfare expenses	73.57	24.84
<b>Total</b>	<b>2,052.11</b>	<b>1,911.46</b>

## 28. FINANCE COSTS

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings	130.74	39.60
Interest on Lease Liabilities	2.23	7.99
Interest on others *	10.30	6.41
Other Borrowing Cost	5.59	2.95
<b>Total</b>	<b>148.86</b>	<b>56.94</b>

\* Interest on others include interest on shortfall in payment of advance income-tax Rs. 5.59 Lacs (March 31, 2022, Nil)

## 29. DEPRECIATION AND AMORTISATION

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Depreciation</b>		
- On Property Plant & Equipment	811.72	590.70
- On Right-of-Use Assets	24.51	35.57
<b>Amortisation</b>		
- Of Intangible assets	0.91	0.63
<b>Total</b>	<b>837.14</b>	<b>626.90</b>

## 30. OTHER EXPENSES

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Direct Expenses</b>		
Consumption of stores and spare parts	261.21	276.10
Power and Fuel	1,201.57	866.88
Repairs & maintenance - Machinery	90.73	92.73
Factory Expense	130.52	101.28
Job work Charges	66.42	51.79
Electrical Expenses	24.47	10.99
Security Service Expense	30.07	23.82
Laboratory & Testing Expense	9.95	12.19
Lifting Charges	126.42	92.01
<b>Sub- Total (A)</b>	<b>1,941.36</b>	<b>1,527.79</b>
<b>B. Selling, Marketing &amp; Distribution Expenses</b>		
Freight Outward	242.81	312.16
Export Expense	397.09	219.69
Sales Commission	304.57	404.28
Other Selling, Marketing & Distribution expenses	36.12	13.21
<b>Sub- Total (B)</b>	<b>980.59</b>	<b>949.34</b>

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>C. Administrative &amp; Other Expenses</b>		
Legal and Professional Expense	125.22	188.42
Insurance Expense	69.86	66.76
Petrol & Vehicle Expense	50.37	44.99
Travelling Expense	55.77	37.71
Repairs & Maintenance - Other	104.87	96.95
Rent Expense	41.01	33.16
Donation	13.71	4.05
Expenses on corporate social responsibility (CSR) activities	148.67	133.46
Director Sitting Fees	2.28	2.40
Loss on disposal of property, plant and equipment (Net)	-	30.88
Payments to the Statutory Auditors	9.70	9.25
Impairment and write off	0.99	40.79
Rates & Taxes	4.27	1.43
Other Administrative Expenses	43.65	33.37
<b>Sub - Total (C)</b>	<b>670.36</b>	<b>723.61</b>
<b>Total Other expenses (A+B+C)</b>	<b>3,592.31</b>	<b>3,200.74</b>

### 31. COMMITMENTS AND CONTINGENT LIABILITIES

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Contingent Liability</b>		
a) Claims against the Company/ disputed demands not acknowledged as debt: -		
- Excise	3.50	3.50
- GST	23.38	23.38
- Income Tax	280.74	-
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed and not provided for (net of advances):	751.16	600.56

## 32. DETAILS OF AUDITORS' REMUNERATION

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>a) Payments to the Statutory Auditors</b>		
For Statutory audit services	9.50	8.50
For Attestation and certification services	0.20	0.75
<b>Total</b>	<b>9.70</b>	<b>9.25</b>

## 33. EMPLOYEE BENEFIT PLANS

### 33.1 Defined contribution plans

Contributions are made to statutory provident fund which covers all regular employees. While both the employees and the company make predetermined contributions to the Provident fund. The contributions are normally based on a certain percentage of the employee's salary.

The Company has recognised expenses towards defined contribution plan as under:

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's Contribution to provident fund	44.21	41.18

### 33.2 Defined benefit plans

The Company has defined benefit plans that provide gratuity benefit. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2023 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. Each year, the Company reviews the level of funding in gratuity fund. The Company decides its contribution based on the results of its review.

**(A) Gratuity (Funded)**

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>I. Expenses recognized in the Statement of Profit and Loss:</b>		
Current Service Cost	20.47	14.09
Past service Cost	-	-
Net Interest Cost	(2.90)	(2.31)
<b>Expenses recognized during the year</b>	<b>17.57</b>	<b>11.78</b>
<b>II. Expenses recognized in other comprehensive income (OCI)</b>		
Actuarial (gain)/losses on obligation for the year	35.80	43.58
Return on Plan Assets, Excluding Interest Income	1.73	3.42
<b>Net (Income)/Expenses For the year Recognised in OCI</b>	<b>37.53</b>	<b>46.99</b>
<b>III. Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:</b>		
As at the beginning of the year	128.21	70.31
Current service cost	20.47	14.09
Interest Cost	9.57	4.43
Past service Cost	-	-
Benefit paid from the fund	(0.62)	(4.20)
Actuarial losses/(gains)	35.80	43.58
<b>As at the end of the year</b>	<b>193.42</b>	<b>128.21</b>
<b>IV. Movement in net (Liability)/Asset recognized in Balance Sheet</b>		
As at the beginning of the year - (Liability)/Asset	22.82	(10.62)
Expenses recognized during the year in Statement of Profit and Loss	(17.57)	(11.78)
Expenses recognized during the year in OCI	(37.53)	(46.99)
Contribution by employer	32.01	92.22
<b>As at the end of the year - (Liability)/Asset</b>	<b>(0.27)</b>	<b>22.82</b>
- Current	(0.27)	22.82
- Non-Current	-	-



(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>V. Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof:</b>		
As at the beginning of the year	151.03	59.68
Expected Interest income of assets	12.47	6.74
Contribution by employer	32.01	92.22
Benefit paid from the fund	(0.62)	(4.20)
Actuarial Gain/(Loss)	(1.73)	(3.42)
<b>As at the end of the year</b>	<b>193.15</b>	<b>151.03</b>
<b>VI. Net (Liability)/Asset recognized in the balance sheet</b>		
Present Value of Benefit Obligations at the end of the year	(193.42)	(128.21)
Fair Value of Plan Assets at the end of the year	193.15	151.03
<b>Net (Liability)/Asset recognized in the Balance Sheet</b>	<b>0.27</b>	<b>22.82</b>
<b>VII. Return on Plan Assets</b>		
Expected return on plan assets	12.47	6.74
Actuarial (loss)/gain	(1.73)	(3.42)
<b>Actuarial return on plan assets</b>	<b>10.74</b>	<b>3.33</b>
<b>VIII. The major categories of plan assets as a percentage of total plan assets</b>		
Insurer Managed Funds	100%	100%
<b>IX. Principal actuarial assumptions</b>		
Mortality	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Discount rate	7.55%	7.48%
Attrition Rate	10.00%	5.00%
Salary Escalation Rate	10.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Employee benefit plan typically exposes the company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

### Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

### Interest Risk

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

### Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

### Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and employee turnover.

### Maturity Analysis:

Particulars	(In ₹ lacs)	
	As at March 31, 2023	As at March 31, 2022
<b>Projected Benefit payable in future years from the date of reporting</b>		
1st Following Year	12.76	9.29
2nd Following Year	7.40	7.61
3rd Following Year	20.13	6.66
4th Following Year	11.72	15.67
5th Following Year	15.37	9.42
More than 5 years	343.33	222.29

### Sensitivity Analysis:

The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	(In ₹ lacs)	
	As at March 31, 2023	As at March 31, 2022
<b>Projected Benefit Obligation on Current Assumptions</b>		
+1% Change in Rate of Discounting	178.97	118.62
-1% Change in Rate of Discounting	209.92	139.16
+1% Change in Rate of Salary Increase	207.41	137.60
-1% Change in Rate of Salary decrease	180.83	119.86
+1% Change in Rate of Employee Turnover	190.43	127.91
-1% Change in Rate of Employee Turnover	196.79	128.53

## (B) Compensated absences

The leave obligations cover the Company's liability for earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance below. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current.

(In ₹ lacs)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>I. Expenses recognized in the Statement of Profit and Loss:</b>		
Employer expense	6.67	5.89
<b>Expenses recognized during the year</b>	<b>6.67</b>	<b>5.89</b>
<b>II. Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:</b>		
As at the beginning of the year - (Liability)/Asset	(10.42)	(5.97)
Employer expense	(6.67)	(5.89)
Benefit paid	2.50	1.44
<b>As at the end of the year - (Liability)/Asset</b>	<b>(14.60)</b>	<b>(10.42)</b>
- Current	(1.65)	(1.30)
- Non-Current	(12.95)	(9.12)

## Sensitivity Analysis

The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

(In ₹ lacs)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Projected Benefit Obligation on Current Assumptions</b>		
+1% Change in Rate of Discounting	13.25	9.45
-1% Change in Rate of Discounting	16.20	11.57
+1% Change in Rate of Salary Increase	16.08	11.51
-1% Change in Rate of Salary decrease	13.32	9.50
+1% Change in Rate of Employee Turnover	14.28	10.43
-1% Change in Rate of Employee Turnover	14.97	10.42

## 34. SEGMENT REPORTING

The Company's operations falls under single segment namely "Manufacturing of Specialised Chemicals", taking into account the risks and returns, the organization structure and the internal reporting systems.

Segment revenue from “Manufacturing of Specialised Chemicals” represents revenue generated from external customers which is attributable to the Company’s country of domicile i.e. India and external customers outside India as under:

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from:</b>		
Revenue from operations from outside of India	16,375.09	5,708.58
Revenue from operations from India	13,913.38	20,002.54
<b>Total Revenue from operations</b>	<b>30,288.47</b>	<b>25,711.11</b>

All assets are located in the Company’s country of domicile i.e., India.

One customer (PY: Three customers) individually contribute more than 10% of entity's revenues. The total revenue from such entities is given below:

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Customer - 1	4,005.07	4,591.58
Customer - 2	-	2,915.76
Customer - 3	-	2,704.75
<b>Total</b>	<b>4,005.07</b>	<b>10,212.08</b>

### 35. RELATED PARTY DISCLOSURES:

#### (i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Name of Related Party	Nature of Relationship
Kamalkumar Rajendra Aggarwal	Key Management Personnel
Navdeep Naresh Goyal	
Himanshu Prafulchandra Purohit	
Rajesh Chimanlal Gandhi	
Rajveer Kamal Aggarwal	
Shahilkumar Maheshbhai Kapatel	
Devendra Raj Kumar Mangla (Independent Director up to 17/02/2022)	
Pradeep Vishambhar Agrawal (Independent Director with effect from 28/04/2022)	
Lalit Devidutt Chaudhary	
Neelu Atulkumar Shah	
Samir Chandrakant Patel	
Bharat Chunilal Shah	

Name of Related Party	Nature of Relationship
Minal Kamal Aggrawal	Relative of Key Management Personnel
Puja Sarman Shah	
Parul Utssav Gupta	
Naresh Vijaykumar Goyal	
Shubharangana Naresh Goyal	
Super Industrial Lining Private Limited	Entities over which Key Management Personnel or their Relative have significant influence or Control
Super Chemical Industries	
Supertech Fabrics Private Limited	
Dtech Products Private Limited	
Medicap Healthcare Limited	
Shivam Petrochem Industries	

**(ii) Disclosure in respect of Transactions with related parties during the year.**

(In ₹ lacs)

Name of the related party and nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>a. Key Management Personnel</b>		
<b>Director Remuneration *</b>		
Kamalkumar Rajendra Aggarwal	298.00	358.00
Navdeep Naresh Goyal	322.00	382.00
Himanshu Prafulchandra Purohit	31.20	31.20
Rajesh Chimanlal Gandhi	31.20	31.20
Rajveer Kamal Aggarwal	24.00	24.00
<b>Remuneration *</b>		
Shahilkumar Maheshbhai Kapatel	7.00	5.25
<b>Director Sitting Fees</b>		
Devendra Raj Kumar Mangla	-	0.30
Pradeep Vishambhar Agrawal	0.20	-
Lalit Devidutt Chaudhary	0.40	0.45
Neelu Atulkumar Shah	0.90	0.95
Samir Chandrakant Patel	0.60	0.45
Bharat Chunilal Shah	0.70	0.25
<b>Rent Expense</b>		
Kamalkumar Rajendra Aggarwal	1.80	1.80
<b>Purchase of Land</b>		
Kamalkumar Rajendra Aggarwal	574.98	-
<b>Dividend Paid</b>		
Kamalkumar Rajendra Aggarwal	407.48	-
Navdeep Naresh Goyal	344.33	-
Rajveer Kamal Aggarwal	101.31	-

(In ₹ lacs)

Name of the related party and nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Reimbursement of expenses Received</b>		
Kamalkumar Rajendra Aggarwal	9.64	-
Navdeep Naresh Goyal	16.77	-
<b>b. Relative of Key Management Personnel</b>		
<b>Rent Expense</b>		
Minal Kamal Aggrawal	1.80	1.80
Puja Sarman Shah	1.80	1.80
Parul Utssav Gupta	1.80	1.80
<b>Purchase of Land</b>		
Naresh Vijaykumar Goyal	1,455.20	-
<b>Dividend Paid</b>		
Naresh Vijaykumar Goyal	121.43	-
Minal Kamal Aggarwal	37.20	-
Shubharangana Naresh Goyal	79.16	-
Parul Utssav Gupta	0.20	-
<b>c. Entities over which Key Management Personnel or their Relative have significant influence or Control</b>		
<b>Purchase of Consumable &amp; Stores</b>		
Supertech Fabrics Private Limited	0.22	1.82
Dtech Products Private Limited	108.88	66.11
<b>Purchase of Property, Plant and Equipment's</b>		
Medicap Healthcare Limited	1.00	-
Dtech Products Private Limited	547.05	124.03
<b>Purchase of Raw Material</b>		
Shivam Petrochem Industries	158.76	6.82
Super Chemical Industries	-	3.36
<b>Repairs &amp; Maintenance &amp; Other Expense</b>		
Super Industrial Lining Private Limited	-	3.34
Supertech Fabrics Private Limited	-	-
Dtech Products Private Limited	2.50	0.54
Medicap Healthcare Limited	0.08	0.40
<b>Revenue from Operation</b>		
Supertech Fabrics Private Limited	4.27	-
Super Chemical Industries	90.79	56.87
Shivam Petrochem Industries	118.41	159.90

(In ₹ lacs)

Name of the related party and nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Reimbursement of expenses Received</b>		
Medicap Healthcare Limited	24.53	-
Shivam Petrochem Industries	18.00	-
<b>Reimbursement of expenses Paid</b>		
Super Industrial Lining Private Limited	7.71	-

\*Remuneration exclude provision for gratuity since these are based on actuarial valuation on an overall company basis.

Amounts reported are exclusive of GST, wherever applicable.

**(ii) Disclosure in respect of Key Managerial Personnel Compensation**

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short Term Employment Benefits	713.40	831.65
Post-Employment Benefits	0.65	0.65
Other	-	-

Compensation exclude provision for gratuity since these are based on actuarial valuation on an overall company basis.

**(iii) Disclosure in respect of Outstanding Balances at the end of year.**

(In ₹ lacs)

Name of the related party and Outstanding Balances	As at March 31, 2023	As at March 31, 2022
<b>a. Key Management Personnel</b>		
<b>Remuneration payable</b>		
Kamalkumar Rajendra Aggarwal	34.03	54.73
Navdeep Naresh Goyal	35.42	56.54
Rajveer Kamal Aggarwal	1.08	1.28
Himanshu Prafulchandra Purohit	2.17	2.07
Rajesh Chimanlal Gandhi	1.94	2.04
Shahilkumar Maheshbhai Kapatel	1.26	0.95
<b>Director Sitting Fees payable</b>		
Devendra Raj Kumar Mangla	-	0.52
Pradeep Vishambhar Agrawal	0.09	-
Lalit Devidutt Chaudhary	0.23	0.87
Neelu Atulkumar Shah	0.54	1.65
Samir Chandrakant Patel	0.18	1.10
Bharat Chunilal Shah	0.36	0.05

Name of the related party and Outstanding Balances	As at March 31, 2023	As at March 31, 2022
<b>Rent Payable</b>		
Kamalkumar Rajendra Aggarwal	0.16	0.16
<b>b. Relative of Key Management Personnel</b>		
<b>Rent Payable</b>		
Minal Kamal Aggrawal	0.14	0.14
Puja Sarman Shah	0.14	0.14
Parul Utssav Gupta	0.14	0.14
<b>c. Entities over which Key Management Personnel or their Relative have significant influence or Control</b>		
<b>Trade and Other Payable</b>		
Medicap Healthcare Limited	-	-
Shivam Petrochem Industries	16.58	-
Supertech Fabrics Private Limited	0.26	-
Dtech Products Private Limited	17.15	24.74
Super Industrial Lining Private Limited	0.33	-
<b>Trade Receivable</b>		
Super Chemical Industries	32.90	17.48
Shivam Petrochem Industries	155.80	204.59

### 36. CAPITAL MANAGEMENT

The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual planning and budgeting and its plan for working capital and long-term borrowings. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

(In ₹ lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Gross Debt (Long-term and Short-term borrowings) (A)	6,397.26	3,551.55
Total Equity (B)	45,735.91	41,718.22
<b>Net Debt to Equity Ratio (A/B)</b>	<b>0.14</b>	<b>0.09</b>



## 37. DISCLOSURE ON FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.15 to the financial statements.

### 37.1 Financial assets and liabilities:

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities:

Particulars	(In ₹ lacs)	
	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>		
<b>Financial Assets</b>		
<b>At Amortised Cost</b>		
Other Financial Assets (Non-Current and Current)	8,837.95	640.12
Trade Receivables	6,760.33	10,249.05
Cash and cash Equivalents	4,444.21	3,585.23
Other Bank balance	8,637.53	18,822.71
<b>Total</b>	<b>28,680.03</b>	<b>33,297.10</b>
<b>Liabilities</b>		
<b>Financial Liabilities</b>		
<b>At Amortised Cost</b>		
Borrowings (Non-Current and Current)	6,397.26	3,551.55
Trade Payables	2,137.54	2,387.37
Other Financial Liabilities (Non-Current and Current)	497.18	917.39
Lease Liabilities	4.27	50.49
<b>Total</b>	<b>9,036.24</b>	<b>6,906.80</b>

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2023 and year March 31, 2022.

The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

## 37.2 FINANCIAL RISKS MANAGEMENT

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

These risks may be caused by the internal and external factors resulting into impairment of the assets of the Company causing adverse influence on the achievement of Company's strategies, operational and financial objectives, earning capacity and financial position.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- (a) Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- (b) Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

### (A) MARKET RISK

Market risk is the risk that changes in market prices- such as foreign exchange rates, interest rates and equity prices- will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The major components of market risk are foreign currency risk, interest rate risk and price risk.

#### 1) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	(In ₹ lacs)	
	As at March 31, 2023	As at March 31, 2022
<b>Financial Assets</b>		
Trade receivables	2,483.65	1,485.04
<b>Financial Liabilities</b>		
Trade payables	584.88	396.04

#### Foreign Currency Sensitivity:

The Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR, EURO-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Assets:</b>		
Weakening of INR by 5%	124.18	74.25
Strengthening of INR by 5%	(124.18)	(74.25)
<b>Liabilities:</b>		
Weakening of INR by 5%	(29.24)	(19.80)
Strengthening of INR by 5%	29.24	19.80

## 2) INTEREST RATE RISK

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest-bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations like short-term loans.

As at March 31, 2023, financial liability of Rs. 6,277.04 Lacs (PY Rs. 3,317.15 Lacs), was subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of Rs. 62.77 Lacs (PY Rs. 33.17 Lacs) for the year ended March 31, 2023.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the year.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(Note: The impact is indicated on the profit/(loss) before tax basis).

## **(B) CREDIT RISK**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, trade receivables and loans and advances.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

As at March 31, 2023, the Company had 6 customers (PY: 6 customers) having outstanding more than 5% of total trade receivables that accounted for approximately 54.89% (PY: 64.41%) of total trade receivables outstanding.

### **(1) TRADE RECEIVABLES:**

Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

## **(C) LIQUIDITY RISK**

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

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(In ₹ lacs)

Particulars	As at	Total Amount	Less than 1 year	Above 1 Years
<b>Borrowings</b>				
	31-Mar-23	6,397.26	6,324.10	73.16
	31-Mar-22	3,551.55	3,491.32	60.22
<b>Trade payable</b>				
	31-Mar-23	2,137.54	2,137.54	-
	31-Mar-22	2,387.37	2,387.37	-
<b>Other Financial Liability</b>				
	31-Mar-23	497.18	414.47	82.71
	31-Mar-22	917.39	710.63	206.77
<b>Lease Liabilities</b>				
	31-Mar-23	4.27	4.27	-
	31-Mar-22	50.49	31.49	19.00

### 38. CORPORATE SOCIAL RESPONSIBILITIES (CSR)

- a) As per Section 135 of the Companies Act, 2013, ("the Act") a Company, meeting the applicability threshold, need to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities.
- b) The disclosure in respect of CSR Expenditure is as under:

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Gross amount required to be spent by the Company during the year	148.67	133.46
Surplus arising out of CSR Project	-	-
Set off available from Previous Years	(4.52)	-
<b>Total CSR obligation for the year</b>	<b>144.14</b>	<b>133.46</b>
Amount approved by the Board to be spent during the year	144.14	133.46
Amount Spent during the Year	67.13	113.59
Set off available for succeeding years	-	(4.52)
<b>Shortfall at the end of the year</b>	<b>77.01</b>	<b>24.39</b>

- c) Reason for shortfall:

Shortfall at the end of the year March 31, 2023, Rs. 77.01 Lacs is required to be transfer to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Accordingly, the Company shall transfer the said amount on or before 30th September 2023.

Shortfall at the end of the year March 31, 2022 Rs. 24.39 Lacs is towards the ongoing project and transferred to special CSR unspent account within 30 days from the end of the financial year, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules.

d) Amount spent during the year on:

(In ₹ lacs)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	In cash	Yet to be paid In cash*	Total	In cash	Yet to be paid In cash*	Total
<b>(i) Construction   Acquisition of any asset</b>	-	-	-	-	-	-
<b>(ii) On purposes other than (i) above</b>						
Eradicating hunger	22.00	-	22.00	2.00	-	2.00
Rural development	40.06	-	40.06	25.42	-	25.42
Livelihood enhancement	-	-	-	-	-	-
Promoting nationally recognised sports	4.50	-	4.50	-	-	-
Promoting Education	0.57	-	0.57	5.38	-	5.38
Healthcare	-	-	-	69.79	-	69.79
Empowering women, setting up homes and hostels for women	-	-	-	11.00	-	11.00
<b>Total</b>	<b>67.13</b>	<b>-</b>	<b>67.13</b>	<b>113.59</b>	<b>-</b>	<b>113.59</b>

\*Provisions made for liabilities incurred

e) The details pursuant to requirements of Section 135(5) for unspent amount (Other than Ongoing Project):

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Opening Balance - (Liability)/Asset</b>	4.52	(93.22)
+ Amount deposited in Specified Fund of Sch. VII within 6 months	-	93.22
- Amount required to be spent during the year	(148.67)	(84.68)
+ Amount spent during the year	67.13	89.20
<b>Closing Balance - (Liability)/Asset</b>	<b>(77.01)</b>	<b>4.52</b>

f) The details pursuant to requirements of Section 135(6) for unspent amount (Ongoing Project):

(In ₹ lacs)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	With Company *	In CSR Unspent Account	Total	With Company *	In CSR Unspent Account	Total
Opening Balance - (Liability)/Asset	(24.39)	5.00	<b>(19.39)</b>	-	-	-
+/- Amount Transfer to CSR Unspent Account	24.39	(24.39)	-	-	5.00	<b>5.00</b>
- Amount required to be spent during the year	-	-	-	(48.78)	-	<b>(48.78)</b>
+ Amount spent during the year	-	24.39	<b>24.39</b>	24.39	-	<b>24.39</b>
Closing Balance - (Liability)/Asset	-	<b>5.00</b>	<b>5.00</b>	<b>(24.39)</b>	<b>5.00</b>	<b>(19.39)</b>

\*Amount to be transfer to Separate CSR Unspent Account within 30 days of the end of financial year.

### 39. EARNING PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Earnings Per Share has been computed as under:</b>		
Profit attributable to equity holders of the Company (Numerator)	5,511.01	6,275.66
Weighted average number of equity shares outstanding (Denominator)	366.31	366.31
<b>Earnings Per Share (Equity Shares, Par Value of Rs. 10/- each)</b>		
Basic (Rs.)	15.04	17.13
Diluted (Rs.)	15.04	17.13

#### 40. LEASES

Company as a lessee

The company has lease contracts for rented premises used in its operations. The company's obligations under its lease are secured by the lessor's title to the leased asset.

(a) Amounts recognised in the Balance Sheet

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(i) Right-of-use Asset</b>		
Cost	94.41	130.56
Accumulated Depreciation	90.52	83.48
<b>Net Carrying Amount</b>	<b>3.88</b>	<b>47.07</b>
<b>(ii) Lease liabilities - Borrowings</b>		
Beginning of the year	50.49	137.40
Additions	-	46.61
Accretion of interest	2.23	7.99
Payments	(27.50)	(36.36)
Deletion	(20.96)	(105.15)
<b>Closing of the year</b>	<b>4.27</b>	<b>50.49</b>
Current	4.27	31.49
Non-Current	-	19.00

(b) Amounts recognised in the Statement of Profit and Loss

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(i) Finance Cost</b>		
Interest Expense on Lease Liability	2.23	7.99
<b>(ii) Depreciation</b>		
Depreciation on right of use lease asset	24.51	35.57

(c) Amounts recognised in Cash Flow Statement

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total cash outflow for leases	29.78	35.58



(d) Expense relating to short-term leases and Low value.

(In ₹ lacs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Amount recognised in statement of Profit and Loss	7.05	4.05

#### 41. IPO PROCEEDS AND ITS UTILISATION

During the financial year ended March 31, 2021, the Company had completed the Initial Public Offer (IPO) 93,52,941 Equity Shares having face value of Rs. 10/- each at an issue price of Rs. 340/- per Equity Share, comprising offer for sale of 45,00,000 equity shares by Selling Shareholders and fresh issue of 48,52,941 equity shares. These equity shares were allotted on September 29, 2020, and were listed on October 1, 2020, on BSE Limited and National Stock Exchange of India Limited.

##### Utilisation of Net IPO Proceeds:

(In ₹ lacs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Opening Balance</b>	5,409.54	8,593.92
<b>Add:</b> Net Proceed		
Gross Proceed from Fresh issue	-	-
<b>Less:</b> Offer Related Expenses	-	-
	-	-
<b>Less: Amount paid/invested:</b>		
Capital expenditure towards expansion of Manufacturing Facility		3,007.46
Incremental working capital requirement	5,000.00	-
General corporate purposes	409.54	176.92
	<b>5,409.54</b>	<b>3,184.38</b>
<b>Balance amount unutilised</b>	-	<b>5,409.54</b>

IPO Proceeds which were unutilised as at year end were temporarily invested in deposits with scheduled commercial bank.

The expenditure related to issue of equity shares of the Company by way of fresh issue amounting to Rs. 1,465.07 Lacs is adjusted towards the securities premium in the year of issue.

#### 42. DISCLOSURE REQUIREMENT UNDER MSMED ACT, 2006

The Company has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(In ₹ lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
1. Amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end		
- Principal		
Trade Payable	12.01	68.51
Capital creditors	7.06	3.35
- Interest	-	-
2. Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
3. Interest due and payable for the 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 Micro, Small and Medium Enterprises Development Act, 2006	0.78	-
4. Interest accrued and remaining unpaid as at year end	0.78	-
5. Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	0.78	-

This information has been determined to the extent parties have been identified based on confirmation received from parties. Based on current information/confirmations available with the company.

The company has made payments to Micro and small suppliers amongst which to few suppliers are beyond the stipulated payments terms as prescribed under Micro, Small and Medium Enterprises Development Act, 2006. Since these Micro and small suppliers receive payments as per mutually agreed payments terms, none of the suppliers has claimed any interest from the company for payments made beyond stipulated period. For Micro and small suppliers, the amount of interest on principal amounts calculated for the year as per MSMED Act, 2006 comes to Rs. 0.78 lacs, for which no provision has been made in books of account, the amount being immaterial.

### 43. DISCLOSURE OF KEY RATIOS

(In ₹ lacs)

Sr. No.	Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% of Variance	Reason for Variance if above 25%
1.	Current Ratio (times)	Total Current Assets	Total Current Liabilities	3.41	4.84	-29.57%	Decrease is primarily on account of decrease in Short-term bank deposit.
2.	Debt-equity Ratio (times)	Total Debt	Total equity	0.14	0.09	64.30%	Increase is primarily on account of utilisation of Overdraft facility.
3.	Debt service coverage Ratio (times)	Earnings available for debt service (1)	Debt service (2)	18.02	17.68	1.90%	-
4.	Return on equity Ratio (%)	Profit for the year	Average total equity	12.60%	16.28%	-3.68%	-
5.	Inventory turnover Ratio (times)	Sale of Products	Average Inventory	5.31	5.33	-0.44%	-
6.	Trade receivables turnover Ratio (times)	Revenue from contracts with customers	Average trade receivables	3.54	2.60	36.07%	Increase in ratio due to turnover has increased and decrease in Average receivables.
7.	Trade payables turnover Ratio (times)	Net Credit Purchases	Average trade payable for Goods	10.84	4.57	137.29%	Increase in ratio due to Net Credit Purchases has increased.
8.	Net capital turnover Ratio (times)	Revenue from contracts with customers	Average working capital	1.37	0.86	58.93%	Increase is primarily on account of decrease in Short-term bank deposit.
9.	Net profit Ratio (%)	Profit for the year	Revenue from contracts with customers	18.29%	24.44%	-6.15%	-
10.	Return on capital employed (%)	Profit before tax add finance costs Less Other Income	Capital Employed	11.96%	16.64%	-4.69%	-

- 1) Net Profit after taxes + non-cash operating expenses + Finance costs + Other Non-cash adjustments
- 2) Interest and lease payments + Principal repayments

- 3) During the current and previous year, the Company has not made investments or earned income on the investments. Accordingly, ratio for Return on Investments has not been presented.

#### 44. OTHER STATUTORY INFORMATION

- a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- b) The Company has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties; which are repayable on demand or where the agreement does not specify any terms or period of repayment.
- c) The Company has utilised funds raised from issue of securities or borrowings from banks and financial institutions for the specific purposes for which they were issued/taken.
- d) The Company has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved.
- e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) 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
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- f) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- g) There are no transactions and / or balance outstanding with companies struck off under section 248 of the Companies Act, 2013.
- h) The Company does not have any transaction which is not recorded in the books of accounts but 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).
- i) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- j) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- k) The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.

- l) Quarterly return/statement of current assets filed by the company with bank are in agreement with the books of accounts.

#### 45. GPCB CLOSURE AND REVOCATION ORDER OF COMPANY OPERATIONS

Pursuant to the issuance of notice dated September 9, 2021, by Gujarat Pollution Control Board (GPCB) directing closure of operations of manufacturing plant situated at Manjusar, Vadodara under Environmental (Protection) Act for the violations of the Hazardous & Other Waste (Management & Transboundary Movement) Rules- 2016 with immediate effect, the operations of the company were closed from September 11, 2021 to October 22, 2021. Subsequently, upon application for revocation made by the Company, GPCB vide its revocation order dated October 22, 2021, granted temporary revocation of closure directions issued to the company for three months' and in May 19, 2022, GPCB has given permanent revocation of closure order issued to the company.

#### 46. REGROUPING | RECLASSIFICATION

The figures of previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current year and according to requirements of the schedule III of the Companies Act, 2013.

The accompanying Notes form an integral part of the Financial Statements

As per our report of even date

For **K C Mehta & Co LLP**

Chartered Accountants

Firm Registration No: 106237W/W100829

For and on behalf of the Board of Directors

**CHEMCON SPECIALITY CHEMICALS LIMITED**

**Chhaya M. Dave**

Partner

Membership No. 100434

**Kamalkumar Aggrawal**

Chairman & Managing Director

DIN: 00139199

**Navdeep Goyal**

Deputy Managing Director

DIN: 02604876

Place: Vadodara

Date: May 26, 2023

**Rajesh Gandhi**

Whole-time Director and CFO

DIN: 03296784

**Shahilkumar Kapatel**

Company Secretary

ACS: 52211







*CHEMCON*

**Speciality Chemicals Ltd.**