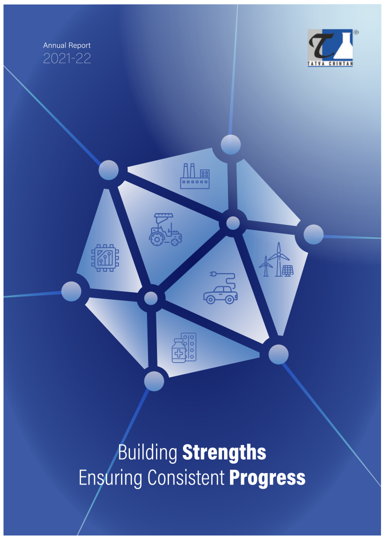
Annual Report

2021-22

Building **Strengths**
Ensuring Consistent **Progress**

Index



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Forward-Looking Statements

This Report contains some forward-looking statements to enable investors to comprehend our prospects and take wise investment decisions, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available resources and has not verified that information independently and shall not be liable for any variance from the forward-looking statements.

Tatva Chintan is a Global Leader in specialty chemicals and has drawn strength from its core competencies - vast product portfolio; manufacturing and operational excellence; leading sustainable practices with cutting-edge technology and highest quality standards. Our inherent strengths and capabilities have enabled us to build a presence in the niche business involving complex chemistry and achieve high operational efficiency & quality, customize and widen offerings, and ensure sustainable operations.

Alongside, we are making continuous efforts to further scale up our capabilities and capacities to serve diverse customer needs across multiple industries. Our strategic investments in the latest technologies, capacity expansion, and consistent innovation focus will drive consistent growth in our business.

We have not only emerged stronger from the challenges faced in the past year, but it has also prepared us for the journey ahead. Our endeavour is to make the most of the opportunities within the country and beyond and maximize value creation for our stakeholders.

Building **Strengths** Ensuring Consistent **Progress**

About Us

Established by first-generation Entrepreneur Engineers in 1996, Tatva Chintan is a leading integrated specialty chemicals manufacturer with a global footprint across 25+ countries. We have a diverse product portfolio spanning Structure Directing Agents (SDAs), Phase Transfer Catalysts (PTCs), Electrolyte Salts, Pharmaceutical & Agrochemical Intermediates, and other Specialty Chemicals (PASC).

We are headquartered in Vadodara, Gujarat with two manufacturing facilities located in Dahej and Ankleshwar, Gujarat, India. Our state-of-the-art R&D facility is situated at Vadodara and is recognized by the Department of Scientific and Industrial Research (DSIR).

With our proven expertise in process chemistry, innovation capabilities, and focus on sustainable production, we deliver solutions that match ever changing customer demands. We create our products sustainably, ensuring minimal impact on the environment and maintaining the highest health and safety standards.

Quick Facts

471
Employees

1,300+
Customers

174
Products

A-/Stable & A2+
(for Long Term and Short Term respectively)
CRISIL credit rating

₹5,115.03 Crore
Market capitalization (BSE) as at 31 March 2022

Vision and Values

Our strength lies in what we value: Customers, Innovation, Communities, Employees, Suppliers and Governments. Our mission is to put customers at the heart of everything we do, and this is achieved through customer focus, personal and organizational leadership and process excellence.

Quality Certifications

We constantly strive to achieve the highest levels of safety, quality, efficiency, and sustainability to progress towards greater excellence in manufacturing and research operations.

Our Dahej Plant is accredited with ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, Together for Sustainability (TfS) etc.

Our Ankleshwar plant is accredited with ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, EcoVadis etc.

Key Differentiators

Our inherent strengths and capabilities enable us to drive growth even during tough times.

Manufacturing prowess

- State-of-the-art manufacturing facilities with world-class quality, health, safety, and environment standards
- Strategically located in close proximity to Hazira port
- Facilities are designed to allow flexibility to manufacture a diverse range of products and customize product portfolio to address the changing requirements of customers
- Multiple chemistry process capabilities

Robust R&D capabilities

- Dedicated R&D facility recognized by Department of Scientific and Industrial Research spread across ~10,000 sq. ft
- New R&D facility spread across ~36,000 sq. ft, with a capital outlay of ~₹ 24 Crore is under construction
- Equipped with modern equipment and houses an expert team of 24 employees including 10 senior highly qualified scientists

Vast portfolio

- Diverse range of products to meet varied customer requirements
- Leadership position in majority of the products

Thrust on sustainability

- Undertakes green chemistry processes like electrolysis, which ensures minimum waste and by-products, and safe chemistry
- Investments in sustainable technologies
- Recognized by global agency such as Ecovadis and partnered with Together for Sustainability (TfS)

Expansive international presence

- Exports to more than 25 countries
- Well-placed to cater to customers looking for an alternative / supplementary supply chain destination
- Fostered long-term relationships with key customers
- Warehousing facilities in the United States (US) and Europe

Sound financials

- Sustained business growth delivered
- Net worth of ₹ 4,730.89 million as on 31 March 2022
- Value accretive product innovation leads to better margins, while capacity additions and greater product demand results in top line growth

Our Widespread Presence

Headquarters
Vadodara

R&D facility (DSIR Approved)
Vadodara

Major markets
USA, China, Germany, Japan, South Africa & UK

Manufacturing facilities
Dahej - SEZ
Ankleshwar

Subsidiaries
Tatva Chintan USA Inc.
Tatva Chintan Europe B.V., The Netherlands

Map not to scale. For illustrative purposes only.

25+
Countries of export

~79%
Revenue from exports as on FY 2021-22

Marquee Clientele

Our cost and quality leadership, together with best practices and ability to continuously innovate form our unique value proposition. These factors make us preferred partner of leading MNCs throughout the world and enable us to explore newer sectors and geographies.

Strong relationships across diverse industries

We have a wide customer base across diverse sectors. By leveraging our multiple product-oriented solutions, quality and cost-effectiveness, and timely delivery, we aim to foster strategic, long-term relationships with our clients. This also enables us to continuously expand our customer base and minimize sectoral concentration risk. As on 31 March 2022, more than 50% of our customers have been associated with us for more than 5 years.

Collaborative product development

Our customers trust us to be an important part of their value chain and a preferred partner. We provide them the right products which form basic raw materials in their manufacturing process. We ensure this by way of continuous engagement with them and align our R&D and product development capabilities in line with the evolving requirements.

Esteemed Customers

MERCK

LAURUS Labs
Knowledge . Innovation . Excellence

Divis

atul

SRF
We always find a better way

BAYER

MOL
CHEMISTRY OF SUCCESS AT WORK

Navin Fluorine International Limited

TOSOH

asianpaints

Otsuka

Oriental Aromatics

Firmenich

Hawks (U.K) Chemical

Products: Technology/ Strong Entry Barrier

PTC

These catalysts helps in achieving higher selectivity & giving better yields for the customer and cost advantage to the Company. Consistent performance of the catalyst is of immense importance for the customer. This creates a strong need for consistent quality of the PTC which in turn also creates an entry barrier.

SDA

SDAs are the key backbone in the manufacturing of high precision zeolites. Any minor change in quality of SDA will lead to drastic failure of the zeolite catalyst. Also, the quality requirement of SDA is very stringent, requiring multiple impurities to be controlled at low ppm levels. To achieve such high purity product on consistent basis requires a technology to manufacture SDAs. The approval process of SDA is too lengthy and also requires multiple level of approval across the value chain. All these factors create an extremely strong entry barrier for SDA.

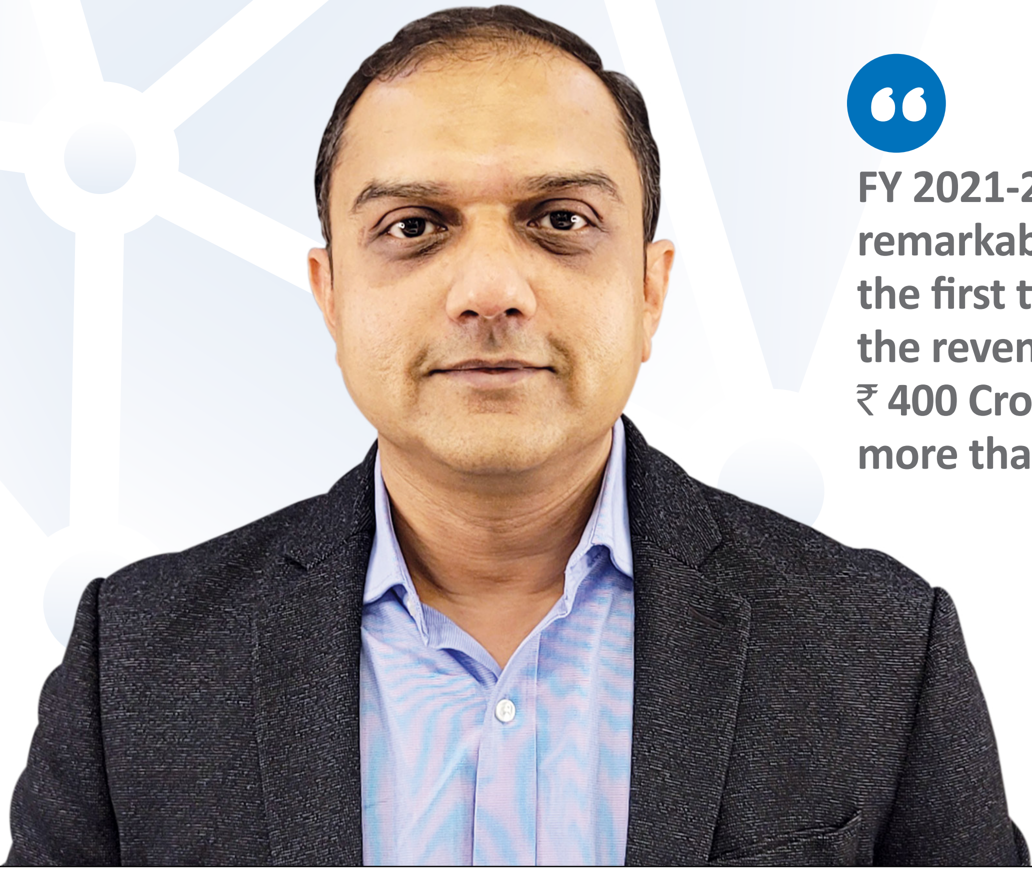
ELECTROLYTE SALTS

Being into Super Capacitor, energy storage & battery applications, these products carry very stringent quality norms. Again, the impurities have to be controlled at very low ppm levels. Any deviation in quality of Electrolyte salts can lead to inferior performance of the battery. The high quality requirements & consistency creates a very strong entry barrier in this area.

PSAC

We are deploying advance technology to produce most of the products under this category. This helps us to control cost, offer superior and consistent quality and most importantly it is an environmentally sustainable solution for the customer.

Message from the Chairman and Managing Director



> FY 2021-22 has been a remarkable year, as for the first time, we crossed the revenue mark of ₹ 400 Crore and PBT of more than ₹ 100 Crore.

Dear Stakeholders,

Macro-economic overview

As the global economy was gradually leaving behind the COVID-19 pandemic with many parts of the world lifting restrictions, and economy of major Countries returning to their pre-COVID levels, another shock struck. The ongoing conflict between Russia and Ukraine since late February has become a humanitarian crisis and set back the economic recovery. Commodity prices remain volatile at elevated levels, and supply chain disruptions have worsened. Inflation pressures have heightened across geographies, and central banks are aggressively tightening liquidity conditions. Amidst these challenges, controlling inflation, improving infrastructure, and macroeconomic stability are critical for reviving animal spirits and spurring growth.

As global corporations seek to diversify their supply chains to reduce dependence on China, a significant opportunity awaits India. This will result in the scouting of reliable alternative destinations by chemical majors. Coupled with demand recovery in domestic end-user segments, this will create massive opportunities for Indian chemical companies including our Company. On the policy front, Production-Linked Incentive (PLI) scheme, Make in India, and improvement in ease of doing business are all positive factors that favor local manufacturers.

Our approach of being an integrated manufacturer producing niche specialty chemicals, leadership position across product categories, geographic diversification, focus on green chemistry, and robust R&D capabilities have helped us steadily grow our presence and customer confidence, despite the turbulent macro-economic situation and geopolitical tensions globally. We continue to grow organically by incorporating innovative ideas across operations, increasing our product portfolio, and optimally managing the product mix.

Business Performance

FY 2021-22 has been a remarkable year, as for the first time, we crossed the revenue mark of ₹ 400 Crore and PBT of more than ₹ 100 Crore. Our exports crossed the milestone of ₹ 300 Crore in revenue. In fact, our export revenue this year has exceeded the total revenue of FY 2020-21. Lastly, the successful listing of our Company on the Indian stock exchanges has been our most significant milestone.

Coming to the category-wise performance, the Phase Transfer Catalyst (PTC) segment comprised 23% of the total revenue during the year. We continue to be the market leaders and the leading producers of PTCs in India and across the world.

The Structure Directing Agents (SDAs) saw a strong revenue growth of ~87% YoY. As SDAs finds application in automotive emission control, refining catalysts, catalyst for deploying continuous flow chemistry and recent developments for application in recycling of environmental waste of global concern, the long-term prospects starting H2-FY23 remain strong.

We foresee encouraging opportunities in Electrolyte Salts segment coming from the new products developed during the year. There is a significant rise in applications of super capacitors in electric vehicles, automobile applications, renewable energy storage systems, etc. indicating strong demand in the coming years. During the year, we have commercially launched electrolyte salts for sodium ion batteries and zinc ion batteries and also having large applications in renewable energy storage systems. These products will see incremental demand growth as the world moves towards renewable energy.

Finally, our Pharma and Agro Intermediates and other Specialty Chemicals (PASC) segment witnessed a YoY growth of ~12% and its revenue crossed ₹ 100 Crore. Under this segment, one of the products has got into full-scale commercialization and is expected to start seeing volume growth. We are strongly focusing on the development of new products under this category to ensure sustained growth. With China plus one policy and our capability to offer sustainable solutions has helped us to bring new opportunities to work on various potential products for multiple customers.

Expanding capabilities to drive growth

Our R&D efforts primarily focus on the development of new products with adoption of advance technology and improvement in existing products and processes. Our R&D team continuously strives for implementing electrolysis and continuous flow chemistry to offer long-term environmentally sustainable solutions to the customers. Going forward, we intend to play a greater role in our customers' journey by developing newer products based on customers potential needs. We have concentrated our efforts in developing ultra high purity products for the fast growing semiconductor and electronics segments in flame retardant category.

We believe, our focus in green and continuous flow chemistry and unique capabilities in electrochemistry will give us a distinct edge. Using electrolysis technology, we are seeing good progress towards achieving ultra-high purity levels for products having applications in semiconductors and electronics areas. Towards our efforts in optimizing green chemistry, we are focusing on reducing usage of solvents in our products.

Further, the capacity expansion at the Dahej unit and strengthening of R&D capabilities at Vadodara from the IPO proceeds is also underway and expected to be commissioned in the Q3 and Q4 FY23 respectively.

Conclusion

With new customer additions, new product launches, ongoing capacity expansion, and sustainability initiatives, I am quite confident about the future growth prospects of our Company. I take this opportunity to thank my fellow Board members and all other stakeholders, especially, our valued shareholders for reposing their faith and support in us. Together, let us continue this exciting journey and ensure continued growth of Tatva Chintan.

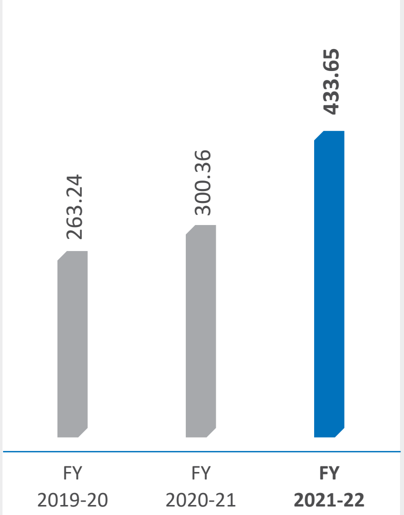
A lot of credit for the success of the organization can also be attributed to the relentless contribution and hard work of our employees who have been the pillars of our strength. I remain grateful to their efforts and am confident that they will continue to work with the same passion and commitment in the years to come.

Warm regards,

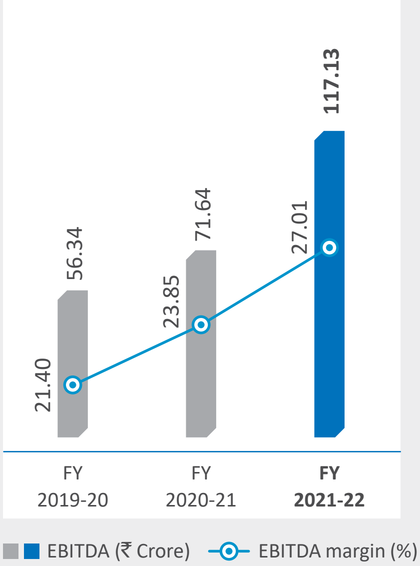
Chintan Nitinkumar Shah

Financial Performance on Consolidated Basis

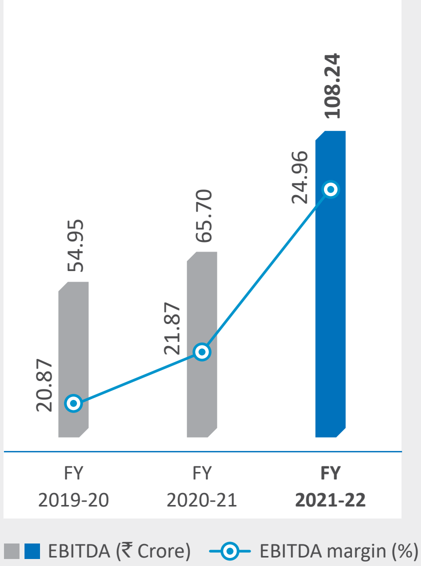
Revenue from Operations
(₹ in Crore)



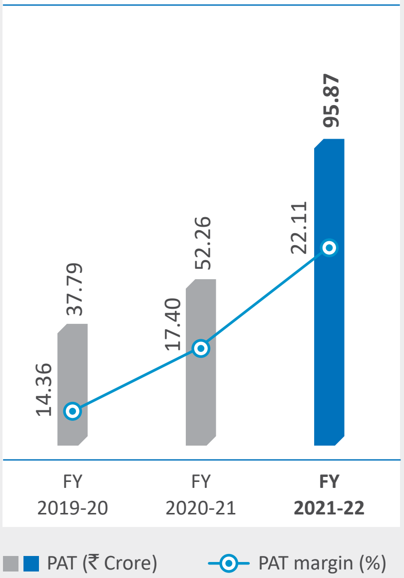
EBITDA and EBITDA Margin (Including Other Income)



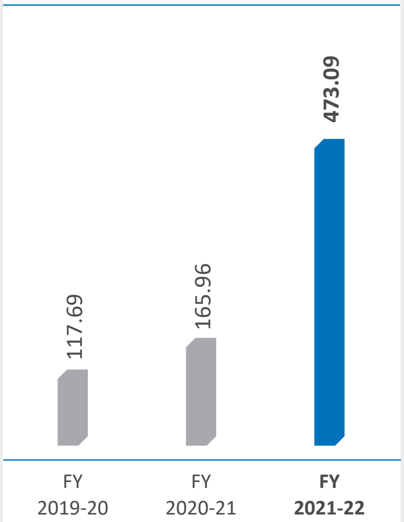
EBITDA and EBITDA Margin (Excluding Other Income)

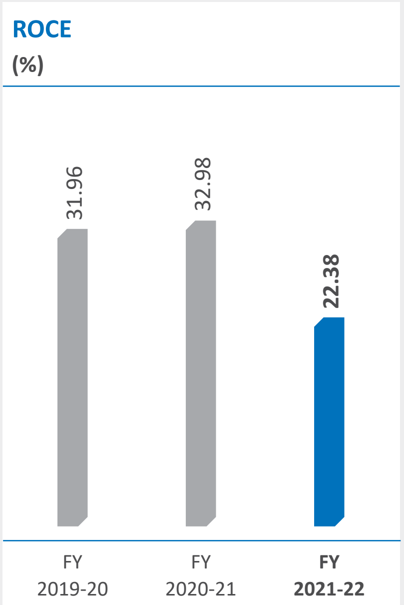


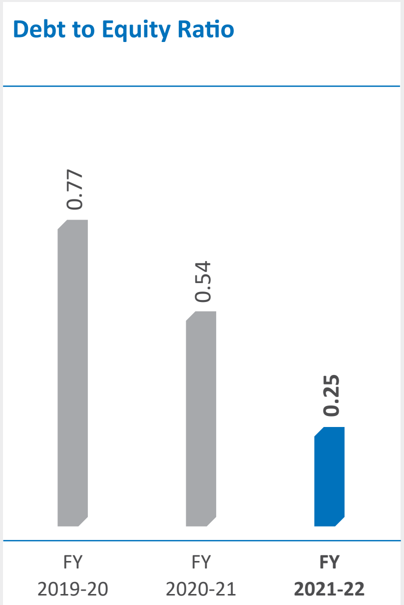
PAT and PAT Margin

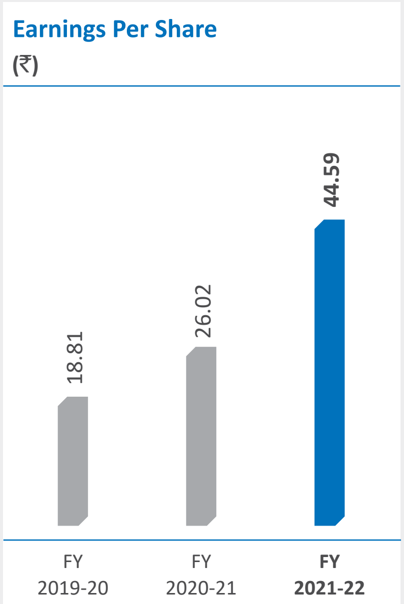


Net Worth
(₹ in Crore)




ROCE
(%)
31.96
32.98
22.38
FY 2019-20
FY 2020-21
FY 2021-22


Debt to Equity Ratio
0.77
0.54
0.25
FY 2019-20
FY 2020-21
FY 2021-22


Earnings Per Share
(₹)
18.81
26.02
44.59
FY 2019-20
FY 2020-21
FY 2021-22

Board of Directors

Mr. Chintan Nitinkumar Shah

Chairman and Managing Director

A graduate in engineering with a specialization in Computer Science from Maharaja Sayajirao University of Baroda, Mr Chintan Nitinkumar Shah holds experience of over 26 years and is responsible for the Business Development, R&D, Export Marketing, Finance and Information Technology Services of our Company.

Mr. Ajaykumar Mansukhlal Patel

Whole Time Director

A passionate chemical engineer from Maharaja Sayajirao University of Baroda, with an experience of over 27 years, Mr. Ajaykumar Mansukhlal Patel takes care of Project Engineering & Development and implementation of new technology in our Company.

Mr. Shekhar Rasiklal Somani

Whole Time Director

A Bachelor in Pharmacy from Maharaja Sayajirao University of Baroda, Mr. Shekhar Rasiklal Somani looks after Business Development (Domestic), Quality and Supply Chain Management in our Company. He has over 26 years of experience.

Dr. Manher Chimanlal Desai

Independent Director

Mr. Manher Chimanlal Desai is a Postgraduate in organic chemistry and holds a doctorate in science from the University of Mumbai. He has a rich experience in the Specialty Chemicals Industry and was previously associated with companies like Indian Dyestuff Industries Limited, Metrochem Industries Limited, Alaknanda Organics Limited and Heubach Colour Private Limited.

CA Subhash Ambubhai Patel

Independent Director

A Chartered Accountant by profession and a commerce graduate from Maharaja Sayajirao University of Baroda, Mr. Subhash Ambubhai Patel is a Fellow Member of the Institute of Chartered Accountants of India and has an experience of over 3 decades. He is managing partner in M/s S. A. Patel & Co., Chartered Accountants.

Dr. Avani Rajesh Umatt

Independent Director

Ms. Avani Rajesh Umatt holds a master's degree in Applied Chemistry from The Maharaja Sayajirao University of Baroda and a Doctorate in Chemistry from Sardar Patel University. She has over 20 years of experience in academics, research and academic administration. She is currently associated with TeamLease Skills University as a Professor, Provost (i/c).

Ensuring progress by Bolstering R&D prowess

Across the world, R&D and technology have evolved with breakthrough chemistry and techniques and use of environment-friendly reagents and solvents. Through focused R&D, we develop products that are trusted by our clients and invest in new technologies to create safer, smarter and environment friendly processes.

Our R&D competence has enabled us to build presence in the niche business areas involving complex chemistries, high technical knowledge, and development capabilities. We are further strengthening our technical capabilities to broaden our offerings, achieve operational excellence, and maintain our competitive edge.

We have a dedicated R&D facility at Vadodara recognized by the Department of Scientific and Industrial Research, Government of India and is spread across ~10,000 sq. ft. Our R&D department comprises a team of 24 employees including 10 highly qualified scientists.

The facility is equipped with glass assemblies, continuous flow reactors, and high-pressure autoclaves with the ability to run reactions at temperatures ranging from -10ºC to +300ºC and up to pressure conditions measuring up to 100 bar. This state-of-the-art unit is being expanded to ~36,000 sq. ft. with a huge capital outlay of ₹ 239.71 million for expansion of R&D activities.

The proposed R&D expansion is designed and segregated into:

- Organic Chemical Synthesis lab
- Electrolysis lab
- Catalyst development and Continuous Flow Chemistry lab
- Analytical method Development lab

R&D-focused initiatives

Development of continuous flow chemistry technique with minimum capital and operational expenditures

Developed knowledge and skill in analytical techniques for estimation of trace level impurities to meet customer satisfaction

Zeolite-based adsorptive separation was another accomplishment that resulted in high purity of reusable grade solvent

Commencement of regio-selective bromination, specific conversion of fluorinated compounds, and application of hydrogen peroxide as green oxidants from bench scale to pilot scale

R&D-focused initiatives

- To Increase R&D team by hiring talent from reputed institutes/ corporate
- Expand facility to develop new products and solutions
- Adopt cutting edge technologies to improve productivity and processes

174
Total product basket

₹69.70 million
R&D expenditure for FY 2021-22

Ensuring progress by Promoting sustainable operations

At Tatva Chintan, we embed sustainable practices at every level through various initiatives to meet business needs while minimizing environmental impact. Combining the power of science and technology with our innovative capabilities, we are continuously advancing sustainable development and setting high standards of performance.

Robust and integrated manufacturing prowess

We have state-of-the-art facilities situated in Dahej and Ankleshwar that comply with ISO 9001 (Quality), ISO 14001 (Environment), and ISO 45001 (Health & Safety Management) standards. The facilities are designed to allow a level of flexibility in manufacturing diverse products and customize offerings to address the ever changing requirements of customers.

Modern machinery and equipment including reactors, assembly lines, ANFDs, centrifuges, and RCVDs, enable us to undertake multiple chemistry processes such as quaternization, methylation, amination, phase transfer reactions, cyclization, halogenation, condensation, and electrolysis.

294 KL
Installed capacity as on 31 March 2022

27
Assembly Lines as on 31 March 2022

Ankleshwar

- Usage of PNG as boiler fuel to minimize impact on environment
- From January 2020 onwards, we successfully converted the Ankleshwar manufacturing facility into a zero liquid effluent discharge, aided by multi-effect evaporators (MEEs) and a reverse osmosis effluent treatment plant (ETP)

Dahej

- Sophisticated quality control lab equipped with modern analytical equipment and a dedicated quality control team to detect impurities up to PPM levels and achieve 'ultra-pure' grade certification
- Usage of low Sulphur LDO as boiler fuel

Sustainability practices

Our green chemistry is based on the principles of clean chemistry, minimum requirement of auxiliary substances, minimum waste/By-products, and safe chemistry. We are undertaking various green chemistry processes such as electrolysis - apart from a single starting raw material, the process largely uses only water and electricity and generates minimum waste and by-products.

By deploying electrolysis for the manufacture of products, we believe that we will achieve the lowest possible process mass. Our sustainability performance as monitored by EcoVadis and TfS and our score has been above the industry average score. This is a matter of pride for us and demonstrates our commitment to promoting and enhancing sustainable solutions.

Focus areas to enhance operational and sustainability excellence

- Enhance capacity of Reactor and Assembly
- Deploy advanced and sustainable technologies and processes
- Higher focus on continuous flow chemistry

Corporate Information

Name
Tatva Chintan Pharma Chem Limited
(Formerly known as Tatva Chintan Pharma Chem Private Limited)

Corporate Identity Number
L24232GJ1996PLC029894

Registered Office
Plot No. 502 / 17, GIDC Estate, Ankleshwar
Dist. Bharuch, Gujarat - 393 002, India
Telephone: +91 75748 48533/34
Fax: +91 265 263 8533

Corporate Office and R&D Center
Plot No. 353, Makarpura GIDC,
Vadodara, Gujarat - 390 010, India

Website: www.tatvachintan.com

Chairman and Managing Director
Mr. Chintan Nitinkumar Shah

Whole-Time Directors
Mr. Ajaykumar Mansukhlal Patel
Mr. Shekhar Rasiklal Somani

Independent Directors
Dr. Manher Chimanlal Desai
CA Subhash Ambubhai Patel
Dr. Avani Rajesh Umatt

Chief Financial Officer
Mr. Ashok Bothra

Company Secretary and Compliance Officer
Mr. Ishwar Nayi
E-mail: cs@tatvachintan.com

Statutory Auditor
NDJ & Co.
Chartered Accountants
Surat, Gujarat

Bankers
CITI Bank NA
ICICI Bank Limited

Registrar & Share Transfer Agent
Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg, Vikhroli (West)
Mumbai, Maharashtra - 400 083, India
E-mail: vadodara@linkintime.co.in
Website: www.linkintime.co.in

Investor Grievance
E-mail: cs@tatvachintan.com / rnt.helpdesk@linkintime.co.in

Notice

NOTICE IS HEREBY GIVEN THAT THE TWENTY SIXTH (26TH) ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF TATVA CHINTAN PHARMA CHEM LIMITED (FORMERLY KNOWN AS TATVA CHINTAN PHARMA CHEM PRIVATE LIMITED) ("THE COMPANY") WILL BE HELD ON THURSDAY, 22 SEPTEMBER 2022 AT 04:00 P.M. (IST) THROUGH VIDEO CONFERENCING ("VC") OR OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31 March 2022, together with the Reports of the Board of Directors and the Auditors thereon.

2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2022, together with the Report of the Auditors thereon.

3. To declare dividend on equity shares for the financial year ended 31 March 2022.

4. To appoint a Director in place of Mr. Ajaykumar Mansukhlal Patel (DIN: 00183745) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **Ratification of remuneration payable to the Cost Auditors for the Financial Year 2022-23**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the remuneration of ₹ 60,000/- (Rupees Sixty Thousand Only) plus applicable taxes and out of pocket expenses at actuals, if any, payable to M/s. Y. S. Thakar & Co., Cost Accountants (FRN:000318) who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as Cost Auditors of the Company to conduct the Audit of the Cost Records maintained by the Company as prescribed under the Companies (Cost Record and Audit) Rules, 2014, as amended, for the Financial Year ended on 31 March 2023.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to above resolution."

By Order of the Board of Directors

Ishwar Nayi

Date: 25 July 2022 **Company Secretary and Compliance Officer**
Place: Vadodara Membership No. A37444

Registered Office:
Plot No. 502/17 GIDC Estate,
Ankleshwar,
Dist. Bharuch-393002, Gujarat, India
CIN: L24232GJ1996PLC029894
Phone: +91 75748 48533/34
Fax: +91 265 263 8533
Website: www.tatvachintan.com
Email: cs@tatvachintan.com

Notes:

1. The explanatory statement as required under Section 102(1) of the Companies Act, 2013 ("the Act") relating to the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto and forms part of this notice.

2. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19 Pandemic, the Ministry of Corporate Affairs ("MCA"), vide its General Circular No. 14/2020, dated 8 April 2020, General Circular No.17/2020 dated 13 April 2020, General Circular No. 20/2020 dated 5 May 2020, General Circular No. 22/2020 dated 15 June 2020, General Circular No. 33/2020 dated 28 September 2020, General Circular No. 39/2020 dated 31 December 2020, General Circular no. 02/2021 dated 13 January 2021, General Circular no. 21/2021 dated 14 December 2021 and General Circular no. 02/2022 dated 05 May 2022 (collectively "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020, circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021 and circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May 2022 (collectively referred to as "SEBI Circulars"), have permitted companies to conduct AGM through VC or OAVM, without the physical presence of the Member at a common venue, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") the 26th AGM of the Company is being convened and conducted through VC. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

3. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM alongwith the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website www.tatvachintan.com, website of Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com, and on the website of Link Intime India Private Limited ("LIIPL") at URL: https://instavote.linkintime.co.in.

4. The details required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment at this AGM forms part as **Annexure-A** of the Notice.

5. **PURSUANT TO THE PROVISIONS OF THE COMPANIES ACT, 2013, 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 THE 26TH AGM IS BEING HELD THROUGH VC AS PER THE MCA CIRCULARS, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE MADE AVAILABLE FOR THE 26TH AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**

6. Participation of members through VC/ OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

7. Facility of joining the AGM through VC / OAVM shall open 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 to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

8. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC / OAVM. Institutional / Corporate members (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote electronically either during the remote e-voting period or during the AGM. The said Resolution/Authorization should be sent electronically through their registered email address to the Scrutinizer at csneerajtrivedi@gmail.com with a copy marked to the Company at cs@tatvachintan.com. Further instructions has been set out at Note No. 25.

9. 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, based on the request being received on cs@tatvachintan.com.

10. All documents referred to in the Notice and Explanatory Statement will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM. Members seeking to inspect such documents can send an email to cs@tatvachintan.com.

11. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts. The Company or its Registrar cannot act on any request received directly from the Members holding shares in

demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.

12. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company immediately by writing at B - 102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara-390020, Gujarat. Phone: 0265 2356573 / 6136000 or by sending a request on email at vadodara@linkintime.co.in.

13. Process for registration of Email Id for obtaining Annual Report, User ID and password for e-voting:

    i. In case shares are held in physical mode, members who have not registered their email address and as a consequence may not receive the Notice may get their email address registered with the Link Intime India Private Limited by writing at B - 102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara-390020, Gujarat. Phone: 0265 2356573 / 6136000 or by sending a request on email at vadodara@linkintime.co.in.

    ii. In case shares are held in demat mode, members are requested to update Email Id and bank account details with their respective Depository Participants ("DPs").

14. Members holding the shares in physical mode are requested to notify immediately for change of their address and bank particulars to the Registrar and Share Transfer Agent of the Company.

    In case the shares are held in dematerialized form, then information should be furnished directly to their respective Depository Participant ("DP") only.

15. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, 10 September 2022 to Thursday, 22 September 2022 (both days inclusive)** for the purpose of AGM. **Thursday, 15 September 2022,** 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. The voting rights of the members shall be in proportion to their share in the paid-up equity share capital of the Company as on the said cut-OFF date.

16. Dividend Related Information:

    Subject to approval of the Members at the said AGM, the dividend will be paid on or after **28 September 2022** but before the expiry of statutory period of 30 days from the date of AGM, to the Members whose names appear on the Company's Register of Members as on the Record Date i.e. closure of business hours on **Friday, 09 September 2022 (Record date for dividend payment)** and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

    The dividend of ₹ 2/- per fully paid-up equity share of ₹ 10/- each (i.e. 20%), if approved by the Members at the AGM, will be paid subject to the deduction of income-tax at source ("TDS"). Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the Members who have not updated their bank account details.

    Members are requested to register / update their complete bank details:

    a) with their Depository Participant(s) with which they maintain their demat accounts, if shares are held in dematerialized mode, by submitting forms and documents as may be required by the Depository Participant(s); and

    b) with the Company / Link Intime India Private Limited by writing at B - 102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara-390020, Gujarat. Phone: 0265 2356573 / 6136000 or by emailing at cs@tatvachintan.com or vadodara@linkintime.co.in, if shares are held in physical mode, by submitting:

        (i) Scanned copy of the signed request letter which shall contain Member's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details),

        (ii) Self-attested copy of the PAN card, and

        (iii) Cancelled cheque leaf.

    Tax Deductible at Source / Withholding tax:

    Pursuant to the requirement of Income Tax Act, 1961, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and documents submitted by shareholder with the Company/Link Intime India Private Limited/Depository Participant.

17. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the Demat account of the IEPF Authority. In view of this, members/claimants are requested to claim their dividends from the Company within the stipulated timeline.

18. As the AGM of the Company is held through VC / OAVM, we therefore request the Members to register themselves as speaker by sending their question / express their views from their registered E-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at E-mail Id - cs@tatvachintan.com on or before **Monday, 19 September 2022**. The Members who have registered themselves as speaker will only be allowed to ask queries / express their views during the AGM. The Company reserves the right to limit the number of Members asking questions depending on the availability of time at the AGM.

19. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

20. In case of any queries regarding the Annual Report, the Members may write to cs@tatvachintan.com to receive an email response. Members desiring any information as regards to financial statements are requested to send an email to cs@tatvachintan.com, 7 days in advance before the date of the meeting to enable the management to keep full information ready on the date of AGM.

21. The Annual Report alongwith the Notice of AGM will be available on Company's website on https://www.tatvachintan.com.

22. As per the MCA and SEBI Circulars, the Annual Report will be sent through electronic mode to only those Members whose E-mail ids are registered with the Registrar & Share Transfer Agent of the Company / Depository Participant. Members of the Company holding shares either in physical form or in dematerialised form as on Benpos date i.e. **19 August 2022** will receive Annual Report for the financial year 2021-2022 through electronic mode.

23. Investor Grievance Redressal:- The Company has designated Mr. Ishwar Nayi, Company Secretary & Compliance Officer, Plot No. 353, GIDC, Makarpura, Vadodara-390010 Gujarat, India having Phone 7573046978 and E-mail: cs@tatvachintan.com / rnt.helpdesk@linkintime.co.in to enable investors to register their complaints, if any.

24. Other information relating to Remote E-Voting are as under:

    i. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI Listing Regulations, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by Link Intime India Private Limited. Shareholders who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by shareholders holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice.

    ii. The e-voting period begins on **Monday, 19 September 2022 at 9:00 a.m. (IST) and ends on Wednesday, 21 September 2022 at 5:00 p.m. (IST)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Thursday, 15 September 2022 ("cut-off date for e-voting")**, may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited ("LIIPL") for voting thereafter.

    iii. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

    iv. Any person who acquires shares of the Company and becomes a shareholders of the Company after sending of the Notice and holding shares as of the cut-off date of e-voting, may obtain the login ID and password by sending a request at instameet@linkintime.co.in and vadodara@linkintime.co.in. However, if he/she is already registered with LIIPL for remote e-voting, then he/she can use his/her existing user ID and password for casting the vote.

    v. The Board of Directors has appointed M/s. TNT & Associates, Practicing Company Secretaries, Vadodara as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

    vi. The Scrutinizer shall after the conclusion of voting at the Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and shall provide, not later than two (2) working days of the conclusion of the Meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, Who shall countersign the same and declare the result of the voting forthwith.

    vii. The results shall be declared forthwith by the Chairman or a person so authorised by him in writing on receipt of consolidated report from the Scrutinizer. The Results declared along with Scrutinizer's Report shall be placed to the stock exchanges, LIIPL and will also be displayed on the Company's website. Members may contact at E-mail Id vadodara@linkintime.co.in or rnt.helpdesk@linkintime.co.in for any grievances connected with voting by electronic means.

    viii. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. 01 April 2019. Accordingly, the Company / LIIPL has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

ix. Members holding shares in physical mode are: a) required to submit their Permanent Account Number (PAN) and bank account details to the Company/ LIIPL, if not registered with the Company/LIIPL, as mandated by SEBI by writing to the Company at cs@tatvachintan.com or to LIIPL at vadodara@linkintime.co.in alongwith the details of folio no., self-attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque.

x. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form may file their nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent i.e. LIIPL. In respect of shares held in electric/demat form, the nomination form may be filed with the respective Depository Participant.

xi. Non-Resident Indian members are requested to inform LIIPL / respective DPs, immediately of: a) Change in their residential status on return to India for permanent settlement b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

Members are requested to send all their documents and communications pertaining to shares to the Registrar and Share Transfer Agent of the Company – Link Intime India Private Limited, at their address at B - 102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390020, Phone: 0265 6136000/2356573, for both physical and demat segments of Equity Shares.

Please quote on all such correspondence – "Unit – Tatva Chintan Pharma Chem Limited" For Shareholders queries – Telephone No. +91 265 6136000/2356573 Email ID vadodara@linkintime.co.in Website www.linkintime.co.in.

25. The Instructions of Remote E-Voting for Shareholders are as under:

As per the SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

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

1. Individual Shareholders holding securities in demat mode with NSDL:

1. Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL:

1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.

4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

3. Individual Shareholders (holding securities in demat mode) & login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the Company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

2. Click on "**Sign Up**" under '**SHARE HOLDER**' tab and register with your following details: -

   A. **User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

   B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

   C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

   D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

   *Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

   *Shareholders holding shares in **Demat form**, shall provide 'D' above

   - Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
   - Click "confirm" (Your password is now generated).

3. Click on 'Login' under '**SHARE HOLDER**' tab.

4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.

2. E-voting page will appear.

3. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).

4. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:
Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22- 23058542-43.

Individual Shareholders holding securities in Physical mode has forgotten the password:
If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password**?'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:
Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Process and Manner for Attending the Annual General Meeting Through Instameet:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

- Select the **"Company"** and **'Event Date'** and register with your following details: -

A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

C. **Mobile No.:** Enter your mobile number.

D. **Email ID:** Enter your email id, as recorded with your DP/ Company.

- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the

meeting must register their request on or before **Monday, 19 September 2022** with the company on the cs@tatvachintan.com created for the general meeting.

2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.

3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.

4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.

5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

   Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"

2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.

3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

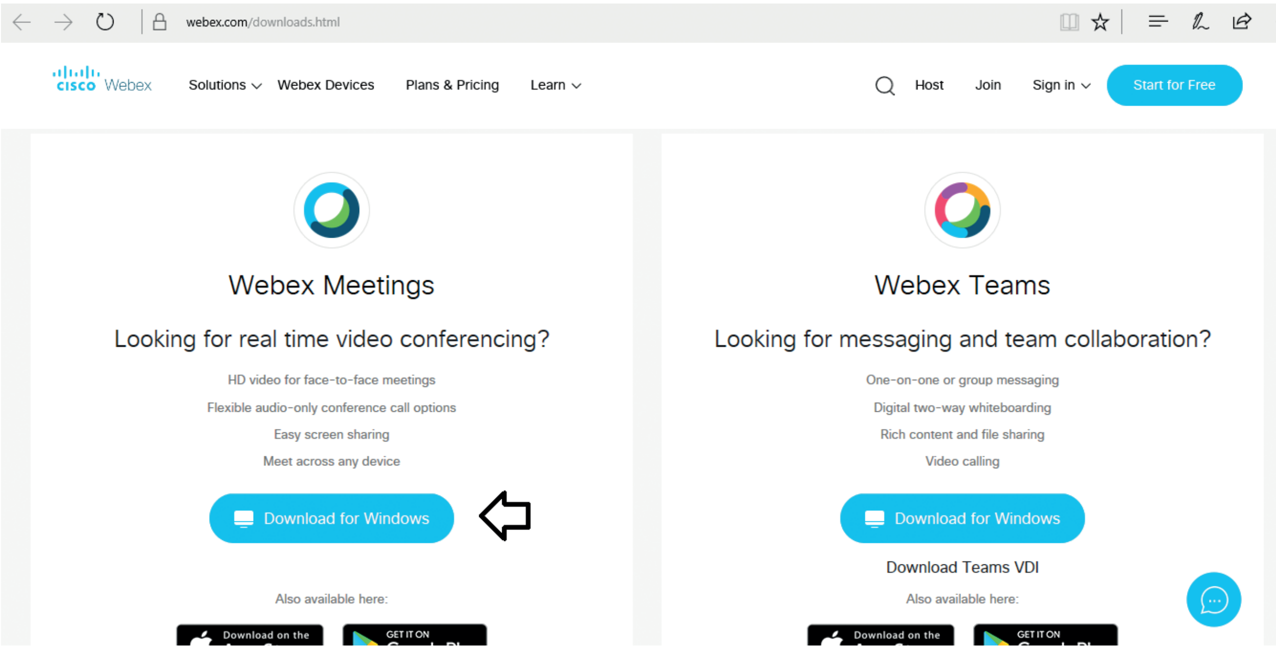
Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

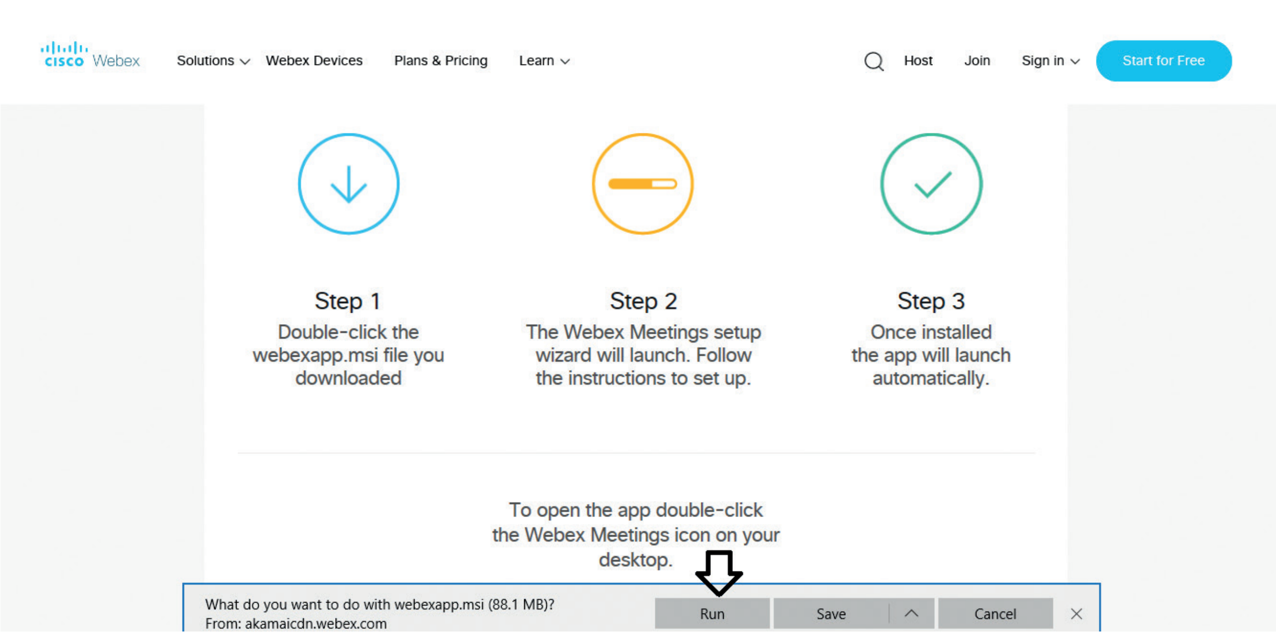
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/


webex.com/downloads.html
Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Webex Meetings
Looking for real time video conferencing?
HD video for face-to-face meetings
Flexible audio-only conference call options
Easy screen sharing
Meet across any device
Download for Windows
Also available here:
Webex Teams
Looking for messaging and team collaboration?
One-on-one or group messaging
Digital two-way whiteboarding
Rich content and file sharing
Video calling
Download for Windows
Download Teams VDI
Also available here: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Step 1
Double-click the webexapp.msi file you downloaded
Step 2
The Webex Meetings setup wizard will launch. Follow the instructions to set up.
Step 3
Once installed the app will launch automatically.
To open the app double-click the Webex Meetings icon on your desktop.
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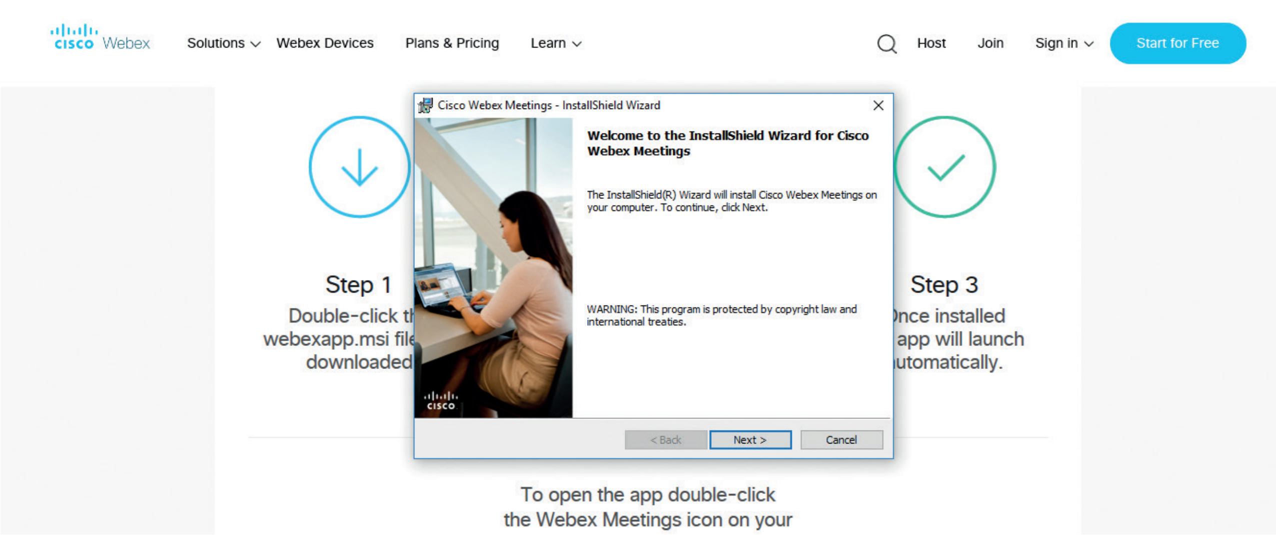
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Cisco Webex Meetings - InstallShield Wizard
Welcome to the InstallShield Wizard for Cisco Webex Meetings
The InstallShield(R) Wizard will install Cisco Webex Meetings on your computer. To continue, click Next.
WARNING: This program is protected by copyright law and international treaties.
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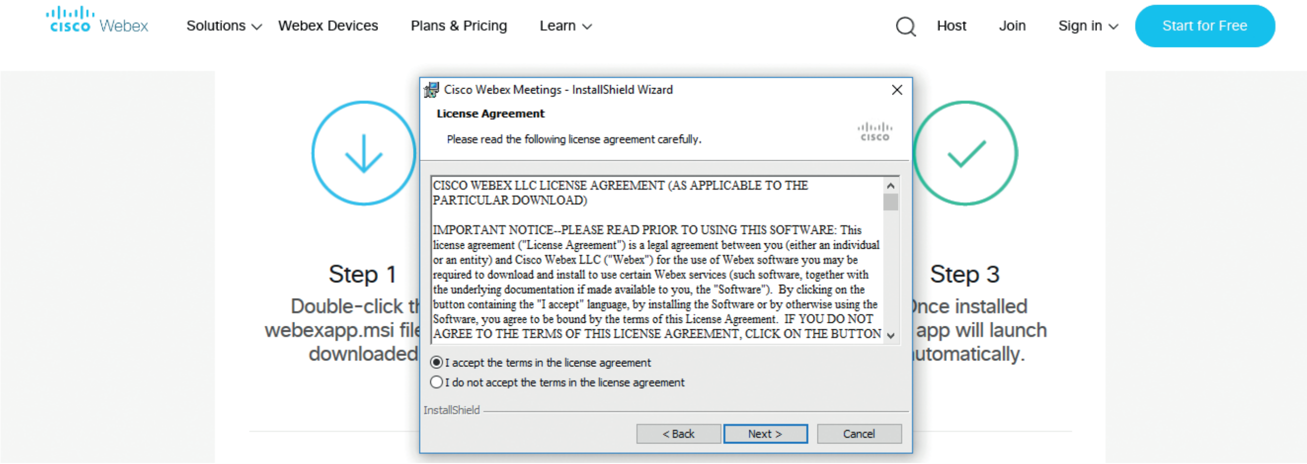

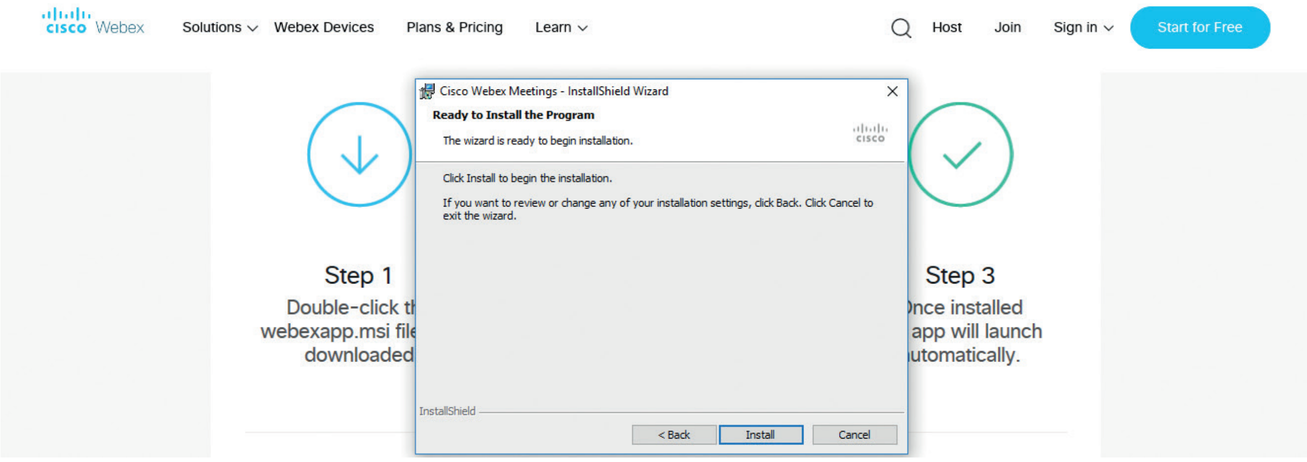

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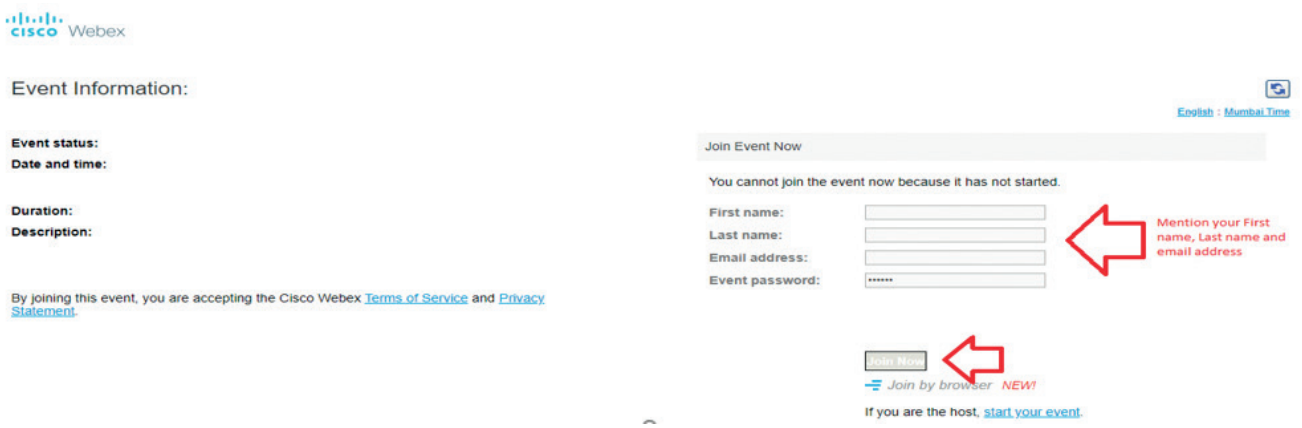
b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



Explanatory Statement Pursuant to Section 102 of The Companies Act, 2013

ITEM NO. 5

Based on the recommendation of the Audit Committee, the Board of Directors had appointed M/s. Y. S. Thakar & Co., Cost Accountants (FRN:000318), who are in whole time Practice, as Cost Auditors of the Company to carry out the audit of the cost records maintained by the Company for the financial year 2022-23 and also fixed their remuneration for the said purpose. Pursuant to the provisions of Section 148 and any other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) remuneration payable to the Cost Auditors is required to be ratified and confirmed by the members of the Company.

The Board recommends the resolution set forth in Item No. 5 for approval of the Members by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, financially or otherwise in the said resolution.

By Order of the Board of Directors

Ishwar Nayi
Company Secretary and Compliance Officer
Membership No. A37444

Date: 25 July 2022
Place: Vadodara

Registered Office:
Plot No. 502/17 GIDC Estate,
Ankleshwar,
Dist. Bharuch-393002, Gujarat, India
CIN: L24232GJ1996PLC029894
Phone: +91 75748 48533/34
Fax: +91 265 263 8533
Website: www.tatvachintan.com
Email: cs@tatvachintan.com

Annexure-A to the Notice

PURSUANT TO REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED (INCLUDING ANY STATUTORY MODIFICATION(S) OR RE-ENACTMENT(S) THEREOF, FOR THE TIME BEING IN FORCE) AND SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, INFORMATION ABOUT THE DIRECTOR PROPOSED TO BE RE-APPOINTED IS FURNISHED BELOW:

Profile of the Director being re-appointed at the ensuing AGM

Name of Director	Mr. Ajaykumar Mansukhlal Patel
Directors Identification Number (DIN)	00183745
Date of Birth	27 February 1972
Age	50 years
Nationality	Indian
Qualification	Bachelor of Engineering (Chemical)
Brief Resume & Expertise in specific Functional areas	Mr. Ajaykumar Mansukhlal Patel has over 27 years of experience in the manufacturing / specialty chemical industry.
Date of Appointment	12 June 1996
Relationship with other Directors and Key Managerial Personnel of the Company	Mr. Ajaykumar Mansukhlal Patel does not have any relationship with other Directors, Manager and Other Key Managerial Personnel which may create conflict of interest.
Other Listed Companies in which Directorship held as on 31 March 2022	None as on 31 march 2022
Chairman/ Membership of the Committees of the Board of the Company	Tatva Chintan Pharma Chem Limited 1. Corporate Social Responsibility Committee: Member
Chairman/Membership of Audit Committee and Stakeholders' Relationship Committees in other Listed Companies as on 31 March 2022	None as on 31 march 2022
Names of Listed Entities from which Director has resigned in the past three years	None
No. of Shares held in the Company	40,07,190 shares as at 31 March 2022
Terms and conditions for Re-reappointment -	Period of Appointment - Five years commencing from 01 February 2021, the date of appointment upto 31 January 2026. Remuneration: ₹ 1,65,03,252 (Rupees One Crore Sixty Five Lakhs Three Thousand Two Hundred and Fifty Two only) per annum
Remuneration last drawn	₹ 1,65,03,252 per annum
Number of Meetings of the Board attended during the year	11 in Financial Year 2021-22.

Board's Report

To,
The Members,
Tatva Chintan Pharma Chem Limited
(Formerly known as Tatva Chintan Pharma Chem Private Limited)

Your Directors take immense pleasure in presenting the Twenty Sixth (26th) Annual Report covering the highlights of the finances, business, and operations of Tatva Chintan Pharma Chem Limited (Formerly known as Tatva Chintan Pharma Chem Private Limited) ("the Company") together with the Audited Financial Statements of the Company (standalone and consolidated) prepared in compliance with Ind AS accounting standards, for the financial year ("FY") ended 31 March 2022.

1. Financial Highlights of the Company

(₹ in Million)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations	4278.11	2911.88	4336.47	3003.59
Other income	105.06	50.98	88.94	52.00
EBITDA (Including other income)	1162.78	702.85	1171.33	716.35
EBITDA (Excluding other income)	1057.72	651.87	1082.39	664.36
Interest and financial charges	48.32	42.07	48.32	42.07
Depreciation and amortisation expense	81.80	67.30	81.80	67.33
Profit/(Loss) before exceptional item and taxes	1032.66	593.48	1041.21	606.96
Exceptional item	-	-	-	-
Tax expense / (benefit)				
Current tax	180.08	104.27	189.76	108.71
Deferred tax	(107.29)	(24.37)	(107.29)	(24.37)
Profit / (Loss) for the year	959.87	513.59	958.74	522.62
Other comprehensive income	(1.45)	1.47	1.53	0.26
Total comprehensive income	**958.42**	**515.06**	**960.27**	**522.88**

2. Performance Review & State of Company's Affairs

Consolidated

The Consolidated revenue from operations increased by 44.38% from ₹ 3,003.59 million for FY 2020-21 to ₹ 4336.47 million for FY 2021-22, Profit before interest, tax, depreciation and amortization (EBITDA - Including other income) increased by 63.51% from ₹ 716.35 million in FY 2020-21 to ₹ 1171.33 million in FY 2021-22, Profit after tax increased by 83.45% from ₹ 522.62 million in FY 2020-21 to ₹ 958.74 million in FY 2021-22. The earnings per shares (Basic/ Diluted) increased from ₹ 26.02 to ₹ 44.59 as compared to previous financial year recording a growth of 71.37%.

Standalone

The Standalone revenue from operations increased by 46.92% from ₹ 2,911.88 million to ₹ 4278.11 million, Profit before interest, tax, depreciation and amortization (EBITDA - Including other income) increased by 65.44% from ₹ 702.85 in FY 2020-21 to ₹ 1162.78 million in FY 2021-22, Profit after tax increased by 86.89% from ₹ 513.59 million in FY 2020-21 to ₹ 959.87 million in FY 2021-22. The earnings per share (Basic/Diluted) have increased from ₹ 25.57 in FY 2020-21 to ₹ 44.65 in FY 2021-22 recording a growth of 74.62%. The key growth drivers for profits during the year is due to new customer acquisition, new product launch and market growth.

The Export share in "revenue from operations" is ~ 79% during FY 2021-22. The business continued to experience headwinds in demand generation from both global and domestic majors.

Moreover, the efforts on creating a diversified portfolio of innovative products, winning new customers and penetration into new markets are ongoing.

3. Responding to Unprecedented Challenges with Resilience

FY 2021-22 was also an unprecedented year with Covid-19 pandemic impacting the globe economy and society at large, the Russia-Ukraine crisis and supply chain disruptions created inflation headwinds.

Throughout the pandemic, the Company practiced extreme care and caution towards the health and well-being of its employees and associated partners while ensuring this care and caution was extended to the community at large. The Company regularly adhered to various guidelines and advisories issued by the authorities from time to time including maintaining social distancing at all its plant operations.

4. Dividend

Your Company's policy on Dividend Distribution is available at https://www.tatvachintan.com/wp-content/uploads/2022/01/Dividend-distribution-policy.pdf

In accordance with the said policy, your Directors are pleased to recommend a final dividend of ₹ 2/- per equity share for the financial year ended 31 March 2022 (previous financial year – ₹ 5/- per equity shares). If the above recommendation is approved by the Members of the Company at the ensuing Annual General Meeting, the total outflow on this account will be ₹ 44.33 million (previous financial year – ₹ 40.18 million).

Pursuant to the provisions of the Finance Act, 2020, the said final dividend will be liable for deduction of income tax at source.

5. Transfer to Reserves

During the year under review, the Board of Directors has decided to retain the entire amount of profits for FY 2021-22 in the retained earnings and not to transfer any amount to General Reserve.

6. Material Changes and Commitments

The Company has not made any material changes or commitments which affect the financial position of the Company between the end of the financial year to which the financial statements relate and the date of signing of this report.

7. Share Capital and Change Therein

Authorised Share Capital of the Company is ₹ 40,00,00,000/- (Rupees Forty Crore Only) divided in to 4,00,00,000 (Four Crore) Equity Shares of ₹ 10/- (Rupees Ten only) each.

Issued, Subscribed and Paid-up share capital of the Company is ₹ 22,16,50,620/- (Rupees Twenty Two Crore Sixteen Lakhs Fifty Thousands Six Hundred and Twenty only) divided into 2,21,65,062 (Two Crore Twenty One Lakhs Sixty Five Thousand and Sixty Two) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

During the year, the Board of Directors of the Company has allotted 20,77,562 equity shares of ₹ 10/- each at a price of ₹ 1,083/- (including premium of ₹ 1,073/-) in its Board meeting held on 27 July 2021 as part of Initial Public Offer ("IPO") of the Company. Considering the said allotment, the paid-up equity share capital has been increased from ₹20,08,75,000/- to ₹ 22,16,50,620/- as on 31 March 2022 consisting of 2,21,65,062 equity shares of ₹ 10/- each.

a) Buy Back of Securities

Your Company has not bought back any of its securities during the year under review.

b) Sweat Equity

Your Company has not issued any Sweat Equity Shares during the year under review.

c) Bonus Shares

Your Company has not issued any Bonus Shares during the year under review.

d) Employee Stock Option Plan

Your Company has not provided any Stock Option Scheme to the employees.

8. Key Development

Initial Public Offer ("IPO")

During the period under review, your Company had successfully completed its Initial Public Offer ("IPO") cum offer for sale ("OFS") of 46,16,804 equity shares at ₹ 1083/- (including a security premium of ₹ 1073/-) per equity shares of ₹ 10/- each for cash which includes a fresh issue of 20,77,562 equity shares of ₹ 10/- each for raising funds for the Company aggregating to ₹ 2,250 million and Offer for Sale of 25,39,242 equity shares of the Promoter and Promoter Group shareholders having face value of ₹ 10/- each. The equity shares of your Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on 29 July 2021.

Utilisation of IPO Proceeds

Your Company is utilising IPO proceeds as per the objects stated in the Prospectus of the Company and pursuant to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") during the period under review, there was no deviation/variation in utilisation of funds raised in respect of the Initial Public Offering of the Company. The Company has appointed ICICI Bank Limited as Monitoring Agency in terms of Regulation 41 of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 as amended from time to time, to monitor the utilisation of IPO proceeds and the Company has obtained monitoring reports from the Monitoring Agency from time to time. The Company has submitted the statement(s) and report as required under Regulation 32 of the SEBI 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. There is no variation in the utilisation of issue proceed of IPO money.

9. Finance

During the year under review, your Company availed various credit facilities from the existing Bankers as per the business requirements. Your Company has been regular in paying interest and in repayment of the principal amount of the term lenders.

10. Change in Nature of Business, if any

During the year under review, there has been no material change(s) in the business of the Company or in the nature of business carried by the Company.

11. Deposits

During the year under review, your Company has not accepted any deposits from public within the meaning of Section 73 of the Companies Act, 2013 ("the Act") read with Companies (Acceptance of Deposits) Rules, 2014. The Company has no unclaimed / unpaid matured deposit or interest due thereon.

12. Subsidiaries, Joint Ventures and Associate Companies

As on 31 March 2022, your company has 2 Wholly Owned Subsidiaries as detailed below;

Sr. No.	Name of the Company	Type of Company	Location
1.	Tatva Chintan USA Inc.	Wholly Owned Subsidiary	United State of America
2.	Tatva Chintan Europe B.V.	Wholly Owned Subsidiary	Amsterdam, The Netherlands

A report of the performance and financial position of each of the subsidiaries companies as per the Companies Act, 2013 is provided in form AOC - 1 at **Annexure-A** to this Report.

Your Company's policy on material subsidiary is also available on the website of the Company at https://www.tatvachintan.com/investors/corporate-governance/.

Details of New Subsidiary / Joint Ventures / Associate Companies:

There is no new Subsidiary / Joint Ventures / Associate Companies of the Company during the year under review.

Details of the Company who ceased to be its Subsidiary / Joint Ventures / Associate Companies:

No Company ceased to be Subsidiary / Joint Venture/ Associate Company of the Company during the year under review.

13. Particulars of Related Party Transactions

In line with the requirements of the Companies Act, 2013 ("the Act") and SEBI Listing Regulations, as amended from time to time, the Company has formulated a Policy on Related Party Transactions ("RPT Policy") for identifying, reviewing, approving and monitoring of Related Party Transactions. The RPT Policy was revised pursuant to the amendment in the SEBI Listing Regulations and the same is available on the Company's website at https://www.tatvachintan.com/investors/corporate-governance/

All related party transactions entered into during FY 2021-22 were on arm's length basis and in the ordinary course of business and were reviewed and approved by the Audit Committee. With a view to ensure continuity of day-to-day operations, an omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. There was no materially significant Related Party Transaction made by the Company during the year that would have required Shareholder's approval under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A statement giving details of all related party transactions entered pursuant to the omnibus approval so granted is placed before the Audit Committee on a quarterly basis for its review.

The details of Related party transaction which were transacted during the year under review on arm's length basis and in the ordinary course of business are given in Form AOC - 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 is set out as in form AOC - 2 at **Annexure-B** to this Report.

In terms of Regulation 23 of the SEBI Listing Regulations, your Company submits details of related party transactions on a consolidated basis as per the format specified in the relevant accounting standards to the stock exchanges on a half-yearly basis.

The details of the transactions with related parties are provided in the accompanying Financial Statements.

14. Risk Management

Earlier before the constitution of the Risk Management Committee, the Board of Directors periodically evaluates the processes for Risk Identification and Risk Mitigation. Your Company has in place a mechanism to identify, assess, monitor and mitigate various risks in achieving key objectives of the Company. Your Company has developed and implemented Risk Management Policy to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The Risk Management Policy is available on Company's website at https://www.tatvachintan.com/investors/corporate governance/.

There is no risk 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 operates are elaborately described in the Management Discussion and Analysis Report forming part of the Annual Report.

Risk Management Committee

Pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations, the Board of Directors at their meeting held on 17 January 2022 has constituted a Risk Management Committee which is responsible for management of risk, avoid exposure to significant financial loss and achieve risk management objectives as specified under Risk Management Policy. The Corporate Governance Report, which forms part of this report, contains the details of Risk Management Committee of the Company.

15. Directors and Key Managerial Personnel ("KMP") and changes therein

Directors

As on 31 March 2022, the Board of Directors of your Company comprised of six Directors, viz., three executive Directors and three Independent Directors including one women Independent Director.

Sr. No.	Name of Director/KMP	Designation	Date of Appointment	Date of Cessation
1	Mr. Chintan N. Shah	Chairman and Managing Director	12/06/1996	-
2	Mr. Shekhar R. Somani	Wholetime Director	12/06/1996	-
3	Mr. Ajaykumar M. Patel	Wholetime Director	12/06/1996	-
4	CA Subhash A. Patel	Independent Director	27/02/2021	-
5	Dr. Avani R. Umatt	Independent Director	27/02/2021	-
6	Dr. Manher C. Desai	Independent Director	27/02/2021	-

Re-appointment

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Mr. Ajaykumar Mansukhlal Patel (DIN: 00183745) is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer himself for re-appointment. The Board recommends the appointment of Mr. Ajaykumar Manshukhlal Patel as Whole-time Director of the Company retiring by rotation. Details of the proposal for the appointment / re-appointment of Directors along with their shareholding in the Company, as stipulated under Secretarial Standard 2 and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is mentioned in the Notice of the Annual General Meeting.

Cessation

There were no cessations of the Directors during the Financial Year 2021-22.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013.

Independent Directors

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with sub rule (1) and sub rule (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of the management and they have complied with the code for Independent prescribed in Schedule IV of the Act.

In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same. They are not liable to retire by rotation in terms of Section 149(13) of the Act.

The Board is of the opinion that the all Directors including the Independent Directors of the Company possess requisite qualifications, experience and expertise in their relative fields like science and technology, strategy, finance, governance, human resources, safety, sustainability, etc. and that they hold highest standards of integrity.

The Independent Directors of the Company have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ("IICA") in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Key Managerial Personnel ("KMP")

As on 31 March 2022, the following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) read with Section 203 of the Act, read with the Rules framed thereunder.

Sr. No.	Name of Director/KMP	Designation	Date of Appointment	Date of Cessation
1	Mr. Chintan N. Shah	Chairman and Managing Director	12/06/1996	-
2	Mr. Shekhar R. Somani	Wholetime Director	12/06/1996	-
3	Mr. Ajaykumar M. Patel	Wholetime Director	12/06/1996	-
4	Mr. Ashok Bothra	Chief Financial Officer	03/12/2021	-
5	Mr. Ishwar Nayi	Company Secretary and Compliance Officer	17/01/2022	-

Changes in KMP

During the Year under review, following changes were made in the position of KMP.

Sr. No.	Name of Director/KMP	Designation	Nature of Changes	Date of Appointment	Date of Cessation
1	Mr. Mahesh Tanna	Chief Financial Officer	Cessation	22/12/2020	31/08/2021
2	Mr. Ashok Bothra	Chief Financial Officer	Appointment	03/12/2021	-
3	Ms. Apurva Dubey	Company Secretary and Compliance Officer	Cessation	25/02/2021	17/01/2022
4	Mr. Ishwar Nayi	Company Secretary and Compliance Officer	Appointment	17/01/2022	-

Your Company has also received declaration from all the Directors and senior management personnel on compliance of Code of Conduct for Directors and senior management personnel, formulated by the Company.

16. Board and Committee Meetings

Details of Board Meetings

During the year under review, Eleven (11) Meetings of the Board of Directors were held in accordance with the provisions of the Companies Act, 2013 read with rules made there under and the applicable secretarial standards. 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.

Details of Committee Meetings

The Company has duly constituted the following mandatory Committees in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time viz.

a. Audit Committee;

b. Nomination and Remuneration Committee;

c. Stakeholders Relationship Committee;

d. Risk Management Committee; and

e. Corporate Social Responsibility Committee;

The Composition of all such Committees, number of meetings held during the year under review, attendance of each of the Directors at such meetings, brief terms of reference and other details have been provided in the Corporate Governance Report which forms part of this Annual Report. All the recommendations made by the Committees were accepted by the Board.

17. Separate Meeting of Independent Directors

During the year under review, One (1) Separate meeting of Independent Directors was held on 17 January 2022. The details of the Independent Directors Meeting and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this Report.

18. Familiarisation Programme

In compliance with the requirements of Regulation 25(7) of the SEBI Listing Regulations, the Company has put in place a Familiarisation Programme for the Independent Directors to familiarise them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model etc. The details of the Familiarisation Programme imparted to Independent Directors are available on the Company's official website at https://www.tatvachintan.com/investors/corporate-governance/.

19. Evaluation of the Performance of the Board of Directors, its Committees and of Individual Directors

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, as amended, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of its committees and Chairperson of the Company. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

20. Directors' Responsibility Statement

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, in relation to financial statements of the Company for the year ended 31 March 2022, the Board of Directors to the best of their knowledge and ability, confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

2. The Directors had selected such accounting policies and applied them consistently made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31 March 2022 and of the profit of the Company for that period;

3. The Directors had taken proper and sufficient care for 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;

4. The Directors had prepared the annual accounts on a going concern basis;

5. The Directors laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

6. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. Internal Controls Systems (ICS) and their Adequacy

Internal Financial Controls are an integrated part of the risk management process. Your 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 the size, scale and complexity of its operations. The Audit committee defines the scope and authority of the Internal Auditor. The Audit Committee, comprises of professionally qualified Directors, who interact with the statutory auditors, internal auditors and management in dealing with matters within its terms of reference. Your Company has a proper and adequate system of internal controls. Adequate internal controls ensure transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition.

22. Vigil Mechanism/Whistle Blower Policy

As per provisions of Section 177(9) of the Companies Act, 2013 read with Regulation 22(1) of SEBI Listing Regulations, your Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their grievances / concerns about instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. The Policy provides for adequate safeguards against victimisation of employees who avail of 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 your Company has been denied access to the Audit Committee. The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time.

The details of the policy as well as its weblink are contained in the Corporate Governance Report and website of the Company https://www.tatvachintan.com/investors/corporate-governance/.

23. Significant and Material Orders Passed by the Regulators

During the year under review, no significant and material orders were passed by the regulators or courts or Tribunals impacting the going concern status and future operation of the Company.

The Registrar of Companies ("ROC"), Gujarat has issued one adjudication order vide reference no. ROC-Guj/Adj. Order/ Tatva/ Sec. 42(6)/2021/6259 dated 31 December 2021, under Section 454 of the Companies Act, 2013 read with Companies (Adjudication of Penalties) Rules, 2014 and Companies (Adjudication of Penalties Amendment) Rules, 2019 for violation of Section 42(6) of the Companies Act, 2013. The penalty imposed on your Company was ₹ 1 Crore and ₹ 20 Lakhs each on three Directors and two Key Managerial Personnel. The Company and its three Executive Directors / Promoters being an aggrieved party, has filed an appeal against the said order before office of Regional Director ("RD"), North Western Region ("NWR"), Ministry of Corporate Affairs. The Hon'ble Regional Director, NWR, MCA has issued the order dated 07.07.2022. As per this order, penalty imposed earlier on the two Key Managerial Personnel ("KMP") i.e. Chief Financial Officer ("CFO") & Company Secretary ("CS") by Hon'ble ROC is set aside and also reduced the final penalty on the Company and its three Executive Directors/Promoters and disposed off the said matter (our appeal). The order does not impact the going concern status and future operation of the Company.

24. Corporate Social Responsibility

In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility ("CSR") Committee. The details of membership of the Committee and the meetings held are detailed in the Corporate Governance Report, forming part of this Report.

CSR Policy in line with the requirements of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. The CSR Policy of the Company is available on the website of the Company and can be accessed through the website of the Company https://www.tatvachintan.com/investors/corporate-governance/.

The annual report on CSR activities containing details of expenditure incurred by the Company and brief details on the CSR activities are provided in **Annexure-C** to this Report.

25. Board Diversity

The Company recognizes and embraces the importance of a diverse Board in its success. Your Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help the Company to retain its competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The policy is available on our website at https://www.tatvachintan.com/wp-content/uploads/2022/01/Board-Diversity-Policy.pdf.

26. Appointment and Remuneration Policy

Your Company has been following a policy with respect to appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel ("SMP"). The appointment of Directors on the Board is subject to the recommendation of the Nomination and Remuneration Committee ("NRC"). Based on the recommendation of the NRC, the remuneration of Executive Director is fixed in accordance with the provisions of the Companies Act, 2013 which comprises of Basic Salary and Perquisites/Allowances. The Remuneration of Non-Executive Directors comprises of sitting fees in accordance with the provisions of Companies Act, 2013. The Company had adopted a Remuneration Policy for the Directors, Key Managerial Persons and other employees, pursuant to the provisions of the Act. Managing Director of the Company does not receives any remuneration or commission from any of its subsidiaries. The Remuneration Policy is stated in the Corporate Governance report and weblink for the same is https://www.tatvachintan.com/wp-content/uploads/2022/01/Nomination-Remuneration-Policy.pdf.

27. Particulars of Employees

Details of remuneration of Directors, KMPs and employees as per Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of Report as **Annexure-D**. However, as per the provisions of Section 136 of the Companies Act, 2013, the Annual Report is being sent to the Members and others entitled thereto, excluding the information on employees' remuneration particulars as required under Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, The disclosure is available for inspection by the Members at the Registered Office of your Company during business hours on all working days of the Company up to the date of the ensuing AGM. Any Member interested in obtaining such information may send their email to cs@tatvachintan.com.

28. Auditors and Their Report

i. Statutory Auditors

M/s. NDJ & Co., Chartered Accountants (Firm Registration No. 136345W) were appointed as Statutory Auditor of the Company for the period of five years and shall hold office till the conclusion of 27th Annual General Meeting.

The auditors' Report does not contain any qualification, observation, disclaimer, reservation or adverse remark.

ii. Cost Auditors and Maintenance of Cost Records

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, Your Company is required to prepare, maintain as well as have the audit of its cost records conducted by a Cost Accountant in whole time practice and accordingly, it has made and maintained such cost accounts and records.

The Board, on the recommendation of the Audit Committee has appointed M/s. Y. S. Thakar & Co., Cost Accountants (FRN:000318), Vadodara to carry out Cost Audit and issue Cost Audit Report for the Financial Year 2022-23 at a professional fee of ₹ 60,000/- (Rupees Sixty Thousand Only) plus applicable taxes and out of pocket expense at actuals.

The remuneration payable to the Cost Auditors is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution seeking Members' ratification for the remuneration payable to M/s. Y. S. Thakar & Co., forms part of the Notice of the 26th AGM forming part of this Annual Report.

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

iii. Secretarial Auditors

In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, M/s. TNT & Associates, Practicing Company Secretaries, Vadodara, have been appointed as Secretarial Auditors of the Company to carry out the secretarial audit for FY 2022-23. The report of the Secretarial Auditors for FY 2021-22 is enclosed as **Annexure-E** forming part of 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. TNT & Associates, Practising Company Secretaries, Vadodara, confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the financial year 2021-22. 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. TNT & Associates, Practising Company Secretaries, Vadodara, 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 this Report on Corporate Governance.

29. Credit Ratings

During the financial year under review, the long term and short term rating of your Company has been upgraded to "A-/Stable" and "A2+" from "BBB+ /Stable and A2" respectively.

30. Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its subsidiaries for FY 2021-22 are prepared in compliance with the applicable provisions of the Act and as stipulated under Regulation 33 of the SEBI Listing Regulations as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The Audited Consolidated Financial Statements together with the Auditor's Report thereon forms part of this Annual Report.

31. Information Regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information relating to conservation of energy, technology absorption and Foreign Exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is set out herewith as **Annexure-F** forming part of this report.

32. Corporate Governance Report

Your Company believes in conducting its affairs in a fair, transparent, and professional manner along with good ethical standards, transparency, and accountability in its dealings with all its constituents. Your Company has Complied with all the Mandatory Requirements of Corporate Governance norms as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Separate report on Corporate Governance as well as the Secretarial Auditor's certificate on the compliance of Corporate Governance thereon forms part of this report as **Annexure-G**.

33. Failure to Implement any Corporate Action

During the year under review, no such instance where the Company has failed to complete or implement any corporate action within specified time limit.

34. Business Responsibility Report

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility Report ("BRR") of your Company for FY 2021-22 is forming part of this Annual Report as **Annexure-H** describing the initiatives taken by the Company from an environmental, social and governance perspective.

35. Management's Discussion and Analysis Report

Management Discussion and Analysis as required under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is forming part of this Annual Report as **Annexure-I**.

36. Particulars of Loans Given, Guarantees Given, Security Provided or Investments made under Section 186 of Companies Act, 2013

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes forming part of the Financial Statements and forms a part of this Report.

37. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, the Company has formed an Internal Complaint Committee ("ICC") for its workplaces to address complaints pertaining to sexual harassment in accordance with the POSH Act. The Company has a detailed policy for prevention of sexual harassment at workplace which ensures a free and fair enquiry process with clear timelines for resolution.

The Policy is uploaded on the website of the Company at https://www.tatvachintan.com/wp-content/uploads/2022/04/POSH-2.pdf.

No complaints were pending at the beginning of the financial year. During the year under review, there was no complaint pertaining to sexual harassment.

38. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act read with the Rules made thereunder, the Annual Return in form MGT-7 as on 31 March 2022 is available on the Company's website at https://www.tatvachintan.com/investors/disclosures/.

39. Insurance

The Company has taken adequate insurance to cover the risks to its employees, property (land and buildings), plant, equipment, other assets, third parties etc.

40. Secretarial Standard

During the year under review, your Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI").

41. Investor Education and Protection Fund ("IEPF")

During the year under review, no amount required to transferred to Investors Education Protection Fund.

Your Company has appointed Mr. Ishwar Nayi, Company Secretary and Compliance Officer of the Company as Nodal Officer of the Company. Details of the same is available on the websites of the Company at https://www.tatvachintan.com/.

42. Proceedings Pending under the Insolvency and Bankruptcy Code ("IBC")

There is no such proceeding or appeal pending under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year and at the end of the financial year even upto the date of this report.

43. The details of difference between Amount of the valuation done at the time of one time settlement and the Valuation done while taking loan from the Banks or Financial Institutions

No such instance of One-time settlement or valuation was done while taking or discharging loan from the Banks/ Financial institutions occurred during the year.

44. Reporting of Fraud During the year under review

The Auditors have not reported any instances of frauds committed in your Company by its officers or employees, to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this Report.

45. Revision in Financial Statement or Boards Report

During the year under review, no revision in Financial Statement or Boards Report has been made.

46. Events Subsequent to the date of Financial Statements

As on the date of this Report, your Directors are not aware of any circumstances not otherwise dealt with in this Report or in the financial statements of your Company, which would render any amount stated in the Accounts of the Company misleading. In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report, which would affect substantially the results, or the operations of your Company for the financial year in respect of which this report is made.

47. Industrial Relations/Personnel

Your Company is committed to uphold its excellent reputation in the field of Industrial relations. Through continuous efforts, the Company invests and improvises development programmes for its employees.

48. Cautionary Statement

Statements in the Annual Report, including those which relate to Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking' statements within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

49. Acknowledgement

Your Directors' wish to place on record their appreciation for the contribution made by the employees at all levels without whose hard work and support your company's achievements would not have been possible. Your Directors also wish to thank all its stakeholders including investors, FI, QIBs, customers, dealers, agents, suppliers, investors and bankers and various State and Central Government Agencies. The Directors also take this opportunity to thank the shareholders for their continued confidence reposed in the Management of the Company.

On behalf of the Board of Directors

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Date: 25 July 2022
Place: Vadodara

Annexure - A to the Board's Report

Form No. AOC-1

(Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A:- Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ million)

1	**Name of the Subsidiary Company**	**Tatva Chintan USA Inc.**	**Tatva Chintan Europe B.V.***
2	Date of acqusition / incorporation	16 March 2015	01 March 2019
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
4	Reporting currency and exchange rate# as on the last date of the relevant financial year in the case of foreign subsidiaries	USD	EUR
	Financial details as on 31 March 2022	**Amount in ₹**	**Amount in ₹**
5	Share capital	6.66	0.01
6	Reserves and surplus	70.69	19.14
7	Total assets	218.84	174.71
8	Total liabilities	141.49	155.56
9	Investments	Not applicable	Not applicable
10	Turnover	607.11	436.15
11	Profit before taxation	23.40	17.66
12	Provision for taxation	6.05	3.62
13	Profit after taxation	17.35	14.04
14	Proposed dividend	-	-
15	Extent of shareholding (in percentage)	100%	100%

Notes:

(i) * Financial information is based on unaudited financial statements.

(ii) # The Indian rupee equivalents have been calculated at average rate for profit and loss items and at closing rate for assets and liabilities and at historical rate for equity.

Particulars	Year ended 31 March 2022	
	1 USD	1 EUR
Opening rate as at 01 April	73.50	86.10
Average rate	74.51	86.59
Closing rate as at 31 March	75.81	84.66

(iii) Names of subsidiaries which are incorporated during the year and yet to commence operations: Not applicable

(iv) Names of subsidiaries which have been liquidated or sold during the year: Not applicable

(v) Part "B": Associates and Joint Ventures- Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: Not applicable

(vi) Names of associates or joint ventures which are incorporated during the year and yet to commence operations: Not applicable

(vii) Names of associates or joint ventures which have been liquidated or sold during the year: Not applicable.

For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 25 April 2022
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 25 April 2022
Place : Vadodara, Gujarat, India

Annexure - B to the Board's Report

Form No. AOC-2

Particulars of Contracts/arrangement made with related parties
(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

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

(a)	**Name(s) of the related party and nature of relationship**	**Tatva Chintan USA Inc. Wholly Owned Subsidiary Company**	**Tatva Chintan Europe B.V. Wholly owned Subsidiary Company**
(b)	Nature of contracts/ arrangements/transaction	Sale of products	Sale of products
(c)	Duration of the contracts /arrangements/ transactions	On going	On going
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any (₹ In Million):	As per Sale made time to time and on mutually agreed terms and Conditions. Value: ₹ 566.20 (01/04/2021 to 31/03/2022)	As per Sale made time to time and on mutually agreed terms and Conditions. Value: ₹ 418.69 (01/04/2021 to 31/03/2022)
(e)	Date(s) of approval by the Board/ shareholders, if any:	Approved by the Audit Committee and Board of Directors at their meeting held on 15 June 2021 for Financial Year 2021-22 in compliance with provisions of section 188 of the Companies Act, 2013 and regulation 23 of SEBI Listing Regulations.	Approved by the Audit Committee and Board of Directors at their meeting held on 15 June 2021 for Financial Year 2021-22 in compliance with provisions of section 188 of the Companies Act, 2013 and regulation 23 of SEBI Listing Regulations.
(f)	Amount paid as advances, if any:	Nil	Nil

All the related party transactions during the year under review, were in the ordinary course of business and on arm's length basis.

On behalf of the Board of Directors

Chintan N. Shah
Chairman & Managing Director
DIN 00183618

Date: 25 July 2022
Place: Vadodara

Annexure - C to the Board's Report

Annual Report on CSR Activities for the Financial Year 2021-22

[Pursuant to Section 135 of the Companies Act, 2013 ('the Act') & Rules made thereunder]

1. Brief outline on CSR Policy of the Company:

Tatva Chintan Pharma Chem Limited contribute as a Company to various charitable causes and seek to participate in ways that touch people's lives in the communities. The Company aims to create educated, healthy, sustainable and culturally vibrant communities. Further, the Company intends to be a significant contributor to CSR initiatives in India by devising and implementing social improvement projects for the benefit of underprivileged communities, towns and villages.

2. Composition of the Corporate Social Responsibility (CSR) Committee as on 31 March 2022:

Sl. 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	Dr. Avani R. Umatt (Chairperson)	Non-Executive - Independent Director	03	03
2	CA Subhash A. Patel (Member)	Non-Executive - Independent Director	03	03
3	Mr. Ajaykumar M. Patel (Member)	Promoter, Executive Director	03	03

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

https://www.tatvachintan.com/investors/corporate-governance/

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

Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
1	2020-21	3,60,166	Nil
TOTAL		**3,60,166**	**Nil**

6. Average net profit of the Company as per Section 135(5): ₹ 39,59,65,421

7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 79,19,308

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable

(c) Amount required to be set-off for the financial year, if any: Not Applicable

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 79,19,308

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
85,39,870	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

(b) Details of CSR amount spent against **ongoing projects** for the financial year: Nil

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1) Sl. No.	(2) Name of Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No).	(5) Location of the project. State	District	(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/ No)	(8) Mode of implementation – Through implementing agency. Name	CSR registration number
1.	Healthcare Programme	(i)	Yes	Gujarat	Bharuch	14,34,332	Yes	NA	NA
2.	Covid-19 Relief Programme	(xii)	Yes	Gujarat	Bharuch	14,99,785	Yes	NA	NA
3.	Covid-19 Relief Programme	(xii)	Yes	Gujarat	Bharuch	23,305	Yes	NA	NA
4.	Shiksha se Samruddhi	(ii)	Yes	Gujarat	Bharuch, Surat	1,10,450	Yes	NA	NA
5.	Shiksha se Samruddhi	(ii)	Yes	Gujarat	Bharuch	1,00,000	No	Ankleshwar Environmental and Preservation Society	CSR00014481
6.	Shiksha se Samruddhi	(ii)	Yes	Gujarat	Bharuch, Vadodara	23,71,998	No	Teamlease Skills University	CSR00001676
7.	Shiksha se Samruddhi	(ii)	Yes	Gujarat	Mehsana and Gandhinagar	30,00,000	No	Motiba Memorial Seva Samaj Trust	CSR00006721
	Total					**85,39,870**			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 85,39,870

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

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	79,19,308
(ii)	Total amount spent for the Financial Year	85,39,870
(iii)	Excess amount spent for the financial year [(ii)-(i)]	6,20,562
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	6,20,562

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any: Name of the Fund	Amount (in ₹)	Date of transfer	Amount remaining to be spent in succeeding financial years. (in ₹)
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in ₹)	(7) Amount spent on the project in the reporting Financial Year (in ₹)	(8) Cumulative amount spent at the end of reporting Financial Year. (in ₹)	(9) Status of the project - Completed /Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

Not Applicable

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

Not Applicable.

Date: 25 July 2022
Place: Vadodara

Mr. Chintan N. Shah
Chairman & Managing Director
DIN: 00183618

Dr. Avani R. Umatt
Chairperson - CSR Committee
DIN: 09046170

Annexure - D to the Board's Report

Disclosure under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021-22.

Sr. No.	Name of Director	Ratio
(i)	Mr. Chintan N. Shah Chairman & Managing Director	59.33:1
(ii)	Mr. Ajaykumar M. Patel Whole-time Director	59.33:1
(iii)	Mr. Shekhar R. Somani Whole-time Director	59.33:1
(iv)	CA Subhash A. Patel Independent Director	NA
(v)	Dr. Avani R. Umatt Independent Director	NA
(vi)	Dr. Manher C. Desai Independent Director	NA

2. The Percentage increase/decrease in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2021-22 as compared to 2020-21.

Name	% increase/decrease in Remuneration in the Financial Year 2021-22
Mr. Chintan N. Shah Chairman & Managing Director	19.13
Mr. Ajaykumar M. Patel Whole-time Director	19.13
Mr. Shekhar R. Somani Whole-time Director	19.13
Mr. Ashok Bothra# Chief Financial Officer	$
Mr. Mahesh Tanna## Chief Financial Officer	$
Mr. Ishwar Nayi* Company Secretary and Compliance Officer	$
Ms. Apurva Dubey** Company Secretary and Compliance Officer	$

 # Appointed as Chief Financial Officer w.e.f. 03 December 2021.

Relinquished the office of Chief Financial Officer w.e.f. 31 August 2021.

** Appointed as Company Secretary and Compliance Officer w.e.f. 17 January 2022.*

*** Relinquished the office of Company Secretary and Compliance Officer w.e.f. 17 January 2022.*

$ Since the remuneration is only for part of the year, the percentage increase in remuneration is not comparable and hence, not stated.

3. The percentage increase in the median remuneration of employees in the financial year 2021- 22 as compared to 2020-21 is 10.09%.

4.

	31.03.2022	31.03.2021
The number of permanent employees on the role of the Company.	471	425

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

- Average percentile increase in remuneration of employees excluding KMPs: 24.72%
- Average percentile increase in remuneration of KMPs: 21.29%
- KMP salary increase are decided based on the Company's performance, individual performance, inflation, prevailing industry trends, benchmarks etc.

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

On behalf of the Board of Directors

Chintan N. Shah
Chairman & Managing Director
DIN 00183618

Date: 25 July 2022
Place: Vadodara

Annexure - E to the Board's Report

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

[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
M/s. TATVA CHINTAN PHARMA CHEM LIMITED
CIN: - L24232GJ1996PLC029894
Plot No 502/17, GIDC Estate,
Ankleshwar, Bharuch-393002,
Gujarat, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. TATVA CHINTAN PHARMA CHEM LIMITED (L24232GJ1996PLC029894) ("the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit and considering the relaxations granted by the Ministry of Corporate Affairs ("the MCA") warranted due to the spread of the COVID - 19 pandemic, I hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended on 31st March 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 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 Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force):

I. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

II. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

III. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

IV. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;- **Not applicable to the Company during the period under review**;

V. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008-**Not applicable to the Company during the period under review**;

VI. 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;

VII. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021–**Not applicable to the Company during the period under review**;

VIII. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018–**Not applicable to the Company during the period under review**; and

(vi) Other applicable laws: Based on the information provided and the representation made by the Company and its officers and also on the review of the compliance reports taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes exist in the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations as applicable to the Company.

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

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

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors (including Woman Independent Director). There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance *for meetings except in some cases meeting was convened with shorter notice* 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were carried through on the basis of majority and there were no dissenting views.

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

We further report that during the audit period the Company has taken following actions or entered into events having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

- During the Audit period under review, the Company has come out with an Initial Public Offer ("IPO") cum Offer For Sale ("OFS") and the shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange ("NSE") on 29th July 2021.
- The Company has taken approval from members by way of special resolution for borrowing of Money, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the paid up share capital and Free Reserves of the Company subject to maximum of ₹300 Crore at any point of time and to create mortgages, Charges and hypothecation on the properties of the Company up to limit Borrowing of ₹300 Crore.

For, TNT & Associates
Practicing Company Secretaries
P. R. No.:- 1394/2021

Niraj Trivedi
Partner
FCS NO.:- 3844
CP NO.:- 3123
UDIN:- F003844D000676681

Date:- 25 July 2022
Place:- Vadodara

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

Annexure A to Secretarial Audit Report

To,
The Members,
M/s. TATVA CHINTAN PHARMA CHEM LIMITED
CIN: - L24232GJ1996PLC029894
Plot No 502/17, GIDC Estate,
Ankleshwar,
Bharuch-393002,
Gujarat, India

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

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

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

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

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

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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

For, TNT & Associates
Practicing Company Secretaries
P. R. No.:- 1394/2021

Niraj Trivedi
Partner
FCS NO.:- 3844
CP NO.:- 3123
UDIN:- F003844D000676681

Date:- 25 July 2022
Place:- Vadodara

Annexure - F to the Board's Report

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

A. Conservation of energy

Energy conservation continues to be an active focus area of Tatva Chintan Pharma Chem Limited (“Tatva Chintan” or “the Company”). In light of the global warming, which eventually may lead to scarcity of energy resources, Your Company has been focusing on efficient energy conservation practices as one of the key components of its responsible energy strategy. Your Company has also taken several initiatives in order to conserve energy which is in line with our policy of conservation of natural resources.

(i) The steps taken or impact on conservation of energy:

1. Installed APFC panel (1445 KVAR) for power factor improvement.
2. Installed VFD in Brine plants & ATFD machines to reduce power consumption
3. Installed ACs with high EER.
4. Installed LED lights to reduce power consumption.
5. Improvement in recovery of steam condensate water to reuse the same in boiler.

(ii) The steps taken by the Company for utilising alternate sources of energy: Nil

(iii) The capital investment on energy conservation equipments: ₹ 35.54 Million

B. Technology absorption

(i) The efforts made towards technology absorption:

Sustainable Technology has been central to everything that Tatva Chintan has ever done. We have focused mainly to develop and make available the best technologies developed in-house and developed indigenously in collaboration with Government approved Research laboratories for various novel and proprietary catalysts, Structure directing agents, Phase transfer catalysts, chemicals and pharma and agro intermediate processes and products to improve profitability and accelerate our growth.

Tatva Chintan strives through its indigenous in-house Research & Development Department (“R&D”) to develop technologies that create significant value. R&D enables the innovation based growth agenda.

R&D has evolved with breakthrough chemistries and techniques addressing significant reduction in waste generation, equipment usage and application of environmentally benign reagents or solvents.

With the expertise of high scientific and analytical skills, R&D has also focused on specialty chemicals, agrochemicals and the pharma intermediates taking part of ‘make in India’ campaign, the initiative by Govt. of India.

Providing pace, facility creation and acquiring talents from reputed institutes and organizations were continued for consistent growth and sustainability.

The challenges and vulnerabilities were overcome through versatile expertise within the strong strategic backbone.

Tatva Chintan through its technology development strategies for various products technologies is also simultaneously focused on Safety, health & environmental issues.

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

By adopting the technology absorption strategies, Tatva Chintan through its R&D efforts has been able to deliver products via environmentally benign & cost competitive effective processes for new product pipelines for various customers.

The continuous flow chemistry technique was successfully developed and demonstrated, showing minimum floor space requirements, lesser operational expenditures and most importantly it being environmentally sustainable. Zeolite based adsorptive separation of used solvent mixture in continuous mode was another accomplishment that resulted high purity of reusable grade solvent.

Regio-selective alkylation and application of hydrogen peroxide as green oxidant were successfully commenced from bench scale to pilot scale.

The knowledge and skill were developed in analytical techniques for estimation of trace level impurities that meet customer satisfaction and confidence.

Facilitated R&D with updated laboratory equipment, analytical instruments for characterization and identification of impurities and structure analysis, and the resources of various expertise that ensured the progress with continuous development.

Tatva Chintan by its adherence to the technology absorption strategy through its efforts has also been successful in upgrading the existing commercial products in terms of improving output quality and yield while reducing effluent load by adopting/ substituting to latest / current available technology and processes.

We have also been able to expand the product portfolio striving through our R&D strategies and efforts as per our desire for product diversification and exploring varied application based research.

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

- Currently no imported technology acquired and practiced.

(iv) The expenditure incurred on Research and Development:

(₹ in million)

Sr. No.	Particulars	2021-22	2020-21
a)	Capital expenditure	32.67	26.47
b)	Revenue expenditure	37.03	24.01
	Total (a+b)	**69.70**	**50.48**

C Foreign exchange earnings and Outgo-

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows:

(₹ in million)

Particulars	2021-22	2020-21
Foreign exchange earned	3642.02	1,638.84
Outgo of foreign exchange	(1,643.91)	(662.53)

On behalf of the Board of Directors

Chintan N. Shah
Chairman & Managing Director
DIN 00183618

Date: 25 July 2022
Place: Vadodara

Annexure - G to the Board's Report

Report on Corporate Governance

1. Company's Philosophy on Code of Corporate Governance

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures transparency, responsibility and accountability. Your Company believes in upholding highest standard of ethics, integrity, transparency and accountability in conducting the affairs of the Company so as to disseminate the information to the stakeholders in transparent manner. We have, therefore, designed our systems and action plans to enhance performance and stakeholders' value in the long run.

To create a culture of good governance, your Company has adopted practices that comprise of performance accountability, effective management control, constitution of Board Committees as a part of the internal control system, fair representation of professionally qualified, non-executive and Independent Directors on the Board, adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues.

Above all, we believe that Corporate Governance must balance individual interest with corporate goals and operate within accepted norms of propriety, equity, fair play and sense of responsibility & justice. Achieving this balance depends upon how accountable and transparent the Company is. Accountability improves decision making. Transparency helps to explain the rationale behind decisions and thereby creating long term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

Your Company's philosophy on Corporate Governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Your Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as applicable with regard to Corporate Governance.

2. Board of Directors

a) Composition of the Board

Your Company has an active, experienced, highly qualified, diverse and a well-informed Board. The Board along with its Committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's Corporate Governance philosophy. Your Company has an optimum combination of Executive and Non-Executive Directors which is in conformity with Regulation 17 of the SEBI Listing Regulations read with Sections 149 and 152 of the Companies Act 2013 ("the Act"). The Board periodically evaluates the need for change in its composition and size.

In terms of Regulation 17 of the SEBI Listing Regulations, at least 50% of the Board should comprise Non-Executive Independent Directors with at least one Woman Director. Out of total 6 Directors as on 31 March 2022, the Non-Executive Independent Directors in the Company consist 50% of the Board. Your Company has one Women Director on the Board as on the said date who is holding the office as Non-Executive Independent Director.

Detailed profile of all the Directors of your Company are available on the Company's website at https://www.tatvachintan.com/about-us/promoters-board-of-directors/

b) The names and categories, inter personal relationship of the Directors on the Board, their attendance at Board meetings during the year and at the last Annual General Meeting ("AGM"), the number of Directorships in other Companies and Committee membership / chairpersonship held by them are given below:

Name and Category of Director	Attendance at the Board meetings and last AGM of Tatva Chintan Pharma Chem Limited held during the FY 2021-22		Directorship in Listed Companies			Number of other Board of Directors or Statutory Committees and Category of Membership					
	Board (Out of 11)	Last AGM held on 29 September 2021	Name of Listed Companies	Category		BOD	AC	NRC	CSR	SRC	RMC
				P/PG	ED/NED/ID						
Mr. Chintan N. Shah (DIN: 00183618) Promoter, Executive Director	10	Yes	Tatva Chintan Pharma Chem Limited	P	ED	-	-	-	-	-	-
Mr. Ajaykumar M. Patel (DIN: 00183745) Promoter, Executive Director	11	Yes	Tatva Chintan Pharma Chem Limited	P	ED	-	-	-	-	-	-
Mr. Shekhar R. Somani (DIN: 00183665) Promoter, Executive Director	11	Yes	Tatva Chintan Pharma Chem Limited	P	ED	-	-	-	-	-	-
CA Subhash A. Patel (DIN: 00535221) Non-Executive - Independent Director	11	Yes	Tatva Chintan Pharma Chem Limited	-	ID	1-NED	-	-	-	-	-
Dr. Avani R. Umatt (DIN: 09046170) Non-Executive - Independent Director	11	Yes	Tatva Chintan Pharma Chem Limited	-	ID	1-ID	-	1-M	1-C	1-C	1-M
Dr. Manher C. Desai (DIN: 09042598) Non-Executive -Independent Director	11	Yes	Tatva Chintan Pharma Chem Limited	-	ID	-	-	-	-	-	-

P- Promoter; PG - Promoter Group; ED – Executive Director; NED - Non-Executive Director; ID - Independent Director; BOD – Board of Director; AC - Audit Committee; NRC - Nomination & Remuneration; CSR - Corporate Social Responsibility; SRC - Stakeholders' Relationship Committee; RMC - Risk Management Committee; M - Membership; C – Chairmanship

*Note: The AGM was held through video conferencing / other audio-visual means ("VC/OAVM") because of COVID restrictions.

c) Number of Board Meetings held and the dates of the Board Meetings

The Board of Directors met 11 times on following date during the financial year under review.

Sr. No.	Date of Board Meeting	No. of Directors Present
1.	12 April 2021	6
2.	29 April 2021	5
3.	15 June 2021	6
4.	10 July 2021	6
5.	12 July 2021	6
6.	22 July 2021	6
7.	27 July 2021	6
8.	14 August 2021	6
9.	23 October 2021	6
10.	03 December 2021	6
11.	17 January 2022	6

The maximum gap between any two meetings was less than one hundred and twenty days and the Meetings were conducted in compliance with all applicable laws. The necessary quorum was present for all the Board Meetings.

d) Disclosure of relationships between Directors inter-se - None of the Directors are related to each other.

e) Number of shares held by Directors as on 31 March 2022 are given below.

Name	Category	Number of equity shares
Mr. Chintan N. Shah	Promoter, Executive Director	48,97,219
Mr. Shekhar R. Somani	Promoter, Executive Director	56,30,628
Mr. Ajaykumar M. Patel	Promoter, Executive Director	40,07,190
CA Subhash A. Patel	Non-Executive - Independent Director	-
Dr. Manher C. Desai	Non-Executive - Independent Director	-
Dr. Avani R. Umatt	Non-Executive - Independent Director	-

f) The Company has not issued any convertible instruments.

g) Web link where details of familiarization programmes imparted to independent Directors - https://www.tatvachintan.com/wp-content/uploads/2022/04/Director-Familirization-Programme-Details.pdf

h) As required under the provisions of Schedule V(C)(2)(h) of the SEBI Listing Regulations, the Board of Directors has identified the core skills / expertise / competencies as required in the context of its business(es) and sector(s) for it to function effectively those actually available with the Board and the details of the name of Director(s) who possess specific skills / expertise / competencies are as follows:

Name of the Director	Interpersonal skills and personal qualities/values	Information Technology business & Industry knowledge	Legal, regulatory and financial knowhow	Strategic and analytical mindset	Leadership, Management & Governance
Mr. Chintan N. Shah	✓	✓	✓	✓	✓
Mr. Shekhar R. Somani	✓	✓	✓	✓	✓
Mr. Ajaykumar M. Patel	✓	✓	✓	✓	✓
CA Subhash A. Patel	✓	✓	✓	✓	✓
Dr. Avani R. Umatt	✓	✓	✓	✓	✓
Dr. Manher C. Desai	✓	✓	✓	✓	✓

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person having knowledge about a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and who possess special skills with regard to the industries/fields from where they come.

i) The Board of Directors of the Company is of opinion that all the Independent Directors of the Company fulfill the conditions specified in SEBI Listing Regulations and are independent of the management during the period under review.

j) None of the Independent Directors of the Company has resigned before the expiry of their tenure during the period under review.

k) Annual Evaluation of the Board's and Individual Directors:

Pursuant to the provisions of the Act, and the SEBI Listing Regulations, the Board has carried out the annual evaluation of its own performance, as well as the working of its Audit, Nomination and Remuneration. A structured questionnaire was prepared after taking into consideration, inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation made by Nomination and Remuneration Committee and Independent Directors at their respective meetings was noted by the Board. The performance evaluation of Executive Directors, Independent Directors, Board committees and Board as a whole was carried out by the Board of Directors excluding the Director being evaluated, at their meeting on the basis of criteria laid down by the Board.

l) Compliance with Code of Conduct:

The Company has adopted the Code of Conduct for the Board of Directors and Senior Management Personnel. The Company's Code of Conduct is available on the website of theCompany https://www.tatvachintan.com/wp-content/uploads/2022/01/Code-of-conduct-for-all-members-of-the-Board-and-senior-management.pdf.

The members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct during the year under review.

A declaration to this effect duly signed by the Chairman and Managing Director forms part of this Report.

m) Prevention of Insider Trading Code:

The Company has adopted a "Code of Conduct for Prohibition of Insider Trading" and the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" as per SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, with a view to regulate trading in securities by the Designated Persons and their Immediate Relatives.

The Board of Directors, designated employees and connected persons have affirmed compliance with the Code.

Code of Conduct for Prohibition of Insider Trading and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is available on Company's website at https://www.tatvachintan.com/investors/corporate-governance/.

The Compliance Officer of the Company is responsible for adherence to Code of Conduct for Prohibition of Insider Trading Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

3. Audit Committee

I. The Audit Committee ("AC") of the Company is constituted in alignment with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

II. The terms of reference of the Committee are in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013 and major terms of reference, inter alia, includes the following:

1. Oversight of financial reporting process and the disclosure of financial information relating to Tatva Chintan Pharma Chem Limited (the "Company") to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of Auditors of the Company and the fixation of the audit fee;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Formulation of a policy on related party transactions, which shall include materiality of related party transactions;
5. Reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
6. Examining and 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; and
   g. Modified opinion(s) in the draft audit report.
7. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
8. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board of directors of the Company (the "Board" or "Board of Directors") to take up steps in this matter;
9. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

10. Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

    Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the Company, wherever it is necessary;
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. 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;
16. Discussion with internal auditors of any significant findings and follow up there on;
17. 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;
18. 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;
19. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
20. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. Reviewing the functioning of the whistle blower mechanism;
22. Monitoring the end use of funds raised through public offers and related matters;
23. Overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
24. Approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
25. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 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; and

25A. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

26. Carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

III. The composition of the Audit Committee meets with the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

All the members of the Audit Committee are qualified and have insight to interpret and understand financial statements.

Five (5) Audit Committee meetings were held during the Financial Year 2021-22 which are on 27 April 2021, 15 June 2021, 14 August 2021, 23 October 2021 and 17 January 2022. The maximum gap between any two meetings was less than one hundred and twenty days. The necessary quorum was present for all the Meetings of the Committee.

The details of members, their category and number of meetings attended by them during the Financial Year 2021-22 are given below:

Name of Committee Member	Designation in Committee	Category in the Board	No of Meeting held	No of Meeting attended
CA Subhash A. Patel	Chairperson	Non-Executive - Independent Director	05	05
Dr. Manher C. Desai	Member	Non-Executive - Independent Director	05	05
Mr. Chintan N. Shah	Member	Promoter, Executive Director	05	04

CA Subhash A. Patel, Chairperson of the Audit Committee, was present during the 25th AGM held on 29 September 2021 through Video Conferencing.

4. Nomination and Remuneration Committee

I. The Nomination and Remuneration Committee ("NRC") of the Company is constituted in alignment with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations and terms of reference, including role & powers of the Committee, has been modified accordingly.

II. Terms of reference of the Committee, inter alia, includes the following:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees ("Remuneration Policy").

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

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

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

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

(1A). 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.

(2) Formulation of criteria for evaluation of independent directors and the Board;

(3) Devising a policy on Board diversity;

(4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

(5) Analyzing, monitoring and reviewing various human resource and compensation matters;

(6) Deciding 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) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(8) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;

(9) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

(10) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(11) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, if applicable;

(12) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

(13) Perform such other activities as may be delegated by the Board or specified/ provided under the

Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

III. The composition of the Nomination and Remuneration Committee meets with the requirement of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

Three (3) Nomination and Remuneration Committee meetings were held during the Financial Year 2021-22 which are on 15 June 2021, 03 December 2021 and 17 January 2022. The necessary quorum was present for all the Meetings of the Committee.

The details of members, their category and number of meetings attended by them during the Financial Year 2021-22 are given below:

Name of Committee Member	Designation in Committee	Category in the Board	No of Meeting held	No of Meeting attended
Dr. Manher C. Desai	Chairperson	Non-Executive - Independent Director	03	03
CA Subhash A. Patel	Member	Non-Executive - Independent Director	03	03
Dr. Avani R. Umatt	Member	Non-Executive - Independent Director	03	03

Dr. Manher C. Desai, Chairperson of the Nomination and Remuneration Committee, was present during the 25th AGM held on 29 September 2021 through Video Conferencing.

IV. The below criteria are considered for performance evaluation of Board, that of its Committees and Individual Directors:

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Executive and Non- Executive Directors of the Company as per Section 178 of the Companies Act, 2013, as amended from time to time. The criteria was set based on various attributes, inter alia, profile, experience, contribution, dedication, knowledge, sharing of information with the Board, regularity of attendance, aptitude & effectiveness, preparedness & participation, team work, decision making process, their roles, rights, responsibilities in the Company, monitoring & managing potential conflict of interest of management, providing fair and constructive feedback & strategic guidance and contribution of each Director to the growth of the Company.

5. Stakeholders Relationship Committee

I. The Stakeholders Relationship Committee ("SRC") of the Company is constituted in alignment with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations and terms of reference, including role & powers of the Committee, has been modified accordingly.

II. Terms of reference of the Committee, inter alia, includes the following:

a) Resolving the grievances of the security holders of the listed entity including complaints related to transfer of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report or non-receipt of balance sheet, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

b) review of measures taken for effective exercise of voting rights by shareholders;

c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

d) Giving effect to all transfer / transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate / consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

e) review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;

f) review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company; and

g) Carrying out such other functions as may be specified by the Board from time to time or specified / provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

To expedite the process and for effective resolution of grievances / complaints, the Committee has delegated powers to the M/s. Link Intime India Private Limited, Registrar and Share Transfer Agent and its officials to redress all various aspects of interest of the Members / Investors. Mr. Ishwar Nayi, the Company Secretary of the Company acts as a Compliance Officer of the Stakeholders Relationship Committee and under his supervision Committee redresses the grievances / complaints of Members /Investors.

Two (2) Stakeholders Relationship Committee meetings were held during the Financial Year 2021-22 which are on 23 October 2021 and 17 January 2022. The necessary quorum was present for all the Meetings of the Committee.

The details of members, their category and number of meetings attended by them during the Financial Year 2021-22 are given below:

Name of Committee Member	Designation in Committee	Category in the Board	No of Meeting held	No of Meeting attended
CA Subhash A. Patel	Chairperson	Non-Executive - Independent Director	02	02
Dr. Manher C. Desai	Member	Non-Executive - Independent Director	02	02
Mr. Shekhar R. Somani	Member	Promoter, Executive Director	02	02

CA Subhash A. Patel, Chairperson of the Nomination and Remuneration Committee, was present during the 25th AGM held on 29 September 2021 through Video Conferencing.

I. Status of Investor Complaints

The status of investor complaints as on 31 March 2022 as reported under Regulation 13(3) of the SEBI Listing Regulations is as under:

No of Shareholders Complaints as on 01 April 2021	00
No of Shareholders complaints received during the year	61
No of Shareholders complaint Resolved during the year	61
No of Shareholders complaint not Resolved during the year	00
No of complaint pending as on 31 March 2022	00

The complaints have been resolved to the satisfaction of the shareholders. The correspondence identified as investor complaints are letters received through statutory/regulatory bodies.

No grievances / complaints are outstanding and no requests for share transfers and / or requests for dematerialization were pending for approval as on 31.03.2022.

II. Name, designation and address of the Compliance Officer

Mr. Ishwar Nayi
Company Secretary and Compliance officer
Tatva Chintan Pharma Chem Limited
Plot No. 502 / 17, GIDC Estate, Ankleshwar
Dist. Bharuch, Gujarat - 393 002, India
Telephone: +91 75748 48533/34
Fax: +91 265 263 8533
Email: cs@tatvachintan.com

6. Risk Management Committee

I. The Risk Management Committee ("RMC") of the Company is constituted in alignment with the provisions Regulation 21 of the SEBI Listing Regulations. The Company had voluntarily constituted RMC on 17 January 2022. The primary role of the RMC is that of assisting the Board of Directors in overseeing the Company's risk management processes and controls. The RMC, through the Enterprise Risk Management in the Company, seeks to minimise adverse impact on the business objectives and enhance stakeholder value. The Board has adopted a charter for the functioning of the RMC covering the composition, meetings, quorum, responsibilities, etc.

II. Terms of reference of the Committee, inter alia, includes the following:

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

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

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

(c) Business continuity plan.

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

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

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

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

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

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

III. Committee comprises of following Members

Name	Designation in Committee	Category
Mr. Shekhar R. Somani	Chairperson	Promoter, Executive Director
CA Subhash A. Patel	Member	Non-Executive - Independent Director
Dr. Manher C. Desai	Member	Non-Executive - Independent Director
Mr. Harish L. Patel	Member	General Manager - Operation
Mr. Rakeshkumar P. Poonia	Member	Assistant General Manager - Commercial

As the Committee was constituted on 17 January 2022, no meeting was held during the period under review.

7. Corporate Social Responsibility Committee

I. The Corporate Social Responsibility ('CSR') Committee of the Board is constituted in accordance with the provisions of Section 135 of the Companies Act 2013. The CSR Committee has been entrusted with the specific responsibility of reviewing corporate social responsibility programmes. The scope of the CSR Committee also includes approving the budget of CSR activities, reviewing the CSR programmes, formulation of annual action plan and monitoring the CSR spends.

II. Terms of reference of the Committee, inter alia, includes the following:

a) 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, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;

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

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

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

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

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

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

The Corporate Social Responsibility Policy on the Company is available on Company's website at https://www.tatvachintan.com/wp-content/uploads/2022/01/CSR-Policy-1.pdf.

A CSR Report giving details of the CSR activities undertaken by the Company during the year under review, along with the amount spent forms part of the Board's Report.

Three (3) Corporate Social Responsibility Committee meetings were held during the Financial Year 2021-22 on 14 August 2021, 23 October 2021 and 17 January 2022. The necessary quorum was present for all the Meetings of the Committee.

The details of members, their category and number of meetings attended by them during the Financial Year 2021-22 are given below:

Name of Committee Member	Designation in Committee	Category in the Board	No of Meeting held	No of Meeting attended
Dr. Avani R. Umatt	Chairperson	Non-Executive - Independent Director	03	03
CA Subhash A. Patel	Member	Non-Executive - Independent Director	03	03
Mr. Ajaykumar M. Patel	Member	Promoter, Executive Director	03	03

Dr. Avani R. Umatt, Chairperson of the Nomination and Remuneration Committee, was present during the 25th AGM held on 29 September 2021 through Video Conferencing.

8. Remuneration of Directors

a) Remuneration policy, terms and criteria of appointment of Directors:

The Nomination and Remuneration Policy lays down criteria for determining appointment and qualification, positive attributes and independence of Director. The policy reflects the interests of the shareholders and the Company taking into consideration any specific matters, including the assignments, the responsibilities undertaken and also be competitive with the external market. Your Company recognizes the benefit of a Board that possesses the right balance of skills, knowledge, experience, expertise and diversity of perspective. The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis and is in consonance with the existing Industry practices.

b) Remuneration paid to Executive Directors:

The break-up of remuneration paid on yearly basis to the Executive Directors for the Financial Year 2021-22 are as under:

(Amount in ₹)

Name of Directors	Mr. Chintan N. Shah	Mr. Ajaykumar M. Patel	Mr. Shekhar R. Somani
Designation	Chairman & Managing Director	Whole-Time Director	Whole-Time Director
Salary (₹)	50,80,032	50,80,032	50,80,032
Bonus	-	-	-
Pension	-	-	-
Commission (₹)	-	-	-
Perquisites / Allowances (₹)	1,14,23,220	1,14,23,220	1,14,23,220
Total (₹)	1,65,03,252	1,65,03,252	1,65,03,252
Stock Option Granted (Nos.)	-	-	-
Fixed components and performance linked incentives	-	-	-
Service Contract, Notice Period, Severance Fees	The employment of Mr. Chintan N. Shah is Contractual. Period of Contract - 5 years from 01 February 2021 to 31 January 2026. Notice Period – Six (6) months. There is no separate provision for payment of severance fees.	The employment of Mr. Ajaykumar M. Patel is Contractual. Period of Contract - 5 years from 01 February 2021 to 31 January 2026. Notice Period – Six (6) months. There is no separate provision for payment of severance fees.	The employment of Mr. Shekhar R. Somani is Contractual. Period of Contract - 5 years from 01 February 2021 to 31 January 2026. Notice Period – Six (6) months. There is no separate provision for payment of severance fees.

c) Remuneration paid to Non-Executive Directors:

During FY 2021-22, your Company paid sitting fees of ₹ 25,000 per Meeting to the Non-executive Directors who are also an Independent Directors for attending each Meeting of the Board and ₹ 10,000 per Meeting for attending each Meeting of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Your Company also reimburses out-of-pocket expenses, if any incurred by the Directors for attending the Meetings.

Criteria of making payments to Non-executive Directors who are also an Independent Directors are available on the website of the Company at https://www.tatvachintan.com/wp-content/uploads/2022/01/Terms-and-conditions-for-Appointment-of-Independent-Directors-of-the-Company.pdf

The terms and conditions for appointment of Non-Executive – Independent Directors are disclosed in the website of the Company at https://www.tatvachintan.com/wp-content/uploads/2022/01/Terms-and-conditions-for-Appointment-of-Independent-Directors-of-the-Company.pdf

Details of remuneration paid to Non-Executive - Independent Directors for attending the meetings of Board of Directors and Committees for the financial year 2021-22 are as given below:

(Amount in ₹)

Name of Directors	Sitting Fees
CA Subhash A. Patel	4,05,000
Dr. Manher C. Desai	3,75,000
Dr. Avani R. Umatt	3,35,000

d) Pecuniary Relationship of Non-Executive - Independent Directors with the Company:

None of the Non-Executive - Independent Directors with the Company: have any pecuniary relationship or transactions with the Company, its Promoters, its management or its Subsidiaries and Associate, which, in the judgement of the Board, would affect the independence or judgement of Directors.

9. Independent Directors' Meeting

During the year, a separate meeting of the Independent Directors was held on 17 January 2022, without the attendance of Non-Independent Directors and members of the management, inter alia, to:

- Review of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Review of the performance of the Chairman of the Company, taking into account the views of the Executive and Non- Executive Directors;
- Assessment of the quality, content and timelines for the flow of information between the Management and the Board, which is necessary for the Board to effectively and reasonably perform its duties;

All Independent Directors attended the said meeting.

10. Subsidiary Companies

Regulation 16 of the SEBI Listing Regulations defines a 'material subsidiary' to mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

In addition to the above, Regulation 24 of the SEBI Listing Regulations requires that at least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. For the purpose of this provision, material subsidiary means a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Accordingly, Independent Directors have been appointed on the Board of unlisted material subsidiaries. For more effective governance, the Independent Directors appointed in such subsidiaries brief the Board of Directors of the Company at each Board Meeting on any significant issues of these unlisted material subsidiaries.

The subsidiaries of the Company function independently with an adequately empowered Board of Directors and adequate resources. The minutes of Board Meetings of subsidiaries are placed before the Board of the Company for its review and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board.

Pursuant to the explanation under Regulation 16(1)(c) of the SEBI Listing Regulations, the Company has formulated a Policy for determining material subsidiaries which is disclosed on the Company's website at https://www.tatvachintan.com/wp-content/uploads/2022/01/Policy-for-determining-%E2%80%98material-subsidiaries.pdf

The other requirements of Regulation 24 of the SEBI Listing Regulations with regard to Corporate Governance requirements for subsidiary companies have been complied with.

11. General Body Meetings

i. Details of location, time and date of last three Annual General Meetings are given below:

Date	Time	Venue
29 September 2021	4:00 p.m. (IST)	Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") Deemed Venue - Plot No 502/17, G.I.D.C, Ankleshwar, District: Bharuch - 393002, Gujarat, India
29 October 2020	3:00 p.m. (IST)	Plot No 502/17, G.I.D.C, Ankleshwar, District: Bharuch -393002, Gujarat, India
30 September 2019	3:00 p.m. (IST)	Plot No 502/17, G.I.D.C, Ankleshwar, District: Bharuch -393002, Gujarat, India

ii. Details special resolutions passed in the previous three annual general meetings;

Nature of Transaction in respect of which Special Resolution Passed	Special Resolutions were passed through Postal Ballot	Date and time of Meeting
1. To Borrow money in excess of paid-up share capital and free reserves of the Company 2. Authority to create mortgages, charges and hypothecations on properties of the Company 3. Authorization to invests, give guarantee or providing securities or investment made	-	29 September 2021 at 4:00 p.m. (IST)
1. Alteration of Memorandum of Association of the Company 2. Adoption of new set of Articles of Association of the Company 3. Keeping Register & Index of Members and copy of Annual Return at Vadodara Office instead of Registered Office	-	29 October 2020 at 3:00 p.m. (IST)

iii. Postal Ballot details: Not Applicable

12. Means of Communication

a. Stock Exchange Intimations

All submissions to the Stock Exchanges are made through the respective electronic filing systems. All unpublished price sensitive information, material events or information as detailed in Regulation 30 of the SEBI Listing Regulations are disseminated to the Stock Exchanges.

The disclosures are also available on the Company's website at https://www.tatvachintan.com.

b. Quarterly Results

Pursuant to provisions of the SEBI Listing Regulations, the quarterly/half-yearly/annual financial results of the Company are submitted to the Stock Exchanges and are normally published in English Language in National Daily Newspaper "Financial Express" circulating in substantially the whole of India and in Gujarati Language in "Vadodara Samachar".

The quarterly/half-yearly/annual financial results of the Company are displayed on the Company's website at https://www.tatvachintan.com. The website also displays official press releases, investor presentations and other statutory and business information.

c. Newspaper wherein results normally published

After getting the shares listed on BSE and NSE, the Company publishes its results in English Language in National Daily Newspaper "Financial Express" circulating in substantially the whole of India and in Gujarati Language in "Vadodara Samachar".

d. Website

https://www.tatvachintan.com.

e. Official news release

The Company regularly publish information, update its financial results and official news releases on the Company's website https://www.tatvachintan.com/.

f. Presentation made to institutional investor or to the analyst

The Chairman and Managing Director/Whole-Time Director/Chief Financial Officer, Senior Management Personnel etc. hold quarterly briefs with analysts, shareholders and major stakeholders where the Company's performance is discussed. The official press releases, presentation made to the institutional investors and analysts, audio/video recording and the transcripts of the call with analysts for quarterly/half-yearly/annual results are available on the Company's website at https://www.tatvachintan.com and uploaded on the website of NSE & BSE.

13. General Shareholders' Information

Day, Date, time and venue of Annual general meeting (AGM)	:	Thursday, 22 September 2022 Time: 04:00 P.M. (IST) Venue: In accordance with the General Circular issued by the MCA on 05 May 2022 and other relevant MCA Circulars, the AGM will be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") only
Financial year;	:	01 April to 31 March
Book Closure Date;	:	Saturday, 10 September 2022 to Thursday, 22 September 2022 (both days inclusive)
Dividend payment date;	:	On or after Wednesday, 28 September 2022 but before the expiry of statutory period of 30 days from the date of AGM, if approved by the Members at the AGM
The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	:	The Equity Shares of the Company are listed at BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on 29 July 2021. The name and address of Stock Exchange are as follows; **BSE Limited (BSE)** 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. **National Stock Exchange of India Limited (NSE)** "Exchange Plaza", C-1, Block G, Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051. The Company has paid the listing fees to these Stock Exchanges for Financial Year 2021-22 and Financial Year 2022-23

Stock code/symbol;	:	**Name of the Exchange** — **Code/Symbol** BSE Limited (BSE) — 543321 National Stock Exchange of India Limited (NSE) — TATVA
International Securities Identification Number (ISIN) in NSDL and CDSL;	:	INE0GK401011
Market price data - high, low during each month in last financial year;	:	**ANNEXURE – I**
Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc;	:	**ANNEXURE – II**
In case the securities are suspended from trading, the Directors report shall explain the reason thereof;	:	Not Applicable for the year under review
Registrar to an issue and share transfer agents;	:	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai, Maharashtra - 400 083, India SEBI registration number: INR000004058 Email: vadodara@linkintime.co.in Website: www.linkintime.co.in Telephone: +91 (22) 4918 6200 Shareholders are requested to correspond directly with the Registrar and share transfer Agent for transfer / transmission of shares, change of address, queries pertaining to their shares, dividend etc.
Share Transfer System;	:	Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialised form.
Distribution of shareholding as on 31 March 2022	:	Please find the details at **Annexure - III**
Dematerialization of shares and liquidity;	:	100% of Company's shares are held in the dematerialization form as on 31 March 2022.
Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;	:	The Company has not issued any GDRs or ADRs or warrants or any convertible instruments during the year under review.
Commodity price risk or foreign exchange risk and hedging activities;	:	Commodity price risk and hedging activities – The Company procures a variety of commodities related to raw materials etc. The Company manages the associated commodity price risks through commercial negotiation with customers and suppliers. Foreign Exchange risk and hedging activities – The Company has exposure to foreign exchange risks in relation with its imports, borrowings and primarily in relation with its exports denominated in foreign exchange. The Company has a robust internal control system to manage foreign exchange risks. The hedging activity is regularly carried out to mitigate the risks.
Plant locations;	:	**Ankleshwar Plant:** Plot no 502/17/18/19, G.I.D.C Estate, Ankleshwar - 393002, District: Bharuch, Gujarat, India **Dahej Plant:** Plot no Z/103/F/1 and Plot no Z/103/F/2, SEZ Area, Part-2, Dahej - 392130, District: Bharuch, Gujarat, India
Address for correspondence.	:	**Tatva Chintan Pharma Chem Limited** Plot. No. 353, Makarpura GIDC, Vadodara - 390010, Gujarat, India Tel. No. +91 7574848533/34 Email: cs@tatvachintan.com Website: https://www.tatvachintan.com
List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	:	A-/Stable and A2+ from BBB+/Stable and A2 (for Long Term and Short Term Respectively) By CRISIL Ratings Limited (A Subsidiary of CRISIL Limited)

14. Other Disclosure

a) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;**

All related party transactions that were entered into during FY 2021-22 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the SEBI Listing Regulations. There was no material significant related party transactions entered into by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. The Company has revised the related party transaction policy in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the same is uploaded on Company's website at https://www.tatvachintan.com.

b) **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years;**

Your Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authority on all matters related to capital markets. From the date of listing, no penalties or strictures have been imposed on the Company by these authorities. None of the Company's listed securities is suspended from trading.

c) **Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel have been denied access to the audit committee;**

The Company has adopted a Whistle blower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism. No personnel/employee of the Company has been denied access to the Chairperson of the Audit Committee.

The Whistle blower Policy as adopted by the Company is available on the Company's website at https://www.tatvachintan.com/wp-content/uploads/2022/01/Vigil-mechanism-and-Whistle-Blower-policy.pdf

d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;**

- **Compliance with the mandatory requirements**

  The Company complied with the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Regulations to the extent applicable.

- **Extent of compliance with the non-mandatory / discretionary requirements**

  The status of compliance with the non-mandatory / discretionary requirements as stated under Part E of Schedule II to the SEBI Listing Regulations are as under:

  a) **The Board:** The Company have regular Chairperson.

  b) **Shareholder Rights:** The quarterly/half-yearly/ financial statements/performance of the Company are published in newspapers and uploaded on the Company's website at https://www.tatvachintan.com/investors/disclosures/.

  c) **Modified opinion(s) in Audit Report:** During the year under review, there was no audit qualification in the Company's Financial Statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.

  d) **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

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

The policy for determining 'material' subsidiaries is available on the website of the Company under the heading "Policies" in the Corporate Governance tab which can be accessed from https://www.tatvachintan.com/wp-content/uploads/2022/01/Policy-for-determining-%E2%80%98material-subsidiaries.pdf

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

The policy on dealing with related party transactions is available on the website of the Company under the heading "policies" in the Corporate Governance tab which can be accessed from https://www.tatvachintan.com/wp-content/uploads/2022/03/Policy-on-Related-Party-Transactions.pdf

g) **Disclosure of commodity price risks and commodity hedging activities.**

The Company procures a variety of commodities related to raw materials etc. The Company manages the associated commodity price risks through commercial negotiation with customers and suppliers.

h) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

Not Applicable

i) **A certificate from a company secretary in practice 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 the Board/Ministry of Corporate Affairs or any such statutory authority.**

The Company has received certificate from M/s. TNT & Associates, Practicing Company Secretaries. The copy of Certificate is enclosed at **Annexure-IV**.

j) **Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof;**

Not Applicable

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

The details of complaints filed disposed & pending are given below:

Number of complaints filed during the financial year 2021-22 – Nil

Number of complaints disposed of during the financial year 2021-22 – Nil

Number of complaints pending as on end of the financial year 2021-22 – Nil

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace ("POSH") and the same is uploaded on the website of the Company at https://www.tatvachintan.com/wp-content/uploads/2022/04/POSH-2.pdf

l) **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part; ₹ 42,50,000/-**

m) **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans and Advances in the nature of loans to firms/ companies in which Directors are interested by name and amount;**

The Company has not given any loans or advances to any firm / company in which its Directors are interested.

15. Compliance Requirements with Corporate Governance

The Company has complied with all Corporate Governance Requirements specified in Regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations to the extent applicable.

16. Non-Compliance of Requirement of Corporate Governance Report of above sub paras

Not Applicable

17. Declaration Regarding Compliance by the members of Board of Directors and Senior Management Personnel of the Code of Conduct of Board of Directors and Senior Management

The above declaration given by Mr. Chintan N. Shah, Chairman and Managing Director is annexed at **Annexure V** of this Corporate Governance Report.

18. Compliance Certificate Regarding Compliance of Conditions of Corporate Governance

The certificate as issued by M/s. TNT & Associates, Practicing Company Secretaries is annexed at **Annexure VI**.

19. Details Regarding Demat Suspense Account/ Unclaimed Suspense Account

Not Applicable for the financial year under review.

Annexure I to Corporate Governance Report

Market price data

Market price data - monthly high/low on BSE/NSE during each month in last financial year is given hereunder:

Month	BSE		NSE	
	High ₹	Low ₹	High ₹	Low ₹
July 2021	2,486.30	2,111.80	2,534.20	2,111.85
August 2021	2,287.15	2,000.75	2,287.70	2,001.00
September 2021	2,355.45	2,030.00	2,355.00	2,026.00
October 2021	2,805.05	2,060.80	2,807.00	2,079.00
November 2021	2,975.55	2,320.00	2,977.80	2,315.55
December 2021	2,720.05	2,320.90	2,719.95	2,316.65
January 2022	2,957.70	2,300.00	2,958.65	2,360.00
February 2022	2,670.00	2,070.00	2,599.90	2,083.00
March 2022	2,358.75	2,105.00	2,359.95	2,100.00

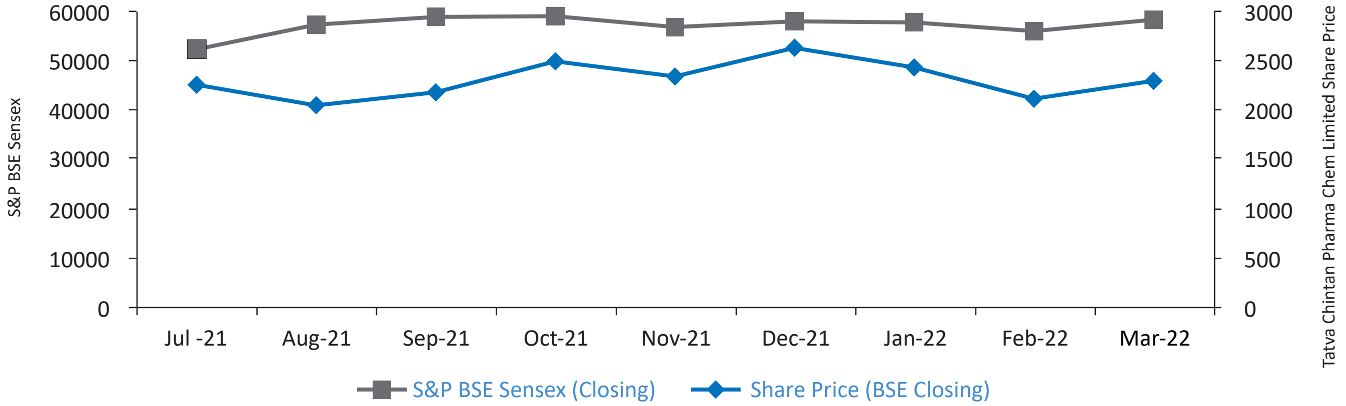
[Source: This information is compiled from the data available on the websites of BSE and NSE]

Annexure II to Corporate Governance Report

Performance of Company's Share Price in comparison to S&P BSE Sensex in Financial Year 2021-22:

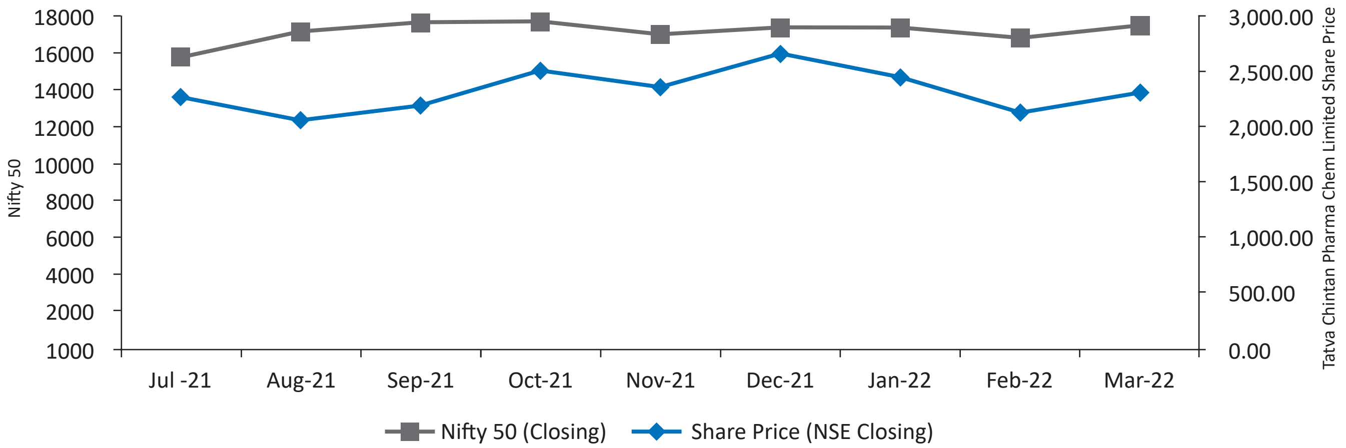
Month	July-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Share Price (BSE Closing)	2268.50	2061.05	2192.60	2505.55	2353.65	2644.40	2444.35	2127.50	2307.70
S&P BSE Sensex (Closing)	52586.84	57552.39	59126.36	59306.93	57064.87	58253.82	58014.17	56247.28	58568.51

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



Performance of Company's Share Price in comparison to Nifty 50 in Financial Year 2021-22:

Month	July-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Share Price (NSE Closing)	2267.85	2060.8	2191.7	2505	2355.65	2655.75	2443.75	2127.95	2308.4
Nifty 50 (Closing)	15763.05	17132.2	17618.15	17671.65	16983.2	17354.05	17339.85	16793.9	17464.75



Annexure III to Corporate Governance Report

Distribution of Shareholding as on 31 March 2022

No. of Shares Range		No. of Shareholders	% to Total Shareholders	No. of Shares	% to Total Issued Capital
From	To				
1	500	90572	99.7698	1300507	5.87
501	1000	90	0.0991	68788	0.31
1001	2000	56	0.0617	82128	0.37
2001	3000	7	0.0077	16555	0.07
3001	4000	4	0.0044	13853	0.06
4001	5000	7	0.0077	31546	0.14
5001	10000	11	0.0121	76222	0.34
10001	Above	34	0.0375	20575463	92.83
Total		**90781**	**100**	**22165062**	**100**

Category of Shareholding as on 31 March 2022

Category	Number of Shares	Percentage (%)
Promoter and Promoter Group	17548258	79.17
Mutual Funds	1670232	7.54
Alternate Investment Funds	39761	0.18
Foreign Portfolio Investors	676390	3.05
Insurance Companies	91064	0.41
Public	1407909	6.35
Trusts	189	0.00
Hindu Undivided Family	42444	0.19
Non-Resident Indian	34573	0.16
Body Corporate	37746	0.17
Body Corporate - Ltd Liability Partnership	601927	2.72
Clearing Members	14569	0.07
Total	**22165062**	**100**

ANNEXURE-IV TO THE 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 of
TATVA CHINTAN PHARMA CHEM LIMITED
(CIN: L24232GJ1996PLC029894)
Plot No. 502/17 GIDC Estate,
Ankleshwar,
Bharuch – 393 002,
Gujarat, India

Dear Sir / Madam,

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Tatva Chintan Pharma Chem Limited**, CIN: L24232GJ1996PLC029894 and having Registered Office, situated at Plot No. 502/17 GIDC Estate, Ankleshwar, Bharuch – 393 002, Gujarat, India (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C Sub Clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (Including Directors Identification Number ("DIN") status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID – 19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2022, have been debarred or disqualified from being appointed or continuing as the Directors of the Companies, by the Securities and Exchange Board of India ("SEBI"), Ministry of Corporate Affairs ("MCA") or any such other Statutory Authority:-

Sr. No.	Name of the Directors	DIN	Date of Appointment in the Company *
1	Mr. Chintan Nitinkumar Shah	00183618	12/06/1996
2	Mr. Shekhar Rasiklal Somani	00183665	12/06/1996
3	Mr. Ajaykumar Mansukhlal Patel	00183745	12/06/1996
4	CA. Subhash Ambubhai Patel	00535221	27/02/2021
5	Dr. Manher Chimanlal Desai	09042598	27/02/2021
6	Dr. Avani Rajesh Umatt	09046170	27/02/2021

**** The date of appointment is as per the MCA Portal.***

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

For, TNT & Associates
Practicing Company Secretaries
P. R. NO.:- 1394/2021

Niraj Trivedi
Partner
FCS NO.:- 3844
CP NO.:- 3123
UDIN:- F003844D000676714

Date:- 25 July 2022
Place:- Vadodara

ANNEXURE-V TO THE CORPORATE GOVERNANCE REPORT

Declaration - Compliance with the Code of Conduct

To,
The Members,
Tatva Chintan Pharma Chem Limited

I, Chintan N. Shah, Chairman and Managing Director of the Company, hereby declare that all the Members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2022.

For Tatva Chintan Pharma Chem Limited

Mr. Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Date: 25 July 2022
Place: Vadodara

ANNEXURE-VI TO THE CORPORATE GOVERNANCE REPORT

Certificate on Corporate Governance

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

To,
The Members of
TATVA CHINTAN PHARMA CHEM LIMITED
(CIN: L24232GJ1996PLC029894)
Plot No 502/17 GIDC Estate,
Ankleshwar,
Bharuch – 393 002,
Gujarat, India

Dear Sir / Madam,

We have examined the compliance of the conditions of Corporate Governance by **Tatva Chintan Pharma Chem Limited**, CIN: L24232GJ1996PLC029894, having Registered Office situated at Plot No 502/17, GIDC Estate, Ankleshwar, Bharuch – 393 002, Gujarat, India (hereinafter referred to as "the Company"), for the Financial Year ended on 31st March 2022, as stipulated in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and representation made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, 2015.

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

For, TNT & Associates
Practicing Company Secretaries
P. R. NO.:- 1394/2021

Niraj Trivedi
Partner
FCS NO.:- 3844
CP NO.:- 3123
UDIN:- F003844D000676747

Date:- 25 July 2022
Place:- Vadodara

Annexure-H to the Board's Report

Business Responsibility Report

Introduction:

Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Directors present the Business Responsibility Report ("BRR") of the Company for FY 2021-22.

The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the 9 Principles.

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** L24232GJ1996PLC029894

2. **Name of the Company:** Tatva Chintan Pharma Chem Limited

3. **Registered Address:** Plot No. 502 / 17, GIDC Estate, Ankleshwar, Dist. Bharuch, Gujarat - 393 002, India

4. **Website:** www.tatvachintan.com

5. **E-mail id:** cs@tatvachintan.com

6. **Financial Year reported:** 2021-22 (01 April 2021 to 31 March 2022)

7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**
   Speciality Chemicals – 20119

8. **List three key products/services that the Company manufactures/provides:**
   The Company is primarily engaged in Manufacturing & selling of following category of Products:
   1. Structure Directing Agents (SDAs)
   2. Phase Transfer Catalysts (PTCs)
   3. Pharmaceutical & Agrochemical Intermediates and other Specialty Chemicals (PASC)
   4. Electrolyte Salts

9. **Total number of locations where business activity is undertaken by the Company:**
   A. **Number of International Locations:**
      The Company has International presence through its Wholly Owned Subsidiaries in USA i.e Tatva Tatva Chintan USA Inc. and Netherlands i.e. Tatva Chintan Europe B.V., who are mainly into selling of Company's Products.

   B. **Number of National Locations:**
      The Company's National Location as under:
      1. Manufacturing Plant, Dahej (SEZ-II), Gujarat
      2. Manufacturing Plant, Ankleshwar, Gujarat
      3. Corporate Office and R&D Centre, Vadodara, Gujarat

10. **Markets served by the Company:** Local/State/National/ International –

We served over 25 Countries including India, USA, UK, China, Germany, Japan and South Africa.

Section B: Financial details of the Company

1. **Paid up Capital:** ₹ 221.65 million

2. **Total Turnover:** ₹ 4278.11 million

3. **Total profit after taxes:** ₹ 959.87 million

4. **Total Spending on Corporate Social Responsibility ("CSR") as percentage of profit after tax (%):**
   The Company's total spending on CSR is ₹ 8.54 million which is 0.89% of the profit after tax. For more details, please refer the Annual Report on CSR annexed at **Annexure-C** to the Board's Report.

5. **List of activities in which expenditure in 4 above has been incurred:**
   a. Promotion of Education
   b. Promotion of Health and Safety
   c. COVID-19 Relief

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**
   Yes, the Company has 2 Wholly Owned subsidiary companies as on 31 March 2022:
   - Tatva Chintan USA Inc.
   - Tatva Chintan Europe B.V.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
   The BR policies are extended to its subsidiary companies as applicable.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

The Company does not mandate its suppliers, distributors and other entities to participate in the Company's BR initiatives. However, they are encouraged to do so.

Section D: BR Information

1. **Details of Director/Directors responsible for BR**

(a) **Details of the Director/Director responsible for implementation of the BR policy/policies**

No.	Particulars	Details
1	DIN Number	00183618
2	Name	Mr. Chintan N. Shah
3	Designation	Chairman and Managing Director

(b) **Details of the BR head**

No.	Particulars	Details
1	DIN Number (if applicable)	00183618
2	Name	Mr. Chintan N. Shah
3	Designation	Chairman and Managing Director
4	Telephone number	+91 7574848533/34
5	e-mail id	chintan@tatvachintan.com

2. **Principle-wise (as per NVGs) BR Policy/policies**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3: Businesses should promote the well-being of all employees.

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5: Businesses should respect and promote human rights.

P6: Business should respect, protect and make efforts to restore the environment.

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8: Businesses should support inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) **Details of compliance (Reply in Yes (Y)/ No (N)**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	All formulated in consultation with the Employee, Management of the Company and approved by the Board.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	All the policies are compliant with respective principles of NVGs guidelines.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies mandated under the Companies Act, 2013 and SEBI Listing Regulations are approved by the Board and other applicable policies are approved and signed by the Managing Director or Functional Heads of the Company as appropriate.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR Committee, Risk Management Committee and also adequate internal control systems to oversee the implementation of policies.								
6	Indicate the link for the policy to be viewed online?	BRR policies are available on https://www.tatvachintan.com/investors/corporate-governance/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, wherever appropriate.								
8	Does the company have in-house structure to implement the policy/ policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, wherever appropriate.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, wherever appropriate.								

(b) **If answer against any principle, is 'No', please explain why:** Not Applicable.

4. Governance related to BR

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**
The business responsibility performance of the Company is assessed annually by the Board of Directors of the Company.

(b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**
Yes, the BR report for FY 2021-22 can be accessed through the link https://www.tatvachintan.com/investors/disclosures/. It is published Annually.

Section E: Principle-Wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**
Yes, the policy relating to ethics, bribery and corruption covers the Company and its wholly owned subsidiaries. All suppliers, contractors, NGOs and other stakeholders dealing with the Company are expected to adopt the policy.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**
During the year under review, no complaint has been received under the investigation mechanism with regard to this policy.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company is into Specialty Chemical Business. Our robust commitment to ensure compliance with relevant standards of health and safety commences at the research and development stage, wherein appropriate health and safety elements across manufacturing activities, delivery and consumption are identified and evaluated. Environment, Health and Safety continue to be key focus areas and the Company strives to reduce its environmental impact through various initiatives in the field of Energy Efficiency and Conservation.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**
   - **Structure Directing Agents (SDAs):**
   SDAs are quarternary salts which are chemicals which helps in the formation of particular channels and pores during the synthesis of zeolites. In particular, zeolites promoted with transition metals such as copper and iron have been proven to be active for the selective catalytic reduction, which is currently considered as one of the preferred technologies for emission control in automotive applications for meeting BS-VI emission norms.
   - **Phase Transfer Catalysts (PTCs)**
   Phase transfer catalysts are a type of catalyst that allows a reactant to be migrated from one phase to another where the reaction takes place eliminating the need for costly and unsafe solvents. These catalysts also enables to reduce the energy requirements and also reduces waste/by-product generation drastically. PTCs helps to meet the increasing global focus of the chemical industry on reducing residual waste, reducing the use of organic solvents & reduce energy consumption.
   - **Electrolyte Salts**
   Our electrolyte salts are used in the manufacturing of super capacitor batteries, sodium ion batteries and zinc ion batteries, which are used in automobile batteries and renewal energy storage systems. The use of Super capacitor batteries in automobile START/STOP function helps in conservation of environment by shutting down the engine when idle and restarting the engine when requried. The energy required for multiple START/STOP during the journey is provided by the Super capacitor battery thereby preserving the life of Environmentally Hazardous Lead battery.

None of the above products has any social or environmental concerns, risks etc. In fact, Company's most of the products, as stated above, help in preservation of environment and leading to positive impact on Environment.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of production (optional):**

(a) **Reduction during sourcing/production/ distribution achieved since previous year throughout the value chain?**
Our plants have adopted various 'green' chemistry processes such as electrolysis - apart from a single starting raw material, the process largely uses only water and electricity. Since no additional solvents or other chemicals are used, minimum waste or by-products are generated. The manufacturing plants focuses on reducing harmful emissions at its boiler – the Ankleshwar unit uses Piped Natural Gas (PNG) as fuel and Dahej unit uses low sulphur Light Diesel Oil (LDO). We have saved Fuel (LDO) of 64.2kg/day by installing additional equipment for recovery of flash steam.

Also, Continuous Flow Chemistry is being developed which is more efficient for energy conservation. Company is focusing on developing PTC, pharma intermediates and Agro intermediates using continuous flow chemistry to offer environmentally sustainable sourcing solution to customers. The same is at advance stage of development.

We continuously strive to improve our processes and infrastructure to help reduce our impact on the environment.

Company is using R134 in chilling plant which does not damages Ozone layer. The Company has started using R414 at its Dahej Plant by replacing Ammonia in order to preserve the environment. The Company has installed seven scrubbers to control air emission gas to protect the environment.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

We focused on developing PTC, pharma intermediates and Agro intermediates using continuous flow chemistries to offer environmentally sustainable sourcing solution to customers. The same is under advance development. We continuously strive to improve our processes and infrastructure to help reduce our impact on the environment.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company participated in the 'Together for Sustainability' initiatives whereby sustainability sourcing practices of chemicals suppliers, including ecological and social aspects are assessed, basis a score-based system. Under this initiative, the Company engaged Ecovadis to audit its sustainability practices and performance, the results of which were above industry average. This bears testament to its robust sustainable initiatives and focus on retaining key customers who consider sustainability an important parameter to do business. The Company has also formulated an operating procedure to approve vendors. Materials are procured from approved vendors both, local and international. The quality assurance team of the Company conducts periodic audit of the vendors, especially those who supply key materials. The Company has longstanding business relations with regular vendors. The Company enters into annual freight contracts with leading transporters for movement of materials. The Company continues to receive sustained support from its vendors. Majority of our Customers and Suppliers are who's who of the Industry, which help us achieve in meeting sustainable sourcing.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company prefers to procure goods and avails services from local and small vendors, particularly those located around its manufacturing locations. The Company provides technical support and guidance to vendors in developing products wherever possible.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Successfully converted the Ankleshwar Manufacturing Facility into a 'zero liquid effluent discharge' facility from January 2020, aided by SSE, Reverse Osmosis plant and ETP. The Company sells its by products to end user for manufacturing of their products. The Company provides spent solvents to co-processor/converter for onwards use in cement plants as a fuel. Also, waste water is recycled and used for gardening.

Principle 3: Businesses should promote the well-being of all employees

Tatva Chintan Pharma Chem Limited, as a Company ensures its development & growth by investing in the satisfaction and well-being of its employees. The Company takes seriously its responsibility to provide a safe working environment and recognize that employees are more productive when they are healthy, feel good & work safely, and the Company's wellness programs raise awareness of health issues by encouraging its employees to adopt a healthy lifestyle. The Company also tailors its safety programs to minimize hazards at workplace.

1. Please indicate the Total number of employees.

Total number of employees as on 31 March 2022 is 471.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Total number of employees hired on temporary/ contractual/ casual basis as on 31 March 2022 is 228.

3. Please indicate the Number of permanent women employees.

Total number of permanent women employees as on 31 March 2022 is 12.

4. Please indicate the Number of permanent employees with disabilities.

No permanent employees with disability as on 31 March 2022.

5. Do you have an employee association that is recognized by management.

The Company does not have any recognised workmen/ employee association.

6. What percentage of your permanent employees is members of this recognized employee association?

Nil

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Tatva Chintan Pharma Chem Limited is committed to create a healthy working environment that enables its employees to work without fear of prejudice, gender bias and sexual harassment. The Company has zero tolerance for sexual harassment and believes that all employees of the Company have the right to be treated with dignity. Sexual harassment at the work place or other than work place if involving employees is a grave offence and is strictly prohibited by the Company. This Policy has also been formulated to create and maintain a safe working environment where all employees treat each other with courtesy, dignity and respect irrespective of their gender, race, caste, creed, religion, place of origin, sexual orientation, disability, economic status or position in the hierarchy. Employees in the Company are entitled to work in an environment free from any form of discrimination or conduct which can be considered harassing, coercive, or disruptive. We also have a Child Labour Policy which is strictly followed across organisations.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

We continue to keep the safety of our people as our priority. The regular safety audits and people training on adhering to the EHS guidelines ensure that our plants are amongst the best in terms of safety standards. The Company regularly conducts mock drills, fire drills, safety training and on job training sessions for creating awareness of health and safety among its personnel.

No.	Employee category	Employees imparted safety training and skill upgradation training
(a)	Permanent Employees	Above 90%
(b)	Permanent Women Employees	Above 90%
(c)	Casual/Temporary/Contractual Employees	Above 90%
(d)	Employees with Disabilities	NA

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The Company aims to meet the expectations of its stakeholders that include shareholders, consumers, employees, suppliers and various service providers. The Company understands the needs of its stakeholders and develops action plans to fulfil them while achieving its business goals.

The Company also has in place various other committees to protect the interest of all the stakeholders. It discloses all the relevant information about its products, business, financial performance and other statutory information on the website of the Company to ensure effective stakeholders engagement.

1. Has the Company mapped its internal and external stakeholders?

Yes, the Company engages with various stakeholders, both formally and informally to understand their concerns and expectations. The divisions of the Company engage with various stakeholders, as applicable.

2. Out of above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders:

The Company is committed towards proactively engaging with all the employees, business associates, customers and communities who may be disadvantaged, vulnerable and marginalized.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company is taking various initiatives in the area of Education, Healthcare including Preventive Healthcare, Sanitation, Employment enhancing, vocational skills, etc. to engage with the disadvantaged, vulnerable and marginalized stakeholders. For more details refer to Annexure-C to the Board's Report.

Principle 5: Businesses should respect and promote human rights

The Company firmly believes in upholding and promoting human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

Yes. the Policy on human rights covers the Company and its wholly owned subsidiaries and extends to suppliers and contractors. All suppliers, contractors, NGOs and other stakeholders dealing with the Company are expected to uphold the human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the year under review, the Company did not receive any complaint with regard to this policy.

Principle 6: Business should respect, protect and make efforts to restore the environment

The Company understands its responsibility towards environment and has taken various initiatives to reduce its environmental impact. Energy conservation and use of clean fuels continue to be a priority area of the Company. A focused energy program has been established with a view to carry out specific initiatives in the field of Energy Efficiency and Conservation.

During FY 2021-22, the Company has taken various initiatives for conservation of energy and reducing its environmental impact as given in **Annexure-F** to the Board's Report.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures /Suppliers/ Contractors/NGOs/others.**
   The Environmental Health & Safety Policy of the Company covers employees & contractors of all locations. All business partners are expected to adopt the policy.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**
   Our strategy to enhance innovation, prowess, Expand R&D facility and team. Identify and adopt new-age technologies for process and product development to enhance productivity, quality and cost effectiveness. In this regard, our 'green' chemistry is based on the principles of clean chemistry, minimum requirement of auxiliary substances, minimum waste and by-products, and safe chemistry. We converted our Ankleshwar facility to a Zero Liquid Discharge plant. Our products have proven efficiency and ensure lower by-products and waste generation in chemical processes. Some of the other key sustainability measures taken at our plants include detection of impurities up to PPM levels and thus achieve 'ultra-pure' grade, Use of Low sulphur fuel like LDO in Boiler etc. instead of Coal. The Company has developed green zone by planting more than 1100 plants at its Dahej Plant. The Company Has contributed monetary to Ankleshwar Industrial Association for planting trees. Refer **Annexure-F** of the Annual Report at the link https://www.tatvachintan.com/investors/disclosures/.

3. **Does the Company identify and assess potential environmental risks?**
   Yes, the Company have formal process for Environment Risk is assessed from the design stage of the project & adequate steps are taken to reduce environmental impact at construction & operational stage. The Company gets the same audited from third party like Hazard and Operability Analysis (HAZOP) study.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**
   While the Company has so far, no project related to Clean Development Mechanism, it is continuously endeavouring to identify opportunities to contribute in this regard.

   The Company files periodically and regularly environmental compliances report to Regulatory Authorities. In addition, the Company is subject to Third Party audit.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage etc.**
   Sustainable Technology has been central to everything that Tatva Chintan has ever done. We have focused mainly to develop and make available the best technologies indigenously and in collaboration with few Government approved Research laboratories for various novel and proprietary catalysts, Structure directing agents, Phase transfer catalysts, chemicals and pharma intermediate (to name a few) processes and products to improve profitability and accelerate our growth. Tatva Chintan through its technology development strategies for various products technologies is also simultaneously focused on Safety, health & environmental issues. Energy conservation continues to be an active focus area for the Company. In light of the global warming, which eventually may lead to scarcity of energy resources, the company has been focusing on efficient energy conservation practices as one of the key component of its responsible energy strategy. The company has also taken several initiatives in order to conserve energy which is in line with our policy of conservation of natural resources. The steps taken or impact on conservation of energy: Installed APFC panel (1445 KVAR) for power factor improvement. Installed VFD in Brine plants & ATFD machines to reduce power consumption. Installed ACs with effective energy conservation. Installed LED lights to reduce power consumption. Improvement in recovery of steam condensate water to reuse the same in boiler. Processes improved to reduce utility consumption and improve energy conservation. Use of PNG as the boiler fuel at Ankleshwar manufacturing facility. Also, Continuous Flow Chemistry being developed which is more efficient for energy conservation. Refer **Annexure-F** of the Annual Report at the link https://www.tatvachintan.com/investors/disclosures/.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
   Yes, the Company's all manufacturing locations are complied with the prescribed permissible limits for air emissions, effluent discharge, and hazardous waste generation and disposal is done as per their regulatory consents/ authorizations.

7. **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
   There were no pending show cause/legal notices from CPCB/ SPCB at the end of FY 2021-22.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chamber of association? If Yes, Name only those major ones that your business deals with:**
   The Company is a member of various trade bodies and chamber of associations inter alia:
   a) Ankleshwar Industrial Association
   b) Bharuch District Management Association
   c) Vadodara Chambers of commerce
   d) Dahej Industry Association
   e) Export Promotion Council

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):**

   The Company participates in various seminars, conferences and other forums on various matters, with a view to create positive impact while achieving its business goals.

Principle 8: Businesses should support inclusive growth and equitable development

The Company supports the principle of inclusive growth and equitable development through its Corporate Social Responsibility initiatives and also through its core business. The Company acknowledges the impact of its activities on social and economic development and strives to create positive environment.

1. **Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Tatva Chintan Pharma Chem Limited has carried out various community development activities focusing on major areas – Education, and Healthcare. The details are mentioned in **Annexure-C** to the Board's Report.

   Tatva Chintan Pharma Chem Limited has been providing gainful employment opportunities to the local population and around the manufacturing facilities.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?**

   The Company undertakes programmes/projects directly/ through various Non-Profit Organisations / others and / or with combinations of all above.

3. **Have you done any impact assessment of your initiative?**

   No

4. **What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken:**

   During the financial year ended on 31 March 2022, The Company spent ₹ 8.54 million towards the Company's social responsibilities. The details of which are given in **Annexure-C** CSR report forming part of Board's Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes, the Company works towards ensuring successful implementation of community development through CSR initiatives through the implementing agencies partner NGOs and like-minded organisations. The Company facilitates in supporting community members by community development management for disaster relief and other socially relevant initiatives, making best efforts to complement and support the priorities at local and national levels, and assuring appropriate aid to communities who seek help and relief.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   As on 31 March 2022, no consumer complaints received and pending.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information):**

   Yes, the Company complies with statutory requirement including product labeling, displaying of product information, Batch etc.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   During year under review, no case was filed by any stakeholder against the Company for the above reasons.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Yes, the Company undertakes feedback from customers on regular basis for betterment of Products /Services etc.

On behalf of the Board of Directors

Chintan N. Shah
Date: 25 July 2022 — **Chairman and Managing Director**
Place: Vadodara — DIN: 00183618

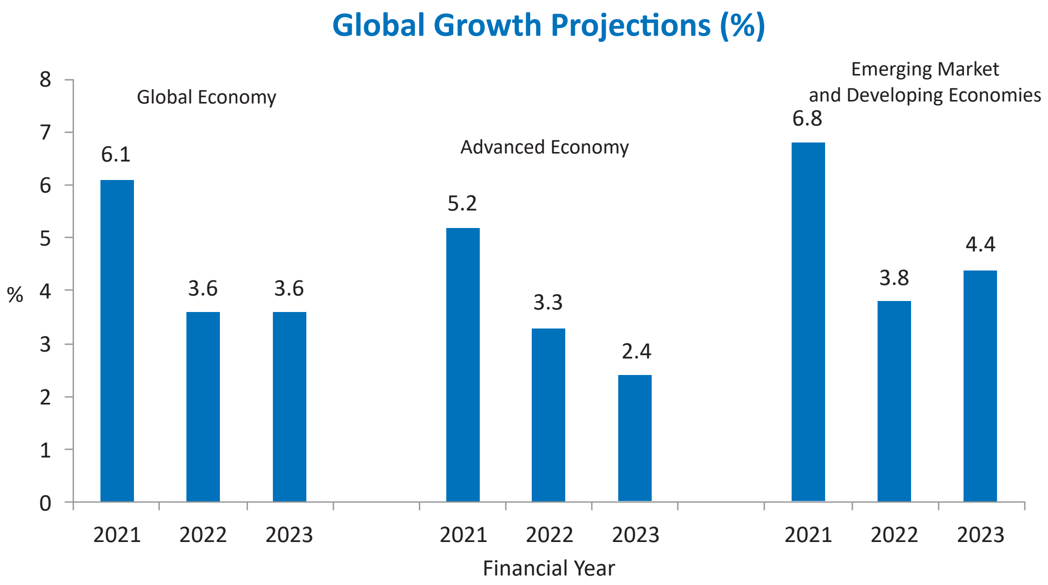
Annexure-I to the Board's Report

Management Discussion and Analysis

Global Economic Review

Following the disruption caused by the COVID-19 pandemic in 2020, the global economy headed for a recovery in 2021. Banking on international collaboration in adapting functional health policies and efficient fiscal and monetary policies across the globe, and increasing vaccinations across the globe, the global economy is estimated to grow by 6.1% in 2021, compared to a contraction of 3.1% in 2020. The biggest driver of the global recovery has been the emerging markets and developing economies, which are estimated to clock an average gross domestic product (GDP) growth of 6.8%. The advanced economies were estimated to grow at 5.2% in 2021.

World Economic Output (%)



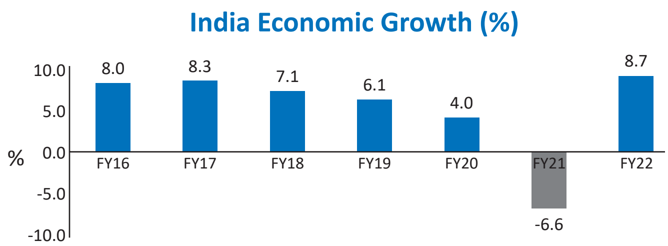
Source: IMF World Economic Outlook April 2022

The recovery phase of the global economy is projected to be sluggish in 2022 and 2023 owing to the Russia and Ukraine war and the possibilities of yet another wave of COVID. Owing to the onset of the war, both Russia and Ukraine are expected to experience large GDP contractions in 2022. The aggregate output of Advanced economies will take longer to return to pre-pandemic levels. Further, the divergence between advanced economies and EMDEs that emerged in 2021 is projected to persist, implying some long-term scarring from the pandemic. The crisis may also benefit EMDEs, as they may be able to acquire vacant Russian and Ukrainian markets. As a result, their output is expected to grow and stabilize at 4.4% in 2023, post a projected downfall of 3.8% in 2022.

Indian Economy Review

Following the onslaught of the second wave of COVID-19, India's economy was headed on a recovery phase. Outbreak of new variants, supply chain disruptions, and, the recent rise in inflation, have all made policymaking extremely difficult. To address these difficulties, the Government increased infrastructure expenditure to not only restore medium-term demand but also enact significant supply-side reforms to position the economy for long-term growth.

As per the latest advance estimates of the National Statistics Organisation (NSO), Indian economy is estimated to grow at 8.7% in 2021-22 compared to a contraction of 6.6% in 2020-21. Moreover, the impact of the third wave of the pandemic on recovery was minimal compared to the previous waves.



Source: National Statistics Office 3rd Advance Estimates

The increasing government funding in public infrastructure is expected to encourage growth and attract private investment through a strong multiplier effect in the industry. However, supply-side bottlenecks are expected to remain persistent with gradually rising international crude oil prices and growing raw material costs in 2022-23. The availability of budgetary space to ramp up capital spending, advantages from supply-side reforms, regulatory relaxation, and continued export growth will also contribute to growth in 2022-23. As per IMF's World Economic Outlook projections, India's real GDP is projected to grow at ~8.9% in 2022-23 and 7.1% in 2023-24, which is expected to make India the fastest growing major economy in the world for all 3 years between 2021-22 and 2023-24.

Industry Overview

Global Chemical Industry

The global chemicals sector's total revenue stood at US$ 4,398.9 billion in 2020, growing at a CAGR of 2.3% between 2016 and 2020. With the world gradually moving towards pre-COVID sentiments and the global economy heading towards a recovery, the global chemical sector is expected to register improved growth over the foreseeable future. On the back of the increasing use of chemicals in the downstream sector such as pharmaceutical, automotive, construction and health and safety, the chemical demand is expected to be high over the near future.

Driven by the increasing use of chemicals in the agriculture sector, the global agrochemical market is expected to reach US$ 308.4 billion by 2025, growing at a CAGR of 4.69% between 2019 and 2025. With the spread of the COVID-19 pandemic, the global supply chains were disrupted which coupled with the quarantines and lockdowns impacted the growth of the sector, resulting in sluggish growth. However, with the world moving towards normalcy, the sector is expected to bounce back fast.

The global specialty chemicals market is expected to grow at a CAGR of 5% between 2022 and 2030, from an estimated US$ 600 billion in 2021. This growth is expected to be enabled by the developing interest for elite and capacity-explicit synthetic compounds across the end-use businesses like oil and gas, mash and paper, and individual consideration and beauty care products. Further, the increasing demand of specialty chemicals for cements, ointments, paints, and coatings has also seen a progressive growth over the years.

(Source: Research and Markets, Market Watch, Atradius)

Indian Chemical Industry

Being the 6th largest chemical manufacturer in the world and the 3rd largest in Asia, India is one of the dominant chemical manufacturing countries in the world. The country is also the 14th largest exporter and 8th largest importer of chemicals across the world. Post the spread of the COVID-19 pandemic, the world has seen emergence of China plus one policy, which is expected to drive the chemical sector in India exponentially over the foreseeable future, and help India emerge as a strong investment hub for manufacturing chemicals. The Indian chemical industry stood at US$ 178 billion in 2019, and is expected to reach a market size of US$ 304 billion by 2025, growing at a CAGR of 9.3% between 2020 and 2025. By the end of 2025, the sector is expected to attract investments of ₹ 8 lakh crore. The Government of India allows 100% FDI under the automatic route in the chemical sector, with exceptions to certain specific hazardous chemicals. The total FDI inflow in the chemicals sector (other than fertilizers) stood at a whopping US$ 18.06 billion between April 2000 and September 2020.

The specialty chemicals sector stood at US$ 32 billion in 2020, growing at a CAGR of 12% over the past 5 years. Over the next 5 years, India's share of the global speciality chemicals market is expected to double to US$ 64 billion. This growth in the sector is expected to be driven by constant increase in outsourcing and divestments in the developed economies due to rising cost pressure, better availability of feedstock and import substitution.

(Source: Forbes, IBEF, Moneycontrol, MOSL)

Growth drivers

Increasing population: India is the second-largest populous country in the world with a population of 1.37 billion in 2021, driving the demand of chemicals which would find downstream applications across multiple sectors.

Rising disposable incomes: The per capita net national income in India is estimated at ₹ 1,50,326 in 2021-22 compared to ₹ 1,28,829 in 2020-21 at current prices, thereby, indicating the increasing ability to spend.

Increasing demand in construction space: On the back of rising disposable income and increasing demand of residential construction, the year 2021 saw 51% y-o-y growth in residential construction sales to reach 2,32,903 units. During the year, the country also saw new launches of 2,32,382 housing units, growing 58% y-o-y. On the other hand, the office space market in India saw new completions of 38.7 million square feet (msf) in 2021 compared to 35.5 msf in 2020, registering a y-o-y growth of 9% despite the increasing adoption of work from home. The total stock of the Indian office market stood at a whopping 830.1 msf in 2021, up by 5% on a y-o-y basis. These factors are expected to constantly drive the chemical market in the country.

Automotive market rebound: The Indian automotive market has been facing a slew of challenges over the past 2 years owing to the BS-VI migration, steel dumping by China, semi-conductor shortage and COVID-19 disrupting the global supply chain. However, the total production of passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle stood at a whopping 2,40,67,787 units in 2021. The Indian automotive industry is expected to gradually wrap its head around a positive mindset on the back of pent-up demand, post the BS-VI migration, COVID-19 pandemic and economic normalisation coupled with overcoming the semi-conductor shortage challenge. This positive outlook is expected to drive the demand of chemicals which find application in the automotive sector such as for paints, adhesives, lubricants and emission control among others.

Growing pharmaceutical market: The Indian pharmaceutical market is estimated to grow at 9-11% y-o-y in 2021-22 on the back of growing demand in domestic and emerging markets. India is also the largest manufacturer of generic drug in the world. These factors are expected to actively drive the demand of chemicals in the country.

Consistent growth in agriculture: The Indian agriculture and allied sector is estimated to grow at 3.9% in 2021-22 compared to 3.6% in 2020-21, validating the sector's resilience in the face of the pandemic, thereby, driving the demand of agrochemicals in India.

Government impetus through Union Budget 2022-23

Roads

- The Government has planned on expanding national highways by 25,000 Km in 2022-23
- The Government has allotted an amount of ₹ 20,000 crore for expansion of the national highway network of the country

Housing

- The Government has allotted a sum of ₹ 48,000 crore for completion of 80 lakh houses in 2022-23 under PM Awas Yojana

Infrastructure

- The Government launched a new scheme, namely Prime Minister's Development Initiative for North-East Region (PM-DevINE) with the objective of funding infrastructure and social development projects in the North-East. An initial allocation of ₹ 1,500 crore made to enable livelihood activities for youth and women under the scheme

Capital investment

- The Government has decided to allocate an outlay of ₹ 7.50 lakh crore in 2022-23 for capital expenditure compared to ₹ 5.54 lakh crore in 2021-22, a y-o-y increase of 35.4%
- The total outlay for capital investment in 2022-23 is projected at 2.9% of the country's GDP

Chemicals

- The Government has reduced the customs duty on certain critical chemicals namely methanol, acetic acid and heavy feed stocks which find downstream application in petroleum refining
- The Government has also raised the duty on sodium cyanide. Adequate domestic capacity for this chemical already exists, and this increase in duty is expected to enhance domestic value addition

Fuel blending

- The Government laid down tariff measures on unblended fuel, wherein an additional differential excise duty of ₹ 2 per litre would be payable from 1st October 2022. This would encourage blending of fuel in the country

(Source: Knight Frank, SIAM, ICRA, PIB, Economic Survey)

Category Review

Phase transfer catalysts (PTC) market

PTC are catalysts which, in a heterogeneous multi-phase system, are used to facilitate the migration of a reactant from one phase into another phase where the reaction takes place. This, at times, helps in eliminating the need for costly and unsafe solvents that can dissolve all reactants in one phase, and costly additional raw materials minimizing the issue of waste. Here the catalyst functions as a detergent for solubilizing the salts into the organic phase. Over the years, PTC has evolved as a useful catalyst with varied advantages and diverse downstream industry applications. PTC are widely used in green chemistry applications. Therefore, the increasing global focus of the chemical industry on reducing residual waste and reducing the use of organic solvents is boosting the market for catalysts for phase transfer. The global PTC market is estimated to see y-o-y growth owing to the increasing traction across end user sectors. The global PTC market is projected to grow at a CAGR of ~4.5% between 2022 and 2028.

Benefits

- Helps in faster reactions, leading to higher Productivity
- Improved conversion or yields and higher selectivity
- Leaves behind lesser byproducts
- Reduced energy consumption
- Reduces the need for expensive or dangerous solvents
- Minimizes waste and saves time

Demand drivers

- The increasing demand for technologically-advanced and environment-friendly catalyst has been driving the growth of PTC across the world
- The push for greener chemistry in organic synthesis has also been driving PTC owing to a lesser energy consumption, reduced waste generation and lesser byproduct trail
- Owing to its non-regenerative nature, PTCs clock recurring demands across varied downstream sectors, thereby, driving demand

Performance

The Company is one of the leading manufacturers of PTCs, with the largest and the most diversified portfolio. The PTC produced by the Company finds downstream application as catalysts in the manufacturing of pharmaceutical APIs, flavour fragrances, and agrochemicals, among others. Being used in many organic transitions in the pharmaceutical industry, these catalysts provide enhanced reaction rates and yields, resulting in lower cost of production, energy and waste. During 2021-22, PTC carved a share of 23% of the Company's revenues, and successfully maintained to position as market leaders. The PTC category clocked a y-o-y growth of ~20% during the year under review to reach a revenue of ₹ 980 million in PTC. The Company has added new customers and found new applications for PTCs. In the foreseeable future, the Company expects its PTC revenues to grow at a historical pace.

Structure Directing Agents (SDA) market

SDAs are high purity quaternary salts which are used in the formation of channels and pores during the synthesis of zeolites. Zeolites have varied applications including as catalysts and adsorbents. In particular, zeolites promoted with transition metals such as copper and iron have been proven to be active for the selective catalytic reduction, which is currently considered as one of the preferred technologies for emission control in automotive applications. With a great focus on green technology and a healthy environment, industries are evaluating new technologies by investing in R&D. New and innovative applications are driving the growth of the zeolite market, in turn driving the SDAs market. Consistent quality SDA and its high purity nature are pivotal for the synthesis of precision zeolites. Most of the critical zeolites are produced synthetically, and have varied downstream applications including acting as catalysts and absorbents.

Zeolites are indispensable in many catalytic processes like fluid catalytic cracking, hydrocracking, dewaxing, production of octane boosters, hydrodesulphurization, Fischer–Tropsch synthesis, methanol-to-olefin reaction, aromatic alkylation, nitration, halogenation, nucleophilic substitution and addition, and many others. More recently, zeolites have also been introduced for catalytic emission control, e.g., reducing the emission levels of nitrogen oxides (NOx) from both stationary and mobile sources.

Benefits

SDAs are used for producing high-precision Zeolites, which have the following benefits:

- Zeolites act as an important material in emission control systems for NOx removal
- Zeolites help in cracking crude to acquire various desired outputs
- Zeolites are an integral part of continuous flow chemistry process

Demand drivers

- The world has been increasingly moving towards sustainability, and emission control is an integral part of it. In addition to emission control, the increasing refining catalyst applications, has been driving the demand of SDAs
- With the world moving towards green chemistry by adopting continues flow chemistry, there is a consistent rise in demand for SDA.

Performance

The Company is engaged in the manufacturing of SDAs, which facilitate the production of high-precision zeolite. These zeolites find downstream application in automotive emission control, auto chemicals, continuous flow chemistries, among others. During 2021-22, this segment carved the majority revenue share for the Company, which was registered at 52%. During the year under review, the Company clocked a robust y-o-y growth of 87% to reach revenues of ₹2,248 million from SDAs. This growth is achieved against the backdrop of ongoing challenges from the global semiconductor chip shortage, which led to a subdued demand of SDAs from Q4 FY22.

Owing to the geopolitical tension arising from the Russia and Ukraine war has further impacted the semiconductor availability, leading into further postponement of demand of SDAs into auto emission control area, starting from the last quarter of 2021-22. Owing to this situation, the Company is expecting sluggish demand of SDAs in Q1 and Q2 of 2022-23. On the semiconductor chip challenge gradually heading towards normalcy in the foreseeable future, the Company is expected to register a strong demand revival.

Electrolyte salts market

Electrolyte salts are predominantly used for manufacturing super-capacitor batteries, sodium batteries and zinc batteries, which find downstream applications in automobile, electronics, energy storage devices and electric grids among others. Super-capacitors are energy storage devices which store electrical energy with the help of electrochemical and electrostatic processes, and have very high energy density compared to common capacitors.

Benefits

- Owing to characteristics like fast charging ability, superior low temperature performance, long lifecycle and reliability, super-capacitors manufactured with electrolyte salts have the potential to replace traditional batteries in several applications
- Super-Capacitors manufactured with electrolyte salts, coupled with other batteries help in enhancing the operational performance of the batteries

Demand drivers

- The demand for electrolyte salts is driven by increasing needs for renewable energy storage systems .
- Electrolyte salts are used in smart grids to absorb high voltage, thereby functioning as grid stabilizers, which is driving demand
- With the world seeing a transition towards electric vehicles, the demand of super capacitor batteries has seen incremental demands, thereby, driving demands for electrolyte salt. It helps in catering to the sudden burst of energy required while starting and accelerating the vehicle
- The applicability of battery electrolytes is found largely in electrical devices like electrolytic cells and batteries among other devices. In the end use industry, automotive along with the transportation (aerospace, locomotive, and marine) industry hold a significantly large market share. This share is attributed to increasing demand of battery electrolytes in the automotive and transportation industry.

Performance

The Company manufactures electrolyte salts, which are used in super-capacitor batteries. These super-capacitor batteries find application in automobile, EV vehicles, electronics and for hybrid energy storage devices. During 2021-22, this product category carved a revenue share of 1.3% of the Company's total revenue. The total revenue from this product category stood at ₹ 57 million in 2021-22, clocking a y-o-y growth of a robust 87%..

The Company has also started manufacturing electrolyte salts for sodium ion batteries and zinc ion batteries. These batteries are finding large downstream application in renewable energy storage systems. These products have been launched commercially near the end of 2021-22.

During the year under review, the Company produced new products, which would find downstream application among new customers. The Company has been seeing a steady rise in the variety of applications, owing to commercialisation of applications using super-capacitor batteries and energy storage devices. The application of super-capacitors used in electronic vehicles has been gaining traction over the recent past. In addition to this, the application of energy storage devices in renewable energy storage systems has also been rising On the back of these factors, the Company is poised for growth from this product category in the foreseeable future.

Pharma & agro intermediates and other specialty intermediates (PASC) market

PASC comprise various pharmaceutical and agrochemical intermediates, disinfectants, catalysts and solvents. All these products fall under the category of specialty chemicals.

The global specialty chemicals market has been gaining immense traction over the past few years, and is expected to grow at a CAGR of ~4.7% between 2021 and 2028.

Benefits

- Helpful in increasing the output of Agro Commodity
- Helpful in eliminating the waste by protecting the Crop
- Helpful in making India Self Reliant by providing critical Intermediates for Pharma etc. and reducing dependency on China.

Demand drivers

- Ever Increasing Population, leading to higher demand for Food products
- Pharma is critical for Society
- China plus one strategy, being implemented by Large MNC, Leading to Opportunity for Other Countries including India.
- Growing Disposal Income, leading to higher demand for Pharma, Food Products etc
- High Growth in end use segments like Pharma, Agrochemicals, paint, Personal Care, etc.
- India, being Low cost Producer with consistent quality and timely Delivery

Pharmaceutical intermediates are used in the manufacture of various pharmaceutical APIs and other specialty chemicals are used in the manufacture of paints and coatings products, crop protection active ingredients, polymers and certain personal care products.

Glyme is used as a solvent in manufacturing of pharmaceutical products and also has applications as solvent in EV batteries.

Performance

We are the largest producer of Glymes in India and third largest in the world. The PASC category carved a share of 23.6% of the Company's total revenues during the year. In 2021-22, the Company's total revenues from this category stood at ₹ 1,022 million, registering a y-o-y growth of 12%.

The Company focuses on developing pharmaceutical and agrochemical intermediates involving green chemistry. We have been working on various products using continuous flow chemistry, electrochemistry and PTC technology. On the back of 'China plus one' policy coupled with our capability to offer sustainable solutions, we have seen the rise of new opportunities to work on various potential products for multiple customers.

During the year under review, the Company has successfully completed the development of its first product using continuous flow chemistry. Pilot trials of this product is expected to begin in Q2 2022-23. Further, the Company developed a new product using zeolite catalyst-based continuous flow chemistry. The Company is in the process of scaling up and piloting for this product in the next fiscal.

Also, during the year under review, the Company successfully launched a new product at full scale commercialisation, the volume growth of which is expected to be seen from the next fiscal.

The Company also successfully completed plant scale trials for new products into area of metal extractions. Commercialisation of this products is expected in Q4 2022-23.

Company Overview

Tatva Chintan Pharma Chem Limited (referred hereafter as 'the Company' or 'Tatva Chintan') embarked on its journey in 1996. Over the years, the Company has emerged as one of the leading manufacturers of specialty chemical in India with its headquarters based out of Vadodara. The Company has a strong and diversified portfolio comprising structure directing agents (SDAs), phase transfer catalysts (PTCs), electrolyte salts for super capacitor batteries, and pharmaceutical and agrochemical intermediates and other specialty chemicals (PASC). The Company is the largest and only commercial manufacturer of SDAs for zeolites in India, and one of the leading producers of PTCs in India and across the globe. The Company's diverse portfolio caters to the downstream needs of multiple sectors, such as automotive, Refinery, pharmaceutical, agrochemicals, paints and coatings, dyes and pigments, personal care, and flavors and fragrances.

The Company has fortified its position in the market on the back of a robust distribution network in India and international markets, enduring customer relationships, strong investment in technology and manufacturing prowess. The Company caters to more than 25 countries, including the United States (US), China, Germany, Japan, South Africa and the UK. Tatva Chintan has two wholly-owned subsidiaries in the US and Netherlands to serve international clients.

Manufacturing facilities

The Company operates out of two state-of-the-art manufacturing facilities located at Ankleshwar and Dahej in Gujarat. The plants are equipped with the latest technologies and equipment. The Company had an arsenal of 27 assemble lines, and an installed reactor capacity of 294 KL as on 31 March 2022. The Company's facilities are located in close proximity to the Hazira port, providing cost and logistics advantage to the Company, and enabling seamless export and import operations. The Company has a world-class and dedicated DSIR-approved R&D facility based out of Vadodara in Gujarat. The Company also has a dedicated analytical development lab (ADL) to support its R&D initiatives, and is equipped with modern technologies and equipment. The Company's R&D team is of 24 people, of whom, 10 are highly-qualified scientists, adding to the R&D expertise of the Company in the chemical sector.

Manufacturing Facility	Capacity	2021-22		2020-21	
		Reactors	Assembly Lines	Reactors	Assembly Lines
Ankleshwar	Installed	90 KL	3	90 KL	3
	Utilised	91.6%	74.13%	84.22%	68.01%
Dahej	Installed	204 KL	24	190 KL	14
	Utilised	89.9%	62.9%	61.57%	50.72%
Total	Installed	294 KL	27	280 KL	17
	Utilised	90.4%	64.14%	68.85%	54.50%

Strengths

- Leading manufacturer of SDA and PTC
- Significant global presence with a vast customer base
- Diverse and comprehensive product portfolio
- Proven track Record of Promoter
- Modern environment-friendly manufacturing processes
- Strong R&D capabilities
- Dynamic and experienced management team

FInancial Review (Consolidated basis)

Revenue

The Company's total income stood at ₹ 4,425.41 million in 2021-22 from ₹ 3,055.59 million in 2020-21, registering a y-o-y growth of 44.83%.

Revenue from operations

Revenue from operations stood at ₹ 4,336.47 million in 2021-22 compared to ₹ 3,003.59 million in 2020-21, registering a y-o-y growth of 44.38%. The growth was primarily attributable to the increase in export sales from ₹ 2,127.41 million in 2020-21 to ₹ 3404.66 million in 2021-22, and increase in domestic sales from ₹ 841.16 million in 2020-21 to ₹ 908.27 million in 2021-22. During 2020-21 and 2021-22, exports of products accounted for a share of 76.74% and 78.94% of our revenue from operations, respectively.

The sale of SDAs stood at ₹ 2,248.29 million in 2021-22 compared to ₹ 1,202.43 million in 2020-21, and sale of PASCs stood at ₹ 1,022.15 million in 2021-22 compared to ₹ 912.18 million in 2020-21. During 2020-21 and 2021-22, the Company's share of revenue from sale of SDAs stood at 40.03% and 52% respectively. Further, during 2020-21 and 2021-22, the Company's share of revenue from sale of PTCs stood at 27.17% and 23% respectively. Similarly, during 2020-21 and 2021-22, the Company's share of revenue from sale of PASC stood at 30.37% and 23.6%, respectively.

During 2020-21 and 2021-22, the Company's revenue from sale of electrolyte salts for super capacitor batteries stood at ₹ 30.35 million and ₹ 57 million respectively, thereby, carving 1.01% and 1.3% of total revenue from operations, respectively.

Other income

Other income of the Company stood at ₹ 88.94 million in 2021-22 compared to ₹ 52 million in 2020-21, registering a y-o-y growth of 71.04%. This was primarily on account of increase in gain on foreign currency transaction and translation from ₹ 37.88 million in 2020-21 to ₹ 39.19 million in 2021-22, and increase in interest on FDRs from ₹ 2.31 million in 2020-21 to ₹ 45.40 million in 2021-22.

Expenses

The total expenses of the Company stood at ₹ 3,384.20 million in 2021-22 compared to ₹ 2,448.63 million in 2020-21, registering a y-o-y increase of 38.21%. This increase was primarily on account of an increase in cost of materials consumed, purchases of stock-in-trade, changes in inventory of work-in-progress and finished goods, employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

Cost of materials consumed

The Company's cost of materials consumed stood at ₹ 2,544.94 million in 2021-22 compared to ₹ 1,535.26 million in 2020-21.

Purchases of stock-in-trade

Purchases of stock-in-trade stood at ₹ 36.79 million in 2021-22 compared to ₹ 25.37 million in 2020-21.

Changes in inventories of work-in-progress and finished goods

Changes in inventories of work-in-progress and finished goods stood at ₹ (635.34) million in 2021-22 compared to ₹ (40.57) million in 2020-21, owing to an increase in level of work-in-progress inventory and finished goods.

Employee benefits expense

The Company's employee benefits expense stood at ₹ 308.14 million in 2021-22 compared to ₹ 238.03 million in 2020-21. This was mainly due to increase in salaries and wages from ₹ 216.82 million in 2020-21 to ₹ 280.68 million in 2021-22.

Finance costs

The Company's finance costs stood at ₹ 48.32 million in 2021-22 compared to ₹ 42.07 million in 2020-21. This was due to increase in interest expenses from ₹ 39.85 million in 2020-21 to ₹ 42.32 million in 2021-22, and other borrowing costs from ₹ 2.22 million in 2020-21 to ₹ 6.00 million in 2021-22. The total borrowings of the Company as on 31 March 2022 and 31 March 2021 were ₹ 1199.38 million and ₹ 902.48 million, respectively.

Depreciation and amortization expense

The Company's depreciation and amortization expense stood at ₹ 81.8 million in 2021-22 compared to ₹ 67.33 million in 2020-21. The net assets of the Company as on 31 March 2021 and 31 March 2022 were ₹ 1,302.57 million and ₹ 2111.04 million, respectively.

Other expenses

The other expenses of the Company stood at ₹ 999.55 million in 2021-22 compared to ₹ 581.15million in 2020-21. This was primarily due to increase in (i) consumable, store and spare from ₹ 63.53 million in 2020-21 to ₹ 130.39 million in 2021-22, (ii) electricity, power and fuel from ₹ 99.21 million in 2020-21 to ₹ 226.17 million in 2021-22, (iii) effluent treatment expenses from ₹ 42.04 million in 2020-21 to ₹ 84 million in 2021-22, (iv) Packing expenses from ₹ 57.25 million in 2020-21 to ₹ 95.51 million in 2021-22, and (v) freight clearing and forwarding expenses from ₹ 95.42 million in 2020-21 to ₹ 203.26 million in 2021-22. (vi) travelling and conveyance expenses from ₹ 11.21 million in 2020-21 to ₹ 15.92 million in 2021-22, and (vii) legal and professional fees from ₹ 11.76 million in 2020-21 to ₹ 21.79 million in 2021-22.

Tax expenses

The total tax expenses of the Company stood at ₹ 82.47 million in 2021-22 compared to ₹ 84.34 million in 2020-21. This was due to change in the deferred tax from ₹ (23.77) million in 2020-21 to ₹ (107.29) million in 2021-22. The effective tax rate of the Company for 2020-21 and 2021-22 was at same level i.e. 29.12% .

Profitability

Profit before tax

The Company's profit before tax stood at ₹ 1,041.21 million in 2021-22 compared to ₹ 606.97 million in 2020-21.

Profit after tax

The Company's profit after tax stood at ₹ 958.74 million in 2021-22 compared to ₹ 522.62 million in 2020-21.

Total comprehensive income

The Company's total comprehensive income stood at ₹ 960.27 million in 2021-22 compared to ₹ 522.88 million in 2020-21.

CAGR

The Company's revenue from operations grew at a CAGR of 28% between 2018-19 and 2021-22, while the Company's EBITDA and profit after tax grew at a CAGR of 46.3% and 67%, respectively between 2018-19 and 2021-22.

Significant changes in key financial ratios

Key Ratios	FY 2021-22	FY 2020-21	Explanations
Debtors Turnover Ratio	7.62	3.27	Debtors turnover ratio has increased primarily due to quick conversion cycle of trade receivables pursuant to better collection efforts.
Inventory Turnover Ratio	1.79	2.45	Inventory turnover ratio has been decreased due to strategical decision to build up inventory pursuant to challenging geopolitical situation and covid-19 situation across the world.
Interest Coverage Ratio	22.40	15.79	Interest Coverage ratio has been improved primarily due to increase in profitability and partly due to decrease in interest cost.
Current Ratio	2.54	1.56	Current ratio has increased primarily due to increase in cash and cash equivalents and bank balances pursuant to unutilised IPO proceeds lying in deposits and due to strategical decision to build up inventory pursuant to challenging geopolitical situation and COVID-19 situation across the world.
Debt Equity Ratio	0.25	0.54	Debt equity ratio has improved primarily due to increase in equity share capital, pursuant to fresh issue and profit made during the year.
Operating Margin Ratio (%)	23.20%	20.11%	Operating profit margin has increased due to increase in profitability.
Net Profit/(Loss) Margin (%)	22.23%	17.61%	Net profit margin has increased due to increase in profitability.
Return on Net Worth (%)	20.27%	31.49%	Return on net worth has decreased mainly due to equity raised (IPO) during the year, benefit of which will be available in coming years.

Research and Development

The Company operates in a knowledge-intensive sector, and in doing so, understands the importance of research and development. R&D plays a pivotal role in the growth of the Company, which it leverages to service its customers with a stronger and more diverse portfolio of products. On the back of its R&D capabilities, the Company has also ensured manufacturing excellence, technological innovation, better cost efficiencies, sustainable processes and better margins, thereby giving the Company a competitive edge.

The R&D team of the Company continuously monitors the industry developments and benchmarks its products with global customer demands and quality. Aided by a dedicated DSIR approved R&D center and a strong R&D team, the Company's product portfolio has grown significantly over the years with diverse downstream applications across various sectors. Company spends ~1% of its turnover on R&D activities. With the strong focus on R&D, the Company is investing ~ ₹ 240 million for expansion and upgradation of R&D facility at Vadodara.

The Company has three verticals within the R&D - Organic synthesis, Electrochemistry and Continuous flow chemistry. The Company works with a clear vision of developing products based on eco-friendly, sustainable green chemistry. The Company is also focused on developing ultra-high purity products using cutting-edge technology.

Quality Control and Services

The Company has a modern, state-of-the-art quality control laboratory with modern equipments to ensure compliance with stringent quality standards. Any defects or failure to comply with the specifications of customers may lead to rejection of products. This is supported by a 76-member team, 30 being dedicated to quality assurance and 46 for quality control. The team is not only tasked with thorough pre-manufacturing checks and balances, but also with employing a widespread and strict quality control mechanism at each stage of the manufacturing process initial testing of raw material to the final product to packing.

The Company's stringent focus on quality is validated by its ISO 9001:2015 certifications and low rejection rates.

Information and Technology

The Company has realised the importance of robust IT infrastructure in the recent times. In achieving so, the Company has deployed diverse IT solutions and enterprise resource planning (ERP) software solutions across its operations. Technology is leveraged across all the stages of the manufacturing processes – starting from customer order management and dispatches to production planning and reporting to financial accounting and scheduling raw material purchase. In 2016, the Company implemented SAP ERP systems across all business functions such as production, finance, sales, manufacturing processes, storage and warehousing, maintenance, and inventory management.

In order to ensure improvement of operational efficiency, customer service, and decision-making process, the Company has been consistently investing in its IT systems and processes. As a result, not only has the manual involvement and the risk of errors decreased, but also the operations have gained efficiency and effectiveness.

Health, Safety and Environment

Health and safety of employees, customers, and business associates is at the forefront of the Company's focus. To ensure, Tatva Chintan has implemented robust safety measures across its workplaces and facilities over the years to lay the foundation to a culture of conducive safe working environment wherein proper safety protocols are adhered to, accident reported, safety equipment is given the due importance, and orderly work locations are maintained. The Company's strive to achieve the same is validated by the ISO 14001:2015 certification bestowed upon the Company for its health, safety, and environment management systems. The Company also regularly conducts mock drills, safety training and on-the-job training sessions for creating awareness of health and safety among its personnel.

Operating in the chemical sector, the Company understands the crux of environmental safety and compliance. Tatva Chintan adheres to all stringent environmental compliances applicable in the geographies of its operation. It is the constant endeavour of the Company to improve its processes and infrastructure to ensure minimal environmental impact. Further, the Company also has adopted various green chemistry processes such as electrolysis which ensures minimum requirement of auxiliary substances, minimum waste and byproducts, and safe chemistry. The Company's strive to emerge as a responsible manufacturer is validated by the fact that its Ankleshwar unit is a zero liquid effluent discharge facility. It recovers and reuses all the wastewater generated through use of effluent treatment plant (ETP), multi-effect evaporators and reverse osmosis ETP. Both the manufacturing also focuses on reducing harmful emissions at its boiler – the Ankleshwar unit uses PNG as fuel and Dahej unit uses low sulphur LDO.

Additionally, the Company participated in the 'Together for Sustainability' initiatives whereby sustainability sourcing practices of chemicals suppliers, including ecological and social aspects are assessed, basis a score-based system. Under its sustainability initiative, the Company gets its sustainability practices and performance audited by an external company named Ecovadis. The results of this audit states that the Company stands above industry average, validating its efforts.

Human Resources

Being a people-centric organisation, the Company treats its employees as one of the its most integral assets. The Company has a robust HR system and well-structured policies for the holistic development of this asset. The Company strives to achieve inclusive growth for its employees, thereby ensuring its goals are aligned with its employees. Further, the Company has a strong people policy aimed at recruiting the best talent, training the people, engaging with them continuously, and ensuring strong retention, thereby, laying foundation to a robust human capital. The Company periodically conducts programs and initiatives to strengthen talent management, capability development, and performance of its employees. As on 31 March 2022, the Company had 471 permanent employees and 228 temporary employees working at both plants and R&D center.

Corporate Social Responsibility

The Company identifies the real concerns of its communities and strive to make positive contribution to the Society.

In order to empower the Communities, Company has been undertaking measures for Community upliftment in the areas of Skill Development, Education, Health, Safety, Hygiene and wellness for communities; national emergencies such as relief work associated with the COVID-19 pandemic.

Further, the Company has enrolled apprentices to work and learn in the environment at its manufacturing facilities and R&D Centre. It offers real-time training at the workplace. The Company has provided Lab Equipment & machines to the needy students and trainees respectively. The Company has also provided oxygen concentrator under Covid-19 relief Programme. Moreover, Company is also conducting Medical camps in the villages nearby its manufacturing locations at regular intervals.

Risk Management

Risk	Impact	Mitigation
Regulatory risk	Frequent changes or non-compliance with the statutory norms and regulations may impact the reputation and operations of the Company.	The Company adheres to all stringent compliances and regulations such as the compliance to quality standards and employee health and safety, which are validated through the Company's ISO 9001:2015 and ISO 14001:2015 certification.
Raw material risk	Inadequate supply and fluctuations in the prices of raw materials may affect the business operations and profitability of the Company.	The Company maintains enduring longstanding relationships with its suppliers, thereby, ensuring a steady supply of raw materials and finished products. The Company also ensures robust inventory management practices and purchase decisions to have adequate supply.
Product risk	Failure to conceptualize and develop new products due to inadequate investments in R&D and delay in obtaining regulatory approvals may hinder the Company's operations.	The Company is on a constant endeavour to strengthen it product portfolio by leveraging its R&D capabilities. The Company has invested an amount of ₹ 32.67 million in 2021-22 towards CAPEX and ₹ 37.03 million in 2021-22 towards OPEX to ensure sustained progress. The Company has invested in enhancing its R&D team by increasing its capabilities to deliver new products.
Forex risk	Since a significant portion of its revenue is generated from exports, the risk of exchange rate fluctuations may cause financial loss to the Company.	The Company continuously monitors Forex Exposure and change in currency movements and enters into forward contracts to hedge the foreign currency exposure as needed.

Net IPO Proceeds

The Company got listed on NSE and BSE on July 29, 2021. The total IPO proceedings stood at ₹ 2,073 million. Out of the total IPO proceeds, the Company has parked ₹ 1,471 for the expansion of its Dahej plant which is expected to be completed in Q3 FY23. Another ₹ 240 million is to be spent towards upgradation of the Company's R&D facility at Vadodara in Q4 FY23. The remaining ₹ 362 million has been utilised for general corporate purpose.

Outlook

As the ongoing semiconductor chip shortage and global geopolitical crisis is impacting the automotive industry, we anticipate subdued demand for products under our SDA category during Q1 and Q2 2022-23. Demands are expected to rise and get back to normal from the second half of next fiscal. The future demand outlook for products under SDA category continuous to remain very exciting.

The global specialty chemicals market is expected to grow at a CAGR of ~5% between 2022 and 2030 on the back of increasing use across multiple downstream sectors. Further, the 'China plus one' policy will show a positive impact on demand for products from Indian chemical industries. Despite of the short-term challenges in SDA category, during 2022-23, the Company is poised for growth on the back of new customers additions, new products moving into commercialisation, and addition of new product categories such as flame retardants.

The Company would continue on its endeavour to emerge as an integrated manufacturer, producing niche specialty chemicals, having leadership position across product categories, and a diversified geographical presence. Further, the Company also strives to continue on its resolute focus on green chemistry by using cutting-edge technology and in-house R&D strength. This would in turn help reinforce the customers' confidence in the Company.

The Company's capacity expansion in its existing Dahej SEZ is in progress using the IPO proceeds, and is expected to be completed in Q3 2022-23. Similarly, the Company has also directed some of its IPO proceeds towards strengthening its R&D capabilities at Vadodara which is expected to be completed in Q4 2022-23.

Internal Control Systems

The Company has a well-defined internal control system commensurate with the size and nature of its business. The internal control system ensures the reliability of financial information through timely and accurate recording of all financial, commercial, and operational transactions, safeguarding of assets from unauthorized use or disposition and stringent adherence to the applicable regulations. The Audit Committee of the Company periodically reviews the adequacy and effectiveness of the internal controls and reports key observations to the management for corrective action.

Cautionery Statement

Statements in this report describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations that involve risks and uncertainties. Such statements represent the intention of the management and the efforts being put in place by them to achieve certain goals. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances. Therefore, the investors are requested to make their own independent assessments and judgments by considering all relevant factors before making any investment decision.

Chairman & Managing Director (CMD) and Chief Financial Officer (CFO) Certification

To,
The Board of Directors,
Tatva Chintan Pharma Chem Limited

In pursuance to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We, Mr. Chintan N. Shah, Chairman and Managing Director (CMD) and Mr. Ashok Bothra, Chief Financial Officer (CFO) to the best of our knowledge and belief, certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31 March 2022 and that to the best of our knowledge and belief:

    a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

    b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. To the best of our knowledge and belief, there was no transaction entered into by the Company during the year which were fraudulent, illegal or which violated the Company's Code of Conduct.

3. We are responsible for establishing and maintaining internal controls for financial reporting and we have:

    a. evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;

    b. not found any deficiencies in the design or operation of internal controls.

4. We have indicated to the Company's Auditors and the Audit Committee of the Board of Directors that:

    a. there is no significant changes that have occurred in the internal control over financial reporting during the year;

    b. there have been no significant changes in accounting polices during the year;

    c. there have been no instances of significant fraud nor there was any involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting; and

    d. there were no deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data nor there were any material weaknesses in internal controls over financial reporting nor any corrective actions with regards to deficiencies, as there were none.

5. We declare that all Board members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct for the current year.

Date: 25 April 2022
Place: Vadodara

Chintan N. Shah
Chairman & Managing Director

Ashok Bothra
Chief Financial Officer

Independent Auditor's Report

To the Members of
Tatva Chintan Pharma Chem Limited

Auditor's Report on the audited Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Tatva Chintan Pharma Chem Limited ("the Company") which comprises the balance sheet as at 31 March 2022, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes forming part of the standalone financial statements, including summary of significant accounting policies and other explanatory information. (hereinafter referred as "standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Sr. no.	Key Audit Matters	Audit procedures
1.	**Cut off risk in Revenue Recognition** Due to the sales being under various contractual terms and across geographies, delivery to customers in different regions might take different time periods and may result in undelivered goods at the period end. We consider there to be a risk of misstatement of the financial statements related to transactions occurring close to the year end, as transactions could be recorded in the wrong financial period. Accordingly, cut-off risk in revenue recognition is a key audit matter.	• We have assessed the revenue recognition policies of the Company including accounting for sales returns and discounts for compliance with Ind AS. • The Company has manual and automated (information technology – IT) controls on recording revenue and accruals for sales returns and discounts. We tested the design, implementation and operating effectiveness of these controls. In respect of cut-off, we focused on controls around the timely and accurate recording of year-end sales transactions. • We have performed substantive testing on sample basis on revenue transactions recorded during the year end. • We verified contractual terms of the invoice and tested the transit time to deliver the goods.
2.	**Capital Expenditure in respect of property, plant and equipment and capital work-in-progress** The Company has incurred significant expenditure on capital projects, as reflected by the total value of additions in property plant and equipment and capital work-in-progress in notes 3 and 5 of the standalone financial statements. The Company is mainly in the process of executing project for expansion of its existing Dahej Manufacturing facility and upgradation of R&D facility in Vadodara. These projects take a substantial period of time to get ready for intended use.	• We have obtained an understanding of the Company's capitalization policy and assessed for compliance with the relevant accounting standards. • We have obtained understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalization of assets.

<table>
<tr><th>Sr. no.</th><th>Key Audit Matters</th><th>Audit procedures</th></tr>
<tr><td></td><td>We considered Capital expenditure as a key audit matter due to:
• Significance of amount incurred on such items during the year ended 31 March 2022.
• Judgement and estimate required by management in assessing assets meeting the capitalization criteria set out in Ind AS 16 Property, Plant and Equipment.
• Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalization as per the criteria set out in Ind AS 16 Property, Plant and Equipment.</td><td>• We have performed substantive testing on a sample basis for each element of capitalized costs including inventory issued to contractors for the purpose of these projects and physical verification performed by management along with reconciliation and directly attributable cost, including verification of underlying supporting evidence and understanding nature of the costs capitalized.
• We have obtained understanding on management assessment relating to progress of projects and their intention to bring the asset to its intended use.</td></tr>
<tr><td>3.</td><td>Valuation, Accuracy, Completeness and disclosures pertaining to Inventories with reference to Ind AS 2
Inventories constitutes material component of financial statement.
Correctness, Completeness and Valuation are critical for reflecting true and fair financial results of operations. Further due to continuous nature of plan operations and the raw materials which are basically chemicals, management has to exercise judgement in assessing stage of the product and its valuation.
Also refer note 12 to the standalone financial statement.</td><td>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:
• We have assessed the Company's process regarding maintenance of records, Valuation and accounting of transactions relating to Inventory as per the Indian Accounting Standard 2.
• We have evaluated the design of Internal Controls relating to recording and valuation of Inventory.
• We have carried out substantive audit procedures to verify the allocation of overheads to Inventory.
• We have attended the physical verification of Inventories performed by the Management and also performed stock count on sample basis. We have also checked reconciliation of inventories as per physical inventory verification and book records on a sample basis.
• For sample selected, we have also obtained confirmation of Inventories held with third parties.
• We have verified the consistency in respect of valuation process and methodology followed by the Company.</td></tr>
</table>

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance, Shareholder's Information and Business Responsibility Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

2. As required by section 143(3) of the Act, 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), statement of change in equity, statement of cash flows and notes forming part of the standalone financial statements dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to standalone financials of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 46 to the standalone financial statements.

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

iii. There were no amounts which were required to be transferred to Investor Education and protection fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 11 to the standalone financial statements);

iv. (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 (Refer Note 11 to the standalone financial statements); and

iv. (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid, if any, during the year by the Company is in compliance with section 123 of the Act.

For **NDJ & Co.,**
Chartered Accountants
Firm's Registration Number: 136345W

CA Shirish Shah
Partner
Membership No: 035742
UDIN : 22035742AJLQLX4446

Date : 25 April 2022
Place : Vadodara, Gujarat, India

Annexure 'A' to the Independent Auditor's Report

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

1. (a) A. The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

   B. The Company is maintaining proper records showing full particulars of Intangible Assets.

   (b) The Property, Plant and Equipment are physically verified by the management according to a phased programme designed to cover all items over a period of three financial years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies between the book records and the physical verification have been noticed.

   (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 on Property, Plant and Equipment and Note 4 on Right-of-use assets to the standalone financial statements, are held in the name of the Company.

   (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

   (e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

2. (a) The physical verification of inventory excluding stocks with third parties and stock in transit has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 5% or more in aggregate for each class of inventory.

   (b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 Crore, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account, except few cases which are not material. (Also refer Note 51 to the standalone financial statements)

3. According to information and explanations given to us, the Company has not made investments in, not provided any guarantee or security nor granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the provisions of this clause of the Order are not applicable to the Company for the year ended on balance sheet date.

4. According to information and explanations given to us, the Company has complied provisions of sections 185 and 186 of the Companies Act in respect of loans, investments, guarantees, and security given to companies, firms and other parties covered in the register maintained under section 189 of the Act during the year.

5. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the rules framed thereunder during the year. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company during the year.

6. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, custom duty, cess and other material statutory dues as applicable to the appropriate authorities during the year. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of provident fund, employees' state insurance and cess, which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at 31 March 2022 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of dues	Amount (₹ in Million)	Period to which the amount relates	Forum where the dispute is pending
IGST Act, 2017	Goods and Service Tax	0.56	2016-17	Commissioner (CGST)

8. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

9. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

   (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.

   (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained other than the funds which have remained un-utilized as on 31 March 2022. (Also refer Note 17 to the standalone financial statements).

   (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone 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) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries company.

   (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries company.

10. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has utilised the money raised by way of initial public offer for the purposes for which they were raised. No money was raised during the year by way of further public offer (including debt instruments).

   (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

   (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

   (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us and as represented to us by the management, there are no whistle blower complaints received by the Company during the year.

12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

13. The Company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24, Related Party Disclosures specified under section 133 of the Act.

14. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

   (b) The reports of the Internal Auditor for the period under audit have been considered by us.

15. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

16. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

    (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

    (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

    (d) According to the information and explanations given to us and on the basis of our examination, the Company does not belong to any group which consist Core Investment Company as part of the Group.

17. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

19. According to the information and explanations given to us and on the basis of the financial ratios, (Also refer Note 51 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone 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.

20. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any unspent amount which is require to transfer to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, paragraph 3(xx)(a) of the Order is not applicable.

    (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any ongoing projects under provisions of the section 135 of the said Act. Accordingly, paragraph 3(xx)(b) of the Order is not applicable.

21. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **NDJ & Co.,**
Chartered Accountants
Firm's Registration Number: 136345W

CA Shirish Shah
Partner
Membership No: 035742
UDIN : 22035742AJLQLX4446

Date : 25 April 2022
Place : Vadodara, Gujarat, India

Annexure 'B' to the Independent Auditor's Report

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

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

We have audited the internal financial controls with reference to standalone financial statements of **Tatva Chintan Pharma Chem Limited ("the Company")** as of 31 March 2022 in conjunction with our audit of standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control 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 control 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 standalone financial statements to further periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2022, 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 **NDJ & Co.,**
Chartered Accountants
Firm's Registration Number: 136345W

CA Shirish Shah
Partner
Membership No: 035742
UDIN : 22035742AJLQLX4446

Date : 25 April 2022
Place : Vadodara, Gujarat, India

Standalone Balance Sheet

as at 31 March 2022

(Currency : ₹ in Million)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	1,279.06	1,085.08
Right-of-use assets	4	313.90	118.43
Capital work-in-progress	5	514.91	98.11
Other intangible assets	6	3.17	0.95
Financial assets			
(i) Investments	7	6.67	6.67
(ii) Other financial assets	8	20.88	-
Deferred tax assets (net)	23	87.10	-
Other non-current assets	13	5.14	2.96
Total non-current assets		**2,230.83**	**1,312.20**
Current assets			
Inventories	12	1,606.85	683.64
Financial assets			
(i) Trade receivables	14	616.04	903.39
(ii) Cash and cash equivalents	9	607.75	27.26
(iii) Bank balances other than (ii) above	10	1,139.69	8.61
(iv) Loans	11	1.61	1.48
(v) Other financial assets	8	33.55	29.20
Other current assets	13	286.21	131.06
Total current assets		**4,291.70**	**1,784.64**
Total assets		**6,522.53**	**3,096.84**
Equity and liabilities			
Equity			
Equity share capital	15	221.65	200.88
Other equity	16	4,467.14	1,418.48
Total equity		**4,688.79**	**1,619.36**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	131.11	267.63
Provisions	19	6.51	5.52
Deferred tax liabilities (net)	23	-	20.78
Other non-current liabilities	20	0.17	14.30
Total non-current liabilities		**137.79**	**308.23**
Current liabilities			
Financial liabilities			
(i) Borrowings	17	1,068.27	634.85
(ii) Trade payables	22		
(a) Total outstanding dues of micro and small enterprises; and		111.46	129.13
(b) Total outstanding dues of creditors other than (ii)(a) above		329.12	341.30
(iii) Other financial liabilities	18	3.51	0.59
Other current liabilities	20	179.91	61.38
Provisions	19	1.79	1.09
Current tax liabilities (net)	21	1.89	0.91
Total current liabilities		**1,695.95**	**1,169.25**
Total equity and liabilities		**6,522.53**	**3,096.84**
Notes forming part of the standalone financial statements	1- 57		

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 25 April 2022
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 25 April 2022
Place : Vadodara, Gujarat, India

Standalone Statement of Profit and Loss

for the year ended 31 March 2022

(Currency : ₹ in Million)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	24	4,278.11	2,911.88
Other income	25	105.06	50.98
Total income		**4,383.17**	**2,962.86**
Expenses			
Cost of materials consumed	26	2,544.94	1,535.26
Changes in inventories of finished goods and work-in-progress	27	(580.43)	(51.97)
Employee benefits expense	28	308.14	238.03
Finance costs	29	48.32	42.07
Depreciation and amortization expenses	30	81.80	67.30
Other expenses	31	947.74	538.69
Total expenses		**3,350.51**	**2,369.38**
Profit before exceptional items and tax		1,032.66	593.48
Exceptional items		-	-
Profit before tax		**1,032.66**	**593.48**
Tax expense/(benefit)	32		
Current tax		180.08	104.27
Deferred tax		(107.29)	(24.37)
Total tax expense		**72.79**	**79.89**
Profit for the year		**959.87**	**513.59**
Other comprehensive income/(expense)	33		
Items that will not be reclassified to profit or loss		(2.05)	2.07
Income tax relating to items that will not be reclassified to profit or loss		0.60	(0.60)
Total other comprehensive income/(expense)		**(1.45)**	**1.47**
Total comprehensive income		**958.42**	**515.06**
Earnings per equity share (Face value of ₹ 10/- each)	34		
Basic		44.65	25.57
Diluted		44.65	25.57
Notes forming part of the standalone financial statements	1- 57		

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 25 April 2022
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
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Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 25 April 2022
Place : Vadodara, Gujarat, India

Standalone Statement of Changes in Equity

for the year ended 31 March 2022

(Currency: ₹ in Million, except per share data)

A Equity share capital

Particulars	Number of shares	Amount
Authorised capital (Equity shares of ₹ 10 each)		
Balance as at 01 April 2020	10,000,000	100.00
Changes during the year	30,000,000	300.00
Balance as at 31 March 2021	40,000,000	400.00
Changes during the year	-	-
Balance as at 31 March 2022	**40,000,000**	**400.00**
Issued, subscribed and fully paid-up capital (Equity shares of ₹ 10 each)		
Balance as at 01 April 2020	8,035,000	80.35
Changes during the year		
Addition pursuant to bonus issue	12,052,500	120.53
Balance as at 31 March 2021	20,087,500	200.88
Changes during the year		
Addition pursuant to fresh issue of shares	2,077,562	20.77
Reduction in promotor and promoter group shareholding pursuant to offer for sale	(2,539,242)	(25.39)
Addition in public shareholding pursuant to offer for sale	2,539,242	25.39
Balance as at 31 March 2022	**22,165,062**	**221.65**

B Other equity

Particulars	Reserves and surplus			Total
	Securities premium	Retained earnings	Remeasure-ment of defined benefit plans	
Balance as at 01 April 2020	-	1,066.06	(1.93)	1,064.12
Profit for the year	-	513.59	-	513.59
Other comprehensive income for the year	-	-	1.47	1.47
Total comprehensive income	-	1,579.65	(0.46)	1,579.19
Other changes				
Issue of bonus shares	-	(120.53)	-	(120.53)
Dividend paid	-	(40.18)	-	(40.18)
Total other changes	-	(160.71)	-	(160.71)
Balance as at 31 March 2021	-	1,418.94	(0.46)	1,418.48
Prior period errors	-	(0.01)	(0.01)	(0.02)
Restated balance as at 31 March 2021		1,418.93	(0.47)	1,418.46
Profit for the year	-	959.87	-	959.87
Other comprehensive income for the year	-	-	(1.45)	(1.45)
Total comprehensive income	-	2,378.80	(1.92)	2,376.88
Other changes				
Securities premium on fresh issue of shares	2,229.22	-	-	2,229.22
Share issue expenses written off (refer note 50)	(138.96)	-	-	(138.96)
Total other changes	2,090.26	-	-	2,090.26
Balance as at 31 March 2022	**2,090.26**	**2,378.80**	**(1.92)**	**4,467.14**

Notes:

Nature and purpose of other equity

(i) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013. During the year ended 31 March 2022, the Company has utilised the balance of securities premium for writing off expenses in relation to fresh issue of share capital.

Standalone Statement of Changes in Equity *(Continued)*

for the year ended 31 March 2022

(Currency: ₹ in Million, except per share data)

(ii) Retained earnings

Retained earnings are the profits that the Company has earned till the reporting date, reduced by any transfers to general reserve or dividends or other distributions paid to the shareholders.

Remeasurement of defined benefit liability / (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income) and it will not be reclassified to profit or loss subsequently.

Notes forming part of the standalone financial statements 1- 57

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 25 April 2022
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
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Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 25 April 2022
Place : Vadodara, Gujarat, India

Standalone Statement of Cash flows

for the year ended 31 March 2022

(Currency: ₹ in Million)

Particulars		As at 31 March 2022	As at 31 March 2021
Cash flows from operating activities			
Profit before tax		1,032.66	593.48
Adjustments for			
Depreciation and amortisation expenses		81.80	67.30
Liabilities no longer required written back		(0.73)	-
Sundry balances written-off		-	0.22
Provision for doubtful debts/ (written off) (net)		(2.93)	1.59
Unrealised foreign exchange loss/ (gain) (net)		14.74	(39.53)
Loss on sale of property, plant and equipment (net)		0.51	0.34
Interest income		(45.39)	(2.76)
Finance costs		42.33	39.84
Other borrowing costs		6.00	2.22
Operating profit before working capital changes	(i)	**1,129.00**	**662.69**
Changes in working capital			
(Increase) in inventory		(923.21)	(96.48)
Decrease/(increase) in trade receivables		285.42	(401.23)
(Increase) in financial and other assets		(189.97)	(81.15)
Decrease/(increase) in trade and other payables		(30.21)	163.92
Increase in financial and other liabilities		105.89	37.53
Increase in provisions		1.69	1.96
Cash generated from operating activities	(ii)	**378.61**	**287.24**
Less: Taxes paid	(iii)	(179.70)	(98.16)
Net cash generated from operating activities (ii+iii)	**(A)**	**198.91**	**189.08**
Cash flows from investing activities			
Purchase of property, plant and equipment		(891.57)	(209.69)
Proceeds from sale of property, plant and equipment		0.78	0.19
(Increase)/decrease in fixed deposits with banks		(1,122.66)	0.62
Interest income		45.39	2.76
Cash (used in) investing activities	**(B)**	**(1,968.06)**	**(206.12)**
Cash flows from financing activities			
Proceeds from issue of equity share capital		20.77	-
Proceeds from securities premium (net off IPO expenses)		2,090.26	-
Dividend paid		-	(40.18)
Proceeds from long-term borrowings		-	91.53
Repayment of long-term borrowings		(134.85)	(183.99)
Net proceeds from short-term borrowings		431.75	88.04
(Decrease) in loan to employees		(0.43)	(0.26)
Finance costs		(42.33)	(39.84)
Other borrowing costs		(6.00)	(2.22)
Unrealised foreign exchange loss / (gain) (net)		(9.54)	39.75
Cash generated from/ (used in) financing activities	**(C)**	**2,349.64**	**(47.17)**
Net increase/ (decrease) in cash and cash equivalent (A+B+C)		**580.49**	**(64.21)**

Standalone Statement of Cash flows *(Continued)*

for the year ended 31 March 2022

(Currency: ₹ in Million)

Notes:

(i) Cash and cash equivalents comprise of:

Particulars	**As at 31 March 2022**	As at 31 March 2021
Balance at the beginning of the year	27.26	91.46
Cash on hand	0.82	0.81
Balances with banks		
- in current accounts	19.88	2.58
- in cash credit accounts (surplus)	3.32	-
- in EEFC current accounts	204.35	17.34
- in deposits with original maturity of less than 3 months	379.38	6.53
Balance at the end of the year	607.75	27.26
Net increase/(decrease) in cash and cash equivalent	**580.49**	**(64.21)**

(ii) The above "standalone cash flows statement" has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) 7 "Statement of cash flows".

(iii) Purchase of property, plant and equipment includes movements in right of use assets, other intangible assets and capital work-in-progress.

(iv) Reconciliation of movements in cash flows from borrowings (financing) activities:

Particulars	**Non-current borrowings**	**Current borrowings**	**Total**
Balance as at 01 April 2020	502.00	404.89	906.89
Proceeds from non-current borrowings	91.53	-	91.53
Repayment of non-current borrowings	(172.81)	-	(172.81)
Net proceeds from short-term borrowings	-	107.54	107.54
Finance costs	25.40	13.41	38.80
Other borrowing costs*	-	2.22	2.22
Foreign exchange movement	(11.19)	(19.49)	(30.68)
Total cash flows from financing activities	(67.06)	103.67	36.61
Liability related other changes			
Finance costs	(25.40)	(13.41)	(38.80)
Other borrowing costs	-	(2.22)	(2.22)
Balance as at 31 March 2021	409.54	492.94	902.47
Proceeds from non-current borrowings	-	-	-
Repayment of non-current borrowings	(144.30)	-	(144.30)
Net proceeds from short term borrowings	-	421.31	421.31
Finance costs	(20.12)	(19.15)	(39.28)
Other borrowing costs*	-	(6.00)	(6.00)
Foreign exchange movement	9.45	10.44	19.90
Total cash flows from financing activities	(154.97)	406.60	251.63
Liability related other changes			
Finance costs	20.12	19.15	39.28
Other borrowing costs	-	6.00	6.00
Balance as at 31 March 2022	**274.69**	**924.69**	**1,199.38**

** includes other borrowing costs paid for non-fund based credit facilities.*

Standalone Statement of Cash flows (Continued)

for the year ended 31 March 2022

(Currency: ₹ in Million)

(v) Disclosure of undrawn borrowing facilities (excluding non-fund based facilities and foreign exchange effect):

Particulars	As at 31 March 2022	As at 31 March 2021
Undrawn borrowing facilities	125.31	-

(vi) Cash credit accounts with debit balances have been shown under cash and cash equivalent as per requirement of Ind AS 7, hence proceeds from borrowings under financing activity is excluding the movement in bank overdraft.

(vii) Tenure of short-term deposits varies between one day to three months, depending on the cash requirements of the Company and to earn interest at the applicable interest rates.

(viii) Balances with banks in current accounts includes ₹ 0.33 million (31 March 2021: nil) earmarked as monitoring agency account balance towards unutilized IPO proceeds.

(ix) Bank fixed deposits with original maturity of less than 3 months includes ₹ 367.65 million (including accrued interest) (31 March 2021: nil) earmarked towards unutilized IPO proceeds.

(x) Cash flows denominated in foreign currency are reported in the manner consistent with Ind AS 21.

(xi) During the years ended, the Company has not entered into any non-cash investing and non-cash financing activities.

(xii) Refer note 36 for government grants recognised in statement of profit and loss.

(xiii) The Company does not have any lease liability (refer note 38).

Notes forming part of the standalone financial statements 1- 57

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 25 April 2022
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 25 April 2022
Place : Vadodara, Gujarat, India

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

1 Corporate information

Tatva Chintan Pharma Chem Limited (formerly known as Tatva Chintan Pharma Chem Private Limited) ("the Company") is public limited company domiciled in India, and incorporated under the Companies Act 2013 (erstwhile Companies Act 1956) in year 1996, having its registered office at Plot no. 502/17, GIDC Estate, Ankleshwar, Bharuch, Gujarat, India - 393002.

The equity shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") in India. The Company is primarily engaged in manufacturing and selling of specialty chemicals, phase transfer catalysts (PTC), structure directing agents (SDA), electrolyte salts (ES), pharmaceutical and agrochemical intermediates and other specialty chemicals (PASC).

These standalone financial statements have been approved by the Board of Directors and authorised for issue on 25 April 2022.

2 Significant accounting policies

a) Statement of compliance, basis of preparation and presentation

Statement of compliance: The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

Basis of preparation and presentation: These standalone financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values.

The classification of assets and liabilities of the Company have been done into current and non-current based on the operating cycle of the business of the Company. The Company has ascertained its operating cycle of the business as twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

The financial statements are presented in Indian Rupees ('INR'), which is Company's functional currency and all values are rounded to the nearest "million" up to two decimals, except otherwise indicated.

Foreign currency transactions and translation: Foreign currency transactions are translated in to functional currency at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange prevailing at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss.

Non-monetary items that are measured at historical costs in a foreign currency are translated using the exchange rates at the dates of initial transactions. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary items measured at fair value is to be reported in line with the recognition of the gain or loss on the change in the fair value of the item (i.e. FVTOCI or FVTPL). Any profit or loss arising on cancellation, maturity or renewal of forward exchange contracts is recognized as income or expenses in the statement of profit and loss and included in exchange difference.

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13AA of Ind AS 101 "First-Time Adoption of Ind AS". Accordingly, exchange loss/ (gain) arising on all long-term monetary items financed or re-financed relating to acquisition of property, plant and equipment are added to/ adjusted from the cost of such assets/ capital work-in-progress and will be depreciated over the balance useful life of such assets.

b) Use of significant accounting estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of standalone financial statements and reported amounts of revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future period, if the revision affects current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

2 Significant accounting policies *(Continued)*

i. Recoverability of deferred tax and other income tax assets

The Company has unabsorbed depreciation and MAT credit that are available for offset against future taxable profit. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax credits can be utilised. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets. This requires assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets and consequential impact in the statement of profit and loss.

ii. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

iii. Defined benefit plans (gratuity benefits)

The obligation arising from defined benefit plans is determined on the basis of actuarial assumptions. Key actuarial assumptions include 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. Any change in these assumptions would have a significant impact on the Company's balance sheet and the statement of profit and loss.

iv. Impairment of property, plant and equipment

For property, plant and equipment and intangibles, an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, then Company estimates recoverable amount the assets or cash generating unit (CGU). A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

v. Impairment of investment

The Company assesses impairment of investments in subsidiaries which are recorded at cost. At the time when there are any indications that such investments have suffered a loss, if any, is recognised in the statement of profit and loss. The recoverable amount requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments.

vi. Provisions and contingencies

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in notes but not recognised in the financial statements.

Contingent assets are not recognised, but disclosed in the financial statements when an inflow of economic benefit is probable. The actual outflow or inflow of resources at a future date may therefore, vary from the amount included in provisions and contingencies.

vii. Estimation of uncertainties relating to COVID-19

The Company has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information and concluded no adjustments are required in these standalone financial statements. The Company continues to monitor changes in future economic conditions. The impact of COVID-19 may be different from that estimated as at the date of approval of these standalone financial statements.

c) 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

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

2 Significant accounting policies *(Continued)*

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 economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

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

The Company's management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all expenses and financing costs related to acquisition and construction of the concerned assets and any attributable cost of bringing the asset to the condition of its intended use.

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13AA of Ind AS 101 "First-Time Adoption of Ind AS". Accordingly, exchange loss/ (gain) arising on all long-term monetary items financed or re-financed relating to acquisition of property, plant and equipment are added to/ adjusted from the cost of such assets/ capital work-in-progress and will be depreciated over the balance useful life of such assets.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Repair and maintenance cost are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Gains or losses arising from the retirement or disposal of an asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the statement of profit and loss.

Capital work-in-progress: Capital work-in-progress includes cost of assets under development, all taxes and duties and other expenses to bring the asset to the Company. Cost of property, plant and equipment not ready for their intended use before such date is disclosed under capital work-in-progress.

e) Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

2 Significant accounting policies *(Continued)*

Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets.

Computer software where it is expected to provide future enduring economic benefits is capitalized. The capitalized cost includes license fees and cost of implementation/system integration services.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the statement of profit and loss.

f) Depreciation and amortization

Depreciation on tangible property, plant and equipment has been provided on the basis of useful life as stated in Schedule II of the Companies Act, 2013 using the straight-line method. Lease hold land is amortized over the period of lease. Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. The following are the estimated useful lives:

Class of assets	Useful lives estimated by the management (years)
Buildings	Factory building and Building (other than RCC frame structure) – 30 years; Building (RCC frame structure) – 60 years; Building (temporary structure) – 3 years
Plant and equipment	Special plant and machinery used in manufacture of pharmaceuticals and chemicals – 20 years; Plant and machinery other than continuous process plant not covered under specific rate – 15 years; Continuous process plant for which no special rate has been prescribed in special plant and machinery – 8 years
Computer	3 / 6 years
Vehicles	8 to 10 years
Office equipment	5 years
Electrical installations	10 years
Furniture and fixtures	10 years
Lease hold land	30 to 99 years
Software	3 to 10 years
Technical know-how	10 years

g) Impairment of tangible assets and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. 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. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the assets is considered impaired and is written down to its recoverable amount and impairment loss is recognized in statement of profit and loss. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognised.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. Such reversal is recognised in statement of profit and loss unless the assets is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

h) Investments and other financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories

- those to be measured subsequently at fair value (either through other comprehensive income or through statement of profit and loss); and
- those measured at amortized cost.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

2 Significant accounting policies *(Continued)*

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

ii) Initial measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in statement of profit and loss.

iii) Subsequent measurement – debt instruments

Subsequent measurement of the debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments in the following three categories:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not a part of the hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets where the assets cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (OCI). Movements in the carrying amount are taken through OCI, except for recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the statement of profit and loss. When financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains / losses. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not a part of hedging relationship is recognized in the statement of profit and loss. Interest income from these financial assets is included in other income.

iv) Subsequent measurement – equity instruments

The Company subsequently measures all equity instruments at fair value. When the management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognized in the statement of profit and loss as other income when the Company's right to receive payment is established. Changes in the fair value of financial assets at FVTPL are recognized in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

v) Impairment of financial assets

Expected credit losses are recognised for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

Expected credit losses is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

2 Significant accounting policies *(Continued)*

For financial assets other than trade receivables, the Company recognises 12 month expected credit losses as per Ind AS 109 for all originated or acquired financial assets, if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses, if the credit risk on financial asset increases significantly since its initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

vi) De-recognition of financial assets

A financial asset is de-recognized when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. When the Company has transferred an asset, it evaluates whether it has transferred substantially all the risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has neither transferred a financial asset nor retains substantially all the risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset.

vii) Investment in subsidiaries

The Company has accounted for its investments in subsidiaries at cost less impairment loss, if any. Cost includes the purchase price and other costs directly attributable to the acquisition of investments. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss. Further, under Ind AS 101, while transitioning to Ind AS from previous GAAP, the Company had elected to measure its existing investments in subsidiaries on the date of transition at cost.

i) 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.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method. Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

Fair value measurement of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), correlation and volatility.

Derivative financial instrument

The Company holds derivative financial instruments such as foreign exchange forward contracts (not designated as cash flow hedges) to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109 Financial Instruments. Any derivative that is either

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

2 Significant accounting policies *(Continued)*

not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and short term highly liquid investments with original maturities of three months or less, that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

k) Inventories

Inventories are valued at lower of cost or net realisable value. The basis of determining costs for each class of inventories are as follows:

- **Raw materials, packing materials, consumables, stores and spares:** Cost includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Costs are determined on first in, first out basis. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

- **Finished goods and work-in-progress:** Cost includes cost of direct materials, direct labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.

- **Stock-in-trade:** Cost includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Costs are determined on first in, first out basis.

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

l) Revenue recognition

Revenue from contracts with customers

Ind AS 115 "Revenue from contracts with customers" provides a control-based revenue recognition model and provides a five-step application approach to be followed for revenue recognition i.e.: a) Identify the contract(s) with a customer; b) Identify the performance obligations; c) Determine the transaction price; d) Allocate the transaction price to the performance obligations; e) Recognize revenue when or as an entity satisfies performance obligation.

Revenue is measured based on the transaction price as specified in the contract with the customer, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST), where applicable. Discounts given include rebates, price reductions and other incentives given to customers.

As per the terms of the contract with customers, the Company expects, at the contract inception, that the period between transfers of a promised goods or services to customer and related payments for the goods or services will be less than one year or less. Accordingly, the Company has availed the practical expedient available as per paragraph 63 of Ind AS 115 and has not adjusted the promised amount of consideration for the effects of significant financing component, if any.

Revenue from sale of products is recognized when the control on the goods or services has been transferred to the customers and Revenue from sale of services is recognised on satisfaction of performance obligation towards rendering of such services. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract. The majority of the Company's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services.

Revenue is recognised in an amount that reflects the consideration, which the Company expects to receive in exchange for those products or services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. None of the Company's contracts contain variable consideration and contract modifications are generally minimal.

Contract balances

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

2 Significant accounting policies *(Continued)*

If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivable: A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Other incomes

- Claims and rebates receivables are accounted as and when settled.
- Interest income from a financial asset is recognized using the effective interest rate method when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- Dividends are recognized in statement of profit and loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.
- Incomes in respect of duty drawback or other export promotion schemes in respect of exports made during the year are accounted on accrual basis

m) Employee benefits

Employee benefits of the Company includes all forms of consideration (directly or indirectly) given by the Company in exchange for services rendered by employees or termination of employment. Where employees include their dependents and their beneficiaries and includes all categories i.e., full time, part time, casual, temporary and permanent etc. Employee benefits includes four types of benefits: A. Short-term employee benefits, B. Post-employment benefits, C. Other long-term employee benefits, and D. Termination benefits

A. Short-term employee benefits

Employee benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of reporting period. e.g.: salary and wages, social security contributions, paid leaves, maternity leave, bonus and other non-monetary benefits such as medical checkup, group insurance and subsidised services. The Company measures short-term employee benefits on an undiscounted basis and they do not involve any actuarial valuation.

The Company recognises short-term employee benefits expected to be paid:

a) as employee benefits expense in the statement of profit and loss, if it does not form part of the cost of an asset as per any other Ind AS (Ind AS 2 "Inventories" or Ind AS 16 "Property, plant and equipment"), and

b) as a current liability (employee benefits payable) or as a current asset (accrued expense) in the balance sheet, after deducting any amount already paid.

B. Post-employment benefits

Employee benefits (other than short-term employee benefits and termination benefits) that are payable after the completion of employment. e.g.: gratuity. These benefits are of two types i). Defined contribution plans, and ii). Defined benefits plans.

Defined contribution plans: Contribution to retirement benefit plans in the form of provident fund, employee state insurance scheme, pension scheme and superannuation schemes as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Company has no further payment obligations once the contributions have been paid.

Defined benefit plans: Defined benefit plan in the form of gratuity, are recognized on the basis of actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method or in compliance with the requirements of the domestic laws. Gratuity is included in employees' benefit expense in the statement of profit and loss. The gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through remeasurement of the net defined benefit liability/

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

2 Significant accounting policies *(Continued)*

(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effects of any plan amendments are recognized on net basis in the statement of profit and loss.

C. Other long-term employee benefits

Employee benefits (other than short-term employee benefits, post-employment benefits and termination benefits) that are not expected to be settled wholly before 12 months after the end of reporting period. e.g.: long-term paid absences (compensated absences). They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The said obligations are presented as current liabilities in the balance sheet, if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

D. Termination benefits

Employee benefits that are provided in exchange for termination of an employee's employment as a result of either: a) the Company's decision to terminate an employee's employment before the normal retirement date; or b) an employee's decision to accept an offer of benefits in exchange for the termination of the employment. E.g.: Retrenchment compensation etc.

The Company recognises termination benefits expected to be paid:

a) as employee benefits expense in the statement of profit and loss, and

b) as a current liability (employee benefits payable) or as a current asset (accrued expense) in the balance sheet, after deducting any amount already paid.

n) Leases

As a lessee

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

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less, leases of low-value assets and cancellable leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

o) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or where out of general borrowings, funds may have been used, the borrowing cost is calculated by applying weighted average cost of borrowing applicable to such general borrowing which is outstanding during the year, are capitalized up to the date by which qualifying assets are ready for its intended use and included in the carrying amount of such assets. All other borrowing costs are charged to statement of profit and loss.

Borrowing costs includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

2 Significant accounting policies *(Continued)*

p) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The tax currently payable is based on estimated taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible.

Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and revises the provisions, if so required where consider necessary.

The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period. Current tax assets and current tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are generally recognized for all taxable temporary differences to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

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

Deferred tax assets relating to unabsorbed depreciation/ business losses/losses under the head "capital gains" are recognized and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities. Transaction or event which is recognized outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

Minimum alternate tax (MAT)

Deferred tax assets include minimum alternate 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 recognized 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 realized.

Current and deferred tax expense is recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

q) Provisions, contingent liabilities and contingent assets

A provision is made when there is a present obligation (legal or constructive) as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are determined based on the present value of the management's best estimate of the amount required to settle the present obligation at the end of the reporting period. The discount rate used to determine present value is a pre-tax rate that reflects current market assessment of time value of money and the risks specific to the liability.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized but disclosed in the financial statements.

r) Operating segments

" Operating segments" are components of the Company whose operating results are regularly reviewed by the "chief operating

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

2 Significant accounting policies *(Continued)*

decision maker (CODM)" to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. "Specialty chemical business" is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

s) Earnings per share

Earnings per share are calculated by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

a) after tax effect of interest and other financing costs associated with dilutive potential equity shares,

b) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

t) Cash flows statement

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities.

Cash flows are reported using the indirect method, whereby net profit for the period is adjusted for the effects of transactions of non-cash nature, working capital changes, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash.

u) Cost recognition

Costs and expenses are recognised in statement of profit and loss when incurred and are classified according to their nature. Revenue expenditure pertaining to research is charged to the statement of profit and loss. Development costs of products are charged to the statement of profit and loss. Development expenditure of certain nature is capitalized when the criteria for recognizing an intangible asset are met. Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes.

v) Government grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with and the grants will be received.

When the grant relates to an expense item, it is recognized as income in statement of profit and loss on a systematic basis over the periods, to match with the related costs, for which it is intended to compensate.

When the grant relates to an asset, it is recognized as deferred government grant in the balance sheet and then subsequently transferred to statement of profit or loss on a systematic basis over the expected useful life of the related asset.

w) Exceptional items

Exceptional items refer to items of income or expense, including tax items, within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

x) Events after the reporting period

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the standalone financial statements. Material non-adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' report.

Dividend: The Company recognises a liability to make distributions of dividend to equity holders, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. After approval, a corresponding amount is recognised directly in equity.

y) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

- **Ind AS 16 – Proceeds before intended use:** The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

2 Significant accounting policies *(Continued)*

The Company does not expect the amendment to have any impact in its recognition of its property, plant and equipment in its financial statements.

- **Ind AS 37 – Onerous contracts - costs of fulfilling a contract:** The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

- **Ind AS 103 – Reference to conceptual framework:** The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

- **Ind AS 109 – Annual improvements to Ind AS (2021):** The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

- **Ind AS 109 and Ind AS 107 – Interest rate benchmark reform phase 2:** The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:

  Changes to contractual cash flows - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform will not result in an immediate gain or loss in the statement of profit and loss.

  Hedge accounting - The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

  The Company does not expect the amendment to have any significant impact in its financial statements.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

3 Property, plant and equipment*

Particulars	Buildings	Plant and equipment	Electrical installations	Office equipment	Furniture and fixtures	Vehicles	Data processing units	Total
At cost								
Balance as at 01 April 2020	348.66	603.83	89.95	10.23	22.37	17.99	7.22	1,100.25
Additions	25.79	82.17	6.26	3.81	1.47	36.48	2.53	158.51
Disposals	-	(0.86)	-	-	-	-	-	(0.86)
Balance as at 31 March 2021	374.45	685.14	96.21	14.04	23.84	54.47	9.75	1,257.90
Additions	2.08	239.88	19.69	6.54	0.66	0.91	4.69	274.45
Disposals	-	(2.22)	-	(0.29)	-	(0.33)	(0.08)	(2.92)
Balance as at 31 March 2022	**376.53**	**922.80**	**115.90**	**20.29**	**24.50**	**55.05**	**14.36**	**1,529.43**
Accumulated depreciation								
Balance as at 01 April 2020	19.49	57.40	12.60	3.33	4.54	7.43	3.83	108.62
Additions	11.50	34.84	8.82	2.17	2.32	2.97	1.91	64.53
Disposals	-	(0.33)	-	-	-	-	-	(0.33)
Balance as at 31 March 2021	30.99	91.91	21.42	5.50	6.86	10.40	5.74	172.82
Additions	12.32	40.81	10.01	3.20	2.42	7.35	2.30	78.41
Disposals	-	(0.47)	-	(0.22)	-	(0.17)	-	(0.86)
Balance as at 31 March 2022	**43.31**	**132.25**	**31.43**	**8.48**	**9.28**	**17.58**	**8.04**	**250.37**
Carrying amounts (net)								
As at 01 April 2020	329.17	546.43	77.35	6.90	17.83	10.56	3.39	991.63
As at 31 March 2021	343.46	593.23	74.79	8.54	16.98	44.07	4.01	1,085.08
As at 31 March 2022	**333.22**	**790.55**	**84.47**	**11.81**	**15.22**	**37.47**	**6.32**	**1,279.06**

** On the transition to Ind AS (i.e. 01 April 2017), the Company has elected to continue with the carrying value of all property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost in accordance with paragraph D7AA of Ind AS 101 "First-Time Adoption of Ind AS".*

Notes:

(i) Security: Refer note 17 for the property, plant and equipment which has been given as security.

(ii) Commitments: Refer note 46 for capital commitments made by the Company.

(iii) Impairment: The Company has reviewed the recoverability of the assets and has concluded that no indication of impairment exists and hence, no impairment of asset is required.

(iv) During the years ended, the Company has not capitalised any borrowing costs in accordance with Ind AS 23 'Borrowing Costs'.

(v) During the years ended, the Company has not capitalised any amount as foreign exchange loss/(gain) in accordance with the option obtained under para D13AA of Ind AS 101 "First-Time Adoption of Ind AS".

(vi) During the years ended, the Company has not revalued its property, plant and equipment.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

4 Right-of-use assets

Particulars	Leasehold land
At cost	
Balance as at 01 April 2020	125.52
Additions	1.67
Disposals	-
Balance as at 31 March 2021	127.19
Additions	198.35
Disposals	-
Balance as at 31 March 2022	**325.54**
Accumulated depreciation	
Balance as at 01 April 2020	6.57
Additions	2.19
Disposals	-
Balance as at 31 March 2021	8.76
Additions	2.88
Disposals	-
Balance as at 31 March 2022	**11.64**
Carrying amounts (net)	
As at 01 April 2020	118.95
As at 31 March 2021	118.43
As at 31 March 2022	**313.90**

Notes:

(i) Security: Refer note 17 for the right-of-use assets (leasehold land) which has been given as security.

(ii) Commitments: Refer note 46 for capital commitments made by the Company.

(iii) The Company has acquired all the land under lease, where the Company is the "lessee" and all the lease agreements are duly executed in favour of the Company.

(iv) The Company does not have any investment property.

(v) During the years ended, the Company has not revalued its right-of-use assets.

(vi) The Company does not have any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

5 Capital work-in-progress

Particulars	Capital work-in-progress
Balance as at 01 April 2020	48.92
Additions	61.50
Transfer to assets or other adjustments	(12.31)
Balance as at 31 March 2021	98.11
Additions	693.21
Transfer to assets or other adjustments	(276.41)
Balance as at 31 March 2022	**514.91**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

5 Capital work-in-progress *(continued)*

Notes:

(i) Commitments: Refer note 46 for capital commitments made by the Company.

(ii) Capital-work-in progress (CWIP) ageing schedule:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
Projects in progress	504.02	10.89	-	-	514.91
Projects temporarily suspended*	-	-	-	-	-
Total	**504.02**	**10.89**	**-**	**-**	**514.91**
As at 31 March 2021					
Projects in progress	86.89	11.22	-	-	98.11
Projects temporarily suspended*	-	-	-	-	-
Total	86.89	11.22	-	-	98.11

** The Company does not have any project which has been temporarily suspended.*

(iii) The Company does not have any capital-work-in progress (CWIP), whose completion is overdue or has exceeded its cost compared to its original plan.

6 Other intangible assets*

Particulars	Computer software	Technical knowhow	Total
At cost			
Balance as at 01 April 2020	3.29	0.07	3.36
Additions	0.32	-	0.32
Disposals	-	-	-
Balance as at 31 March 2021	3.61	0.07	3.68
Additions	2.74	-	2.74
Disposals	-	-	-
Balance as at 31 March 2022	**6.35**	**0.07**	**6.42**
Accumulated amortisation			
Balance as at 01 April 2020	2.13	0.03	2.16
Additions	0.58	0.00	0.58
Disposals	-	-	-
Balance as at 31 March 2021	2.71	0.03	2.74
Additions	0.47	0.04	0.51
Disposals	-	-	-
Balance as at 31 March 2022	**3.18**	**0.07**	**3.25**
Carrying amounts (net)			
As at 01 April 2020	1.15	0.05	1.20
As at 31 March 2021	0.90	0.05	0.95
As at 31 March 2022	**3.17**	**-**	**3.17**

** On the transition to Ind AS (i.e. 01 April 2017), the Company has elected to continue with the carrying value of all other intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost in accordance with paragraph D7AA of Ind AS 101 "First-Time Adoption of Ind AS".*

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

6 Other intangible assets* *(continued)*

Notes:

(i) Impairment: The Company has reviewed the recoverability of the assets and has concluded that no indication of impairment exists and hence, no impairment of asset is required.

(ii) During the years ended, the Company has not revalued its intangible assets.

7 Non-current investments

Particulars	As at 31 March 2022	As at 31 March 2021
Unquoted		
Equity investments		
- in subsidiaries		
- measured at cost		
Tatva Chintan USA Inc.	6.66	6.66
(100,000 (31 March 2021:100,000) fully paid equity shares having face value of USD 1 each)		
Tatva Chintan Europe B.V.	0.01	0.01
(120 (31 March 2021: 120) fully paid equity shares having face value of EUR 1 each)		
Total	**6.67**	**6.67**
Aggregate cost of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	6.67	6.67
Aggregate amount of impairment in value of investments	-	-

Notes:

(i) Refer notes 43-44 for financial instruments, fair values and risk measurement.

(ii) The Company has carried its investments in equity instruments of subsidiaries at deemed cost less provision for impairment, if any. The Company does not have any investment in equity instruments "designated" at FVTOCI.

(iii) During the years ended, no such event has occurred, that has a detrimental impact on estimated future cash flows of above investments and the Company does not have any investments which have significant increase in credit risk.

(iv) Description of subsidiaries:

Name of entity, Place of incorporation, and Principal activity	Proportion of ownership interest and voting power held	
	As at 31 March 2022	As at 31 March 2021
1. Tatva Chintan USA Inc. Michigan, USA Wholesale trade of specialty chemicals	100.00%	100.00%
2. Tatva Chintan Europe B.V. The Netherlands Wholesale trade of specialty chemicals	100.00%	100.00%

(v) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(vi) The Company does not have any fellow subsidiaries, step down subsidiaries, associates or joint ventures.

(vii) Refer note 51 for the additional regulatory information.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

8 Other financial assets

(Carried at amortised cost unless otherwise stated)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
Deposit with banks	-	-	-	8.43
Security deposits	20.88	26.62	-	17.85
Forward exchange contracts (refer sub note (iv))	-	1.13	-	2.45
Interest accrued on deposits	-	5.80	-	0.47
Total	**20.88**	**33.55**	**-**	**29.20**

Notes:

(i) Refer note 43-44 for financial instruments, fair values and risk measurement.

(ii) The Company does not have any financial assets which have significant increase in credit risk.

(iii) Security deposits are primarily in relation to public utility services and includes other services. During the year ended 31 March 2022, the Company has completed initial public offer and as a pre-condition of designated stock exchange, the Company has deposited 1% security deposit i.e. ₹ 50.00 million to BSE limited, out of which fifty percent i.e. ₹ 25.00 million has been provided by way of a bank guarantee and the balance i.e. ₹ 25.00 million has been tendered through other regular payment modes, which has been included in current security deposits referred above.

(iv) The Company has entered into foreign exchange forward contracts to minimise foreign exchange risk of expected transactions, these contracts are not designated as hedging instruments. (refer note 44)

(v) Deposits with banks which have original maturity of more than 3 months but less than 12 month have been classified under other current financial assets.

9 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	0.82	0.81
Balances with banks		
- in current accounts	19.88	2.58
- in cash credit accounts (surplus)	3.32	-
- in EEFC current accounts	204.35	17.34
- in deposits with original maturity of less than 3 months	379.38	6.53
Total	**607.75**	**27.26**

Notes:

(i) Refer note 17 for security details of cash credit (loans repayable on demand).

(ii) Refer note 43-44 for financial instruments, fair values and risk measurement.

(iii) Balances with banks in current accounts includes ₹ 0.33 million (31 March 2021: nil) earmarked as monitoring agency account balance towards unutilized IPO proceeds.

(iv) Bank fixed deposits with original maturity of less than 3 months includes ₹ 367.65 million (including accrued interest) (31 March 2021: nil) earmarked towards unutilized IPO proceeds.

10 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with bank held as		
Deposits with original maturity over 3 months but less than 12 months	1,105.24	-
Margin money deposits for		
- bank guarantee	31.83	4.49
- letter of credit	2.62	4.12
Total	**1,139.69**	**8.61**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

10 Bank balances other than cash and cash equivalents *(continued)*

Notes:

(i) Bank fixed deposits with original maturity over 3 months but less than 12 months includes ₹ 1,097.22 million (including accrued interest) (31 March 2021: nil) earmarked towards unutilized IPO proceeds.

(ii) Refer note 43-44 for financial instruments, fair values and risk measurement.

11 Loans

(Carried at amortised cost unless otherwise stated)

Particulars	As at 31 March 2022 Current	As at 31 March 2021 Current
(Unsecured, considered good unless otherwise stated)		
Loans receivable from employees	1.61	1.19
Other receivables from related parties (refer note 42)	-	0.29
Total	**1.61**	**1.48**

Notes:

(i) The Company does not have any loan receivables from directors or other officers of the Company or any of them either severally or jointly with any other persons and from firms respectively in which any director is a partner.

(ii) Refer note 43-44 for financial instruments, fair values and risk measurement.

(iii) Loans given to employees (repayable on demand) as per the Company's policy has not been considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

(iv) The Company has not granted any loans or advances (in the nature of loans) to promoters, directors, key managerial personnel and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment.

(v) The Company has not advanced or given loan or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) 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.

(vi) 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.

(vii) Refer note 51 for the additional regulatory information.

12 Inventories

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials	463.79	208.70
Work-in-progress	439.55	267.40
Finished goods	321.84	65.97
Finished goods in transit	218.12	65.71
Packing materials	17.02	7.29
Consumables, stores and spares	146.53	68.57
Total	**1,606.85**	**683.64**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

12 Inventories *(continued)*

Notes:

(i) Refer note 17 for the inventories which has been given as security.

(ii) Refer note 2 (k) for the mode of valuation for each class of inventories.

(iii) Refer note 51 for the additional regulatory information.

13 Other assets

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
Prepaid expenses	5.14	21.15	-	15.09
Capital advances	-	99.69	2.96	-
Advance to creditors	-	2.82	-	17.34
Balance with revenue authorities	-	136.94	-	52.88
Export incentives receivable	-	20.62	-	24.48
Gratuity fund (net) (refer note 40)	-	4.21	-	4.37
Other receivables (refer note 47)	-	0.78	-	-
IPO related expenses (refer note 50)	-	-	-	16.90
Total	**5.14**	**286.21**	**2.96**	**131.06**

Notes:

(i) Balance with revenue authorities primarily relate to input credit entitlements in respect of Goods and Service Tax from regulatory authorities. It includes ₹ 0.06 million of duty paid under protest for appeal referred in note 46 for “Recovery of excess refund on zero rated supplies under Goods and Service Tax Act, 2017”.

(ii) Refer note 51 for the additional regulatory information.

14 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Considered good - unsecured		
- from related parties	277.42	197.60
- from others	338.62	705.79
Trade receivables-credit impaired	0.19	3.12
	616.23	**906.51**
Less: Loss allowance	(0.19)	(3.12)
Total	**616.04**	**903.39**

Notes:

(i) The Company does not have any trade receivables from:

- any directors or other officers of the Company or any of them either severally or jointly with any other persons.
- any firms or private companies respectively in which any director is a partner or a director or a member.

(ii) Refer note 43-44 for financial instruments, fair values and risk measurement.

(iii) Refer note 17 for security details of trade receivables.

(iv) Trade receivables are non-interest bearing and are generally on credit terms of 30 to 180 days.

(v) Refer note 42 for receivables from related parties.

(vi) In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss (ECL) allowance for trade receivables based on a provision matrix. The provision matrix takes into account

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

14 Trade receivables *(continued)*

historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

Since the Company calculates impairment under the "Simplified approach" for trade receivables containing significant financing component and for trade receivables that do not contain significant financing component, then it is not required to separately track changes in credit risk of trade receivables, as the impairment amount represents "lifetime" expected credit loss.

Accordingly, based on a harmonious reading of Ind AS 109 and the break-up requirements under Schedule III, all such trade receivables are disclosed below, irrespective of whether they contain a significant financing component or not.

Summary of movement in loss allowance for credit losses of trade receivables:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	3.12	1.53
Add: Loss allowance for the year	0.19	1.59
Less: Excess provision written back	(3.12)	-
Balance at the end of the year	0.19	3.12

(vii) Trade receivables ageing schedule is as follows:

Particulars	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022							
Undisputed							
Considered good - unsecured	581.37	34.67	-	-	-	-	616.04
Trade receivables-credit impaired	-	0.19	-	-	-	-	0.19
Disputed							
Considered good - unsecured	-	-	-	-	-	-	-
Trade receivables-credit impaired	-	-	-	-	-	-	-
Gross total	581.37	34.86	-	-	-	-	616.23
Less: Loss allowance	-	(0.19)	-	-	-	-	(0.19)
Net trade receivables	**581.37**	**34.67**	**-**	**-**	**-**	**-**	**616.04**
As at 31 March 2021							
Undisputed							
Considered good - unsecured	839.44	63.95	-	-	-	-	903.39
Trade receivables-credit impaired	-	3.12	-	-	-	-	3.12
Disputed							
Considered good - unsecured	-	-	-	-	-	-	-
Trade receivables-credit impaired	-	-	-	-	-	-	-
Gross total	839.44	67.07	-	-	-	-	906.51
Less: Loss allowance	-	(3.12)	-	-	-	-	(3.12)
Net trade receivables	**839.44**	**63.95**	**-**	**-**	**-**	**-**	**903.39**

(viii) Refer note 41 for segment reporting.

(ix) Refer note 35 for contract assets and contract liabilities.

(x) Refer note 51 for the additional regulatory information.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

15 Equity share capital

Particulars	Number of shares	Amount
Authorised capital (Equity shares of ₹ 10 each)		
Balance as at 01 April 2020	1,00,00,000	100.00
Changes during the year	3,00,00,000	300.00
Balance as at 31 March 2021	4,00,00,000	400.00
Changes during the year	-	-
Balance as at 31 March 2022	**4,00,00,000**	**400.00**
Issued, subscribed and fully paid-up capital (Equity shares of ₹ 10 each)		
Balance as at 01 April 2020	80,35,000	80.35
Changes during the year		
Addition pursuant to bonus issue	1,20,52,500	120.53
Balance as at 31 March 2021	2,00,87,500	200.88
Changes during the year		
Addition pursuant to fresh issue of shares	20,77,562	20.77
Reduction in promoter and promoter group shareholding pursuant to offer for sale	(25,39,242)	(25.39)
Addition in public shareholding pursuant to offer for sale	25,39,242	25.39
Balance as at 31 March 2022	**2,21,65,062**	**221.65**

Notes:

(i) **Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared and approved from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company.

(ii) **Fresh issue of shares in initial public offer (IPO)**

During the year ended 31 March 2022, the Company has completed initial public offer (IPO) of 4,616,804 equity shares of the face value of ₹ 10/- each at an issue price of ₹ 1,083/- per equity share (including a premium of ₹ 1,073 per equity share) aggregating to ₹ 5,000.00 million. The offer comprises of a fresh issue of 2,077,562 equity shares aggregating to ₹ 2,250.00 million and an offer for sale of 2,539,242 equity shares aggregating to ₹ 2,750.00 million. The equity shares of the Company were allotted on 27 July 2021 vide board resolution dated 27 July 2021. The equity shares of the Company were listed on 29 July 2021 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

(iii) **Increase in authorised equity share capital**

During the year ended 31 March 2021, the Company has increased its authorised share capital of ₹ 100.00 million to ₹ 400.00 million vide board resolution dated 27 January 2021, which has been passed pursuant to special resolution by the shareholders in extra ordinary general meeting (EOGM).

(iv) **Dividend**

During the year ended 31 March 2021, the Board of Directors have recommended an interim dividend of 50% (₹ 5/- per equity share of face value ₹ 10 each) amounting to ₹ 40.18 million vide board resolution dated 25 August 2020. (refer note 48)

(v) **Bonus issue**

During the year ended 31 March 2021, the Company has allotted 12,052,500 numbers of equity shares pursuant to bonus issue to its existing shareholders in the ratio of 1.5:1 vide Board resolution dated 03 March 2021 which was passed pursuant to passing of special resolution by the shareholders in EOGM held on 27 January 2021. (refer note 42)

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

15 Equity share capital *(continued)*

(vi) **Aggregate number and class of shares allotted as fully paid-up pursuant to any contract(s) without payment being received in cash or by way of bonus share or shares bought back during the period of five years immediately preceding the reporting date:**

(a) The Company has not allotted any fully paid-up equity shares pursuant to any contract without payment being received in cash.

(b) During the year ended 31 March 2021, the Company has allotted 12,052,500 numbers of equity shares of the face value of ₹10 each by way of bonus share (refer sub note (v) above).

(c) The Company has not bought back any fully paid-up equity shares.

(vii) **Details of shareholding of promoters and promoter group including all other shareholders holding more than 5% of equity shares is as below:**

Name of shareholders	Shareholder category	Number of equity shares held	% of total equity shares	% change during the year
As at 31 March 2022				
Mr. Shekhar Rasiklal Somani	Promoter	5,630,628	25.40%	-10.69%
Mr. Chintan Nitinkumar Shah	Promoter	4,897,219	22.09%	-13.31%
Mr. Ajaykumar Mansukhlal Patel	Promoter	4,007,190	18.08%	-5.10%
M/s Ajay Mansukhlal Patel HUF	Promoter group	921,711	4.16%	-25.52%
Ms. Priti Ajay Patel	Promoter group	920,211	4.15%	-25.55%
M/s Chintan N Shah HUF	Promoter group	447,500	2.02%	0.00%
Ms. Darshana Nitinkumar Shah	Promoter group	273,394	1.23%	-25.81%
Ms. Shital Chintan Shah	Promoter group	231,000	1.04%	0.00%
Ms. Kajal Shekhar Somani	Promoter group	218,080	0.98%	-31.78%
Mr. Shitalkumar Rasiklal Somani	Promoter group	843	0.00%	-92.34%
Mr. Samirkumar Rasiklal Somani	Promoter group	482	0.00%	-99.20%
Total		**17,548,258**	**79.17%**	**-12.64%**
As at 31 March 2021				
Mr. Shekhar Rasiklal Somani	Promoter	6,304,682	31.39%	150.00%
Mr. Chintan Nitinkumar Shah	Promoter	5,648,835	28.12%	150.00%
Mr. Ajaykumar Mansukhlal Patel	Promoter	4,222,333	21.02%	150.00%
M/s Ajay Mansukhlal Patel HUF	Promoter group	1,237,500	6.16%	150.00%
Ms. Priti Ajay Patel	Promoter group	1,236,000	6.15%	150.00%
M/s Chintan N Shah HUF	Promoter group	447,500	2.23%	150.00%
Ms. Darshana Nitinkumar Shah	Promoter group	368,500	1.83%	150.00%
Ms. Shital Chintan Shah	Promoter group	231,000	1.15%	150.00%
Ms. Kajal Shekhar Somani	Promoter group	319,650	1.59%	150.00%
Mr. Shitalkumar Rasiklal Somani	Promoter group	11,000	0.05%	150.00%
Mr. Samirkumar Rasiklal Somani	Promoter group	60,500	0.30%	150.00%
Total		**20,087,500**	**100.00%**	**150.00%**

(viii) During the years ended, the promoters and promoter group does not have any number of shares pledged or otherwise encumbered.

(ix) All the equity shares of the Company have been held in dematerialised form.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

15 Equity share capital *(continued)*

(x) **Details of shareholding pattern of equity shares is as below:**

Shareholder category			**Numbers of shareholders**	**Number of equity shares held**	**% of total equity shares**
As at 31 March 2022					
A	Promoter and promoter group (refer sub note (vii))		11	1,75,48,258	79.17%
B	Public				
1	Institutions				
	a	Mutual fund	6	16,70,232	7.54%
	b	Alternate investment funds	4	39,761	0.18%
	c	Foreign portfolio investor	11	6,76,390	3.05%
	d	Insurance companies	1	91,064	0.41%
		Subtotal (B)(1)	**22**	**24,77,447**	**11.18%**
2	Non-institutions				
	a	Individuals			
		i Individual shareholders holding nominal share capital up to ₹ 0.20 million	87,141	14,07,909	6.35%
		ii Individual shareholders holding nominal share capital in excess of ₹ 0.20 million	-	-	-
		Subtotal (B)(2)(a)	**87,141**	**14,07,909**	**6.35%**
	b	Others			
		i Trusts	3	189	0.00%
		ii Hindu undivided family	1,663	42,444	0.19%
		iii Non-resident Indians (non-repatriable)	283	8,257	0.04%
		iv Non-resident Indians (repatriable)	602	26,316	0.12%
		v Bodies corporate	144	37,746	0.17%
		vi Body corporate-Limited liability partnership	8	6,01,927	2.72%
		vii Clearing members	53	14,569	0.07%
		Subtotal (B)(2)(b)	**2,756**	**7,31,448**	**3.30%**
		Subtotal (B)(2)	**89,897**	**21,39,357**	**9.65%**
Public (B)			**89,919**	**46,16,804**	**20.83%**
Total shareholding as at 31 March 2022			**89,930**	**2,21,65,062**	**100.00%**
As at 31 March 2021					
A	Promoter and promoter group (refer sub note (vii))		11	2,00,87,500	100.00%
B	Public		-	-	-
Total shareholding as at 31 March 2021			**11**	**2,00,87,500**	**100.00%**

(xi) Pursuant to Regulations 14, 16 and 17 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post- offer equity share capital of the Company held by the promoters shall be locked in for a period of three years as minimum promoters' contribution from the date of allotment i.e. up to 26 July 2024 ("promoters' contribution") and the promoters' shareholding in excess of 20% of the fully diluted post-offer equity share capital shall be locked in for a period of one year from the date of allotment i.e. up to 26 July 2022.

(xii) The Company does not have any employee stock option plan.

(xiii) Except three "promoter/directors" referred above in sub note (vii), none of the other directors and key managerial personnel of the Company hold any equity shares in the Company.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

16 Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
Securities premium (refer note A)	2,090.26	-
Retained earnings (refer note B)	2,376.88	1,418.48
Total	**4,467.14**	**1,418.48**

Notes:

	Particulars	As at 31 March 2022	As at 31 March 2021
A	**Securities premium**		
	Balance at the beginning of the year	-	-
	Add : Securities premium on fresh issue of shares (2,077,562 equity shares @ ₹ 1,073 per share)	2,229.22	-
	Less : Share issue expenses written off under section 52 of the Companies Act, 2013 against securities premium (refer note 50)	(138.96)	-
	Balance at the end of the year	**2,090.26**	**-**
B	**Retained earnings**		
(i)	Retained earnings		
	Balance at the beginning of the year	1,418.94	1,066.06
	Prior period errors (round off)	(0.01)	-
	Restated balance at the beginning of the year	1,418.93	1,066.06
	Add : Profit for the year	959.87	513.59
	Less: Bonus issue	-	(120.53)
	Less: Dividend	-	(40.18)
	Balance at the end of the year (i)	**2,378.80**	**1,418.94**
(ii)	Remeasurement of defined benefit plan, net of tax		
	Balance at the beginning of the year	(0.46)	(1.93)
	Prior period errors (round off)	(0.01)	-
	Restated balance at the beginning of the year	(0.47)	(1.93)
	Add : Other comprehensive income/(expense) for the year	(1.45)	1.47
	Balance at the end of the year (ii)	**(1.92)**	**(0.46)**
	Balance at the end of the year (i) + (ii)	**2,376.88**	**1,418.48**

17 Borrowings

(Secured unless otherwise stated)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Non-current				
Term loans (in foreign currency)				
From banks (refer sub note (vii)	110.92	-	241.27	-
Other loans				
Vehicle loans from banks (refer sub note (vii))	20.19	-	26.36	-
Current				
Loans repayable on demand				
From banks in foreign currency (refer sub note (vii))	-	924.69	-	-
From banks in Indian rupees (refer sub note (vii))	-	-	-	492.94
Current maturities of long-term debt				
Term loans (in foreign currency) from banks	-	137.91	-	136.18
Vehicle loans from banks	-	5.67	-	5.73
Total	**131.11**	**1,068.27**	**267.63**	**634.85**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

17 Borrowings *(continued)*

Notes:

(i) Refer note 43-44 for financial instruments, fair values and risk measurement.

(ii) The Company has not defaulted on repayment of principal and interest of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by the Company from banks or financial institutions has not been rescheduled. The Company has not breached any covenants, terms and conditions of any loan agreement or any facility agreement.

(iii) The Company has utilised the borrowings from banks for the specific purpose for which it was taken.

(iv) The Company does not have any charges or satisfaction which are yet to be registered with Registrar of Companies (ROC) beyond statutory period.

(v) Refer note 51 for the additional regulatory information.

(vi) Promoters/directors of the Company i.e. Mr. Ajaykumar Mansukhlal Patel, Mr. Chintan Nitinkumar Shah and Mr. Shekhar Rasiklal Somani have issued the guarantees to banks. These guarantees are in the nature of personal guarantees and have been issued towards contractual obligations in respect of loans availed by the Company. These guarantees are typically effective for a period till the underlying loan is repaid by the Company. The financial implications in case of default by the relevant borrower would entitle the lenders to invoke the personal guarantee given by the promoters/directors to the extent of outstanding loan amount.

(vii) Nature of security and terms of repayments are as follows:

Foreign currency term loans - I, II, III and working capital facilities from ICICI Bank Limited have been secured by way of first pari-passu charge and exclusive charge on immovable and movable fixed assets of Dahej SEZ unit and Ankleshwar unit of the Company, respectively. Further, secured by pari-passu charge on current assets of the Company and personal guarantees of the promoters/directors of the Company.

Foreign currency term loans - IV, V, VI, VII, VIII, IX and working capital facilities from CITI Bank N.A. have been secured by way of first pari-passu charge and exclusive charge on immovable and movable fixed assets of Dahej SEZ unit and Vadodara unit (for FCTL-IV only) of the Company, respectively. Further, secured by pari-passu charge on current assets of the Company and personal guarantees of the promoters/directors of the Company.

Three vehicle loans from Axis Bank Limited have been secured by way of hypothecation of respective vehicles and personal guarantees of promoters/directors of the Company.

A Non-current borrowings including current maturities

Particulars			As at 31 March 2022	As at 31 March 2021
1)	**Foreign currency term loans (FCTL) from ICICI Bank Limited**			
	a)	FCTL-I of USD 0.94 million i.e. ₹ 61.27 million is repayable in 72 equal monthly installments of USD 0.01 million starting from 31 May 2017 to 30 April 2023. It carries interest rate of 3M LIBOR/SOFR +3.75% p.a.	12.93	24.12
	b)	FCTL-II of USD 0.67 million i.e. ₹ 43.17 million is repayable in 72 equal monthly installments of USD 0.01 million starting from 31 May 2017 to 30 April 2023. It carries interest rate of 3M LIBOR/SOFR +1.45% p.a.	15.26	28.46
	c)	FCTL-III of USD 1.11 million i.e. ₹ 71.16 million is repayable in 72 equal monthly installments of USD 0.02 million starting from 31 May 2017 to 30 April 2023. It carries interest rate of 3M LIBOR/SOFR +1.45% p.a.	9.11	16.99
2)	**Foreign currency term loans (FCTL) from CITI Bank N.A.**			
	a)	FCTL-IV of USD 0.54 million i.e. ₹ 35.00 million is repayable in 16 equal quarterly installments of USD 0.03 million starting from 04 January 2019 to 04 October 2022 commenced after moratorium period of 1 year. It carries interest rate of 5.50% p.a.	7.64	17.28

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

17 Borrowings *(continued)*

Particulars	As at 31 March 2022	As at 31 March 2021
b) FCTL-V of USD 0.61 million i.e. ₹ 39.50 million is repayable in 16 equal quarterly installments of USD 0.04 million starting from 22 May 2019 to 22 February 2023 commenced after moratorium period of 1 year. It carries interest rate of 6.20% p.a.	11.53	22.35
c) FCTL-VI of USD 0.29 million i.e. ₹ 20.00 million is repayable in 16 equal quarterly installments of USD 0.02 million starting from 13 October 2019 to 13 July 2023 commenced after moratorium period of 1 year. It carries interest rate of 6.20% p.a.	8.31	13.43
d) FCTL-VII of USD 2.01 million i.e. ₹ 143.00 million is repayable in 16 equal quarterly installments of USD 0.13 million starting from 28 April 2020 to 28 January 2024 commenced after moratorium period of 1 year. It carries interest rate of 6.40% p.a.	76.22	110.86
e) FCTL-VIII of USD 0.84 million i.e. ₹ 60.00 million is repayable in 16 equal quarterly installments of USD 0.05 million starting from 05 December 2020 to 05 September 2024 commenced after moratorium period of 1 year. It carries interest rate of 6.25% p.a.	39.72	53.91
f) FCTL-IX of USD 1.31 million i.e. ₹ 93.50 million is repayable in 16 equal quarterly installments of USD 0.08 million starting from 28 February 2021 to 28 November 2024 commenced after moratorium period of 1 year. It carries interest rate of 6.25% p.a.	68.11	90.05
3) Vehicle loans from Axis Bank Limited		
Three vehicle loans of ₹ 11.10 million each is repayable in 60 equal monthly installments of ₹ 0.22 million starting from 01 February 2021 to 01 January 2026. It carries interest rate of 7.46% p.a.	25.86	32.09
Total non-current borrowings including current maturities	**274.69**	**409.54**

B Current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
1) Loans repayable on demand from CITI Bank N.A.		
Facilities includes fund based facility of ₹ 650.00 million (31 March 2021: ₹ 250 million). It carries interest rates ranging from 1.65% p.a. to 11.50% p.a.	600.38	250.00
2) Loans repayable on demand from ICICI Bank Limited		
Facilities includes fund based facility of ₹ 400.00 million (31 March 2021: ₹ 200 million) and non-fund based facility of ₹ 50.00 million (31 March 2021: ₹ 55 million). It carries interest rates ranging from Repo+2.00% p.a. to 5.15% p.a.	324.31	169.66
3) Current account (deficit) and others	-	73.28
Total current borrowings	**924.69**	**492.94**

18 Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
	Current	Current
Interest accrued on borrowings	0.50	0.59
Other payables to related parties (refer note 50)	3.01	-
Total	**3.51**	**0.59**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

19 Provisions

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Employee benefits				
Compensated absences (refer note 40)	6.51	1.79	5.52	1.09
Total	**6.51**	**1.79**	**5.52**	**1.09**

20 Other liabilities

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Payables for purchase of property, plant and equipment	-	37.60	3.96	-
Payables for initial public offer related expenses	-	50.77	10.17	-
Advances received from customers	-	1.54	-	6.51
Employee benefits payable*	-	24.97	-	8.20
Expenses payable	-	36.98	-	25.98
Deferred government grant (refer note 36)	0.17	-	0.17	0.09
Statutory dues payable	-	28.05	-	20.60
Total	**0.17**	**179.91**	**14.30**	**61.38**

**Refer note 42 for employee benefits payable to related parties*

21 Tax liabilities (net)

Particulars	As at 31 March 2022 Current	As at 31 March 2021 Current
Provision for income tax (net)	1.89	0.91
(net off advance tax ₹ 172.40 million (31 March 2021: ₹ 101.50 million))		
Total	**1.89**	**0.91**

22 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Dues of micro and small enterprises	111.46	129.13
Dues of other than micro and small enterprises	329.12	341.30
Total	**440.58**	**470.43**

Notes:

(i) The amount due to micro and small enterprises (MSME) as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" (hereinafter referred to as "MSMED Act") has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to micro enterprises and small enterprises is as below:

Particulars	As at 31 March 2022	As at 31 March 2021
Dues of micro and small enterprises less than 45 days	111.46	80.39
Dues of micro and small enterprises more than 45 days:		
- Principal amount outstanding	-	48.74
- Interest due on principal amount outstanding as above	-	-
- Interest paid under section 16 of MSMED Act	-	-
- Interest due and payable for the period of delay	-	-
- Interest due and unpaid	-	-
- Further interest due and payable in succeeding years, until the date of actual payment for disallowance under section 23 of MSMED Act.	-	-
Total outstanding dues of micro and small enterprises	**111.46**	**129.13**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

22 Trade payables *(continued)*

(ii) Trade payables ageing schedule:

Particulars	Outstanding for following period from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022						
Undisputed						
MSME	93.28	18.18	-	-	-	111.46
Others	287.95	41.17	-	-	-	329.12
Disputed						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**381.23**	**59.35**	**-**	**-**	**-**	**440.58**
As at 31 March 2021						
Undisputed						
MSME	68.26	60.87	-	-	-	129.13
Others	310.18	31.12	-	-	-	341.30
Disputed						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	378.44	91.99	-	-	-	470.43

(iii) Trade payables are generally non-interest bearing and are on credit terms of 30 to 180 days.

(iv) The Company does not have any trade payables to related parties.

(v) Refer note 51 for the additional regulatory information.

23 Deferred tax (assets)/ liabilities (net)

Particulars		As at 31 March 2022	As at 31 March 2021
Tax effect of items resulting in taxable temporary differences			
Unabsorbed depreciation		109.44	93.02
	(A)	**109.44**	**93.02**
Tax effect of items resulting in deductible temporary differences			
MAT credit entitlement		(195.52)	(67.90)
Disallowances under income tax		(0.97)	(3.70)
Provision for expected credit loss		(0.05)	(0.64)
	(B)	**(196.54)**	**(72.24)**
Total (A+B)		**(87.10)**	**20.78**

Notes:

(i) Section 115BAA in the Income-tax Act, 1961 provides an option to the Company for paying income tax at reduced rates as per the provisions or conditions defined in the said section. The Company has opted to provide and consider the payment of income tax at the old rates and deferred tax assets and liabilities are measured at the rates at which such deferred tax assets or liabilities are expected to be realised or settled.

(ii) The Company is required to compute tax payable, higher of (a) Tax computed as per normal provisions of Income Tax Act, 1961 or (b) Tax payable as per MAT provisions computed u/s 115JB of Income Tax Act, 1961. When the amount of minimum alternate tax (MAT) is greater than its normal tax liability, the difference between MAT and normal tax liability is recognised as assets "MAT credit entitlement".

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

23 Deferred tax (assets)/ liabilities (net) *(continued)*

(iii) Movements in deferred tax (assets)/liabilities (net):

Particulars	**As at 31 March 2022**	**Charged/(credited) - to profit and loss**	**Charged/(credited) - to other comprehensive income**	**As at 31 March 2021**
Unabsorbed depreciation	109.44	16.42	-	93.02
MAT credit entitlement	(195.52)	(127.62)	-	(67.90)
Disallowances under income tax	(0.97)	2.73	-	(3.70)
Provision for expected credit loss	(0.05)	0.59	-	(0.64)
Remeasurement of defined benefits	-	0.60	(0.60)	-
Net deferred tax (assets)/liabilities	**(87.10)**	**(107.29)**	**(0.60)**	**20.78**

Particulars	As at 31 March 2021	Charged/(credited) - to profit and loss	Charged/(credited) - to other comprehensive income	As at 31 March 2020
Unabsorbed depreciation	93.02	35.01	-	58.01
MAT credit entitlement	(67.90)	(57.52)	-	(10.38)
Disallowances under income tax	(3.70)	(1.06)	-	(2.64)
Provision for expected credit loss	(0.64)	(0.20)	-	(0.44)
Remeasurement of defined benefits	-	(0.60)	0.60	-
Net deferred tax liabilities	20.78	(24.37)	0.60	44.55

(iv) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(v) MAT credit entitlement

The MAT credit can be utilised by the Company in the subsequent years immediately succeeding the assessment year (A.Y.) in which such credit was generated. The credit can be adjusted in the year in which the liability of the Company as per the normal provisions is more than the MAT liability. MAT credit can be carried forward only for a period of 15 years, after which it will lapse. The details of MAT credit recognised in respective A.Y., along with their expiry details are set out below:

Recognised in assessment year	**Expiry assessment year**	**As at 31 March 2022**	**As at 31 March 2021**
A.Y. 2020-21	A.Y. 2035-36	10.38	10.38
A.Y. 2021-22	A.Y. 2036-37	57.52	57.52
A.Y. 2022-23	A.Y. 2037-38	127.62	-
Total		**195.52**	**67.90**

(vi) The Company has accrued significant amounts of deferred tax. The majority of the deferred tax (assets)/liability represents:

1. Taxable temporary differences:

   (a) Accelerated tax relief for the depreciation on property, plant and equipment.

2. Deductible temporary differences:

   (a) Unused minimum alternate tax (MAT) credit carried forward,

   (b) Net disallowances under income tax includes:

      (i) Other long-term employee benefits (compensated absences),

      (ii) Provision for expected credit loss,

      (iii) Forward exchange contracts (not designated as hedge), and

      (iv) Defined benefit obligation-gratuity fund"

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

23 Deferred tax (assets)/ liabilities (net) *(continued)*

(vii) Recognition of deferred tax assets on MAT credit entitlement is based on the Company's present estimates and business plans as per which the same is expected to be utilized within the stipulated fifteen-year period from the date of origination.

(viii) During the years ended, the Company has not charged or credited current tax or deferred tax directly to equity.

(ix) During the year ended 31 March 2022, the Board has recommended proposed dividend, the estimated amount of tax on the proposed dividend is ₹ Nil. (refer note 48). During the year ended 31 March 2021, the Board has recommended interim dividend and the Company has paid the same, the amount of tax paid on the interim dividend was ₹ 03.01 million.

24 Revenue from operations

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from contract with customers		
Sale of products		
Export	3,346.30	2,035.70
Domestic	908.27	841.16
	4,254.57	**2,876.86**
Other operating revenue		
Export incentives	6.70	28.01
Sale of scrap	16.84	7.01
	23.54	**35.02**
Total	**4,278.11**	**2,911.88**

Notes:

(i) Refer note 35 for revenue from contract with customers as per Ind AS 115.

(ii) Refer note 41 for information about operating segment as per Ind AS 108.

(iii) Refer note 36 for government grants as per Ind AS 20.

(iv) Refer note 42 for related party transactions as per Ind AS 24.

25 Other income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest income		
- on deposits with banks	45.13	2.05
- on deposits with others	0.27	0.26
- on income tax refund (refer note 32)	-	0.46
Income on government grants	0.09	0.82
Income tax refund (refer note 32)	-	1.20
Refund of reach charges	0.03	3.27
Net gain on foreign currency transaction and translation	55.78	42.70
Provisions for doubtful debts written back (net) (refer note 14)	2.93	-
Liabilities no longer required written back	0.73	-
Miscellaneous income	0.10	0.22
Total	**105.06**	**50.98**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

25 Other income *(continued)*

Notes:

(i) Interest income includes income on financial assets carried at amortised cost

(ii) Interest income on deposits with bank includes interest income amounting to ₹ 42.45 million received from fixed deposits made out of initial public offer (IPO) proceeds.

(iii) Refer note 36 for government grants as per Ind AS 20.

(iv) Refer note 37 for details of net gain on foreign currency transaction and translation as per Ind AS 21.

26 Cost of materials consumed

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventories of raw materials at the beginning of the year	208.70	199.34
Add: Purchases of imported raw materials	1,453.51	632.98
Add: Purchases of indigenous raw materials	1,346.52	911.64
Inventories of raw materials at the end of the year	463.79	208.70
Total	**2,544.94**	**1,535.26**

27 Changes in inventories of finished goods and work-in-progress

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventories at the beginning of the year		
- Work-in-progress	267.40	262.45
- Finished goods	65.97	69.70
- Finished goods in transit	65.71	14.96
Subtotal (i)	**399.08**	**347.11**
Inventories at the end of the year		
- Work-in-progress	439.55	267.40
- Finished goods	321.84	65.97
- Finished goods in transit	218.12	65.71
Subtotal (ii)	**979.51**	**399.08**
Total (i)-(ii)	**(580.43)**	**(51.97)**

28 Employee benefits expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages (refer note 42)	280.68	216.82
Contribution to provident and other funds (refer note 40)	12.25	9.89
Contribution to gratuity fund (refer note 40)	2.07	3.11
Staff welfare expenses	13.14	8.21
Total	**308.14**	**238.03**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

29 Finance costs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expenses*		
- on term loans	17.96	25.15
- on working capital loans	19.15	13.41
- on car loans	2.16	0.25
- on late payment of statutory dues	3.05	1.04
Other borrowing costs		
- letter of credit charges	1.16	1.12
- working capital loan processing charges	4.84	1.10
Total	**48.32**	**42.07**

**Interest expenses includes interest on financial liabilities carried at amortised cost*

30 Depreciation and amortization expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 3)	78.41	64.53
Amortization on right of use asset (refer note 4)	2.88	2.19
Amortization on other intangible assets (refer note 6)	0.51	0.58
Total	**81.80**	**67.30**

31 Other expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Consumables, stores and spares	130.39	63.53
Electricity, power and fuel	226.17	99.21
Rent (refer note 38)	9.18	12.45
Repairs and maintenance of:		
- Buildings	3.75	4.05
- Plant and equipment	43.70	32.35
- Others	21.17	17.27
Packing expenses	95.51	57.24
Effluent treatment expenses	84.00	42.04
Labour and service charges	28.69	40.61
Laboratory expenses	11.84	6.66
Insurance	16.96	10.32
Security expenses	5.03	4.55
Safety expenses	6.27	4.36
Sitting fees (refer note 42)	1.12	0.32
Printing and stationery expenses	4.38	3.16
Legal and professional fees	18.08	12.17
Audit fees (refer note (i) below)	2.53	0.85
Rates and taxes	7.60	4.74
Membership fees and subscription expenses	1.95	1.98
Communication expenses	2.18	2.74
Bank commission and other charges	2.37	2.06
Travelling and conveyance expenses	15.68	11.21
Selling and business promotion expenses	0.92	1.25
Freight clearing and forwarding expenses	194.67	90.84
Commission and brokerage	3.63	5.10

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

31 Other expenses *(continued)*

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Provision for doubtful debts (refer note 14)	-	1.59
CSR expenditure (refer note (ii) below)	7.92	5.45
Loss on sale of property, plant and equipment (net)	0.51	0.34
Sundry balances written-off	-	0.22
Miscellaneous expenses	1.54	0.03
Total	**947.74**	**538.69**

(i) Payment to auditors

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Recognised in statement of profit and loss		
Payment to auditors (exclusive of goods and service tax)		
As auditor:		
- statutory audit	1.40	0.85
- limited review	0.40	-
- other services	0.45	-
- reimbursement of expenses	0.05	-
In other capacity:		
- other services	0.23	-
Total	**2.53**	**0.85**
Recognised in balance sheet		
Other current assets		
- IPO related expenses (certification services, etc.)	1.73	2.03
Total	**1.73**	**2.03**

(ii) Corporate social responsibility (CSR) expenditure

As per provisions of section 135 of the Companies Act, 2013, the Company shall incur at least 2% of average net profits of the preceding three financial years towards corporate social responsibility ("CSR"). The Company has formed a CSR committee for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. Summary of CSR expenditure is as under:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
a) Amount required to be spent by the Company during the year	7.92	5.45
b) Amount of expenditure incurred		
(i) For construction or acquisition of any assets	-	-
(ii) On purposes other than (i) above	8.54	5.81
c) Shortfall at the end of the year	Not applicable	Not applicable
d) Total of previous year's shortfall	Not applicable	Not applicable
e) Reason for shortfall	Not applicable	Not applicable
f) Nature of CSR activities*	Refer below	Refer below
g) Details of related party transactions#	Refer below	Refer below
h) Provision movement^	Refer below	Refer below
i) Amount available for set-off in succeeding financial years	(0.62)	(0.36)

**Nature of CSR activities includes skill development, education, health, safety, hygiene and wellness for communities and national emergencies such as relief work associated with the COVID-19 pandemic.*

#The Company does not have any related party transactions in relation to corporate social responsibility.

^The Company does not carry any provisions for corporate social responsibility expenses for current year and previous year.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

32 Tax expense/(benefit)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax		
- on profit for the year	179.84	104.27
- on excess or short provision of tax relating to earlier years	0.24	-
	180.08	**104.27**
Deferred tax		
- on decrease in deferred tax assets	19.74	33.75
- on MAT credit entitlement	(127.62)	(57.52)
- on remeasurement of defined benefit liability/(asset)	0.60	(0.60)
	(107.29)	**(24.37)**
Total	**72.79**	**79.89**

Notes:

(i) Reconciliation of effective tax rate

The reconciliation between estimated income tax expense at statutory income tax rate and tax expense reported in the statement of profit and loss is given below:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax (a)	1,032.66	593.48
Tax using the statutory tax rate @ 29.12% (31 March 2021: 29.12%)	300.70	172.82
Effect of:		
Non-allowable expenses	28.30	26.49
Allowable expenses	(56.49)	(48.22)
Tax holidays	(212.80)	(95.08)
Other deductions	(2.94)	(2.56)
Deferred tax	20.34	33.15
Tax in respect of earlier years	0.24	-
Others	(4.56)	(6.71)
Net tax expense (b)	72.79	79.89
Effective tax rate (b)/(a)	7.05%	13.46%

(ii) The Company continues to pay income tax under older tax regime and has not opted for lower tax rate as per provisions of section 115BAA of the Income Tax Act, 1961. The Company is computing current tax on the basis of tax laws that have been enacted.

(iii) During the year ended 31 March 2021, the Company has received income tax refund amounting to ₹ 1.20 million for financial year 2018-19 (assessment year 2019-20) and interest amounting to ₹ 0.46 million. (refer note 25)

(iv) Refer note 23 for deferred tax.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

32 Tax expense/(benefit) *(continued)*

(v) The Company is eligible for specified tax incentives which is included in the table above as tax holidays or exemptions. These are briefly described as under:

a) Location based exemption: Special economic zone (SEZ) operations

The Dahej division of the Company located in Dahej SEZ, Bharuch, Gujarat, India enjoy certain benefits under section 10AA of the Income Tax Act, 1961, which allows 100% of the taxable profit (derived from the export turnover from a SEZ unit) to be exempted till 31 March 2022, provided certain conditions are met.

Subsequent to this date, 50% of the taxable profit will be allowed to be exempted till 31 March 2027.

Subsequent to 31 March 2027 date, 50% of the taxable profits will be allowed to be exempted for further five years, provided the amount allowable in respect of deduction is credited to Special Economic Zone Re-Investment Reserve account and the amount credited should be utilised for acquiring new plant and machinery and provided certain other conditions are met. There can be no assurance that the Company will continue to enjoy the tax benefits under section 10AA of the Income Tax Act, 1961 in future.

b) Other exemption: Research and development (R&D) operations

The R&D division of the Company located at Vadodara, Gujarat, India enjoys certain benefits under section 35(2AB) of the Income Tax Act, 1961, which allows 150% deduction of any expenditure on scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility as approved by the prescribed authority, provided certain conditions stipulated by Department of Scientific and Industrial Research ("DSIR") are met, up to 31 March 2020.

Subsequent to this date, 100% of any expenditure as specified above will be allowed as deduction.

Approval of DSIR to the in-house R&D unit is valid till 31 March 2024. However, for subsequent period, deduction will be subject to approval of DSIR for the recognition of in-house R&D unit for respective period.

(vi) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions. Based on the transfer pricing regulations or policy, the transfer pricing study for the year ended 31 March 2022 is to be conducted on or before due date of the filing of return and the Company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have any impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

(vii) The Company does not have any transaction which is not recorded in the books of accounts, that has been surrendered or disclosed as income during the year in the assessment under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

33 Other comprehensive income/(expense)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Items that will not be reclassified to profit or loss		
Remeasurement gain/(loss) of defined benefit plan obligations*	(2.05)	2.07
Income tax relating to items that will not be reclassified to profit or loss	0.60	(0.60)
Total	**(1.45)**	**1.47**

**Refer note 40 for employee benefits.*

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency: ₹ in Million, except per share data)

34 Earnings per equity share (EPS)

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
Face value per equity share (in ₹)		10	10
(a)	Profit for the year attributable to equity shareholders (numerator)	959.87	513.59
(b)	Number of equity shares at the beginning of the year	20,087,500	8,035,000
(c)	Equity shares issued/allotted during the year	2,077,562	12,052,500
(d)	Number of equity shares at the end of the year	22,165,062	20,087,500
(e)	Date of allotment	27 July 2021	03 March 2021
(f)	Weighted average number of equity shares for calculating basic earnings per equity share (denominator)	21,499,104	20,087,500
(g)	Weighted average number of equity shares for calculating diluted earnings per equity share (denominator)	21,499,104	20,087,500
Earnings per equity share (in ₹)			
- Basic		44.65	25.57
- Diluted		44.65	25.57

Notes:

(i) During the years ended, the Company has presented earning per equity share for continuing operations attributable to the ordinary equity shareholders of the Company. The Company does not have any discontinued operations.

The Company has only one class of equity shares having a par value of ₹ 10 per share. Accordingly, all equity shares rank equally with regard to their right to share profit for the year.

The Company does not have any instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future.

(ii) The earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year.

(iii) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued/allotted during the year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

(iv) During the year ended 31 March 2022, the Company has completed initial public offer (IPO) and allotted 2,077,562 equity shares of the face value of ₹ 10/- each at an issue price of ₹ 1,083/- per equity share (including a premium of ₹ 1,073 per equity share).

(v) During the year ended 31 March 2021, the Company has allotted 12,052,500 numbers of equity shares pursuant to bonus issue to its existing shareholders in the ratio of 1.5:1. Accordingly, as per paragraph 28 of Ind AS 33 the number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if, the event has occurred at the beginning of the earliest period presented.

35 Revenue from contract with customers

Revenue from sale of products is recognized when the control on the goods has been transferred to the customers. Revenue from sale of services is recognised on satisfaction of performance obligation towards rendering of such services. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

The management identified that "specialty chemical business" as "single operating segment" for the purpose of making decision on allocation of resources and assessing its performance.

Although to meet the disclosure objective with respect to disaggregation of revenue under "Ind AS 115 Revenue from contract with Customers" the Company believes that disaggregation on the basis of "product categories" best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

35 Revenue from contract with customers *(continued)*

A Revenue from contract with customers recognised in the statement of profit and loss

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products		
Export	3,346.30	2,035.70
Domestic	908.27	841.16
Total	**4,254.57**	**2,876.86**

B Provision/(reversal) of expected credit loss on trade receivables recognised in the statement of profit and loss

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Other (income)/expenses		
Provisions for doubtful debts/ (written back) (net)	(2.93)	1.59
(Reversal)/provision	**(2.93)**	**1.59**

C Disaggregation of revenue

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
(i)	**Revenue based on type/nature of goods or services**		
	Phase transfer catalysts (PTC)	941.44	796.29
	Structure directing agents (SDA)	2,261.97	1,186.01
	Electrolyte salts (ES)	35.15	30.35
	Pharmaceutical and agrochemical intermediates and others (PASC)	1,016.01	864.21
	Total	**4,254.57**	**2,876.86**
(ii)	**Revenue based on its timing of recognition**		
	Goods or services transferred over a period of time	-	-
	Goods or services transferred over a point of time	4,254.57	2,876.86
	Total	**4,254.57**	**2,876.86**
(iii)	**Revenue based on geographical location**		
	Outside India	3,346.30	2,035.70
	In India	908.27	841.16
	Total	**4,254.57**	**2,876.86**
(iv)	**Revenue based on contract duration**		
	Long-term contracts	-	-
	Short-term contracts	4,254.57	2,876.86
	Total	**4,254.57**	**2,876.86**
(v)	**Revenue based on relationship with the customers**		
	Related parties (refer note 42)	984.89	653.44
	Non related parties	3,269.68	2,223.42
	Total	**4,254.57**	**2,876.86**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

35 Revenue from contract with customers *(continued)*

D Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue as per contracted price	4,380.16	2,987.62
Adjustments		
Sales returns or credits or reversals	(6.62)	(3.73)
Deferment of revenue during the year	(258.35)	(139.38)
Recognised as revenue during the year	139.38	32.35
Revenue from contract with customers	**4,254.57**	**2,876.86**

E Contract assets and liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current contract assets		
Trade receivables (refer note 14)	616.23	906.51
Less: Loss allowance	(0.19)	(3.12)
Contract assets (net trade receivables)	**616.04**	**903.39**
Current contract liabilities		
Other current liabilities (refer note 20)		
Advances received from customers	1.54	6.51
Contract liabilities (advance from trade receivables)	**1.54**	**6.51**

Notes:

(i) Amounts received in advance from customers i.e. before the related performance obligation is satisfied, are included in the balance sheet (Contract liability) as "Advances received from customers" in "Other current liabilities" (refer note 20). Amounts invoiced/ billed for performance obligation satisfied but not yet paid by the customers are included in the balance sheet under (Contract assets) as "Trade receivables" (refer note 14).

(ii) There were no significant changes in the composition of the contract liabilities and contract assets during the years reported, other than on account of routine invoicing and revenue recognition.

(iii) Amounts previously recorded as contract liabilities have been increased due to further advances received from customers during the years and decreased due to revenue recognised on satisfaction of performance obligation during the years.

(iv) Amounts previously recorded as trade receivables have been increased due to revenue recognised on satisfaction of performance obligation during the years and decreased on account of amount received from customers during the years.

(v) As per the terms of the contract with customers, either all performance obligations are to be completed within one year from the date of such contracts or the Company has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Company has availed the practical expedient available as per paragraph 121 of Ind AS 115 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations, in all material respects, all the elements of transaction price have been included in the revenue recognised in the standalone financial statements. Further, there is no material difference between the contract price and the revenue from contract with customers.

(vi) As per the terms of the contract with customers, the Company expects, at the contract inception, that the period between transfers of a promised goods or services to customer and related payments for the goods or services will be less than one year or less. Accordingly, the Company has availed the practical expedient available as per paragraph 63 of Ind AS 115 and has not adjusted the promised amount of consideration for the effects of significant financing component, if any.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

36 Government grants

A Government grants recognised as deferred government grant in the balance sheet:

Particulars	As at 31 March 2022	As at 31 March 2021
Other liabilities (non-current and current)		
Deferred government grant (refer note 20)		
Balance at the beginning of the year	0.26	0.35
Add : Received during the year	-	-
Less: Released to statement of profit and loss	(0.09)	(0.09)
Balance at the end of the year	**0.17**	**0.26**
Non-current	0.17	0.17
Current	-	0.09
Total	**0.17**	**0.26**

B Government grants recognised in the statement of profit and loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations		
Other operating revenue (refer note 24)		
Grants related to income		
Export incentives	6.70	28.01
	6.70	**28.01**
Other income		
Income on government grants (refer note 25)		
Grant related to assets	0.09	0.09
Grants related to income	-	0.74
	0.09	**0.82**
Finance costs		
Grants related to income off-set from interest expenses	1.19	1.48
	1.19	**1.48**
Total	**7.98**	**30.31**

Notes:

(i) Grants related to income includes:

1. Export incentives:

(a) During the year ended 31 March 2022, the Company has recognised ₹ 6.68 million (31 March 2021: ₹ 3.83 million) as duty drawback of duty paid on import of materials used in manufacture of export goods under section 75 of The Custom Act, 1962.

(b) During the year ended 31 March 2022, the Company has recognised ₹ 0.02 million (31 March 2021: ₹ 24.18 million) as duty credit scrips under Merchandise Export from India Scheme ("MEIS") as extended till 30.04.2022 covered in Foreign Trade Policy 2015-20.

2. Others:

(a) During the year ended 31 March 2022, the Company has recognised ₹ 1.19 million (31 March 2021: ₹ 1.48 million) as interest subsidy under interest equalisation scheme.

(b) During the year ended 31 March 2021, the Company has recognised ₹ 0.74 million as interest subsidy under assistance to manufacturing sector scheme, 2013 of Government of Gujarat.

(ii) The Company has not recognised any government grants whose conditions are not fulfilled and to which other contingencies are attached.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

37 Foreign currency transactions and translation

(i) Foreign exchange (gain) or loss recognised in the statement of profit and loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Realised foreign exchange (gain)	(70.56)	(82.24)
Unrealised foreign exchange loss	14.78	39.54
Net foreign exchange (gain)	**(55.78)**	**(42.70)**

(ii) During the years ended, the Company has not capitalised any amount as foreign exchange loss/(gain) in accordance with the option obtained under para D13AA of Ind AS 101 "First-Time Adoption of Ind AS".

(iii) Foreign exchange earnings/expenditures in terms of actual inflows and outflows is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Foreign exchange earnings (actual inflow)	3,642.02	1,638.84
Foreign exchange expenditures (actual outflow)	(1,643.91)	(662.53)
Net inflow	**1,998.11**	**976.31**

(iv) The Company has repatriated to India, all due trade receivable from both the overseas wholly owned subsidiaries (WOS) and from other overseas non-related parties within 60 days of its falling due or as prescribed by Reserve Bank of India from time to time.

38 Leases

Company as lessee:

Short-term leases: The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less (short-term lease), leases of low-value assets and cancellable leases. The Company recognizes the lease payments associated with these leases as an expense in the statement of profit and loss.

The Company has taken "leasehold land" on long-term lease, these leases are entirely prepaid by the Company and do not have any future lease liability towards the same. (refer note 4)

Amounts recognised in the statement of profit and loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Other expenses		
Rent		
Short-term or cancellable leases	9.11	12.39
Low value leases	0.07	0.06
Total	**9.18**	**12.45**

39 Research and development expenditure

The Company has obtained a registration from the Department of Scientific and Industrial Research (DSIR) for its research and development unit which is approved under section 35(2AB) of the Income Tax Act, 1961 by the prescribed authority. The summary of research and development expenditure (capital and revenue) incurred during the year is as under:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Capital expenditure	32.67	26.47
Revenue expenditure	37.03	24.01
Total	**69.70**	**50.48**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

40 Employee benefits

Employee benefits of the Company includes all forms of consideration (directly or indirectly) given by the Company in exchange for services rendered by employees or termination of employment.

A Short-term employee benefits:

Measurement and recognition:

The Company measures short-term employee benefits on an undiscounted basis and they do not involve any actuarial valuation.

The Company has recognised short-term employee benefits expected to be paid:

a) as employee benefits expense in the statement of profit and loss, if it does not form part of the cost of an asset as per any other Ind AS (Ind AS 2 ""Inventories"" or Ind AS 16 ""Property, plant and equipment"") (refer note 28), and

b) as a current liability (employee benefits payable) or as a current asset (accrued expense) in the balance sheet, after deducting any amount already paid. (refer note 20)"

B Post-employment benefits:

1 Defined contribution plans:

a) Description of plan:

The Company makes defined contribution to the recognised employee provident fund (EPF) as per provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and to employee state insurance corporation (ESIC) as per provisions of the Employees' State Insurance Act, 1948 for qualifying employees, which are recognised as employee benefits expense in the standalone statement of profit and loss, on accrual basis when an employee renders the related service. The Company does not have any further contractual or constructive obligation, other than the contribution payable to the provident fund.

b) Measurement and recognition:

Under these contributions, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the provisions and rules of the related laws.

The Company has recognised defined contribution plans as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) **Amount recognised in statement of profit and loss:**		
Employee benefits expense		
Contribution to statutory funds		
Employers' contribution to EPF	11.50	9.06
Employers' contribution to ESIC	0.75	0.83
Total	**12.25**	**9.89**
(ii) **Amount recognised in balance sheet:**		
Other current liabilities		
Statutory dues payable		
Employers' provident fund payable	0.97	0.84
Employer' state insurance corporation payable	0.07	0.08
Total	**1.04**	**0.92**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

40 Employee benefits *(continued)*

2 Defined benefit plans:

i) Gratuity (funded):

a) Description of plan:

The Company makes annual contributions to defined benefit gratuity plan (funded) to finance the plan liability for qualifying employees. The gratuity fund is separately managed and administered by a trust (approved under the Income tax Act, 1961) and is legally separate from the Company. The plan is funded with Life Insurance Corporation of India (LIC) in the form of qualified insurance policy. The contribution towards the trust fund is done as per rule 103 of Income Tax Rules, 1962. The plan is governed under provisions of the Payment of Gratuity Act, 1972:

The eligible employees are entitled to post-retirement benefit at the rate of 15 days last drawn salary (monthly salary is calculated for 26 days) for each completed year of service until the retirement age of 58 years, subject to ceiling of ₹ 2 million (i) On termination of employment due to superannuation or early retirement or resignation: with vesting period of 5 years of service. (ii) On death or permanent disablement in service: without any vesting period.

Where employees leave the Company prior to full vesting of the contributions, the contribution payable by the Company is reduced by the amount of forfeited contributions.

Governance of plan

The fund is managed by a trust which is governed by the Board of trustees. The Board of trustees are responsible for the administration, for overall governance of the plan assets, for the definition of the investment strategy and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They do periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

Investment strategy

The investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The plan exposes the Company to various actuarial risks such as:

(i)	Interest rate 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.
(ii)	Salary inflation 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.
(iii)	Investment risk:	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently, the plan has a relatively balanced investment in government securities and other debt instruments.
(iv)	Asset liability matching (ALM) risk:	The plan faces the ALM risk, as to the matching cash flows. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
(v)	Longevity (mortality) 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.
(vi)	Concentration risk:	The plan is having a concentration risk, as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

40 Employee benefits *(continued)*

b) Measurement and recognition:

The present value of the defined benefit obligation and the related current service cost and past service cost is determined based on actuarial valuation as at the reporting date and is measured using the “projected unit credit method”, which recognizes each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to build-up the final obligation.

The obligations are measured at the present value of the estimated future cash flows by applying various valuation assumptions (referred below). The discount rate used for determining the present value of the obligation is based on the market yields on Government bonds as at the date of actuarial valuation.

For the purpose of calculation, past service is rounded to the nearest integer. Suitable application of the ₹ 2 million ceiling has been considered while conducting the valuation and during the years ended, there were no plan amendments, curtailments and settlements.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2022 and this valuation has been done in conformity with the Actuarial Practice Standard 27 (APS 27) and the relevant guidance notes issued by Institute of Actuaries of India.

The Company has recognised actuarial gains or losses (net of tax) immediately in the other comprehensive income (OCI). The principal assumptions used for the purposes of actuarial valuation of defined benefit plans were as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Demographic assumptions:		
Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate
Retirement age	58 years	58 years
Attrition rate	For service 4 years and below 25.00% p.a. For service 5 years and above 5.00% p.a.	For service 4 years and below 15.00% p.a. For service 5 years and above 2.00% p.a.
Financial assumptions:		
Salary escalation rate	8%	7%
Discount rate	6.90% p.a. (Indicative G.Sec referenced as on 31 March 2022) for the tenure of 8 years	6.82% p.a. (Indicative G.Sec referenced as on 31 March 2021) for the tenure of 14 years
Average expected future service	8 years	14 years

The Company has recognised defined benefits plans as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Amount recognised in statement of profit and loss:		
Employee benefits expense		
Current service cost	2.37	3.10
Past service cost and (gain)/loss on settlements	-	-
Net interest cost	(0.30)	0.01
Total	**2.07**	**3.11**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

40 Employee benefits *(continued)*

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(ii)	**Amount of actuarial gains or losses recognised in other comprehensive income (OCI):**		
	Remeasurement of net defined benefit liability		
	Return on plan assets (excluding amounts included in net interest cost)	0.21	0.20
	Actuarial (gains)/losses arising from changes in financial assumptions	1.65	0.02
	Actuarial (gains)/losses arising from change in demographic assumptions	(1.08)	(1.16)
	Actuarial (gains)/losses arising from experience adjustments	1.27	(1.13)
	Total	**2.05**	**(2.07)**
(iii)	**Amount recognised in balance sheet:**		
	Present value of funded defined benefit obligation (increased by 44.95%)	(15.83)	(10.92)
	Fair value of plan assets	20.03	15.29
	Net asset arising from defined benefit obligation	**4.21**	**4.37**
	Non-current	-	-
	Current	4.21	4.37
	Total	**4.21**	**4.37**
(iv)	**Reconciliation of net (asset)/liability recognised in balance sheet:**		
	Net (asset)/liability at the beginning	(4.37)	0.19
	Expenses recognised in statement of profit and loss	2.07	3.11
	Expenses recognised in other comprehensive income (OCI)	2.05	(2.07)
	Benefits paid directly by employer	-	-
	Employers' contribution	(3.95)	(5.60)
	Net (asset)/liability at the end	**(4.21)**	**(4.37)**
(v)	**Movement in the present value of the defined benefit obligation:**		
	Defined benefit obligation at the beginning	10.92	9.63
	Current service cost	2.37	3.10
	Interest cost	0.74	0.66
	Remeasurement (gains)/losses		
	Actuarial (gains)/losses arising from changes in financial assumptions	1.65	0.02
	Actuarial (gains)/losses arising from change in demographic assumptions	(1.08)	(1.16)
	Actuarial (gains)/losses arising from experience adjustments	1.27	(1.13)
	Past service cost	-	-
	Benefits paid from the fund	(0.05)	(0.20)
	Defined benefit obligation at the end	**15.83**	**10.92**
(vi)	**Movement in the fair value of the plan assets:**		
	Fair value of plan assets at the beginning	15.30	9.45
	Interest income	1.04	0.65
	Return on plan assets (excluding amounts included in interest income)	(0.21)	(0.20)
	Contributions from the employer	3.95	5.60
	Benefits paid from the fund	(0.05)	(0.20)
	Fair value of plan assets at the end	**20.03**	**15.30**
(vii)	**Composition of the plan assets**		
	Qualified insurance policy	100%	100%
	Total	**100%**	**100%**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

40 Employee benefits *(continued)*

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(viii) Net interest (income)/expenses:		
Present value of the defined benefit obligation at the beginning	10.92	9.63
Fair value of the plan assets at the beginning	(15.29)	(9.45)
Net (asset)/liability at the beginning	(4.37)	0.19
Interest cost	0.74	0.66
Interest income	(1.04)	(0.65)
Net interest (income)/expenses:	**(0.30)**	**0.01**

c) Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(1.58)	1.88	(1.43)	1.76
Withdrawal rate (0.5% movement)	(0.23)	0.26	(0.10)	0.11
Future salary growth (0.5% movement)	1.84	(1.58)	1.74	(1.44)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Each year an asset liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study.

d) Past service analysis:

The distribution of liability on defined benefit plans over different ranges of past service intervals is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Less than 4 years	19.54%	28.11%
Over 5 years	80.46%	71.89%
Total	**100.00%**	**100.00%**

e) Analysis of discontinuance liability:

The liability on discontinuance basis is the amount the Company has to pay if the Company discontinues its business on the valuation date. The discontinuance liability ignoring vesting criterion, if any on the valuation date works out as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Discontinuance liability (undiscounted accrued benefits) (increased by 39.63%)	16.37	11.72
Total	**16.37**	**11.72**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

40 Employee benefits *(continued)*

The distribution of the discontinuance liability for vested and non-vested employees is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Vested employees	69.92%	64.15%
Non-vested employees	30.08%	35.85%
Total	**100.00%**	**100.00%**

f) **Maturity analysis:**

The expected effect of defined benefit payments on the Company's cash flows is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Less than 1 year	0.61	0.18
Between 1-2 years	0.68	0.21
Between 2-5 years	3.63	1.85
Over 5 years	35.95	34.25

C Other long-term employee benefits:

Compensated absences (non-funded):

a) **Description of plan:**

The plan is non-funded and non-contributory defined benefits and cover the Company’s liability for privilege leave. Under the compensated absences plan, leave encashment is payable to eligible employees on separation from the Company due to death, retirement, superannuation or resignation, at the rate of daily last drawn salary (monthly salary is calculated for 26 days), as per current accumulation of leave days. Other provisions of the plan are:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Encashment on separation	Yes	Yes
Encashment while in service	Yes	Yes
Availment while in service	Yes	Yes
Maximum accumulations (in days)	30	30
Maximum encashment (in days)	30	30
Excess over maximum accumulations	Lapse	Lapse
Vesting criteria	No	No

Accumulating paid absences may be either vesting (in other words, employees are entitled to a cash payment for unused entitlement on superannuation or resignation or retirement) or non-vesting (when employees are not entitled to a cash payment for unused entitlement on superannuation or resignation or retirement). An obligation arises, when employees render service that increases their entitlement to future paid absences. The obligation exists and is recognised, even if the paid absences are non-vesting, although the possibility that employees may leave before they use an accumulated non-vesting entitlement affects the measurement of that obligation.

b) **Measurement and recognition:**

The present value of the other long-term employee benefit and the related current service cost and past service cost is determined based on actuarial valuation as at the reporting date and is measured using the “projected unit credit method”, which recognizes each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to build-up the final obligation.

The obligations are measured at the present value of the estimated future cash flows by applying various valuation assumptions (referred below). The discount rate used for determining the present value of the obligation is based on the market yields on Government bonds as at the date of actuarial valuation.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

40 Employee benefits *(continued)*

Based on the Company's past experience, the leave balances are split up into three proportions; leaves for while in service availment, leaves for while in service encashment and leaves for encashment on exit. This proportion is considered to follow the last in first out (LIFO) approach as guided in the Ind AS 19. During the years ended, there were no plan amendments, curtailments and settlements.

The most recent actuarial valuation of the present value of the other long-term employee benefits were carried out at 31 March 2022 and this valuation has been done in conformity with the Actuarial Practice Standard 27 (APS 27) and the relevant guidance notes issued by Institute of Actuaries of India.

The principal assumptions used for the purposes of actuarial valuation of other long-term employee benefits are same assumptions that are used in actuarial valuation of defined benefit plan (gratuity) (referred above), except two additional demographic assumptions which were as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Demographic assumptions:		
While in service availment rate (for compensated absences)	3%	3%
While in service encashment rate (for compensated absences)	5.00% of the leave balance (for the next year)	5.00% of the leave balance (for the next year)

The Company has recognised actuarial gains or losses on other long-term employee benefits as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Amount recognised in statement of profit and loss:		
Employee benefits expense		
Salaries and wages		
Compensated absences	4.87	4.04
Total	**4.87**	**4.04**
(ii) Amount recognised in balance sheet:		
Present value of unfunded other long-term employee benefits (Increased by 25.51%)	8.30	6.62
Total liability arising from other long-term employee benefits	**8.30**	**6.62**
Non-current	6.51	5.52
Current	1.79	1.09
Total	**8.30**	**6.62**

c) Sensitivity analysis:

Significant actuarial assumptions for the determination of the other long-term benefits obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.53)	0.62	(0.54)	0.65
Employee turnover rate (1% movement)	(0.08)	0.09	(0.05)	0.06
Future salary growth rate (1% movement)	0.60	(0.53)	0.64	(0.54)

The sensitivity analysis presented above may not be representative of the actual change in the other long-term employee benefits obligation, as it is unlikely that the change in assumptions would occur in isolation of one another, as some of the assumptions may be correlated.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

40 Employee benefits *(continued)*

Furthermore, in presenting the above sensitivity analysis, the present value of the other long-term benefits obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

d) Past service analysis:

The distribution of liability on compensated absences over different ranges of past service intervals is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Less than 9 years	84.21%	82.84%
Between 10-19 years	15.29%	16.17%
Between 20-29 years	0.50%	0.99%
Over 30 years	0.00%	0.00%
Total	**100.00%**	**100.00%**

e) Analysis of discontinuance liability:

The liability on discontinuance basis is the amount the Company has to pay if the Company discontinues its business on the valuation date. The discontinuance liability ignoring vesting criterion, if any on the valuation date works out as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Discontinuance liability (undiscounted accrued benefits) (increased by 23.61%)	7.32	5.93
Total	**7.32**	**5.93**

The discontinuance liability and other long-term employee benefits includes the due but not paid liability amount of ₹ 0.08 million

D Termination benefits:

Measurement and recognition:

The Company measures termination benefits on initial recognition and will further measure and recognise subsequent changes, in accordance with the nature of employee benefits, provided that:

- if the termination benefits are an enhancement of post-employment benefits, then the Company will apply all the requirements of post-employment benefits,
- if the termination benefits are expected to be settled wholly before 12 months after the end of reporting period, then the Company will apply all the requirements of short-term employee benefits, and
- if the termination benefits are not expected to be settled wholly before 12 months after the end of reporting period, then the Company will apply all the requirements of long-term employee benefits.

The Company has recognised termination benefits expected to be paid:

a) as employee benefits expense in the statement of profit and loss, and

b) as a current liability (employee benefits payable) or as a current asset (accrued expense) in the balance sheet, after deducting any amount already paid.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Amount recognised in statement of profit and loss:		
Employee benefits expense		
Salaries and wages		
Retrenchment compensation	0.10	0.24
Total	**0.10**	**0.24**

During the years ended, the Company does not have any current liabilities and current assets related to termination benefits.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

41 Segment reporting

"Operating segments" are components of the Company whose operating results are regularly reviewed by the "Chief Operating Decision Maker (CODM)" to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

"Specialty chemical business" has been identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

A Information about geographical areas

(i) Revenue from contract with customers*

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
India	908.27	841.16
Outside India	3,346.30	2,035.70
Total	**4,254.57**	**2,876.86**

**Revenue from contract with customers has been allocated on the basis of the location of customers.*

(ii) Non - current assets*

Particulars	As at 31 March 2022	As at 31 March 2021
India	2,224.16	1,305.53
Outside India		
USA	6.66	6.66
The Netherlands	0.01	0.01
Total	**2,230.83**	**1,312.20**

Non-current assets have been allocated on the basis of the geographic location of the respective assets.

B Information about major customers

(i) Customers contributing more than 10% of the total revenue from contract with customers

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Customer-1	35%	18%
Tatva Chintan USA Inc.	13%	13%
Tatva Chintan Europe B.V.	10%	10%
Customer-2	9%	15%

(ii) Customers contributing more than 10% of the outstanding trade receivables

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Customer-1	24%	36%
Tatva Chintan Europe B.V.	24%	10%
Tatva Chintan USA Inc.	21%	12%
Customer-2	-	11%

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

42 Related party disclosures

A Related parties

The Company does not have any holding company, fellow subsidiaries, step down subsidiaries, associates or joint ventures. As per the Ind AS 24 on “Related Party Disclosures”, list of related parties identified in the Company are as follows:

1 Subsidiary Companies

Tatva Chintan USA Inc.

Tatva Chintan Europe B.V.

2 Key managerial personnel (KMP) and relatives of key managerial personnel

(a) Key managerial personnel (KMP)

Executive directors	**Designation**
Mr. Chintan Nitinkumar Shah	Chairman and Managing Director
Mr. Ajaykumar Mansukhlal Patel	Whole Time Director
Mr. Shekhar Rasiklal Somani	Whole Time Director
Non-executive directors	
Dr. Manher Chimanlal Desai	Independent Director
CA Subhash Ambubhai Patel	Independent Director
Dr. Avani Rajesh Umatt	Independent Director
Other key managerial personnel	
Mr. Ashok Bothra (w.e.f. 03 December 2021)	Chief Financial Officer
Mr. Mahesh Tanna (up to 31 August 2021)	Chief Financial Officer
Mr. Ishwar Nayi (w.e.f. 17 January 2022)	Company Secretary and Compliance officer
Ms. Apurva Dubey (up to 17 January 2022)	Company Secretary and Compliance officer
Ms. Mansi Ashar (up to 24 February 2021)	Company Secretary

(b) Relatives of key managerial personnel

Ms. Darshana Nitinkumar Shah	
Ms. Shital Chintan Shah	Executive (up to 31 December 2021)
Ms. Priti Ajay Patel	Executive (up to 31 December 2021)
Ms. Kajal Shekhar Somani	Executive (up to 31 December 2021)
Mr. Samirkumar Rasiklal Somani	
Mr. Shitalkumar Rasiklal Somani	

3 Enterprises over which key managerial personnel and their relatives are able to exercise significant influence or control

M/s Ajay Mansukhlal Patel HUF

Arete Virtue Jewels

Bakia Laboratories

M/s Chintan N Shah HUF

Kirit H. Shah HUF

Marvel Indenting Private Limited

Premier Solution Private Limited

Samir Rasiklal HUF Somani

Shekhar Rasiklal Somani Ancestral

Shital R Somani HUF

Shree Sai Baba Petroleum

Star Enterprise

Sardar Medical

Unigroup Resources LLP

Universal Distributors

Universal House

Voltajar Technology Private Limited

D. J. Shah Investment Finance Private Limited

Tatva Chintan Pharma Chem Private Limited Employees Group Gratuity Scheme

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

42 Related party disclosures *(continued)*

B Transactions with related parties:

The Company's related parties primarily consist of its wholly owned subsidiaries and all the contracts/ arrangements/ transactions entered into by the Company with the related parties were in the ordinary course of business and on arm's length basis and were in compliance with the provisions of the Companies Act and Listing Regulations and are approved by Audit committee.

The terms and conditions of the transactions with key management personnel and their relatives were not favourable than those transaction available or those transaction which might reasonably be expected to be available, in respect of similar transactions with non-key management personnel and their relatives on an arm's length basis.

The aggregate value of the Company's transactions with related parties are as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
1 Subsidiaries		
(i) **Revenue from contract with customers**		
Sale of products		
Tatva Chintan USA Inc.	566.20	374.51
Tatva Chintan Europe B.V.	418.69	278.93
Subtotal	**984.89**	**653.44**
(ii) **Reimbursement of incorporation expenses**		
Other receivables from related party		
Tatva Chintan Europe B.V.	0.28	-
Subtotal	0.28	-
Total subsidiaries	**985.17**	**653.44**
2 Key managerial personnel (KMP) and relatives of key managerial personnel		
(i) Employee benefits expense		
Managerial remuneration		
Mr. Chintan Nitinkumar Shah	16.50	14.40
Mr. Ajaykumar Mansukhlal Patel	16.50	14.40
Mr. Shekhar Rasiklal Somani	16.50	14.40
Other key managerial personnel		
Mr. Mahesh Tanna	2.04	0.84
Mr. Ashok Bothra	1.56	-
Ms. Apurva Dubey	0.35	0.04
Mr. Ishwar Nayi	0.17	-
Ms. Mansi Ashar	-	-
Relatives of key managerial personnel		
Ms. Shital Chintan Shah	0.45	0.60
Ms. Priti Ajay Patel	0.45	0.60
Ms. Kajal Shekhar Somani	0.45	0.60
Subtotal	54.97	45.88
(ii) Other expenses		
Sitting fees		
CA Subhash Ambubhai Patel	0.41	0.11
Dr. Manher Chimanlal Desai	0.37	0.11
Dr. Avani Rajesh Umatt	0.34	0.10
Subtotal	1.12	0.32

Notes forming part of the Standalone Financial Statements

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(Currency : ₹ in Million)

42 Related party disclosures *(continued)*

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(iii) Other current financial liabilities		
Reimbursement of initial public offer expenses		
Mr. Chintan Nitinkumar Shah	59.26	-
Mr. Shekhar Rasiklal Somani	53.15	-
M/s Ajay Mansukhlal Patel HUF	24.90	-
Ms. Priti Ajay Patel	24.90	-
Mr. Ajaykumar Mansukhlal Patel	16.96	-
Ms. Kajal Shekhar Somani	8.01	-
Ms. Darshana Nitinkumar Shah	7.50	-
Mr. Samirkumar Rasiklal Somani	4.73	-
Mr. Shitalkumar Rasiklal Somani	0.80	-
Subtotal	200.21	-
(iv) Other equity		
Dividend paid		
Mr. Shekhar Rasiklal Somani	-	12.61
Mr. Chintan Nitinkumar Shah	-	11.30
Mr. Ajaykumar Mansukhlal Patel	-	8.44
M/s Ajay Mansukhlal Patel HUF	-	2.48
Ms. Priti Ajay Patel	-	2.47
M/s Chintan Nitinkumar Shah HUF	-	0.90
Ms. Darshana Nitinkumar Shah	-	0.74
Ms. Kajal Shekhar Somani	-	0.64
Ms. Shital Chintan Shah	-	0.46
Mr. Samirkumar Rasiklal Somani	-	0.12
Mr. Shitalkumar Rasiklal Somani	-	0.02
Subtotal	-	40.18
(v) Equity share capital		
Equity share allotted on bonus issue		
Mr. Shekhar Rasiklal Somani	-	37.83
Mr. Chintan Nitinkumar Shah	-	33.89
Mr. Ajaykumar Mansukhlal Patel	-	25.33
M/s Ajay Mansukhlal Patel HUF	-	7.43
Ms. Priti Ajay Patel	-	7.42
M/s Chintan Nitinkumar Shah HUF	-	2.69
Ms. Darshana Nitinkumar Shah	-	2.21
Ms. Kajal Shekhar Somani	-	1.92
Ms. Shital Chintan Shah	-	1.39
Mr. Samirkumar Rasiklal Somani	-	0.36
Mr. Shitalkumar Rasiklal Somani	-	0.06
Subtotal	-	120.53
Total KMP and relatives of KMP	**256.30**	**206.91**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

42 Related party disclosures *(continued)*

C Balances with related parties

The aggregate value of the Company's outstanding balances with related parties are as follows:

Particulars	Maximum outstanding	As at 31 March 2022	As at 31 March 2021
1 Subsidiaries			
(i) Non-current financial assets			
Investments			
Tatva Chintan USA Inc.	6.66	6.66	6.66
Tatva Chintan Europe B.V.	0.01	0.01	0.01
Subtotal	6.67	6.67	6.67
(ii) Current financial assets			
Trade receivables			
Tatva Chintan USA Inc.	209.22	130.16	106.19
Tatva Chintan Europe B.V.	157.84	147.26	91.41
Subtotal	367.06	277.42	197.60
(iii) Loans-current			
Other receivables from related party			
Tatva Chintan Europe B.V.	0.29	-	0.29
Subtotal	0.29	-	0.29
Total subsidiaries	-	284.09	204.56
2 Key managerial personnel (KMP) and relatives of key managerial personnel			
(i) Other current liabilities			
(a) Employee benefits Payable			
Managerial remuneration			
Mr. Chintan Nitinkumar Shah	1.03	**0.77**	**0.77**
Mr. Ajaykumar Mansukhlal Patel	1.03	**0.76**	**0.76**
Mr. Shekhar Rasiklal Somani	1.02	**0.79**	**0.80**
Other key managerial personnel			
Mr. Ashok Bothra	0.32	**0.28**	-
Mr. Mahesh Tanna	0.72	-	**0.27**
Mr. Ishwar Nayi	0.07	**0.07**	-
Ms. Apurva Dubey	0.03	-	**0.03**
Relatives of key managerial personnel			
Ms. Shital Chintan Shah	0.04	-	**0.04**
Ms. Priti Ajay Patel	0.04	-	**0.04**
Ms. Kajal Shekhar Somani	0.04	-	**0.04**
Subtotal	**4.34**	**2.67**	**2.75**
(b) Expenses payable			
Sitting fees			
Dr. Manher Chimanlal Desai	0.05	-	**0.02**
CA Subhash Ambubhai Patel	0.06	-	**0.02**
Dr. Avani Rajesh Umatt	0.05	-	**0.02**
Subtotal	**0.16**	-	**0.06**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

42 Related party disclosures *(continued)*

Particulars		Maximum outstanding	As at 31 March 2022	As at 31 March 2021
(ii) Other current financial liabilities				
Other payables to related parties				
Mr. Chintan Nitinkumar Shah		(59.26)	0.89	-
Mr. Shekhar Rasiklal Somani		(53.15)	0.80	-
M/s Ajay Mansukhlal Patel HUF		(24.90)	0.38	-
Ms. Priti Ajay Patel		(24.90)	0.38	-
Mr. Ajaykumar Mansukhlal Patel		(16.96)	0.25	-
Ms. Kajal Shekhar Somani		(8.01)	0.12	-
Ms. Darshana Nitinkumar Shah		(7.50)	0.11	-
Mr. Samirkumar Rasiklal Somani		(4.73)	0.07	-
Mr. Shitalkumar Rasiklal Somani		(0.80)	0.01	-
	Subtotal	(200.21)	3.01	-
Total KMP and relatives of KMP		**(195.71)**	**5.68**	**2.81**

Notes:

(i) Pursuant to Board resolution dated 03 March 2021, independent directors of the Company are entitled to receive sitting fees of ₹ 0.025 million and ₹ 0.010 million for attending each meeting of the Board and the committees of the Board, respectively.

(i) The total managerial remuneration paid to Managing Director and Whole Time Directors of the Company is ₹ 49.50 million for the year ended 31 March 2022 (31 March 2021: ₹ 43.20 million) and it does not include any bonus, which is within the overall limits.

(iii) None of the Company's director is related to each other or to any other key managerial personnel or senior management personnel.

(iv) The Company has not entered into any service contracts with its directors, key managerial personnel and senior management personnel which include termination or retirement benefits. Except statutory benefits upon termination of their employment in the Company or superannuation, none of the key managerial personnel or senior management personnel is entitled to any benefits upon termination of employment or superannuation.

(v) The Company does not have any contingent or deferred compensation payable to its directors, key managerial personnel or senior management personnel which does not form part of their remuneration.

(vi) The Company does not have any profit-sharing plan in which its directors, key managerial personnel or senior management personnel have participated. The Company makes bonus payments to its key managerial personnel and senior management personnel, in accordance with their terms of appointment.

(vii) All the key managerial personnel and senior management personnel (other than executive directors) are interested in the Company only to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

(viii) All the key managerial personnel and senior management personnel except its executive directors, are permanent employees of the Company.

(ix) The directors of the Company have not been paid any kind of remuneration from any of its subsidiaries.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

43 Financial instruments

A Categories of financial assets and financial liabilities

The Company's financial assets and financial liabilities can be categorised as follows:

(i) The Company has carried its investments in equity instruments of subsidiaries at deemed cost less provision for impairment, if any as per paragraph D15 of Ind AS 101 "First-time adoption of Indian accounting standards". The Company does not have any investment in equity instruments "designated" at FVTOCI.

(ii) All financial assets and financial liabilities of the Company are measured at amortised cost.

(iii) The Company does not have any financial assets and financial liabilities "designated to be measured at FVTPL" upon initial recognition or subsequently in accordance with Ind AS 109. The Company does not have any financial assets measured at FVTOCI.

(iv) During the years ended, the Company has not reclassified any financial assets and financial liabilities.

(v) During the years ended, the Company has not off-settled any financial assets and financial liabilities.

(vi) Refer note 14 for movement in loss allowance for credit losses of trade receivables.

(vii) The Company does not have any type of compound financial instruments.

(viii) Refer note 17 for security details of financial assets and for no default and breach related to borrowings.

(ix) The Company has disclosed carried amount, net gains or losses if any, interests' income and interest expenses of all the categories of financial assets and liabilities in respective notes forming part of standalone financial statements.

(x) The Company does not have any financial assets that has been pledged as collateral for liabilities or contingent liabilities.

B Hedge accounting

Derivatives not designated as hedging instruments: The Company uses foreign currency denominated borrowings and foreign exchange forward contract to manage its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 4 to 6 months.

The Company does not use cash flow hedges, fair value hedges, hedging of net investment in foreign operations and embedded derivatives.

C Fair values

The Company's management have assessed that the "carrying amounts" of financial assets and liabilities other than those valued at Level 1 and Level 2 are considered to be reasonable approximation of their "fair values" due to their current and short-term nature. Accordingly, the Company has not separately disclosed fair values as per paragraph 29 of Ind AS 107 " Financial instruments: disclosures".

D Fair value hierarchy

The fair value of financial instruments has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1 quoted prices in an active market: This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual funds. It has been valued using the closing price as at the reporting period on the stock exchanges.

Level 2 valuation techniques with observable inputs: This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The fair value of these instruments is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

43 Financial instruments *(continued)*

Level 3 valuation techniques with significant unobservable inputs: This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor based on available market data.

E Measurement of fair values

The Company's management have used its best judgement in estimating the fair value of its financial instruments. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

F Recognition and classification

Particulars	FVTPL	FVTOCI	Amortised cost	Total	Fair value hierarchy		
					Level 1	Level 2	Level 3
As at 31 March 2022							
Financial assets (non-current and current)							
Investments	-	-	**6.67**	**6.67**	-	-	-
Trade receivables	-	-	**616.04**	**616.04**	-	-	-
Cash and cash equivalents	-	-	**607.75**	**607.75**	-	-	-
Other bank balances	-	-	**1,139.69**	**1,139.69**	-	-	-
Loans	-	-	**1.61**	**1.61**	-	-	-
Other financial assets	-	-	**54.43**	**54.43**	-	-	-
Total	-	-	**2,426.19**	**2,426.19**	-	-	-
Financial liabilities (non-current and current)							
Borrowings	-	-	**1,199.38**	**1,199.38**	-	-	-
Trade payables	-	-	**440.58**	**440.58**	-	-	-
Other financial liabilities	-	-	**3.51**	**3.51**	-	-	-
Total	-	-	**1,643.47**	**1,643.47**	-	-	-
As at 31 March 2021							
Financial assets (non-current and current)							
Investments	-	-	6.67	6.67	-	-	-
Trade receivables	-	-	903.39	903.39	-	-	-
Cash and cash equivalents	-	-	27.26	27.26	-	-	-
Other bank balances	-	-	8.61	8.61	-	-	-
Loans	-	-	1.48	1.48	-	-	-
Other financial assets	-	-	29.20	29.20	-	-	-
Total	-	-	976.61	976.61	-	-	-
Financial liabilities (non-current and current)							
Borrowings	-	-	902.48	902.48	-	-	-
Trade payables	-	-	470.43	470.43	-	-	-
Other financial liabilities	-	-	0.59	0.59	-	-	-
Total	-	-	1,373.50	1,373.50	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

44 Financial instruments-risk management

The Board of Directors has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a risk management committee, which is responsible for developing and monitoring the Company’s risk management policies. The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions have also been placed before the Audit Committee of the Company. This note explains the nature, extent and sources of risks arising from financial instruments to which the Company is exposed at the end of the reporting years and how the entity manages the risk and the related impact in the standalone financial statements.

The Company’s financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company’s financial assets comprise mainly of investments, cash and cash equivalents, other bank balances, loans, trade receivables and other receivables. The Company’s business activities are exposed to a variety of financial risks namely: A. Credit risk, B. Liquidity risk and C. Market risk

A Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual and performance obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Company’s credit risks principally arise from trade receivables and other receivables, from cash and cash equivalents, from forward exchange contracts and from security deposits or other deposits. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the Company along with relevant mitigation procedures adopted have been enumerated below:

Trade and other receivables

Customer credit risk has been managed by the Company and is subject to established policy, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring the credit worthiness of the customers to which the Company extends the credit in the normal course of the business. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings (if available) of its counterparties are continuously monitored. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Refer note 14, 35 and 41 for other disclosures related to trade receivables.

Other financial assets

Other financial assets include security deposits, forward exchange contracts, cash and cash equivalents, loans, other bank balance and other receivables.

- Security deposits have been given to various government authorities including other counterparties. Being government authorities, the Company believe that it does not has any exposure to credit risk. Security deposits to others are subject to established policy, procedures and controls relating to counterparty credit risk management by monitoring their credit worthiness, etc.
- Foreign exchange forward contracts (not designated as hedging instruments) have been taken with the intention of reducing foreign exchange risk of expected transactions. The Company attempts to limit the credit risk by only dealing with reputable banks having high credit-ratings assigned by credit-rating agencies.
- Cash and cash equivalents and fixed deposits are placed with banks having good reputation and having high credit-ratings assigned by international credit-rating agencies.

  Refer note 7- 11 and for other disclosures related to other financial assets.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

44 Financial instruments-risk management *(continued)*

B Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company has maintained a cautious liquidity strategy, with a positive cash balance throughout the years ended. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities. The Company also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Exposure to liquidity risk

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows, along with its carrying value as at the balance sheet date. It includes principal, estimated interest payments and exclude the impact of netting agreements. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Carrying amount	Contractual maturities		Total
		Less than 1 year	More than 1 year	
Non-derivative financial liabilities				
As at 31 March 2022				
Borrowings	1,199.38	143.58	1,055.80	**1,199.38**
Trade payables	440.58	440.58	-	**440.58**
Other financial liabilities	3.51	3.51	-	**3.51**
Total	**1,643.47**	**587.67**	**1,055.80**	**1,643.47**
As at 31 March 2021				
Borrowings	902.48	141.91	760.57	902.48
Trade payables	470.43	470.43	-	470.43
Other financial liabilities	0.59	0.59	-	0.59
Total	1,373.50	612.93	760.57	1,373.50

C Market risk

Market risk is the risk, that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates and interest rates.

(i) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's functional currency is Indian Rupees (INR). The Company has exposure to foreign currency by way of trade receivables, borrowings and trade payables (primarily USD and EUR) and is therefore exposed to foreign exchange risk. Volatility in exchange rates affects the Company's revenue from exports markets and the costs of imports, primarily in relation to exports with respect to the US-dollar. Adverse movements in the exchange rate between the Rupee and the relevant foreign currency results in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt.

In order to minimize adverse effects on the financial performance, the Company has entered into foreign exchange forward contracts (not designated as hedging instruments) to hedge foreign currency exchange risk. All hedging activities are carried out in accordance with the Company's internal risk management policy, as approved by the Board, and in accordance with the applicable regulations where the Company operates. Such decisions are taken after considering many factors such as upside

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

44 Financial instruments-risk management *(continued)*

potential, cost of structure and the downside risks etc. Weekly reports are submitted to management on the covered and open positions and mark to market (MTM valuation). The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities (Unhedged foreign currency exposure) at the end of the reporting period are as follows:

Particulars	As at 31 March 2022			As at 31 March 2021		
	USD	EUR	Total	USD	EUR	Total
Financial assets						
Investments	6.66	0.01	6.67	6.66	0.01	6.67
Trade receivables	462.36	-	462.36	753.56	-	753.56
Cash and cash equivalents	204.35	-	204.35	17.34	-	17.34
Loans	-	-	-	-	0.29	0.29
Other financial assets	1.13	-	1.13	2.45	-	2.45
Total Financial assets	674.50	0.01	674.51	780.01	0.30	780.31
Financial liabilities						
Borrowings	1,173.52	-	1,173.52	377.45	-	377.45
Trade payables	100.19	0.86	101.05	145.73	-	145.73
Other financial liabilities	0.50	-	0.50	0.59	-	0.59
Total Financial liabilities	1,274.21	0.86	1,275.07	523.77	-	523.77
Net foreign currency exposure	599.71	0.85	600.56	(256.24)	(0.30)	(256.54)
Hedged foreign currency exposure	919.54	-	919.54	919.54	-	919.54
Unhedged foreign currency exposure	-	0.85	-	-	-	-

At the end of the reporting period the total notional amount of outstanding foreign currency contracts that the Company has

Particulars	As at 31 March 2022		As at 31 March 2021	
	in USD	in INR	in USD	in INR
Foreign currency forwards-sell	12.13	919.54	12.13	928.98

The following significant exchange rates have been applied during the years:

Particulars	As at 31 March 2022		As at 31 March 2021	
	1 USD	1 EUR	1 USD	1 EUR
Opening rate as at 01 April	73.50	86.10	75.39	83.05
Average rate	74.51	86.59	74.27	86.67
Closing rate as at 31 March	**75.81**	**84.66**	**73.50**	**86.10**

Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity of "profit before tax" to a reasonably possible change of 2% in USD and EUR rates to the functional currency of the Company, with all other variables held constant:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Impact on profitbefore tax if exchange rates			
	increase by 2%	decrease by 2%	increase by 2%	decrease by 2%
USD	11.99	(11.99)	(5.12)	5.12
EUR	0.02	(0.02)	(0.01)	0.01

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

44 Financial instruments-risk management *(continued)*

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. The Company's fixed rate borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company has exposure to variable interest rate risk, arising principally on changes in repo rate, MCLR, LIBOR and SOFR rates. The Company 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. The Company manages this risk by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The Company also has financial assets i.e. fixed deposits with fix rate of interest, therefore, they are not subject to interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instrument is as follows:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Fix rate	Variable rate	Fix rate	Variable rate
Financial assets	1,519.07	-	23.56	-
Financial liabilities	237.38	962.00	339.97	562.50

Interest rate sensitivity analysis

The following tables demonstrate the sensitivity of "profit before tax" to a reasonably possible change of 100 basis points in variable interest rates for borrowings of the Company, assuming the amount of the liability outstanding at the end of the reporting year was outstanding for the whole year with all other variables held constant:

Particulars	As at 31 March 2022	As at 31 March 2021
Impact on profit before tax if interest rates		
- increase by 100 basis points	(9.62)	(5.63)
- decrease by 100 basis points	9.62	5.63

45 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong capital base so as to maintain investor, creditor and market confidence, to sustain future development of the business and to be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. For the purpose of the Company's capital management, capital includes paid-up equity capital and all other equity reserves attributable to the equity holders of the Company. The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

45 Capital management *(continued)*

The table below summarises the capital, net debt and net debt to equity ratio of the Company:

Particulars	As at 31 March 2022	As at 31 March 2021
Equity		
Equity share capital	221.65	200.88
Other equity		
Securities premium	2,090.26	-
Retained earnings	2,376.88	1,418.48
Total equity (A)	**4,688.79**	**1,619.36**
Liabilities		
Financial liabilities		
Non-current borrowings	131.11	267.63
Current borrowings	1,068.27	634.85
Gross debt	1,199.38	902.48
Less: Cash and cash equivalents	(607.75)	(27.26)
Less: Other bank balances	(1,139.69)	(17.04)
(including deposit with banks with original maturity of more than 12 month)		
Adjusted net debt (B)	(548.06)	858.18
Adjusted net debt to equity ratio	(0.12)	0.53

Notes:

(i) During the years ended, no changes were made in the objectives, policies or processes for managing capital.

(ii) Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including unutilised IPO proceeds held in deposits with banks)

46 Contingent liabilities and commitments

(to the extent not provided for)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A Claims against the Company not acknowledged as debts for		
(i) Indirect tax matters (refer note (iii) below)	13.40	5.14
(ii) Registrar of companies matters (refer note (iv) below)	20.00	-
B Commitments		
Estimated amount of contracts (capital) remaining to be executed	767.12	35.75
Total	**800.52**	**40.89**

Notes:

(i) The Company does not have any classes of liabilities which have been identified as provisions as per Ind AS 37 "Provisions, Contingent liabilities and contingent assets" except provisions covered under Ind AS 109, Ind AS 19 and Ind AS 12.

(ii) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/decisions pending with various forums/authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

46 Contingent liabilities and commitments *(continued)*

(iii) Indirect tax matters

(a) The Company has received show cause cum demand notice dated 29 March 2022 from Deputy Director General of GST Intelligence (DGGI), for recovery of erroneous refund on zero rated supplies under Integrated Goods and Service Tax Act, 2017 (IGST) amounting to ₹ 11.38 million pertaining to financial year 2017-18 and 2018-19, apart from interest and penalty under section 74 (1) of The Central Goods and Service Tax Act, 2017 (CGST) r.w. regulation 20 of IGST Act, 2017. The Company has filed application against the same. The Company expects the outcome of this proceeding in its favour.

(b) The Company has received order dated 3 March 2021 from Superintendent, CGST for recovery of erroneous refund on zero rated supplies under IGST Act, 2017 amounting to ₹ 0.56 million pertaining to financial year 2016-17, apart from interest and penalty. The Company has filed appeal against the same. The Company expects the outcome of this proceeding in its favour.

(c) The Company has received notice from DGGI, for payment of IGST on imports under advance licenses for the period after 09 October 2018 till the date of notice. The matter was being contested by the Company on similar lines as many other companies. In the opinion of the Company and its tax counsels, there was a possibility of reassessment of bill of entries and IGST may be payable, which would then be available again as a credit to the Company. During the year ended 31 March 2022, the Company has paid ₹ 14.02 million on reassessment of bill of entries and taken input credit of the same and also paid ₹ 5.17 million as interest on the same which was recognised in standalone statement of profit and loss under rates and taxes.

(d) The Company has received consultive notice dated 14 March 2022 from Assistant Commissioner of Customs, for recovery of duty drawback already granted, owing to non-realisation / short-realisation of export proceeds within prescribed time limit in terms of Foreign Exchange Management act, 1999 (as amended) amounting to ₹ 1.41 million pertaining to shipping bill filed from 01 April 2014 to 31 August 2018, the Company is in process of filing reply w.r.t said consultative notice and the Company expects the outcome of this proceeding in its favour.

(iv) Registrar of companies matters

The Company has received an order from Registrar of Companies (ROC) dated 31 December 2021, for non-compliance of section 42 of the Companies Act, 2013, against an Suo-moto application filed by the Company pursuant to section 454 of the Companies Act, 2013, which imposes penalty of ₹ 10.00 million on the Company and ₹ 2.00 million each to its three directors and two key managerial personnel. The Company has filed Appeal to the Regional Director, Ministry of Corporate Affairs against the said order. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(v) Proposed dividend

Refer note 48 for proposed dividend.

47 Other disputed matters

The Company has filed two criminal complaints against M/s Kaveri Engineering Works (“Accused”), before the Chief Judicial Magistrate under the provisions of sections 138 and 141 of the Negotiable Instruments Act, 1881, wherein it is alleged that two cheques amounting ₹ 0.78 million was issued by the Accused to the Company (in respect of certain advance payments made to the Accused, that was to be reimbursed to the Company, in light of the failure of the Accused to deliver certain goods to the Company) was subsequently dishonoured. The matter is currently pending and the Company expects the outcome of this proceeding in its favour.

48 Subsequent events

In preparing these standalone financial statements, the Company has evaluated events and transactions that occur during the period subsequent to 31 March 2022 for potential recognition or disclosure in the standalone financial statements. These subsequent events have been considered through 25 April 2022, which is the date, the standalone financial statements were available to be issued. Except proposed dividend, no significant items were identified, which may require an adjustment to the standalone financial statements.

The Board of Directors have recommended a final dividend of 20% (₹ 2/- per equity share of face value ₹ 10 each) for the financial year ended 31 March 2022, which is subject to the approval of shareholders at the ensuing Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately ₹ 44.33 million.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

48 Subsequent events *(continued)*

Summary of dividend:

Particulars	As at 31 March 2022	As at 31 March 2021
Dividend declared and paid		
Interim dividend @ ₹ 5 per equity share for financial year 2020-21	-	40.18
Proposed dividend not recognised as liability		
Final dividend @ ₹ 2 per equity share for financial year 2021-22	44.33	-

49 Statement of utilization of initial public offer (IPO) proceeds

During the year ended 31 March 2022, the Company has completed Initial Public Offer (IPO) of 4,616,804 equity shares of the face value of ₹ 10/- each at an issue price of ₹ 1,083/- per equity share (including a premium of ₹ 1,073 per equity share) aggregating to ₹ 5,000.00 million. The offer comprises of a fresh issue of 2,077,562 equity shares aggregating to ₹ 2,250.00 million and an offer for sale of 2,539,242 equity shares aggregating to ₹ 2,750.00 million. The equity shares of the Company were allotted on 27 July 2021 vide board resolution dated 27 July 2021. The equity shares of the Company were listed on 29 July 2021 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The details of the proceeds of the fresh issue are summarised in the table below:

Particulars	Amount
Gross proceeds from fresh issue of equity shares	2,250.00
Less: Estimated offer related expenses in relation to the fresh issue	(177.19)
Net proceeds	**2,072.81**

Details of statement of utilization of IPO proceeds till 31 March 2022 as per Regulation 32(1) and 32(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, are as under:

Objects of the offer	Amount of net proceeds as on 30 July 2021	Utilised amount up to 31 March 2022	Unutilised amount as at 31 March 2022
Funding capital expenditure requirements for expansion of our Dahej manufacturing facility	1,471.00	260.47	1,210.53
Funding capital expenditure requirements for upgradation at our R&D facility in Vadodara	239.71	18.40	221.31
General corporate purposes	362.10	362.10	-
Total	**2,072.81**	**640.97**	**1,431.84**

Notes:

(i) The Company has appointed ICICI Bank Limited as the "Monitoring agency" in terms of regulation 41(2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, to monitor the utilization of IPO proceeds.

(ii) Company has obtained a monitoring agency report on quarterly basis from the "Monitoring agency" and filed the same with both BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) where equity shares of the Company are listed and uploaded the same on Company's website.

(iii) The above statement of utilization of IPO proceeds has been reviewed by the Audit Committee and approved by the Board of directors at their meeting held on 25 April 2022.

(iv) The unutilised amount of the net proceeds for the purposes described above, as at 31 March 2022 were held in monitoring agency account and in deposits with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended and was approved by the Board.

(v) In accordance with section 27 of the Companies Act, 2013, the Company has not used the net proceeds for buying, trading or otherwise dealing in shares of any other listed Company or for any investment in the equity markets and will comply the same in future.

(vi) The Company has not entered in any proposal whereby any portion of the net proceeds will be paid to our promoters, promoter group, directors, key managerial personnel, or senior management personnel, except in the ordinary course of business. Further,

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

49 Statement of utilization of initial public offer (IPO) proceeds *(continued)*

there are no existing or anticipated transactions in relation to the utilisation of the net proceeds entered into or to be entered into by the Company with the promoters, promoter group, directors, key managerial personnel and / or senior management personnel.

(vii) The Company has deployed net proceeds towards general corporate purposes, in accordance with Regulation 7(2) of the SEBI ICDR Regulations, to drive business growth, including, amongst other things, meeting any expenses incurred in the ordinary course of business, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties, servicing of borrowings including payment of interest and any other purpose as permitted by applicable laws and as approved by the Board.

50 Offer expenses (IPO)

As per clause 18.2 of the "Offer agreement" dated 31 March 2021, "The Company" and "the Selling Shareholders" agree to share the costs and expenses (including all applicable taxes) directly attributable to "the Offer" (excluding listing fees) based on the proportion of equity shares included in "the Offer" for sale and the equity shares allotted by the Company respectively, as a percentage the total equity shares in "the Offer". The Company agrees to advance the cost and expenses of the Offer and will be reimbursed by the Selling Shareholders for their respective proportion of such costs and expenses only upon the successful consummation of the Offer".

Summary of the offer:

Particulars	Proportion	Amount
Fresh issue of equity shares	45%	2,250.00
Offer for sale by selling shareholders	55%	2,750.00
Total	**100%**	**5,000.00**

Calculation of offer expenses:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	16.90	-
Add : Costs and expenses (including all applicable taxes) directly attributable to "the Offer" (excluding listing fees)	341.64	16.90
	358.54	16.90
Less: Costs and expenses (including all applicable taxes) recoverable from selling shareholders in their proportion (55%)	(197.20)	-
Less: Input tax credit of Goods and service tax on costs and expenses related to the Company in its proportion (45%)	(22.38)	-
Less: Costs and expenses related to the Company in its proportion (45%), which have been written off under section 52 of the Companies Act, 2013 against securities premium	(138.96)	-
Balance at the end of the year	**-**	**16.90**

Notes:

(i) Other payables to related parties (selling shareholders)

During the year ended 31 March 2022, the Company has recovered estimated offer costs and expenses (including all applicable taxes) from selling shareholders in the proportion of offer for sale (55%). On the basis of calculation of actual offer expenses as referred above, full and final settlement between the selling shareholders and the Company stands as follows:

Particulars	Estimated expenses in proportion to selling shareholders	Actual expenses in proportion to selling shareholders	(Payables) as at 31 March 2022
Mr. Chintan Nitinkumar Shah	59.26	58.37	(0.89)
Mr. Shekhar Rasiklal Somani	53.15	52.35	(0.80)
M/s Ajay Mansukhlal Patel HUF	24.90	24.52	(0.38)
Ms. Priti Ajay Patel	24.90	24.52	(0.38)

Notes forming part of the Standalone Financial Statements

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50 Offer expenses (IPO) *(continued)*

Particulars	Estimated expenses in proportion to selling shareholders	Actual expenses in proportion to selling shareholders	(Payables) as at 31 March 2022
Mr. Ajaykumar Mansukhlal Patel	16.96	16.71	(0.25)
Ms. Darshana Nitinkumar Shah	7.50	7.39	(0.11)
Ms. Kajal Shekhar Somani	8.01	7.89	(0.12)
Mr. Shitalkumar Rasiklal Somani	0.80	0.79	(0.01)
Mr. Samirkumar Rasiklal Somani	4.73	4.66	(0.07)
Total	**200.21**	**197.20**	**(3.01)**

51 Additional regulatory information

(a) The Company does not have any transaction and/or balance that need to be disclosed under clause 34(3) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and section 186 of the Companies Act, 2013 i.e. the Company has not directly or indirectly given any loan to any person or other body corporate, given any guarantee or provided security in connection with a loan to any other body corporate or person and have not acquired by way of subscription, purchased or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

(b) The Company has not entered into any subsisting material agreement, including with strategic partners, joint venture partners or financial partners, other than in the ordinary course of business.

(c) During the years ended, the Company has not been party to any merger or amalgamation and there have been no material acquisitions or divestments of business or undertakings by the Company.

(d) Neither the promoters, nor any of the key managerial personnel, senior management personnel, directors or employees of the Company has entered into an agreement, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of the Company.

(e) None of the Company's director is or was a director of any listed company, whose shares are or were suspended from being traded on any stock exchanges, during the term of their directorship in such company. Further, none of the directors is, or was, a director of any listed company, which has been or was delisted from any stock exchange during the term of their directorship in such company.

(f) None of the Company's director have been nominated, appointed or selected pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others of the Company.

(g) The Company, its promoters, its directors, persons in control of the Company and the members of the promoter group have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority / court.

(h) The Company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(i) Borrowings secured against current and non-current assets

The Company has been availing borrowings facilities from ICICI Bank Limited and CITI Bank N.A on the basis of security of current and non-current assets. The Company has filed monthly statements or returns including quarterly statements of current assets with both the banks, which are in agreement with the books of accounts except few cases which are not material and majority of differences were on account of:

a) Inclusion of Goods and service tax on the basic value of indigenously procured inventories in quarterly statements while the same is not included in books of accounts.

b) Non-inclusion of goods in transit in quarterly statements while the same is included in books of accounts.

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51 Additional regulatory information *(continued)*

c) Non-inclusion of inventory of stores and spares (except material consumables) in quarterly statements while the same is included in books of accounts.

d) Non-inclusion of provision for sales return in quarterly statements while the same is included in books of accounts.

e) Inclusion of net trade receivables in quarterly statements while the same is classified separately as "advance from customers" and "trade receivables" in books of accounts.

f) Non-inclusion of provision for expected credit loss or doubtful debts in quarterly statements while the same is included in books of accounts.

g) Non-inclusion of unrealised foreign exchange (gain)/loss on trade receivables and trade payables in quarterly statements while the same is included in books of accounts.

h) Inclusion of net trade payables in quarterly statements while the same is classified separately as "advance to creditors" and "trade payables" in books of accounts."

(j) The Company has disclosed other additional regulatory information in respective notes forming part of standalone financial statements.

(k) Ratio analysis and reasons of variance:

Name of ratio		Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	Variance
1)	Current ratio (times)	Current assets	Current liabilities	2.53	1.53	66%
2)	Debt-equity ratio (times)	Non-current and current borrowing	Total equity	0.26	0.56	-54%
3)	Debt service coverage ratio (times)	Earnings before interest, depreciation and taxes (excluding other income) (EBIDTA)	Interest expense on total borrowings plus principal repayments of non-current borrowings	5.76	3.08	87%
4)	Return on equity ratio (%)	Net profit after tax	Average shareholder's equity	30.43%	37.17%	-18%
5)	Inventory turnover ratio (times)	Cost of goods sold	Average inventory	1.92	2.57	-25%
6)	Trade receivables turnover ratio (times)	Revenue from operations	Average trade receivables	5.63	4.12	37%
7)	Trade payables turnover ratio (times)	Purchases	Average trade payables	6.15	3.95	56%
8)	Net capital turnover ratio (times)	Revenue from operations	Working capital (current assets minus current liabilities)	1.65	4.73	-65%
9)	Net profit ratio (%)	Net profit after tax	Revenue from operations	22.44%	17.64%	27%
10)	Return on capital employed (%)	"Earnings before interest and taxes (excluding other income) (EBIT)"	Capital employed (total equity + total debt + deferred tax liability)	16.57%	22.99%	-28%
11)	Return on equity investments in wholly owned subsidiaries (WOS) (%)	Net profit after tax of WOS	Average shareholder's equity of WOS	39.26%	25.86%	52%

Reasons of variance:

1) Current ratio has been increased primarily due to increase in cash and cash equivalents and bank balances pursuant to unutilised IPO proceeds lying in deposits and due to strategical decision to build up inventory pursuant to challenging geopolitical situation and covid-19 situation across the world.

2) Debt equity ratio has improved primarily due to increase in equity share capital, pursuant to fresh issue.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

51 Additional regulatory information *(continued)*

3) Debt service coverage ratio has been increased primarily due to increase in profitability and due to decrease in interest cost.

4) Although turnover and profitability has increased, return on equity ratio has been decreased due to significant increase in equity share capital, pursuant to fresh issue.

5) Inventory turnover ratio has been decreased due to strategical decision to build up inventory pursuant to challenging geopolitical situation and covid-19 situation across the world. (Cost of goods sold includes cost of materials consumed and changes in inventories of finished goods and work-in-progress)

6) Trade receivables turnover ratio has been increased primarily due to quick conversion cycle of trade receivables pursuant to better collection efforts.

7) Trade payables turnover ratio has been increased due to quick payments to trade payable pursuant to healthy internal accruals.

8) Net capital turnover ratio has been decreased primarily due to increase in cash and cash equivalents and bank balances pursuant to unutilised IPO proceeds lying in deposits and also due to strategical decision to build up inventory pursuant to challenging geopolitical situation and covid-19 situation across the world.

9) Net profit ratio has been increased due to increase in profitability.

10) Although profitability has increased, return on capital employed has been decreased due to significant increase in equity share capital pursuant to fresh issue during the year.

11) Return on equity investments in wholly owned subsidiaries (WOS) has been increased due to increase in turnover and profitability of both foreign subsidiaries.

52 Indirect taxes

In the opinion of the Board and to the best of their knowledge and belief, the Company has properly complied provisions of Goods and Service Tax Act, 2017, The Customs Acts, 1962 and any other indirect taxes, to the extent applicable to the Company. Difference, if any, between the figures as per books of account and the respective returns, have been reconciled and would be corrected in next periodic returns and in annual returns. The said differences, if any, do not have any material impact on the standalone financial statements.

53 Social security

The Code of Social Security 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules or interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.

54 Cost audit records

The Company has maintained adequate cost records as per the provisions of The Companies (Cost Records and Audit) Rules, 2014, as amended.

55 Risks and economic uncertainties (COVID-19)

The COVID-19 pandemic continues to impact the Company. The extent of the ultimate impact of the pandemic on the Company's operational and financial performance will depend on various developments, including the duration and spread of the outbreak, and its impact on customers, employees, and vendors, all of which cannot be reasonably predicted at this time. While management reasonably expects the COVID-19 outbreak to impact the Company's financial condition, operating results, and timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

56 Approval of financial statements

In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, this standalone financial statements for the year ended 31 March 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on 25 April 2022.

57 General

(a) All the amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest million up to two decimals.

(b) Figures for the previous year have been re-classified/re-arranged/re-grouped to conform to classification of current period, wherever necessary. Pursuant to amendment in Schedule III of the Companies Act, 2013:

(i) Security deposits of ₹ 17.85 million as at 31 March 2021 have been reclassified from 'Loans' to 'Other financial assets'.

(ii) Current maturities of long-term borrowings of ₹ 141.91 million as at 31 March 2021 have been reclassified from 'Other financial liabilities ' to 'Current borrowings'.

Notes forming part of the standalone financial statements 1- 57

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 25 April 2022
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 25 April 2022
Place : Vadodara, Gujarat, India

Independent Auditor's Report

To the Members of
Tatva Chintan Pharma Chem Limited

Auditor's Report on the audited Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Tatva Chintan Pharma Chem Limited ("TCPCL" or "the Company" or "Holding Company" or "Parent's Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprises the consolidated balance sheet as at 31 March 2022, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of change in equity and consolidated statement of cash flows for the year then ended and notes forming part of the consolidated financial statements, including summary of significant accounting policies and other explanatory information. (hereinafter referred as "the consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of Management on separate financial statements of the subsidiary referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Sr. no.	Key Audit Matters	Audit procedures
1.	**Cut off risk in Revenue Recognition** Due to the sales being under various contractual terms and across geographies, delivery to customers in different regions might take different time periods and may result in undelivered goods at the period end. We consider there to be a risk of misstatement of the financial statements related to transactions occurring close to the year end, as transactions could be recorded in the wrong financial period. Accordingly, cut-off risk in revenue recognition is a key audit matter.	• We have assessed the revenue recognition policies of the Group including accounting for sales returns and discounts for compliance with Ind AS. • The Group has manual and automated (information technology – IT) controls on recording revenue and accruals for sales returns and discounts. We tested the design, implementation and operating effectiveness of these controls. In respect of cut-off, we focused on controls around the timely and accurate recording of year-end sales transactions. • We have performed substantive testing on sample basis on revenue transactions recorded during the year end. • We verified contractual terms of the invoice and tested the transit time to deliver the goods.

Sr. no.	Key Audit Matters	Audit procedures
2.	**Capital Expenditure in respect of property, plant and equipment and capital work-in-progress** The Company has incurred significant expenditure on capital projects, as reflected by the total value of additions in property plant and equipment and capital work-in-progress in notes 3 and 5 of the consolidated financial statements. The Company is mainly in the process of executing project for expansion of its existing Dahej Manufacturing facility and upgradation of R&D facility in Vadodara. These projects take a substantial period of time to get ready for intended use. We considered Capital expenditure as a Key audit matter due to: • Significance of amount incurred on such items during the year ended 31 March 2022. • Judgement and estimate required by management in assessing assets meeting the capitalization criteria set out in Ind AS 16 Property, Plant and Equipment. • Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalization as per the criteria set out in Ind AS 16 Property, Plant and Equipment.	• We have obtained an understanding of the Company's capitalization policy and assessed for compliance with the relevant accounting standards. • We have obtained understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalization of assets. • We have performed substantive testing on a sample basis for each element of capitalized costs including inventory issued to contractors for the purpose of these projects and physical verification performed by management along with reconciliation and directly attributable cost, including verification of underlying supporting evidence and understanding nature of the costs capitalized. • We have obtained understanding on management assessment relating to progress of projects and their intention to bring the asset to its intended use.
3.	**Valuation, Accuracy, Completeness and disclosures pertaining to Inventories with reference to Ind AS 2** Inventories constitutes material component of financial statement. Correctness, Completeness and Valuation are critical for reflecting true and fair financial results of operations. Further due to continuous nature of plan operations and the raw materials which are basically chemicals, management has to exercise judgement in assessing stage of the product and its valuation. Also refer note 11 to the consolidated financial statement.	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We have assessed the Group's process regarding maintenance of records, Valuation and accounting of transactions relating to Inventory as per the Indian Accounting Standard 2. • We have evaluated the design of Internal Controls relating to recording and valuation of Inventory. • We have carried out substantive audit procedures to verify the allocation of overheads to Inventory. • We have attended the physical verification of Inventories performed by the Management and also performed stock count on sample basis. We have also checked reconciliation of inventories as per physical inventory verification and book records on a sample basis. • For sample selected, we have also obtained confirmation of Inventories held with third parties. • We have verified the consistency in respect of valuation process and methodology followed by the Group.

Other Information

The Holding Company's Management and Board of Directors are responsible for 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, Shareholder's Information and Business Responsibility Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements do not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated financial statement includes the financial information of one subsidiary which has not been subjected to audit and have been presented based on the financial statement certified to us by the Company's management whose unaudited financial information, before consolidation adjustments, reflect total assets of ₹ 174.71 million as at 31 March 2022 and reflects revenue of ₹ 436.15 million, total net profit after tax of ₹ 14.04 million and total comprehensive income of ₹ 14.04 million for the year ended 31 March 2022 as considered in the consolidated financial statement. Our conclusion on the consolidated financial statement in so far as it relates to the amounts and disclosures in respect of this subsidiary is based solely on such unaudited financial statement and explanation given to us by the Company's Management.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

2. As required by section 143(3) of the Act, Based on our audit and consideration of the reports, 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 of the aforesaid consolidated financial statements.

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

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of change in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".

   g) The Group has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

      i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 46 to the consolidated financial statements.

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

      iii. There were no amounts which were required to be transferred to Investor Education and protection fund by the Group.

      iv. (a) The respective Managements of the Company and its subsidiaries whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the notes forming part of the consolidated financial statements, 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 or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iv. (b) The respective Managements of the Company and its subsidiaries whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the notes forming part of the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and associate company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iv. (c) Based on audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid, if any, during the year by the Holding Company is in compliance with section 123 of the Act.

For **NDJ & Co.,**
Chartered Accountants
Firm's Registration Number: 136345W

CA Shirish Shah
Partner
Membership No: 035742
UDIN : 22035742AJLQVG1838

Date : 25 April 2022
Place : Vadodara, Gujarat, India

Annexure – ‘A’ to the Independent Auditor’s Report

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

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

We have audited the internal financial controls with reference to consolidated financial statements of **Tatva Chintan Pharma Chem Limited** (“the Holding Company”) as of 31 March 2022 in conjunction with our audit of consolidated financial statements of the Company for the year ended on that date. Reporting on internal financial controls over financial reporting is not applicable to the subsidiaries, since both the subsidiaries are incorporated outside India.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective entity’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 internal financial controls with reference to financial statements of the Holding Company, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the 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 was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system with reference to financial statements of the Holding Company.

Meaning of Internal Financial Controls over Financial Reporting

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, based on the internal control with reference to financial statements criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **NDJ & Co.,**
Chartered Accountants
Firm's Registration Number: 136345W

CA Shirish Shah
Partner
Membership No: 035742
UDIN : 22035742AJLQVG1838

Date : 25 April 2022
Place : Vadodara, Gujarat, India

Consolidated Balance Sheet

as at 31 March 2022

(Currency : ₹ in Million)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	1,279.06	1,085.08
Right-of-use assets	4	313.90	118.43
Capital work-in-progress	5	514.91	98.11
Other intangible assets	6	3.17	0.95
Financial assets			
(i) Other financial assets	7	20.88	-
Deferred tax assets (net)	22	87.10	-
Other non-current assets	12	5.14	2.96
Total non-current assets		**2,224.16**	**1,305.53**
Current assets			
Inventories	11	1,699.58	720.19
Financial assets			
(i) Trade receivables	13	565.98	907.43
(ii) Cash and cash equivalents	8	630.17	44.81
(iii) Bank balances other than (ii) above	9	1,139.69	8.61
(iv) Loans	10	1.61	1.19
(v) Other financial assets	7	33.56	29.19
Other current assets	12	288.26	131.08
Total current assets		**4,358.85**	**1,842.50**
Total assets		**6,583.01**	**3,148.03**
Equity and liabilities			
Equity			
Equity share capital	14	221.65	200.88
Other equity	15	4,509.24	1,458.76
Equity attributable to owners		**4,730.89**	**1,659.64**
Non-controlling interests		-	-
Total equity		**4,730.89**	**1,659.64**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	131.11	267.63
Provisions	18	6.51	5.52
Deferred tax liabilities (net)	22	-	20.78
Other non-current liabilities	19	0.17	14.31
Total non-current liabilities		**137.79**	**308.24**
Current liabilities			
Financial liabilities			
(i) Borrowings	16	1,068.27	634.85
(ii) Trade payables	21		
(a) Total outstanding dues of micro and small enterprises; and		111.46	129.13
(b) Total outstanding dues of creditors other than (ii)(a) above		333.67	345.64
(iii) Other financial liabilities	17	3.51	0.59
Other current liabilities	19	185.40	64.92
Provisions	18	1.79	1.09
Current tax liabilities (net)	20	10.23	3.93
Total current liabilities		**1,714.33**	**1,180.15**
Total equity and liabilities		**6,583.01**	**3,148.03**
Notes forming part of the consolidated financial statements	1-57		

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 25 April 2022
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 25 April 2022
Place : Vadodara, Gujarat, India

Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

(Currency : ₹ in Million)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	23	4,336.47	3,003.59
Other income	24	88.94	52.00
Total income		**4,425.41**	**3,055.59**
Expenses			
Cost of materials consumed	25	2,544.94	1,535.26
Purchases of stock-in-trade	26	36.79	25.36
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(635.34)	(40.57)
Employee benefits expense	28	308.14	238.03
Finance costs	29	48.32	42.07
Depreciation and amortization expenses	30	81.80	67.33
Other expenses	31	999.55	581.15
Total expenses		**3,384.20**	**2,448.63**
Profit before exceptional items and tax		1,041.21	606.96
Exceptional items		-	-
Profit before tax		**1,041.21**	**606.96**
Tax expense/(benefit)	32		
Current tax		189.76	108.71
Deferred tax		(107.29)	(24.37)
Total tax expense		**82.47**	**84.34**
Profit for the year		**958.74**	**522.62**
Other comprehensive income/(expense)	33		
Items that will not be reclassified to profit or loss		(2.05)	2.07
Income tax relating to items that will not be reclassified to profit or loss		0.60	(0.60)
Items that will be reclassified to profit or loss		2.98	(1.21)
Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income/(expense)		**1.53**	**0.26**
Total comprehensive income		**960.27**	**522.88**
Profit attributable to:			
Owners of the parent		958.74	522.62
Non-controlling interests		-	-
		958.74	**522.62**
Other comprehensive income attributable to:			
Owners of the parent		1.53	0.26
Non-controlling interests		-	-
		1.53	**0.26**
Total comprehensive income attributable to:			
Owners of the parent		960.27	522.88
Non-controlling interests		-	-
		960.27	**522.88**
Earnings per equity share (Face value of ₹ 10/- each)	34		
Basic		44.59	26.02
Diluted		44.59	26.02
Notes forming part of the consolidated financial statements	1-57		

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 25 April 2022
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 25 April 2022
Place : Vadodara, Gujarat, India

Consolidated Statement of Changes in Equity

for the year ended 31 March 2022

(Currency: ₹ in Million, except per share data)

A Equity share capital

Particulars	Number of shares	Amount
Authorised capital (Equity shares of ₹ 10 each)		
Balance as at 01 April 2020	10,000,000	100
Changes during the year	30,000,000	300
Balance as at 31 March 2021	40,000,000	400
Changes during the year	-	-
Balance as at 31 March 2022	**40,000,000**	**400**
Issued, subscribed and fully paid up capital (Equity shares of ₹ 10 each)		
Balance as at 01 April 2020	8,035,000	80.35
Changes during the year		
Addition pursuant to bonus issue	12,052,500	120.53
Balance as at 31 March 2021	20,087,500	200.88
Changes during the year		
Addition pursuant to fresh issue of shares	2,077,562	20.78
Reduction in promotor and promoter group shareholding pursuant to offer for sale	(2,539,242)	(25.39)
Addition in public shareholding pursuant to offer for sale	2,539,242	25.39
Balance as at 31 March 2022	**22,165,062**	**221.65**

B Other equity

Particulars	Attributable to owners of the parent				Total attributable to owners of the parent	Attributable to Non-controlling interests	Total
	Reserves and surplus			Items of other comprehensive income (OCI)			
	Securities premium	Retained earnings	Remeasurement of defined benefit plans	Foreign currency translation reserve			
Balance as at 01 April 2020	-	1,094.10	(1.93)	4.42	1,096.59	-	1,096.59
Profit for the year	-	522.62	-	-	522.62	-	522.62
Other comprehensive income for the year	-	-	1.47	(1.21)	0.26	-	0.26
Total comprehensive income	-	1,616.72	(0.46)	3.21	1,619.47	-	1,619.47
Other changes							
Issue of bonus shares	-	(120.53)	-	-	(120.53)	-	(120.53)
Dividend paid	-	(40.18)	-	-	(40.18)	-	(40.18)
Balance as at 31 March 2021	-	1,456.01	(0.46)	3.21	1,458.76	-	1,458.76
Prior period errors (round off)		0.01	(0.01)		-	-	-
Restated balance as at 31 March 2021	-	1,456.02	(0.47)	3.21	1,458.76		1,458.76
Profit for the year	-	958.74	-	-	958.74	-	958.74
Round off	-	(0.05)	-	-	(0.05)	-	(0.05)
Other comprehensive income for the year	-	-	(1.45)	2.98	1.53	-	1.53
Total comprehensive income	-	2,414.71	(1.92)	6.19	2,418.98	-	2,418.98
Other changes							
Securities premium on fresh issue of shares	2,229.22	-	-	-	2,229.22	-	2,229.22
Share issue expenses written off (refer note 50)	(138.96)	-	-	-	(138.96)	-	(138.96)
Total other changes	2,090.26	-	-	-	2,090.26	-	2,090.26
Balance as at 31 March 2022	**2,090.26**	**2,414.71**	**(1.92)**	**6.19**	**4,509.24**	**-**	**4,509.24**

Notes:

Nature and purpose of other equity

(i) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013. During the year ended 31 March 2022, the Holding Company has utilised the balance of securities premium for writing off expenses in relation to fresh issue of share capital.

Consolidated Statement of Changes in Equity *(Continued)*

for the year ended 31 March 2022

(Currency: ₹ in Million, except per share data)

(ii) Retained earnings

Retained earnings are the profits that the Group has earned till the reporting date, reduced by any transfers to general reserve or dividends or other distributions paid to the shareholders.

Remeasurement of defined benefit liability / (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income) and it will not be reclassified to profit or loss subsequently.

(iii) Foreign currency translation reserve

The assets and liabilities of foreign operations are translated to the reporting currency at exchange rates prevailing at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates during the year. Resulting foreign currency differences are recognised in other comprehensive income/ (expense) (OCI) and presented within equity as part of foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is reclassified to statement of profit or loss as a part of gain or loss on disposal.

Notes forming part of the consolidated financial statements 1- 57

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 25 April 2022
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
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Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 25 April 2022
Place : Vadodara, Gujarat, India

Consolidated Statement of Cash flows

for the year ended 31 March 2022

(Currency: ₹ in Million)

Particulars		As at 31 March 2022	As at 31 March 2021
Cash flows from operating activities			
Profit before tax		1,041.21	606.96
Adjustments for			
Depreciation and amortisation expenses		81.80	67.33
Liabilities no longer required written back		(0.73)	-
Sundry balances written-off		-	0.22
Bad debts		0.30	-
Provision for doubtful debts/ (written off) (net)		(2.93)	1.59
Unrealised foreign exchange loss / (gain) (net)		14.76	(39.56)
Loss on sale of property, plant and equipment (net)		0.51	0.34
Interest income		(45.39)	(2.30)
Finance costs		42.33	39.84
Other borrowing costs		6.00	2.22
Translation reserve		2.98	(1.21)
Operating profit before working capital changes	(i)	**1,140.84**	**675.43**
Changes in working capital			
(Increase) in inventory		(979.39)	(84.65)
Decrease/(increase) in trade receivables		339.23	(419.30)
(Increase) in financial and other assets		(192.30)	(80.96)
(Decrease)/ increase in trade and other payables		(30.04)	164.42
Increase in financial and other liabilities		107.83	38.13
Increase in provisions		1.69	1.96
Cash generated from operating activities	(ii)	**387.86**	**295.03**
Less: Taxes paid	(iii)	(184.07)	(98.09)
Net cash generated from operating activities	**((ii)+(iii)) (A)**	**203.79**	**196.94**
Cash flows from investing activities			
Purchase of property, plant and equipment		(891.57)	(209.68)
Proceeds from sale of property, plant and equipment		0.78	0.19
(Increase)/decrease in fixed deposits with banks		(1,122.66)	0.62
Interest income		45.39	2.30
Cash (used in) investing activities	**(B)**	**(1,968.06)**	**(206.57)**
Cash flows from financing activities			
Proceeds from issue of equity share capital		20.77	-
Proceeds from securities premium (net off IPO expenses)		2,090.26	-
Dividend paid		-	(40.18)
Proceeds from long-term borrowings		-	91.53
Repayment of long-term borrowings		(134.85)	(183.99)
Net proceeds from short-term borrowings		431.75	88.04
(Decrease) in loan to employees		(0.43)	(0.21)
Finance costs		(42.33)	(39.84)
Other borrowing costs		(6.00)	(2.22)
Unrealised foreign exchange loss / (gain) (net)		(9.54)	39.75
Cash generated from/(used in) financing activities	**(C)**	**2,349.63**	**(47.12)**
Net increase/ (decrease) in cash and cash equivalent (A+B+C)		**585.36**	**(56.75)**

Consolidated Statement of Cash flows *(Continued)*

for the year ended 31 March 2022

(Currency: ₹ in Million)

Notes:

(i) Cash and cash equivalents comprise of:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	44.81	101.56
Cash on hand	0.82	0.81
Balances with banks		
- in current accounts	19.88	2.58
- in current accounts (foreign currency)	22.42	17.55
- in cash credit accounts (surplus)	3.32	-
- in EEFC current accounts	204.35	17.34
- in deposits with original maturity of less than 3 months	379.38	6.53
Balance at the end of the year	630.17	44.81
Net increase/(decrease) in cash and cash equivalent	**585.36**	**(56.75)**

(ii) The above "consolidated cash flows statement" has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) 7 "Statement of cash flows".

(iii) Purchase of property, plant and equipment includes movements in right of use assets, other intangible assets and capital work-in-progress.

(iv) Reconciliation of movements in cash flows from borrowings (financing) activities:

Particulars	Non-current borrowings	Current borrowings	Total
Balance as at 01 April 2020	502.00	404.89	906.89
Proceeds from non-current borrowings	91.53	-	91.53
Repayment of non-current borrowings	(172.81)	-	(172.81)
Net proceeds from short-term borrowings	-	107.54	107.54
Finance costs	25.40	13.41	38.80
Other borrowing costs*	-	2.22	2.22
Foreign exchange movement	(11.19)	(19.49)	(30.68)
Total cash flows from financing activities	(67.06)	103.67	36.61
Liability related other changes			
Finance costs	(25.40)	(13.41)	(38.80)
Other borrowing costs	-	(2.22)	(2.22)
Balance as at 31 March 2021	409.54	492.94	902.47
Proceeds from non-current borrowings	-	-	-
Repayment of non-current borrowings	(144.30)	-	(144.30)
Net proceeds from short-term borrowings	-	421.31	421.31
Finance costs	(20.12)	(19.15)	(39.28)
Other borrowing costs*	-	(6.00)	(6.00)
Foreign exchange movement	9.45	10.44	19.90
Total cash flow from financing activities	(154.97)	406.60	251.63
Liability related other changes			
Finance costs	20.12	19.15	39.28
Other borrowing costs	-	6.00	6.00
Balance as at 31 March 2022	**274.69**	**924.69**	**1,199.38**

** includes other borrowing costs paid for non-fund based credit facilities.*

Consolidated Statement of Cash flows *(Continued)*

for the year ended 31 March 2022

(Currency: ₹ in Million)

(v) Disclosure of undrawn borrowing facilities (excluding non-fund based facilities and foreign exchange effect)

Particulars	As at 31 March 2022	As at 31 March 2021
Undrawn borrowing facilities	125.31	-

(vi) Cash credit accounts with debit balances have been shown under cash and cash equivalent as per requirement of Ind AS 7, hence proceeds from borrowings under financing activity is excluding the movement in bank overdraft.

(vii) Tenure of short-term deposits varies between one day to three months, depending on the cash requirements of the Group and to earn interest at the applicable interest rates.

(viii) Balances with banks in current accounts includes ₹ 0.33 million (31 March 2021: nil) earmarked as monitoring agency account balance towards unutilized IPO proceeds.

(ix) Bank fixed deposits with original maturity of less than 3 months includes ₹ 367.65 million (including accrued interest) (31 March 2021: nil) earmarked towards unutilized IPO proceeds.

(x) Cash flows denominated in foreign currency are reported in the manner consistent with Ind AS 21.

(xi) During the years ended, the Group has not entered into any non-cash investing and non-cash financing activities.

(xii) Refer note 36 for government grants recognised in statement of profit and loss.

(xiii) The Group does not have any lease liability (refer note 38).

Notes forming part of the consolidated financial statements 1- 57

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 25 April 2022
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
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Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 25 April 2022
Place : Vadodara, Gujarat, India

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

1 Corporate information

The consolidated financial statements comprise financial statements of Tatva Chintan Pharma Chem Limited ("the Company" or "the Holding Company" or "the Parent") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") for the year ended 31 March 2022.

The Holding Company is a public limited company domiciled in India, and incorporated under the Companies Act 2013 (erstwhile Companies Act 1956) in year 1996, having its registered office at Plot no. 502/17, GIDC Estate, Ankleshwar, Bharuch, Gujarat, India - 393002.

The equity shares of the Holding Company are listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") in India.

The Group is primarily engaged in manufacturing and selling of specialty chemicals, phase transfer catalysts (PTC), structure directing agents (SDA), electrolyte salts (ES), pharmaceutical and agrochemical intermediates and other specialty chemicals (PASC). Information on the Group's structure has been provided in note 39.

These consolidated financial statements have been approved by the Board of Directors and authorised for issue on 25 April 2022.

2 Significant accounting policies

a) Statement of compliance, basis of preparation and presentation

Statement of compliance: The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

Basis of preparation and presentation: These consolidated financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values.

The classification of assets and liabilities of the Group have been done into current and non-current based on the operating cycle of the business of the Group. The Group has ascertained its operating cycle of the business as twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

The financial statements are presented in Indian Rupees ('INR'), which is Group's functional currency and all values are rounded to the nearest "million" up to two decimals, except otherwise indicated.

Principles of consolidation: The consolidated financial statements incorporate the financial statements of the Group. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to affect those returns through its power over the investee.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements;
- voting rights and potential voting rights held by the Group;
- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other voting right holders;
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

2 Significant accounting policies *(continued)*

events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March 2022. When the end of reporting period of Parent is different from that of subsidiary, the subsidiary prepares, for consolidation purposes, additional information as of the same date as the financial statements of the Parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

- Combination of like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in consolidated financial statements at acquisition date.
- Elimination of the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary.
- Elimination of intragroup assets and liabilities, equity, income and expenses and cash flows relating to transactions between entities of the Group.
- Elimination of unrealised gain or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixes assets.
- the excess of the aggregate cost of the Parent's investment in the group entities over its portion of equity in the group entities is recognized in the financial statements as 'goodwill'. The excess of Parent's portion of equity in group entities over the aggregate cost of the Parent's investment in the group entities is recognized in the financial statements as 'capital reserve'.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Foreign currency transactions and translation: The Group's consolidated financial statements are prepared in Indian Rupee (INR), which is also Parent Company's functional currency. For each entity the Group determines the functional currency and the items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arise from using this method.

Transactions and balances: Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date of transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate exchange of the functional currency spot rates prevailing during the reporting periods.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange prevailing at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss.

Non-monetary items that are measured at historical costs in a foreign currency are translated using the exchange rates at the dates of initial transactions. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary items measured at fair value is to be reported in line with the recognition of the gain or loss on the change in the fair value of the item (i.e. FVTOCI or FVTPL). Any profit or loss arising on cancellation, maturity or renewal of forward exchange contracts is recognized as income or expenses in the statement of profit and loss and included in exchange difference.

In determining the spot exchange rate to use on initial recognition of the related assets, expense or income (or part of it) on the derecognition of non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary assets or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

The Group has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13AA of Ind AS 101 "First-Time Adoption of Ind AS". Accordingly, exchange loss/ (gain) arising on all long-term

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

2 Significant accounting policies *(continued)*

monetary items financed or re-financed relating to acquisition of property, plant and equipment are added to/ adjusted from the cost of such assets/ capital work-in-progress and will be depreciated over the balance useful life of such assets.

Group companies: On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statement of profit and loss are translated at the average rate of exchange prevailing during the reporting periods. The exchange difference arising on translation for consolidation are recognised in other comprehensive income (OCI). On disposal of a foreign operation, the same is recognised in statement of profit and loss.

b) Use of significant accounting estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of consolidated financial statements and reported amounts of revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future period, if the revision affects current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i. Recoverability of deferred tax and other income tax assets

The Group has unabsorbed depreciation and MAT credit that are available for offset against future taxable profit. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax credits can be utilised. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets. This requires assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets and consequential impact in the statement of profit and loss.

ii. Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

iii. Defined benefit plans (gratuity benefits)

The obligation arising from defined benefit plans is determined on the basis of actuarial assumptions. Key actuarial assumptions include 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. Any change in these assumptions would have a significant impact on the Group's balance sheet and the statement of profit and loss.

iv. Impairment of property, plant and equipment

For property, plant and equipment and intangibles, an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, then Group estimates recoverable amount the assets or cash generating unit (CGU). A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

v. Impairment of investment

The Group assesses impairment of investments in subsidiaries which are recorded at cost. At the time when there are any indications that such investments have suffered a loss, if any, is recognised in the statement of profit and loss. The recoverable amount requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments.

vi. Provisions and contingencies

A provision is recognised when the Group has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

2 Significant accounting policies *(continued)*

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in notes but not recognised in the financial statements.

Contingent assets are not recognised, but disclosed in the financial statements when an inflow of economic benefit is probable. The actual outflow or inflow of resources at a future date may therefore, vary from the amount included in provisions and contingencies.

vii. Estimation of uncertainties relating to COVID-19

The Group has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information and concluded no adjustments are required in these consolidated financial statements. The Group continues to monitor changes in future economic conditions. The impact of COVID-19 may be different from that estimated as at the date of approval of these consolidated financial statements.

c) 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 Group.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

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

The Group's management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all expenses and financing costs related to acquisition and construction of the concerned assets and any attributable cost of bringing the asset to the condition of its intended use.

The Group has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described

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2 Significant accounting policies *(continued)*

in Para D13AA of Ind AS 101 “First-Time Adoption of Ind AS”. Accordingly, exchange loss/ (gain) arising on all long-term monetary items financed or re-financed relating to acquisition of property, plant and equipment are added to/ adjusted from the cost of such assets/ capital work-in-progress and will be depreciated over the balance useful life of such assets.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

Repair and maintenance cost are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Gains or losses arising from the retirement or disposal of an asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the statement of profit and loss.

Capital work-in-progress: Capital work-in-progress includes cost of assets under development, all taxes and duties and other expenses to bring the asset to the Group. Cost of property, plant and equipment not ready for their intended use before such date is disclosed under capital work-in-progress.

e) Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment.

Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets.

Computer software where it is expected to provide future enduring economic benefits is capitalized. The capitalized cost includes license fees and cost of implementation/system integration services.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the statement of profit and loss.

f) Depreciation and amortization

Depreciation on tangible property, plant and equipment has been provided on the basis of useful life as stated in Schedule II of the Companies Act, 2013 using the straight-line method. Lease hold land is amortized over the period of lease. Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. The following are the estimated useful lives:

Class of assets	Useful lives estimated by the management (years)
Buildings	Factory building and Building (other than RCC frame structure) – 30 years; Building (RCC frame structure) – 60 years; Building (temporary structure) – 3 years
Plant and equipment	Special plant and machinery used in manufacture of pharmaceuticals and chemicals – 20 years; Plant and machinery other than continuous process plant not covered under specific rate – 15 years; Continuous process plant for which no special rate has been prescribed in special plant and machinery – 8 years
Computer	3 / 6 years
Vehicles	8 to 10 years
Office equipment	5 years
Electrical installations	10 years
Furniture and fixtures	10 years
Lease hold land	30 to 99 years
Software	3 to 10 years
Technical know-how	10 years

g) Impairment of tangible assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists,

Notes forming part of the Consolidated Financial Statements

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2 Significant accounting policies *(continued)*

the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. 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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the assets is considered impaired and is written down to its recoverable amount and impairment loss is recognized in statement of profit and loss. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. Such reversal is recognised in statement of profit and loss unless the assets is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

h) Investments and other financial assets

i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through statement of profit and loss); and
- those measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

ii) Initial measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in statement of profit and loss.

iii) Subsequent measurement – debt instruments

Subsequent measurement of the debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments in the following three categories:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not a part of the hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets where the assets cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (OCI). Movements in the carrying amount are taken through OCI, except for recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the statement of profit and loss. When financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains / losses. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not a part of hedging relationship is recognized in the statement of profit and loss. Interest income from these financial assets is included in other income.

iv) Subsequent measurement – equity instruments

The Group subsequently measures all equity instruments at fair value. When the management has elected to

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2 Significant accounting policies *(continued)*

present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognized in the statement of profit and loss as other income when the Group's right to receive payment is established. Changes in the fair value of financial assets at FVTPL are recognized in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

v) Impairment of financial assets

Expected credit losses are recognised for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

Expected credit losses is the weighted-average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

For financial assets other than trade receivables, the Group recognises 12 month expected credit losses as per Ind AS 109 for all originated or acquired financial assets, if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses, if the credit risk on financial asset increases significantly since its initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

vi) De-recognition of financial assets

A financial asset is de-recognized when the Group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. When the Group has transferred an asset, it evaluates whether it has transferred substantially all the risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Group has neither transferred a financial asset nor retains substantially all the risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset.

vii) Investment in subsidiaries

The Group has accounted for its investments in subsidiaries at cost less impairment loss, if any. Cost includes the purchase price and other costs directly attributable to the acquisition of investments. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss. Further, under Ind AS 101, while transitioning to Ind AS from previous GAAP, the Group had elected to measure its existing investments in subsidiaries on the date of transition at cost.

i) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group 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 Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method. Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Notes forming part of the Consolidated Financial Statements

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2 Significant accounting policies *(continued)*

Fair value measurement of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), correlation and volatility.

Derivative financial instrument

The Group holds derivative financial instruments such as foreign exchange forward contracts (not designated as cash flow hedges) to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109 Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and short term highly liquid investments with original maturities of three months or less, that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

k) Inventories

Inventories are valued at lower of cost or net realisable value. The basis of determining costs for each class of inventories are as follows:

- Raw materials, packing materials, consumables, stores and spares: Cost includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Costs are determined on first in, first out basis. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.
- Finished goods and work-in-progress: Cost includes cost of direct materials, direct labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.
- Stock-in-trade: Cost includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Costs are determined on first in, first out basis.

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

l) Revenue recognition

Revenue from contracts with customers

Ind AS 115 "Revenue from contracts with customers" provides a control-based revenue recognition model and provides a five-step application approach to be followed for revenue recognition i.e.: a) Identify the contract(s) with a customer; b) Identify the performance obligations; c) Determine the transaction price; d) Allocate the transaction price to the performance obligations; e) Recognize revenue when or as an entity satisfies performance obligation.

Revenue is measured based on the transaction price as specified in the contract with the customer, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST), where applicable. Discounts given include rebates, price reductions and other incentives given to customers.

As per the terms of the contract with customers, the Group expects, at the contract inception, that the period between

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2 Significant accounting policies *(continued)*

transfers of a promised goods or services to customer and related payments for the goods or services will be less than one year or less. Accordingly, the Group has availed the practical expedient available as per paragraph 63 of Ind AS 115 and has not adjusted the promised amount of consideration for the effects of significant financing component, if any.

Revenue from sale of products is recognized when the control on the goods or services has been transferred to the customers and Revenue from sale of services is recognised on satisfaction of performance obligation towards rendering of such services. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract. The majority of the Group's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services.

Revenue is recognised in an amount that reflects the consideration, which the Group expects to receive in exchange for those products or services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. None of the Group's contracts contain variable consideration and contract modifications are generally minimal.

Contract balances

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivable: A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Other incomes

- Claims and rebates receivables are accounted as and when settled.
- Interest income from a financial asset is recognized using the effective interest rate method when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- Dividends are recognized in statement of profit and loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.
- Incomes in respect of duty drawback or other export promotion schemes in respect of exports made during the year are accounted on accrual basis

m) Employee benefits

Employee benefits of the Group includes all forms of consideration (directly or indirectly) given by the Group in exchange for services rendered by employees or termination of employment. Where employees include their dependents and their beneficiaries and includes all categories i.e., full time, part time, casual, temporary and permanent etc. Employee benefits includes four types of benefits: A. Short-term employee benefits, B. Post-employment benefits, C. Other long-term employee benefits, and D. Termination benefits

A. Short-term employee benefits

Employee benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of reporting period. e.g.: salary and wages, social security contributions, paid leaves, maternity leave, bonus and other non-monetary benefits such as medical checkup, group insurance and subsidised services. The Group measures short-term employee benefits on an undiscounted basis and they do not involve any actuarial valuation.

The Group recognises short-term employee benefits expected to be paid:

a) as employee benefits expense in the statement of profit and loss, if it does not form part of the cost of an asset as per any other Ind AS (Ind AS 2 "Inventories" or Ind AS 16 "Property, plant and equipment"), and

b) as a current liability (employee benefits payable) or as a current asset (accrued expense) in the balance sheet, after deducting any amount already paid.

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2 Significant accounting policies *(continued)*

B. Post-employment benefits

Employee benefits (other than short-term employee benefits and termination benefits) that are payable after the completion of employment. e.g.: gratuity. These benefits are of two types i). Defined contribution plans, and ii). Defined benefits plans.

Defined contribution plans: Contribution to retirement benefit plans in the form of provident fund, employee state insurance scheme, pension scheme and superannuation schemes as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Group has no further payment obligations once the contributions have been paid.

Defined benefit plans: Defined benefit plan in the form of gratuity, are recognized on the basis of actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method or in compliance with the requirements of the domestic laws. Gratuity is included in employees' benefit expense in the statement of profit and loss. The gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through remeasurement of the net defined benefit liability/ (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effects of any plan amendments are recognized on net basis in the statement of profit and loss.

C. Other long-term employee benefits

Employee benefits (other than short-term employee benefits, post-employment benefits and termination benefits) that are not expected to be settled wholly before 12 months after the end of reporting period. e.g.: long-term paid absences (compensated absences). They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The said obligations are presented as current liabilities in the balance sheet, if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

D. Termination benefits

Employee benefits that are provided in exchange for termination of an employee's employment as a result of either: a) the Group's decision to terminate an employee's employment before the normal retirement date; or b) an employee's decision to accept an offer of benefits in exchange for the termination of the employment. E.g.: Retrenchment compensation etc.

The Group recognises termination benefits expected to be paid:

a) as employee benefits expense in the statement of profit and loss, and

b) as a current liability (employee benefits payable) or as a current asset (accrued expense) in the balance sheet, after deducting any amount already paid.

n) Leases

As a lessee: The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less, leases of low-value assets and cancellable leases. The Group recognises the lease payments associated with these leases as an expense in statement of profit and loss.

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2 Significant accounting policies *(continued)*

As a lessor: Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

o) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or where out of general borrowings, funds may have been used, the borrowing cost is calculated by applying weighted average cost of borrowing applicable to such general borrowing which is outstanding during the year, are capitalized up to the date by which qualifying assets are ready for its intended use and included in the carrying amount of such assets. All other borrowing costs are charged to statement of profit and loss. Borrowing costs includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

p) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax: The tax currently payable is based on estimated taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and revises the provisions, if so required where consider necessary.

The Group's current tax is calculated using tax rates that have been enacted by the end of the reporting period. Current tax assets and current tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax: Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets are generally recognized for all taxable temporary differences to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognized and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities. Transaction or event which is recognized outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

Minimum alternate tax (MAT): Deferred tax assets include minimum alternate 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 recognized 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 realized.

Current and deferred tax expense is recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

q) Provisions, contingent liabilities and contingent assets

A provision is made when there is a present obligation (legal or constructive) as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are determined based on the present value of the management's best estimate of the amount required to settle the present obligation at the end

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2 Significant accounting policies *(continued)*

of the reporting period. The discount rate used to determine present value is a pre-tax rate that reflects current market assessment of time value of money and the risks specific to the liability.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognized but disclosed in the financial statements.

r) Operating segments

"Operating segments" are components of the Group whose operating results are regularly reviewed by the "chief operating decision maker (CODM)" to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. "Specialty chemical business" is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

s) Earnings per share

Earnings per share are calculated by dividing the net profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

a) after tax effect of interest and other financing costs associated with dilutive potential equity shares,

b) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

t) Cash flows statement

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities.

Cash flows are reported using the indirect method, whereby net profit for the period is adjusted for the effects of transactions of non-cash nature, working capital changes, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash.

u) Cost recognition

Costs and expenses are recognised in statement of profit and loss when incurred and are classified according to their nature. Revenue expenditure pertaining to research is charged to the statement of profit and loss. Development costs of products are charged to the statement of profit and loss. Development expenditure of certain nature is capitalized when the criteria for recognizing an intangible asset are met. Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes.

v) Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with and the grants will be received.

When the grant relates to an expense item, it is recognized as income in statement of profit and loss on a systematic basis over the periods, to match with the related costs, for which it is intended to compensate.

When the grant relates to an asset, it is recognized as deferred government grant in the balance sheet and then subsequently transferred to statement of profit or loss on a systematic basis over the expected useful life of the related asset.

w) Exceptional items

Exceptional items refer to items of income or expense, including tax items, within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

x) Events after the reporting period

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the consolidated financial statements. Material non-adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' report.

Dividend: The Group recognises a liability to make distributions of dividend to equity holders, when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

2 Significant accounting policies *(continued)*

when it is approved by the shareholders. After approval, a corresponding amount is recognised directly in equity.

y) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

- **Ind AS 16 – Proceeds before intended use:** The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

  The Group does not expect the amendment to have any impact in its recognition of its property, plant and equipment in its financial statements.

- **Ind AS 37 – Onerous contracts - costs of fulfilling a contract:** The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

- **Ind AS 103 – Reference to conceptual framework:** The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

- **Ind AS 109 – Annual improvements to Ind AS (2021):** The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

- **Ind AS 109 and Ind AS 107 – Interest rate benchmark reform phase 2:** The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:

  Changes to contractual cash flows - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform will not result in an immediate gain or loss in the statement of profit and loss.

  Hedge accounting - The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

  The Group does not expect the amendment to have any significant impact in its financial statements.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

3 Property, plant and equipment*

Particulars	Buildings	Plant and equipment	Electrical installations	Office equipment	Furniture and fixtures	Vehicles	Data processing units	Total
At cost								
Balance as at 01 April 2020	348.66	603.83	89.95	10.23	22.37	17.99	7.29	1,100.32
Additions	25.79	82.17	6.26	3.81	1.47	36.48	2.54	158.52
Disposals	-	(0.86)	-	-	-	-	(0.03)	(0.89)
Balance as at 31 March 2021	374.45	685.14	96.21	14.04	23.84	54.47	9.80	1,257.95
Additions	2.08	239.88	19.69	6.54	0.66	0.91	4.69	274.45
Disposals	-	(2.22)	-	(0.29)	-	(0.33)	(0.08)	(2.92)
Balance as at 31 March 2022	**376.53**	**922.80**	**115.90**	**20.29**	**24.50**	**55.05**	**14.41**	**1,529.48**
Accumulated depreciation								
Balance as at 01 April 2020	19.49	57.40	12.60	3.33	4.54	7.43	3.88	108.67
Additions	11.50	34.84	8.82	2.17	2.32	2.97	1.94	64.56
Disposals	-	(0.33)	-	-	-	-	(0.03)	(0.36)
Balance as at 31 March 2021	30.99	91.91	21.42	5.50	6.86	10.40	5.79	172.87
Additions	12.32	40.81	10.01	3.20	2.42	7.35	2.30	78.41
Disposals	-	(0.47)	-	(0.22)	-	(0.17)	-	(0.86)
Balance as at 31 March 2022	**43.31**	**132.25**	**31.43**	**8.48**	**9.28**	**17.58**	**8.09**	**250.42**
Carrying amounts (net)								
As at 01 April 2020	329.17	546.43	77.35	6.90	17.83	10.56	3.41	991.65
As at 31 March 2021	343.46	593.23	74.79	8.54	16.98	44.07	4.01	1,085.08
As at 31 March 2022	**333.22**	**790.55**	**84.47**	**11.81**	**15.22**	**37.47**	**6.32**	**1,279.06**

** On the transition to Ind AS (i.e. 01 April 2017), the Group has elected to continue with the carrying value of all property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost in accordance with paragraph D7AA of Ind AS 101 "First-Time Adoption of Ind AS".*

Notes:

(i) Security: Refer note 16 for the property, plant and equipment which has been given as security.

(ii) Commitments: Refer note 46 for capital commitments made by the Group.

(iii) Impairment: The Group has reviewed the recoverability of the assets and has concluded that no indication of impairment exists and hence, no impairment of asset is required.

(iv) During the years ended, the Group has not capitalised any borrowing costs in accordance with Ind AS 23 ' Borrowing Costs'.

(v) During the years ended, the Group has not capitalised any amount as foreign exchange loss/(gain) in accordance with the option obtained under para D13AA of Ind AS 101 "First-Time Adoption of Ind AS".

(vi) During the years ended, the Group has not revalued its property, plant and equipment.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

4 Right-of-use assets

Particulars	Leasehold land
At cost	
Balance as at 01 April 2020	125.52
Additions	1.67
Disposals	-
Balance as at 31 March 2021	127.19
Additions	198.35
Disposals	-
Balance as at 31 March 2022	**325.54**
Accumulated depreciation	
Balance as at 01 April 2020	6.57
Additions	2.19
Disposals	-
Balance as at 31 March 2021	8.76
Additions	2.88
Disposals	-
Balance as at 31 March 2022	**11.64**
Carrying amounts (net)	
As at 01 April 2020	118.95
As at 31 March 2021	118.43
As at 31 March 2022	**313.90**

Notes:

(i) Security: Refer note 16 for the right-of-use assets (leasehold land) which has been given as security.

(ii) Commitments: Refer note 46 for capital commitments made by the Group.

(iii) The Group has acquired all the land under lease, where the Group is the “lessee” and all the lease agreements are duly executed in favour of the Group.

(iv) The Group does not have any investment property.

(v) During the years ended, the Group has not revalued its right-of-use assets.

(vi) The Group does not have any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

5 Capital work-in-progress

Particulars	Capital work-in-progress
Balance as at 01 April 2020	48.92
Additions	61.50
Transfer to assets or other adjustments	(12.31)
Balance as at 31 March 2021	98.11
Additions	693.21
Transfer to assets or other adjustments	(276.41)
Balance as at 31 March 2022	**514.91**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

5 Capital work-in-progress *(continued)*

Notes:

(i) Commitments: Refer note 46 for capital commitments made by the Group.

(ii) Capital-work-in progress (CWIP) ageing schedule:

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2022					
Projects in progress	504.02	10.89	-	-	514.91
Projects temporarily suspended*	-	-	-	-	-
Total	**504.02**	**10.89**	**-**	**-**	**514.91**
As at 31 March 2021					
Projects in progress	86.89	11.22	-	-	98.11
Projects temporarily suspended*	-	-	-	-	-
Total	86.89	11.22	-	-	98.11

** The Group does not have any project which has been temporarily suspended.*

(iii) The Group does not have any capital-work-in progress (CWIP), whose completion is overdue or has exceeded its cost compared to its original plan.

6 Other intangible assets*

Particulars	Computer software	Technical knowhow	Total
At cost			
Balance as at 01 April 2020	3.29	0.07	3.36
Additions	0.32	-	0.32
Disposals	-	-	-
Balance as at 31 March 2021	3.61	0.07	3.68
Additions	2.74	-	2.74
Disposals	-	-	-
Balance as at 31 March 2022	**6.35**	**0.07**	**6.42**
Accumulated amortisation			
Balance as at 01 April 2020	2.13	0.03	2.16
Additions	0.58	0.00	0.58
Disposals	-	-	-
Balance as at 31 March 2021	2.71	0.03	2.74
Additions	0.47	0.04	0.51
Disposals	-	-	-
Balance as at 31 March 2022	**3.18**	**0.07**	**3.25**
Carrying amounts (net)			
As at 01 April 2020	1.15	0.05	1.20
As at 31 March 2021	0.90	0.05	0.95
As at 31 March 2022	**3.17**	**-**	**3.17**

** On the transition to Ind AS (i.e. 01 April 2017), the Group has elected to continue with the carrying value of all other intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost in accordance with paragraph D7AA of Ind AS 101 “First-Time Adoption of Ind AS”.*

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

6 Other intangible assets* *(continued)*

Notes:

(i) Impairment: The Group has reviewed the recoverability of the assets and has concluded that no indication of impairment exists and hence, no impairment of asset is required.

(ii) During the years ended, the Group has not revalued its intangible assets.

7 Other financial assets

(Carried at amortised cost unless otherwise stated)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
Deposit with banks	-	-	-	8.43
Security deposits	20.88	26.62	-	17.84
Forward exchange contracts (refer sub note (iv))	-	1.13	-	2.45
Interest accrued on deposits	-	5.81	-	0.47
Total	**20.88**	**33.56**	**-**	**29.19**

Notes:

(i) Refer notes 43-44 for financial instruments, fair values and risk measurement.

(ii) The Group does not have any financial assets which have significant increase in credit risk.

(iii) Security deposits are primarily in relation to public utility services and includes other services. During the year ended 31 March 2022, the Holding Company has completed initial public offer and as a pre-condition of designated stock exchange, the Holding Company has deposited 1% security deposit i.e. ₹ 50.00 million to BSE limited, out of which fifty percent i.e. ₹ 25.00 million has been provided by way of a bank guarantee and the balance has been tendered through other regular payment modes i.e. ₹ 25.00 million, which has been included in current security deposits referred above.

(iv) The Group has entered into foreign exchange forward contracts to minimise foreign exchange risk of expected transactions, these contracts are not designated as hedging instruments. (refer note 44)

(v) Deposits with banks which have original maturity of more than 3 months but less than 12 month have been classified under other current financial assets.

8 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	0.82	0.81
Balances with banks		
- in current accounts	19.88	2.58
- in current accounts (foreign currency)	22.42	17.55
- in cash credit accounts (surplus)	3.32	-
- in EEFC current accounts	204.35	17.34
- in deposits with original maturity of less than 3 months	379.38	6.53
Total	**630.17**	**44.81**

Notes:

(i) Refer note 16 for security details of cash credit (loans repayable on demand).

(ii) Refer notes 43-44 for financial instruments, fair values and risk measurement.

(iii) Balances with banks in current accounts includes ₹ 0.33 million (31 March 2021: nil) earmarked as monitoring agency account balance towards unutilized IPO proceeds.

(iv) Bank fixed deposits with original maturity of less than 3 months includes ₹ 367.65 million (including accrued interest) (31 March 2021: nil) earmarked towards unutilized IPO proceeds.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

9 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with bank held as		
Deposits with original maturity over 3 months but less than 12 months	1,105.24	-
Margin money deposits for		
- bank guarantee	31.83	4.49
- letter of credit	2.62	4.12
Total	**1,139.69**	**8.61**

Notes:

(i) Bank fixed deposits with original maturity over 3 months but less than 12 months includes ₹ 1,097.22 million (including accrued interest) (31 March 2021: nil) earmarked towards unutilized IPO proceeds.

(ii) Refer notes 43-44 for financial instruments, fair values and risk measurement.

10 Loans

(Carried at amortised cost unless otherwise stated)

Particulars	As at 31 March 2022 Current	As at 31 March 2021 Current
(Unsecured, considered good unless otherwise stated)		
Loans receivable from employees	1.61	1.19
Total	**1.61**	**1.19**

Notes:

(i) The Group does not have loan receivables from directors or other officers of the Group Companies or any of them either severally or jointly with any other persons and from firms or private companies respectively in which any director is a partner or a director or a member.

(ii) Refer note 43-44 for financial instruments, fair values and risk measurement.

(iii) Loans given to employees (repayable on demand) as per the Group's policy has not been considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

(iv) The Group has not granted any loans or advances (in the nature of loans) to promoters, directors, key managerial personnel and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment.

(v) The Group has not advanced or given loan or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) 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 Group Companies (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(vi) The Group 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 Group 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.

(vii) Refer note 51 for the additional regulatory information.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

11 Inventories

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials	463.79	208.70
Work-in-progress	439.55	267.40
Finished goods	321.84	65.97
Finished goods in transit	218.12	65.71
Stock-in-trade	92.73	36.55
Packing materials	17.02	7.29
Consumables, stores and spares	146.53	68.57
Total	**1,699.58**	**720.19**

Notes:

(i) Refer note 16 for the inventories which has been given as security.

(ii) Refer note 2 (k) for the mode of valuation for each class of inventories.

12 Other assets

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
Prepaid expenses	5.14	21.22	-	15.09
Capital advances	-	99.69	2.96	-
Advance to creditors	-	2.82	-	17.34
Balance with revenue authorities	-	138.92	-	52.89
Export incentives receivable	-	20.62	-	24.49
Gratuity fund (net) (refer note 40)	-	4.21	-	4.37
Other receivables (refer note 47)	-	0.78	-	-
IPO related expenses (refer note 50)	-	-	-	16.90
Total	**5.14**	**288.26**	**2.96**	**131.08**

Notes:

(i) Balance with revenue authorities primarily relate to input credit entitlements in respect of Goods and Service Tax from regulatory authorities. It includes ₹ 0.06 million of duty paid under protest for appeal referred in note 46 for "Recovery of excess refund on zero rated supplies under Goods and Service Tax Act, 2017".

(ii) Refer note 51 for the additional regulatory information.

13 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Considered good - unsecured	565.98	907.43
Trade receivables-credit impaired	0.19	3.12
	566.17	910.55
Less: Loss allowance	(0.19)	(3.12)
Total	**565.98**	**907.43**

Notes:

(i) The Group does not have trade receivables from:

- directors or other officers of the Group Companies or any of them either severally or jointly with any other persons.
- firms or private companies respectively in which any director is a partner or a director or a member."

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

13 Trade receivables *(continued)*

(ii) Refer note 43-44 for financial instruments, fair values and risk measurement.

(iii) Refer note 16 for security details of trade receivables.

(iv) Trade receivables are non-interest bearing and are generally on credit terms of 30 to 180 days.

(v) In determining the allowances for credit losses of trade receivables, the Group has used a practical expedient by computing the expected credit loss (ECL) allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

Since the Group calculates impairment under the "Simplified approach" for trade receivables containing significant financing component and for trade receivables that do not contain significant financing component, then it is not required to separately track changes in credit risk of trade receivables, as the impairment amount represents "lifetime" expected credit loss.

Accordingly, based on a harmonious reading of Ind AS 109 and the break-up requirements under Schedule III, all such trade receivables are disclosed below, irrespective of whether they contain a significant financing component or not.

Summary of movement in loss allowance for credit losses of trade receivables:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	3.12	1.53
Add: Loss allowance for the year	0.19	1.59
Less: Excess provision written back	(3.12)	-
Balance at the end of the year	0.19	3.12

(vi) Trade receivables ageing schedule is as follows:

Particulars	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022							
Undisputed							
Considered good - unsecured	501.19	64.79	-	-	-	-	565.98
Trade receivables-credit impaired	-	0.19	-	-	-	-	0.19
Disputed							
Considered good - unsecured	-	-	-	-	-	-	-
Trade receivables-credit impaired	-	-	-	-	-	-	-
Gross total	501.19	64.98	-	-	-	-	566.17
Less: Loss allowance	-	(0.19)	-	-	-	-	(0.19)
Net trade receivables	**501.19**	**64.79**	**-**	**-**	**-**	**-**	**565.98**
As at 31 March 2021							
Undisputed							
Considered good - unsecured	836.68	70.75	-	-	-	-	907.43
Trade receivables-credit impaired	-	3.12	-	-	-	-	3.12
Disputed							
Considered good - unsecured	-	-	-	-	-	-	-
Trade receivables-credit impaired	-	-	-	-	-	-	-
Gross total	836.68	73.87	-	-	-	-	910.55
Less: Loss allowance	-	(3.12)	-	-	-	-	(3.12)
Net trade receivables	**836.68**	**70.75**	**-**	**-**	**-**	**-**	**907.43**

(vii) Refer note 41 for segment reporting.

(viii) Refer note 35 for contract assets and contract liabilities.

(ix) Refer note 51 for the additional regulatory information.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency: ₹ in Million, except per share data)

14 Equity share capital

Particulars	Number of shares	Amount
Authorised capital (Equity shares of ₹ 10 each)		
Balance as at 01 April 2020	10,000,000	100.00
Changes during the year	30,000,000	300.00
Balance as at 31 March 2021	40,000,000	400.00
Changes during the year	-	-
Balance as at 31 March 2022	**40,000,000**	**400.00**
Issued, subscribed and fully paid up capital (Equity shares of ₹ 10 each)		
Balance as at 01 April 2020	8,035,000	80.35
Changes during the year		
Addition pursuant to bonus issue	12,052,500	120.53
Balance as at 31 March 2021	20,087,500	200.88
Changes during the year		
Addition pursuant to fresh issue of shares	2,077,562	20.77
Reduction in promoter and promoter group shareholding pursuant to offer for sale	(2,539,242)	(25.39)
Addition in public shareholding pursuant to offer for sale	2,539,242	25.39
Balance as at 31 March 2022	**22,165,062**	**221.65**

Notes:

(i) **Rights, preferences and restrictions attached to equity shares**

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Accordingly, all equity shares rank equally with regard to dividend and share in the Holding Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared and approved from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Holding Company.

(ii) **Fresh issue of shares in initial public offer (IPO)**

During the year ended 31 March 2022, the Holding Company has completed initial public offer (IPO) of 4,616,804 equity shares of the face value of ₹ 10/- each at an issue price of ₹ 1,083/- per equity share (including a premium of ₹ 1,073 per equity share) aggregating to ₹ 5,000.00 million. The offer comprises of a fresh issue of 2,077,562 equity shares aggregating to ₹ 2,250.00 million and an offer for sale of 2,539,242 equity shares aggregating to ₹ 2,750.00 million. The equity shares of the Holding Company were allotted on 27 July 2021 vide board resolution dated 27 July 2021. The equity shares of the Holding Company were listed on 29 July 2021 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

(iii) **Increase in authorised equity share capital**

During the year ended 31 March 2021, the Holding Company has increased its authorised share capital of ₹ 100.00 million to ₹ 400.00 million vide board resolution dated 27 January 2021, which has been passed pursuant to special resolution by the shareholders in extra ordinary general meeting (EOGM).

(iv) **Dividend**

During the year ended 31 March 2021, the Board of Directors have recommended an interim dividend of 50% (₹ 5/- per equity share of face value ₹ 10 each) amounting to ₹ 40.18 million vide board resolution dated 25 August 2020. (refer note 48)

(v) **Bonus issue**

During the year ended 31 March 2021, the Holding Company has allotted 12,052,500 numbers of equity shares pursuant to bonus issue to its existing shareholders in the ratio of 1.5:1 vide Board resolution dated 03 March 2021 which was passed pursuant to passing of special resolution by the shareholders in EOGM held on 27 January 2021. (refer note 42)

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency: ₹ in Million, except per share data)

14 Equity share capital *(continued)*

(vi) **Aggregate number and class of shares allotted as fully paid-up pursuant to any contract(s) without payment being received in cash or by way of bonus share or shares bought back during the period of five years immediately preceding the reporting date:**

(a) The Group has not allotted any fully paid-up equity shares pursuant to any contract without payment being received in cash.

(b) During the year ended 31 March 2021, the Holding Company has allotted 12,052,500 numbers of equity shares of the face value of ₹10 each by way of bonus share (refer sub note (v) above).

(c) The Group has not bought back any fully paid-up equity shares.

(vii) **Details of shareholding of promoters and promoter group including shareholders holding more than 5% of equity shares is as below:**

Name of shareholders	Shareholder category	Number of equity shares held	% of total equity shares	% change during the year
As at 31 March 2022				
Mr. Shekhar Rasiklal Somani	Promoter	5,630,628	25.40%	-10.69%
Mr. Chintan Nitinkumar Shah	Promoter	4,897,219	22.09%	-13.31%
Mr. Ajaykumar Mansukhlal Patel	Promoter	4,007,190	18.08%	-5.10%
M/s Ajay Mansukhlal Patel HUF	Promoter group	921,711	4.16%	-25.52%
Ms. Priti Ajay Patel	Promoter group	920,211	4.15%	-25.55%
M/s Chintan N Shah HUF	Promoter group	447,500	2.02%	0.00%
Ms. Darshana Nitinkumar Shah	Promoter group	273,394	1.23%	-25.81%
Ms. Shital Chintan Shah	Promoter group	231,000	1.04%	0.00%
Ms. Kajal Shekhar Somani	Promoter group	218,080	0.98%	-31.78%
Mr. Shitalkumar Rasiklal Somani	Promoter group	843	0.00%	-92.34%
Mr. Samirkumar Rasiklal Somani	Promoter group	482	0.00%	-99.20%
Total		**17,548,258**	**79.17%**	**-12.64%**
As at 31 March 2021				
Mr. Shekhar Rasiklal Somani	Promoter	6,304,682	31.39%	150.00%
Mr. Chintan Nitinkumar Shah	Promoter	5,648,835	28.12%	150.00%
Mr. Ajaykumar Mansukhlal Patel	Promoter	4,222,333	21.02%	150.00%
M/s Ajay Mansukhlal Patel HUF	Promoter group	1,237,500	6.16%	150.00%
Ms. Priti Ajay Patel	Promoter group	1,236,000	6.15%	150.00%
M/s Chintan N Shah HUF	Promoter group	447,500	2.23%	150.00%
Ms. Darshana Nitinkumar Shah	Promoter group	368,500	1.83%	150.00%
Ms. Shital Chintan Shah	Promoter group	231,000	1.15%	150.00%
Ms. Kajal Shekhar Somani	Promoter group	319,650	1.59%	150.00%
Mr. Shitalkumar Rasiklal Somani	Promoter group	11,000	0.05%	150.00%
Mr. Samirkumar Rasiklal Somani	Promoter group	60,500	0.30%	150.00%
Total		20,087,500	100.00%	150.00%

(viii) During the years ended, the promoters and promoter group does not have any number of shares pledged or otherwise encumbered.

(ix) All the equity shares of the Holding Company have been held in dematerialised form.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency: ₹ in Million, except per share data)

14 Equity share capital *(continued)*

(x) **Details of shareholding pattern of equity shares is as below:**

Shareholder category				**Numbers of shareholders**	**Number of equity shares held**	**% of total equity shares**
As at 31 March 2022						
A	Promoter and promoter group (refer sub note (vii))			11	17,548,258	79.17%
B	Public					
1	Institutions					
	a	Mutual fund		6	1,670,232	7.54%
	b	Alternate investment funds		4	39,761	0.18%
	c	Foreign portfolio investor		11	676,390	3.05%
	d	Insurance companies		1	91,064	0.41%
			Subtotal (B)(1)	**22**	**2,477,447**	**11.18%**
2	Non-institutions					
	a	Individuals				
		i	Individual shareholders holding nominal share capital up to ₹ 0.20 million	87,141	1,407,909	6.35%
		ii	Individual shareholders holding nominal share capital in excess of ₹ 0.20 million	-	-	-
			Subtotal (B)(2)(a)	**87,141**	**1,407,909**	**6.35%**
	b	Others				
		i	Trusts	3	189	0.00%
		ii	Hindu undivided family	1,663	42,444	0.19%
		iii	Non-resident Indians (non-repatriable)	283	8,257	0.04%
		iv	Non-resident Indians (repatriable)	602	26,316	0.12%
		v	Bodies corporate	144	37,746	0.17%
		vi	Body corporate-Limited liability partnership	8	601,927	2.72%
		vii	Clearing members	53	14,569	0.07%
			Subtotal (B)(2)(b)	**2,756**	**731,448**	**3.30%**
			Subtotal (B)(2)	**89,897**	**2,139,357**	**9.65%**
Public (B)				**89,919**	**4,616,804**	**20.83%**
Total shareholding as at 31 March 2022				**89,930**	**22,165,062**	**100.00%**
As at 31 March 2021						
A	Promoter and promoter group (refer sub note (vii))			11	20,087,500	100.00%
B	Public			-	-	-
Total shareholding as at 31 March 2021				**11**	**20,087,500**	**100.00%**

(xi) Pursuant to Regulations 14, 16 and 17 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-offer equity share capital of the Holding Company held by the promoters shall be locked in for a period of three years as minimum promoters' contribution from the date of allotment i.e. up to 26 July 2024 ("promoters' contribution") and the promoters' shareholding in excess of 20% of the fully diluted post-offer equity share capital shall be locked in for a period of one year from the date of allotment i.e. up to 26 July 2022.

(xii) The Group does not have any employee stock option plan.

(xiii) Except three "promoter/directors" referred above in sub note (vii), none of the other directors and key managerial personnel of the Group Companies hold any equity shares in the Holding Company.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

15 Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
Securities premium (refer note A)	2,090.26	-
Retained earnings (refer note B)	2,412.79	1,455.55
Foreign currency translation reserve (refer note C)	6.19	3.21
Total	**4,509.24**	**1,458.76**

Notes:

	Particulars	As at 31 March 2022	As at 31 March 2021
A	**Securities premium**		
	Balance at the beginning of the year	-	-
	Add : Securities premium on fresh issue of shares (2,077,562 equity shares @ ₹ 1,073 per share)	2,229.22	-
	Less : Share issue expenses written off under section 52 of the Companies Act, 2013 against securities premium (refer note 50)	(138.96)	-
	Balance at the end of the year	**2,090.26**	**-**
B	**Retained earnings**		
(i)	Retained earnings		
	Balance at the beginning of the year	1,456.01	1,094.10
	Prior period errors (round off)	0.01	-
	Restated balance at the beginning of the year	1,456.02	1,094.10
	Add : Profit for the year	958.74	522.62
	Less: Bonus issue	-	(120.53)
	Less: Dividend	-	(40.18)
	Less: Round off	(0.05)	-
	Balance at the end of the year (i)	**2,414.71**	**1,456.01**
(ii)	Remeasurement of defined benefit plan, net of tax		
	Balance at the beginning of the year	(0.46)	(1.93)
	Prior period errors (round off)	(0.01)	-
	Restated balance at the beginning of the year	(0.47)	(1.93)
	Add : Other comprehensive income/(expense) for the year	(1.45)	1.47
	Balance at the end of the year (ii)	**(1.92)**	**(0.46)**
	Balance at the end of the year (i) + (ii)	**2,412.79**	**1,455.55**
C	**Foreign currency translation reserve**		
	Balance at the beginning of the year	3.21	4.42
	Add: Exchange differences in translating the financial statements of foreign operations	2.98	(1.21)
	Balance at the end of the year	**6.19**	**3.21**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

16 Borrowings

(Secured unless otherwise stated)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Non-current				
Term loans (in foreign currency)				
From banks (refer sub note (vii))	110.92	-	241.27	-
Other loans				
Vehicle loans from banks (refer sub note (vii))	20.19	-	26.36	-
Current				
Loans repayable on demand				
From banks in foreign currency (refer sub note (vii))	-	924.69	-	-
From banks in Indian rupees (refer sub note (vii))	-	-	-	492.94
Current maturities of long-term debt				
Term loans (in foreign currency) from banks	-	137.91	-	136.18
Vehicle loans from banks	-	5.67	-	5.73
Total	**131.11**	**1,068.27**	**267.63**	**634.85**

Notes:

(i) Refer note 43-44 for financial instruments, fair values and risk measurement.

(ii) The Group has not defaulted on repayment of principal and interest of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by the Group from banks or financial institutions has not been rescheduled. The Group has not breached any covenants, terms and conditions of any loan agreement or any facility agreement.

(iii) The Group has utilised the borrowings from banks for the specific purpose for which it was taken.

(iv) The Holding Company does not have any charges or satisfaction which are yet to be registered with Registrar of Companies (ROC) beyond statutory period.

(v) Refer note 51 for the additional regulatory information.

(vi) Promoters/directors of the Holding Company i.e. Mr. Ajaykumar Mansukhlal Patel, Mr. Chintan Nitinkumar Shah and Mr. Shekhar Rasiklal Somani have issued the guarantees to banks. These guarantees are in the nature of personal guarantees and have been issued towards contractual obligations in respect of loans availed by the Holding Company. These guarantees are typically effective for a period till the underlying loan is repaid by the Holding Company. The financial implications in case of default by the relevant borrower would entitle the lenders to invoke the personal guarantee given by the promoters/directors to the extent of outstanding loan amount.

(vii) Nature of security and terms of repayments are as follows:

Foreign currency term loans - I, II, III and working capital facilities from ICICI Bank Limited have been secured by way of first pari-passu charge and exclusive charge on immovable and movable fixed assets of Dahej SEZ unit and Ankleshwar unit of the Holding Company, respectively. Further, secured by pari-passu charge on current assets of the Holding Company and personal guarantees of the promoters/directors of the Holding Company.

Foreign currency term loans - IV, V, VI, VII, VIII, IX and working capital facilities from CITI Bank N.A. have been secured by way of first pari-passu charge and exclusive charge on immovable and movable fixed assets of Dahej SEZ unit and Vadodara unit (for FCTL-IV only) of the Holding Company, respectively. Further, secured by pari-passu charge on current assets of the Holding Company and personal guarantees of the promoters/directors of the Holding Company.

Three vehicle loans from Axis Bank Limited have been secured by way of hypothecation of respective vehicles and personal guarantees of promoters/directors of the Holding Company.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

16 Borrowings *(continued)*

A Non-current borrowings including current maturities

Particulars	As at 31 March 2022	As at 31 March 2021
1) Foreign currency term loans (FCTL) from ICICI Bank Limited		
a) FCTL-I of USD 0.94 million i.e. ₹ 61.27 million is repayable in 72 equal monthly installments of USD 0.01 million starting from 31 May 2017 to 30 April 2023. It carries interest rate of 3M LIBOR/SOFR +3.75% p.a.	12.93	24.12
b) FCTL-II of USD 0.67 million i.e. ₹ 43.17 million is repayable in 72 equal monthly installments of USD 0.01 million starting from 31 May 2017 to 30 April 2023. It carries interest rate of 3M LIBOR/SOFR +1.45% p.a.	15.26	28.46
c) FCTL-III of USD 1.11 million i.e. ₹ 71.16 million is repayable in 72 equal monthly installments of USD 0.02 million starting from 31 May 2017 to 30 April 2023. It carries interest rate of 3M LIBOR/SOFR +1.45% p.a.	9.11	16.99
2) Foreign currency term loans (FCTL) from CITI Bank N.A.		
a) FCTL-IV of USD 0.54 million i.e. ₹ 35.00 million is repayable in 16 equal quarterly installments of USD 0.03 million starting from 04 January 2019 to 04 October 2022 commenced after moratorium period of 1 year. It carries interest rate of 5.50% p.a.	7.64	17.28
b) FCTL-V of USD 0.61 million i.e. ₹ 39.50 million is repayable in 16 equal quarterly installments of USD 0.04 million starting from 22 May 2019 to 22 February 2023 commenced after moratorium period of 1 year. It carries interest rate of 6.20% p.a.	11.53	22.35
c) FCTL-VI of USD 0.29 million i.e. ₹ 20.00 million is repayable in 16 equal quarterly installments of USD 0.02 million starting from 13 October 2019 to 13 July 2023 commenced after moratorium period of 1 year. It carries interest rate of 6.20% p.a.	8.31	13.43
d) FCTL-VII of USD 2.01 million i.e. ₹ 143.00 million is repayable in 16 equal quarterly installments of USD 0.13 million starting from 28 April 2020 to 28 January 2024 commenced after moratorium period of 1 year. It carries interest rate of 6.40% p.a.	76.22	110.86
e) FCTL-VIII of USD 0.84 million i.e. ₹ 60.00 million is repayable in 16 equal quarterly installments of USD 0.05 million starting from 05 December 2020 to 05 September 2024 commenced after moratorium period of 1 year. It carries interest rate of 6.25% p.a.	39.72	53.91
f) FCTL-IX of USD 1.31 million i.e. ₹ 93.50 million is repayable in 16 equal quarterly installments of USD 0.08 million starting from 28 February 2021 to 28 November 2024 commenced after moratorium period of 1 year. It carries interest rate of 6.25% p.a.	68.11	90.05
3) Vehicle loans from Axis Bank Limited		
Three vehicle loans of ₹ 11.10 million each is repayable in 60 equal monthly installments of ₹ 0.22 million starting from 01 February 2021 to 01 January 2026. It carries interest rate of 7.46% p.a.	25.86	32.09
Total non-current borrowings including current maturities	**274.69**	**409.54**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

16 Borrowings *(continued)*

B Current borrowings

Particulars		As at 31 March 2022	As at 31 March 2021
1)	**Loans repayable on demand from CITI Bank N.A.**		
	Facilities includes fund based facility of ₹ 650.00 million (31 March 2021: ₹ 250 million). It carries interest rates ranging from 1.65% p.a. to 11.50% p.a.	600.39	250.00
2)	**Loans repayable on demand from ICICI Bank Limited**		
	Facilities includes fund based facility of ₹ 400.00 million (31 March 2021: ₹ 200 million) and non-fund based facility of ₹ 50.00 million (31 March 2021: ₹ 55 million). It carries interest rates ranging from Repo+2.00% p.a. to 5.15% p.a.	324.31	169.66
3)	**Current account (deficit) and others**	-	73.28
Total current borrowings		**924.69**	**492.94**

17 Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
	Current	Current
Interest accrued on borrowings	0.50	0.59
Other payables to related parties (refer note 50)	3.01	-
Total	**3.51**	**0.59**

18 Provisions

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Employee benefits				
Compensated absences (refer note 40)	6.51	1.79	5.52	1.09
Total	**6.51**	**1.79**	**5.52**	**1.09**

19 Other liabilities

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Payables for purchase of property, plant and equipment	-	37.60	3.97	-
Payables for initial public offer related expenses	-	50.77	10.17	-
Advances received from customers	-	2.82	-	6.51
Employee benefits payable*	-	24.97	-	8.20
Expenses payable	-	39.33	-	26.57
Deferred government grant (refer note 36)	0.17	-	0.17	0.09
Statutory dues payable	-	29.91	-	23.55
Total	**0.17**	**185.40**	**14.31**	**64.92**

**Refer note 42 for employee benefits payable to related parties*

20 Tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
	Current	Current
Provision for income tax (net)	10.23	3.93
(net off advance tax ₹ 175.42 million (31 March 2021 : ₹ 103.92 million))		
Total	**10.23**	**3.93**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

21 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Dues of micro and small enterprises	111.46	129.13
Dues of other than micro and small enterprises	333.67	345.64
Total	**445.13**	**474.77**

Notes:

(i) Trade payables ageing schedule:

Particulars	Outstanding for following period from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022						
Undisputed						
MSME	93.28	18.18	-	-	-	111.46
Others	292.25	41.42	-	-	-	333.67
Disputed						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**385.53**	**59.60**	**-**	**-**	**-**	**445.13**
As at 31 March 2021						
Undisputed						
MSME	68.26	60.87	-	-	-	129.13
Others	314.21	31.43	-	-	-	345.64
Disputed						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	382.47	92.30	-	-	-	474.77

(ii) Trade payables are generally non-interest bearing and are on credit terms of 30 to 180 days.

(iii) The Group does not have any trade payables to related parties.

(iv) Refer note 51 for the additional regulatory information.

22 Deferred tax (assets)/ liabilities (net)

Particulars		As at 31 March 2022	As at 31 March 2021
Tax effect of items resulting in taxable temporary differences			
Unabsorbed depreciation		109.44	93.02
	(A)	**109.44**	**93.02**
Tax effect of items resulting in deductible temporary differences			
MAT credit entitlement		(195.52)	(67.90)
Disallowances under income tax		(0.97)	(3.70)
Provision for expected credit loss		(0.05)	(0.64)
	(B)	**(196.54)**	**(72.24)**
Total (A+B)		**(87.10)**	**20.78**

Notes:

(i) Section 115BAA in the Income-tax Act, 1961 provides an option to the Holding Company for paying income tax at reduced rates as per the provisions or conditions defined in the said section. The Holding Company has opted to provide and consider the payment of income tax at the old rates and deferred tax assets and liabilities are measured at the rates at which such deferred tax assets or liabilities are expected to be realised or settled.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

22 Deferred tax (assets)/ liabilities (net) *(continued)*

(ii) The Holding Company is required to compute tax payable, higher of (a) Tax computed as per normal provisions of Income Tax Act, 1961 or (b) Tax payable as per MAT provisions computed u/s 115JB of Income Tax Act, 1961. When the amount of minimum alternate tax (MAT) is greater than its normal tax liability, the difference between MAT and normal tax liability is recognised as assets "MAT credit entitlement".

(iii) Movements in deferred tax (assets)/liabilities (net):

Particulars	**As at 31 March 2022**	**Charged/(credited) - to profit and loss**	**Charged/(credited) - to other comprehensive income**	**As at 31 March 2021**
Unabsorbed depreciation	109.44	16.42	-	93.02
MAT credit entitlement	(195.52)	(127.62)	-	(67.90)
Disallowances under income tax	(0.97)	2.73	-	(3.70)
Provision for expected credit loss	(0.05)	0.59	-	(0.64)
Remeasurement of defined benefits	-	0.60	(0.60)	-
Net deferred tax (assets)/liabilities	**(87.10)**	**(107.29)**	**(0.60)**	**20.78**

Particulars	As at 31 March 2021	Charged/(credited) - to profit and loss	Charged/(credited) - to other comprehensive income	As at 31 March 2020
Unabsorbed depreciation	93.02	35.01	-	58.01
MAT credit entitlement	(67.90)	(57.52)	-	(10.38)
Disallowances under income tax	(3.70)	(1.06)	-	(2.64)
Provision for expected credit loss	(0.64)	(0.20)	-	(0.44)
Remeasurement of defined benefits	-	(0.60)	0.60	-
Net deferred tax liabilities	20.78	(24.37)	0.60	44.55

(iv) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(v) MAT credit entitlement

The MAT credit can be utilised by the Holding Company in the subsequent years immediately succeeding the assessment year (A.Y.) in which such credit was generated. The credit can be adjusted in the year in which the liability of the Holding Company as per the normal provisions is more than the MAT liability. MAT credit can be carried forward only for a period of 15 years, after which it will lapse. The details of MAT credit recognised in respective A.Y., along with their expiry details are set out below:

Recognised in assessment year	**Expiry assessment year**	**As at 31 March 2022**	**As at 31 March 2021**
A.Y. 2020-21	A.Y. 2035-36	10.38	10.38
A.Y. 2021-22	A.Y. 2036-37	57.52	57.52
A.Y. 2022-23	A.Y. 2037-38	127.62	-
Total		**195.52**	**67.90**

(vi) The Group has accrued significant amounts of deferred tax. The majority of the deferred tax (assets)/liability represents:

1. Taxable temporary differences:

   (a) Accelerated tax relief for the depreciation on property, plant and equipment,

2. Deductible temporary differences:

   (a) Unused minimum alternate tax (MAT) credit carried forward,

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

22 Deferred tax (assets)/ liabilities (net) *(continued)*

(b) Net disallowances under income tax includes:

(i) Other long-term employee benefits (compensated absences),

(ii) Provision for expected credit loss,

(iii) Forward exchange contracts (not designated as hedge), and

(iv) Defined benefit obligation-gratuity fund

(vii) Recognition of deferred tax assets on MAT credit entitlement is based on the Group's present estimates and business plans as per which the same is expected to be utilized within the stipulated fifteen-year period from the date of origination.

(viii) During the years ended, the Group has not charged or credited current tax or deferred tax directly to equity.

(ix) During the year ended 31 March 2022, the Board has recommended proposed dividend, the estimated amount of tax on the proposed dividend is ₹ Nil. (refer note 48). During the year ended 31 March 2021, the Board has recommended interim dividend and the Holding Company has paid the same, the amount of tax paid on the interim dividend was ₹ 03.01 million.

23 Revenue from operations

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from contract with customers		
Sale of products		
Export	3,398.64	2,119.92
Domestic	908.27	841.16
Sale of services		
Export	6.02	7.49
	4,312.93	**2,968.57**
Other operating revenue		
Export incentives	6.70	28.01
Sale of scrap	16.84	7.01
	23.54	**35.02**
Total	**4,336.47**	**3,003.59**

Notes:

(i) Refer note 35 for revenue from contract with customers as per Ind AS 115.

(ii) Refer note 41 for information about operating segment as per Ind AS 108.

(iii) Refer note 36 for government grants as per Ind AS 20.

(iv) Refer note 42 for related party transactions as per Ind AS 24.

24 Other income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest income		
- on deposits with banks	45.13	2.05
- on deposits with others	0.27	0.26
- on income tax refund (refer note 32)	-	0.46
Income on government grants	0.09	0.82
Income tax refund (refer note 32)	-	1.20
Refund of reach charges	0.03	3.27
Gain on foreign currency transaction and translation	39.19	37.88
Provisions for doubtful debts written back (net) (refer note 13)	2.93	-
Liabilities no longer required written back	0.73	-
Miscellaneous income	0.57	6.06
Total	**88.94**	**52.00**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

24 Other income *(continued)*

Notes:

(i) Interest income includes income on financial assets carried at amortised cost

(ii) Interest income on deposits with bank includes interest income amounting to ₹ 42.45 million received from fixed deposits made out of initial public offer (IPO) proceeds.

(iii) Refer note 36 for government grants as per Ind AS 20.

(iv) Refer note 37 for details of net gain on foreign currency transaction and translation as per Ind AS 21.

25 Cost of materials consumed

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventories of raw materials at the beginning of the year	208.70	199.34
Add: Purchases of imported raw materials	1,453.51	632.98
Add: Purchases of indigenous raw materials	1,346.52	911.64
Inventories of raw materials at the end of the year	463.79	208.70
Total	**2,544.94**	**1,535.26**

26 Purchases of stock-in-trade

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Chemical purchases	36.79	25.36
Total	**36.79**	**25.36**

27 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventories at the beginning of the year		
- Work-in-progress	267.40	262.45
- Finished goods	65.97	69.70
- Finished goods in transit	65.71	14.96
- Stock-in-trade	36.55	48.39
- Foreign currency fluctuation reserve	0.63	0.07
Subtotal (i)	**436.26**	**395.57**
Inventories at the end of the year		
- Work-in-progress	439.55	267.40
- Finished goods	321.84	65.97
- Finished goods in transit	218.12	65.71
- Stock-in-trade	92.73	36.55
- Foreign currency fluctuation reserve	(0.64)	0.51
Subtotal (ii)	**1,071.60**	**436.14**
Total (i)-(ii)	**(635.34)**	**(40.57)**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

28 Employee benefits expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages (refer note 42)	280.68	216.82
Contribution to gratuity fund (refer note 40)	12.25	9.89
Contribution to provident and other funds (refer note 40)	2.07	3.11
Staff welfare expenses	13.14	8.21
Total	**308.14**	**238.03**

29 Finance costs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expenses*		
- on term loans	17.96	25.15
- on working capital loans	19.15	13.41
- on car loans	2.16	0.25
- on late payment of statutory dues	3.05	1.04
Other borrowing costs		
- letter of credit charges	1.16	1.12
- working capital loan processing charges	4.84	1.10
Total	**48.32**	**42.07**

**Interest expenses includes interest on financial liabilities carried at amortised cost*

30 Depreciation and amortization expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 3)	78.41	64.56
Amortization on right of use asset (refer note 4)	2.88	2.19
Amortization on other intangible assets (refer note 6)	0.51	0.58
Total	**81.80**	**67.33**

31 Other expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Consumables, stores and spares	130.39	63.53
Electricity, power and fuel	226.17	99.21
Rent (refer note 38)	11.40	14.48
Repairs and maintenance of:		
- Buildings	3.75	4.05
- Plant and equipment	43.70	32.35
- Others	21.18	17.31
Packing expenses	95.51	57.25
Effluent treatment expenses	84.00	42.04
Labour and service charges	28.69	40.61
Laboratory expenses	11.84	6.66
Insurance	16.96	10.32
Security expenses	5.03	4.55
Safety expenses	6.27	4.36
Sitting fees (refer note 42)	1.12	0.32

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

31 Other expenses *(continued)*

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Printing and stationery expenses	4.41	3.20
Legal and professional fees	21.79	12.51
Audit fees	2.53	0.85
Rates and taxes	7.67	5.25
Membership fees and subscription expenses	2.02	2.05
Communication expenses	2.56	3.01
Bank commission and other charges	2.82	2.40
Travelling and conveyance expenses	15.92	11.21
Selling and business promotion expenses	35.86	35.12
Freight clearing and forwarding expenses	203.26	95.42
Commission and brokerage	3.63	5.10
Provision for doubtful debts	-	1.59
CSR expenditure	7.92	5.45
Loss on foreign currency transaction and translation	0.78	0.35
Loss on sale of property, plant and equipment (net)	0.51	0.34
Sundry balances written-off	-	0.22
Bad debts	0.30	-
Miscellaneous expenses	1.56	0.04
Total	**999.55**	**581.15**

Notes:

(i) Research and development expenditure:

Research and development expenditure: The Holding Company has obtained a registration from the Department of Scientific and Industrial Research (DSIR) for its research and development unit which is approved under section 35(2AB) of the Income Tax Act, 1961 by the prescribed authority. The summary of research and development expenditure (capital and revenue) incurred during the year is as under:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Capital expenditure	32.67	26.47
Revenue expenditure	37.03	24.01
Total	**69.70**	**50.48**

32 Tax expense/(benefit)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax		
- on profit for the year	186.56	108.71
- on excess or short provision of tax relating to earlier years	3.20	-
	189.76	**108.71**
Deferred tax		
- on decrease in deferred tax assets	19.74	33.75
- on MAT credit entitlement	(127.62)	(57.52)
- on remeasurement of defined benefit liability/(asset)	0.60	(0.60)
	(107.29)	**(24.37)**
Total	**82.47**	**84.34**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

32 Tax expense/(benefit) *(continued)*

Notes:

(i) Reconciliation of effective tax rate

The reconciliation between estimated income tax expense at statutory income tax rate and tax expense reported in the statement of profit and loss is given below:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax (a)	1,041.21	606.96
Tax using the statutory tax rate @ 29.12% (31 March 2021: 29.12%)	303.19	176.74
Effect of :		
Non-allowable expenses	28.30	26.49
Allowable expenses	(56.49)	(48.22)
Tax holidays	(212.80)	(95.08)
Other deductions	(2.94)	(2.56)
Deferred tax	20.34	33.15
Tax in respect of earlier years	3.20	-
Others	2.66	(5.06)
Tax rates differences of subsidiaries	(2.99)	(1.12)
Net tax expense (b)	82.47	84.34
Effective tax rate (b)/(a)	7.92%	13.89%

(ii) The Holding Company continues to pay income tax under older tax regime and has not opted for lower tax rate as per provisions of section 115BAA of the Income Tax Act 1961. The Subsidiaries have been paying income tax under respective Acts or Laws prevailing in the countries where subsidiaries are located. The Group is computing current tax on the basis of tax laws that have been enacted.

(iii) During the year ended 31 March 2021, the Holding Company has received income tax refund amounting to ₹ 1.20 million for financial year 2018-19 (assessment year 2019-20) and interest amounting to ₹ 0.46 million. (refer note 24)

(iv) Refer note 22 for deferred tax.

(v) The Holding Company in India is eligible for specified tax incentives which is included in the table above as tax holidays or exemptions. These are briefly described as under:

a) Location based exemption: Special economic zone (SEZ) operations

The Dahej division of the Holding Company located in Dahej SEZ, Bharuch, Gujarat, India enjoy certain benefits under section 10AA of the Income Tax Act, 1961, which allows 100% of the taxable profit (derived from the export turnover from a SEZ unit) to be exempted till 31 March 2022, provided certain conditions are met.

Subsequent to this date, 50% of the taxable profit will be allowed to be exempted till 31 March 2027.

Subsequent to 31 March 2027, 50% of the taxable profits will be allowed to be exempted for further five years, provided the amount allowable in respect of deduction is credited to Special Economic Zone Re-Investment Reserve account and the amount credited should be utilised for acquiring new plant and machinery and provided certain other conditions are met. There can be no assurance that the Holding Company will continue to enjoy the tax benefits under section 10AA of the Income Tax Act, 1961 in future.

Notes forming part of the Consolidated Financial Statements

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(Currency: ₹ in Million, except per share data)

32 Tax expense/(benefit) *(continued)*

b) Other exemption: Research and development (R&D) operations

The R&D division of the Holding Company located at Vadodara, Gujarat, India enjoys certain benefits under section 35(2AB) of the Income Tax Act, 1961, which allows 150% deduction of any expenditure on scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility as approved by the prescribed authority, provided certain conditions stipulated by Department of Scientific and Industrial Research ("DSIR") are met, up to 31 March 2020.

Subsequent to this date, 100% of any expenditure as specified above will be allowed as deduction.

Approval of DSIR to the in-house R&D unit is valid till 31 March 2024. However, for subsequent period, deduction will be subject to approval of DSIR for the recognition of in-house R&D unit for respective period.

(vi) The Group has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation for its international transactions as well as specified domestic transactions. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have any impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

(vii) The Group Companies does not have any transaction which is not recorded in the books of accounts, that has been surrendered or disclosed as income during the year in the assessment under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) or any other Income Tax Acts or Laws prevailing in countries where subsidiaries are located.

33 Other comprehensive income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Items that will not be reclassified to profit or loss		
Remeasurement gain/(loss) of defined benefit plan obligations*	(2.05)	2.07
Income tax relating to items that will not be reclassified to profit or loss	0.60	(0.60)
Items that will be reclassified to profit or loss		
Exchange differences in translating the financial statements of foreign operations	2.98	(1.21)
Income tax relating to items that will be reclassified to profit or loss	-	-
Total	**1.53**	**0.26**

**Refer note 40 for employee benefits.*

34 Earnings per share (EPS)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Face value per equity share (in ₹)	10	10
(a) Profit for the year attributable to equity shareholders (numerator)	958.74	522.62
(b) Number of equity shares at the beginning of the year	20,087,500	8,035,000
(c) Equity shares issued/allotted during the year	2,077,562	12,052,500
(d) Number of equity shares at the end of the year	22,165,062	20,087,500
(e) Date of allotment	27 July 2021	03 March 2021
(f) Weighted average number of equity shares for calculating basic earnings per equity share (denominator)	21,499,104	20,087,500
(g) Weighted average number of equity shares for calculating diluted earnings per equity share (denominator)	21,499,104	20,087,500
Earnings per equity share (in ₹)		
- Basic	44.59	26.02
- Diluted	44.59	26.02

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency: ₹ in Million, except per share data)

34 Earnings per share (EPS) *(continued)*

Notes:

(i) During the years ended, the Group has presented earning per equity share for continuing operations attributable to the ordinary equity shareholders of the Group. The Group does not have any discontinued operations.

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Accordingly, all equity shares rank equally with regard to their right to share profit for the year.

The Group does not have any instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future.

(ii) The earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year.

(iii) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued/allotted during the year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

(iv) During the year ended 31 March 2022, the Holding Company has completed initial public offer (IPO) and allotted 2,077,562 equity shares of the face value of ₹ 10/- each at an issue price of ₹ 1,083/- per equity share (including a premium of ₹ 1,073 per equity share).

(v) During the year ended 31 March 2021, the Holding Company has allotted 12,052,500 numbers of equity shares pursuant to bonus issue to its existing shareholders in the ratio of 1.5:1. Accordingly, as per paragraph 28 of Ind AS 33 the number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if, the event has occurred at the beginning of the earliest period presented.

35 Revenue from contract with customers

Revenue from sale of products is recognized when the control on the goods has been transferred to the customers. Revenue from sale of services is recognised on satisfaction of performance obligation towards rendering of such services. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

The management identified that “specialty chemical business” as “single operating segment” for the purpose of making decision on allocation of resources and assessing its performance.

Although to meet the disclosure objective with respect to disaggregation of revenue under “Ind AS 115 Revenue from contract with Customers” the Group believes that disaggregation on the basis of “product categories” best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

A Revenue from contract with customers recognised in the statement of profit and loss

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products		
Export	3,398.64	2,119.92
Domestic	908.27	841.16
Sale of services		
Export	6.02	7.49
Total	**4,312.93**	**2,968.57**

B Provision/(reversal) of expected credit loss on trade receivables recognised in the statement of profit and loss

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Other (income)/expenses		
Provisions for doubtful debts/ (written back) (net)	(2.93)	1.59
(Reversal)/provision	**(2.93)**	**1.59**

Notes forming part of the Consolidated Financial Statements
for the year ended 31 March 2022

(Currency : ₹ in Million)

35 Revenue from contract with customers *(continued)*
C Disaggregation of revenue

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
(i)	**Revenue based on type/nature of goods or services**		
	Phase transfer catalysts (PTC)	980.26	816.12
	Structure directing agents (SDA)	2,248.29	1,202.43
	Electrolyte salts (ES)	56.83	30.35
	Pharmaceutical and agrochemical intermediates and others (PASC)	1,027.56	919.67
	Total	**4,312.93**	**2,968.57**
(ii)	**Revenue based on its timing of recognition**		
	Goods or services transferred over a period of time	-	-
	Goods or services transferred over a point of time	4,312.93	2,968.57
	Total	**4,312.93**	**2,968.57**
(iii)	**Revenue based on geographical location**		
	Outside India	3,404.66	2,127.41
	In India	908.27	841.16
	Total	**4,312.93**	**2,968.57**
(iv)	**Revenue based on contract duration**		
	Long-term contracts	-	-
	Short-term contracts	4,312.93	2,968.57
	Total	**4,312.93**	**2,968.57**
(v)	**Revenue based on relationship with the customers**		
	Related parties (refer note 42)	-	-
	Non-related parties	4,312.93	2,968.57
	Total	**4,312.93**	**2,968.57**

D Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue as per contracted price	4,447.12	3,079.33
Adjustments		
Sales returns or credits or reversals	(6.62)	(3.73)
Deferment of revenue during the year	(266.95)	(139.38)
Recognised as revenue during the year	139.38	32.35
Revenue from contract with customers	**4,312.93**	**2,968.57**

E Contract assets and liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current contract assets		
Trade receivables (refer note 13)	566.17	910.55
Less: Loss allowance	(0.19)	(3.12)
Contract assets (net trade receivables)	**565.98**	**907.43**
Current contract liabilities		
Other current liabilities (refer note 19)		
Advances received from customers	2.82	6.51
Contract liabilities (advance from trade receivables)	**2.82**	**6.51**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

35 Revenue from contract with customers *(continued)*

Notes:

(i) Amounts received in advance from customers i.e. before the related performance obligation is satisfied, are included in the balance sheet (Contract liability) as "Advances received from customers" in "Other current liabilities" (refer note 19). Amounts invoiced/billed for performance obligation satisfied but not yet paid by the customers are included in the balance sheet under (Contract assets) as "Trade receivables" (refer note 13).

(ii) There were no significant changes in the composition of the contract liabilities and contract assets during the years reported, other than on account of routine invoicing and revenue recognition.

(iii) Amounts previously recorded as contract liabilities have been increased due to further advances received from customers during the years and decreased due to revenue recognised on satisfaction of performance obligation during the years.

(iv) Amounts previously recorded as trade receivables have been increased due to revenue recognised on satisfaction of performance obligation during the years and decreased on account of amount received from customers during the years.

(v) As per the terms of the contract with customers, either all performance obligations are to be completed within one year from the date of such contracts or the Group has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Group has availed the practical expedient available as per paragraph 121 of Ind AS 115 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations, in all material respects, all the elements of transaction price have been included in the revenue recognised in the consolidated financial statements. Further, there is no material difference between the contract price and the revenue from contract with customers.

(vi) As per the terms of the contract with customers, the Group expects, at the contract inception, that the period between transfer of a promised goods or services to customer and related payments for the goods or services will be less than one year or less. Accordingly, the Group has availed the practical expedient available as per paragraph 63 of Ind AS 115 and has not adjusted the promised amount of consideration for the effects of significant financing component, if any.

36 Government grants

A Government grants recognised as deferred government grant in the balance sheet:

Particulars	As at 31 March 2022	As at 31 March 2021
Other liabilities (non-current and current)		
Deferred government grant (refer note 19)		
Balance at the beginning of the year	0.26	0.35
Add : Received during the year	-	-
Less: Released to statement of profit and loss	(0.09)	(0.09)
Balance at the end of the year	**0.17**	**0.26**
Non-current	0.17	0.17
Current	-	0.09
Total	**0.17**	**0.26**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

36 Government grants *(continued)*

B Government grants recognised in the statement of profit and loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operation		
Other operating revenue (refer note 23)		
Grants related to income		
Export incentives	6.70	28.01
	6.70	**28.01**
Other income		
Income on government grants (refer note 24)		
Grant related to assets	0.09	0.09
Grants related to income	-	0.74
	0.09	**0.82**
Finance costs		
Grants related to income off-set from interest expenses	1.19	1.48
	1.19	**1.48**
Total	**7.98**	**30.31**

Notes:

(i) Grants related to income includes:

1. Export incentives:

(a) During the year ended 31 March 2022, the Group has recognised ₹ 6.68 million (31 March 2021: ₹ 3.83 million) as duty drawback of duty paid on import of materials used in manufacture of export goods under section 75 of The Custom Act, 1962.

(b) During the year ended 31 March 2022, the Group has recognised ₹ 0.02 million (31 March 2021: ₹ 24.18 million) as duty credit scrips under Merchandise Export from India Scheme ("MEIS") as extended till 30.04.2022 covered in Foreign Trade Policy 2015-20.

2. Others:

(a) During the year ended 31 March 2022, the Group has recognised ₹ 1.19 million (31 March 2021: ₹ 1.48 million) as interest subsidy under interest equalisation scheme.

(b) During the year ended 31 March 2021, the Group has recognised ₹ 0.74 million as interest subsidy under assistance to manufacturing sector scheme, 2013 of Government of Gujarat.

(ii) The Group has not recognised any government grants whose conditions are not fulfilled and to which other contingencies are attached.

37 Foreign currency transactions and translation

(i) Foreign exchange (gain) or loss recognised in the statement of profit and loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Realised foreign exchange (gain)	(69.78)	(84.40)
Unrealised foreign exchange loss	31.37	46.86
Net foreign exchange (gain)	**(38.41)**	**(37.54)**

(ii) During the years ended, the Group has not capitalised any amount as "foreign exchange loss/(gain) in accordance with the option obtained under para D13AA of Ind AS 101 "First-Time Adoption of Ind AS".

(iii) During the years ended, the Holding Company has repatriated to India, all due trade receivable from both the overseas wholly owned subsidiaries (WOS) and from other overseas non-related parties within 60 days of its falling due or as prescribed by Reserve Bank of India from time to time.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

38 Leases

Group as lessee:

Short-term leases: The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less (short-term lease), leases of low-value assets and cancellable leases. The Group recognizes the lease payments associated with these leases as an expense in the statement of profit and loss.

The Group has taken "leasehold land" on long-term lease, these leases are entirely prepaid by the Group and does not have any future lease liability towards the same. (refer note 4)

Amounts recognised in the statement of profit and loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Other expenses		
Rent		
Short term or cancellable leases	11.33	14.42
Low value leases	0.07	0.06
Total	**11.40**	**14.48**

39 Disclosure of group and interest in subsidiaries

Description of parent and all the subsidiaries covered under consolidated financial statements are as follows:

Name of entities	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			As at 31 March 2022	As at 31 March 2021
Parent or Holding Company				
Tatva Chintan Pharma Chem Limited	Manufacturing of specialty chemicals	India		
Subsidiary Companies				
Tatva Chintan USA Inc.	Wholesale trade of specility chemicals	USA	100%	100%
Tatva Chintan Europe B.V.	Wholesale trade of specility chemicals	The Netherlands	100%	100%

Notes:

(i) The Holding Company has carried its investments in equity instruments of subsidiaries at deemed cost less provision for impairment, if any. The Group does not have any investment in equity instruments "designated" at FVTOCI.

(ii) During the years ended, no such event has occurred, that have a detrimental impact on estimated future cash flows of above investments and the Group does not have any investments which have significant increase in credit risk.

(iii) The Holding Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(iv) The Group does not have any fellow subsidiaries, step down subsidiaries, associates or joint ventures.

(v) All the subsidiaries have been consolidated in the consolidated financial statements.

(vi) During the years ended, the Group does not have any subsidiaries which have been incorporated/ liquidated / dissolved / merged / demerged.

(vii) Refer note 51 for the additional regulatory information.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

40 Employee benefits

Employee benefits of the Group includes all forms of consideration (directly or indirectly) given by the Holding Company in exchange for services rendered by employees or termination of employment.

A Short-term employee benefits:

Measurement and recognition:

The Group measures short-term employee benefits on an undiscounted basis and they do not involve any actuarial valuation.

The Group has recognised short-term employee benefits expected to be paid:

a) as employee benefits expense in the statement of profit and loss, if it does not form part of the cost of an asset as per any other Ind AS (Ind AS 2 “Inventories” or Ind AS 16 “Property, plant and equipment”) (refer note 28), and

b) as a current liability (employee benefits payable) or as a current asset (accrued expense) in the balance sheet, after deducting any amount already paid. (refer note 20)

B Post-employment benefits:

1 Defined contribution plans:

a) Description of plan:

The Group makes defined contribution to the recognised employee provident fund (EPF) as per provisions of the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and to employee state insurance corporation (ESIC) as per provisions of the Employees’ State Insurance Act, 1948 for qualifying employees, which are recognised as employee benefits expense in the consolidated statement of profit and loss, on accrual basis when an employee renders the related service. The Group does not have any further contractual or constructive obligation, other than the contribution payable to the provident fund.

b) Measurement and recognition:

Under these contributions, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Group are at rates specified in the provisions and rules of the related laws.

The Group has recognised defined contribution plans as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Amount recognised in statement of profit and loss:		
Employee benefits expense		
Contribution to statutory funds		
Employers' contribution to EPF	11.50	9.06
Employers' contribution to ESIC	0.75	0.83
Total	**12.25**	**9.89**
(ii) Amount recognised in balance sheet:		
Other current liabilities		
Statutory dues payable		
Employers' provident fund payable	0.97	0.84
Employers' state insurance corporation payable	0.07	0.08
Total	**1.04**	**0.92**

2 Defined benefit plans:

i) Gratuity (funded):

a) Description of plan:

The Group makes annual contributions to defined benefit gratuity plan (funded) to finance the plan liability for qualifying employees. The gratuity fund is separately managed and administered by a trust (approved under the Income tax Act, 1961) and is legally separate from the Group. The plan is funded with Life Insurance Corporation of India (LIC) in the form of qualified insurance policy. The contribution towards the trust fund is done as per rule 103 of Income Tax Rules, 1962. The plan is governed under provisions of the Payment of Gratuity Act, 1972:

Notes forming part of the Consolidated Financial Statements

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40 Employee benefits *(continued)*

The eligible employees are entitled to post-retirement benefit at the rate of 15 days last drawn salary (monthly salary is calculated for 26 days) for each completed year of service until the retirement age of 58 years, subject to ceiling of ₹ 2 million (i) On termination of employment due to superannuation or early retirement or resignation: with vesting period of 5 years of service. (ii) On death or permanent disablement in service: without any vesting period.

Where employees leave the Group prior to full vesting of the contributions, the contribution payable by the Group is reduced by the amount of forfeited contributions.

Governance of plan

The fund is managed by a trust which is governed by the Board of trustees. The Board of trustees are responsible for the administration, for overall governance of the plan assets, for the definition of the investment strategy and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They do periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

Investment strategy

The investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The plan exposes the Group to various actuarial risks such as:

(i)	Interest rate 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.
(ii)	Salary inflation 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.
(iii)	Investment risk:	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently, the plan has a relatively balanced investment in government securities and other debt instruments.
(iv)	Asset liability matching (ALM) risk:	The plan faces the ALM risk, as to the matching cash flows. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
(v)	Longevity (mortality) 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.
(vi)	Concentration risk:	The plan is having a concentration risk, as all the assets are invested with the insurance Group and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

b) Measurement and recognition:

The present value of the defined benefit obligation and the related current service cost and past service cost is determined based on actuarial valuation as at the reporting date and is measured using the "projected unit credit method", which recognizes each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to build-up the final obligation.

The obligations are measured at the present value of the estimated future cash flows by applying various valuation assumptions (referred below). The discount rate used for determining the present value of the obligation is based on the market yields on Government bonds as at the date of actuarial valuation.

For the purpose of calculation, past service is rounded to the nearest integer. Suitable application of the ₹ 2 million ceiling has been considered while conducting the valuation and during the years ended, there were no plan amendments, curtailments and settlements.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

40 Employee benefits *(continued)*

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2022 and this valuation has been done in conformity with the Actuarial Practice Standard 27 (APS 27) and the relevant guidance notes issued by Institute of Actuaries of India.

The Group has recognised actuarial gains or losses (net of tax) immediately in the other comprehensive income (OCI).

The principal assumptions used for the purposes of actuarial valuation of defined benefit plans were as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Demographic assumptions:		
Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate
Retirement age	58 years	58 years
Attrition rate	For service 4 years and below 25.00% p.a. For service 5 years and above 5.00% p.a.	For service 4 years and below 15.00% p.a. For service 5 years and above 2.00% p.a.
Financial assumptions:		
Salary escalation rate	8%	7%
Discount rate	6.90% p.a. (Indicative G.Sec referenced as on 31 March 2022) for the tenure of 8 years	6.82% p.a. (Indicative G.Sec referenced as on 31 March 2021) for the tenure of 14 years
Average expected future service	8 years	14 years

The Group recognises defined benefits plans as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Amount recognised in statement of profit and loss:		
Employee benefits expense		
Current service cost	2.37	3.10
Past service cost and (gain)/loss on settlements	-	-
Net interest cost	(0.30)	0.01
Total	**2.07**	**3.11**
(ii) Amount of actuarial gains or losses recognised in other comprehensive income (OCI):		
Remeasurement of net defined benefit liability		
Return on plan assets (excluding amounts included in net interest cost)	0.21	0.20
Actuarial (gains)/losses arising from changes in financial assumptions	1.65	0.02
Actuarial (gains)/losses arising from change in demographic assumptions	(1.08)	(1.16)
Actuarial (gains)/losses arising from experience adjustments	1.27	(1.13)
Total	**2.05**	**(2.07)**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

40 Employee benefits *(continued)*

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(iii)	**Amount recognised in balance sheet:**		
	Present value of funded defined benefit obligation (increased by 44.95%)	(15.83)	(10.92)
	Fair value of plan assets	20.03	15.29
	Net asset arising from defined benefit obligation	**4.21**	**4.37**
	Non-current	-	-
	Current	4.21	4.37
	Total	**4.21**	**4.37**
(iv)	**Reconciliation of net (asset)/liability recognised in balance sheet:**		
	Net (asset)/liability at the beginning	(4.37)	0.19
	Expenses recognised in statement of profit and loss	2.07	3.11
	Expenses recognised in other comprehensive income (OCI)	2.05	(2.07)
	Benefits paid directly by employer	-	-
	Employers' contribution	(3.95)	(5.60)
	Net (asset)/liability at the end	**(4.21)**	**(4.37)**
(v)	**Movement in the present value of the defined benefit obligation:**		
	Defined benefit obligation at the beginning	10.92	9.63
	Current service cost	2.37	3.10
	Interest cost	0.74	0.66
	Remeasurement (gains)/losses		
	Actuarial (gains)/losses arising from changes in financial assumptions	1.65	0.02
	Actuarial (gains)/losses arising from change in demographic assumptions	(1.08)	(1.16)
	Actuarial (gains)/losses arising from experience adjustments	1.27	(1.13)
	Past service cost	-	-
	Benefits paid from the fund	(0.05)	(0.20)
	Defined benefit obligation at the end	**15.83**	**10.92**
(vi)	**Movement in the fair value of the plan assets:**		
	Fair value of plan assets at the beginning	15.30	9.45
	Interest income	1.04	0.65
	Return on plan assets (excluding amounts included in interest income)	(0.21)	(0.20)
	Contributions from the employer	3.95	5.60
	Benefits paid from the fund	(0.05)	(0.20)
	Fair value of plan assets at the end	**20.03**	**15.30**
(vii)	**Composition of the plan assets**		
	Qualified insurance policy	100%	100%
	Total	**100%**	**100%**
(viii)	**Net interest (income)/expenses:**		
	Present value of the defined benefit obligation at the beginning	10.92	9.63
	Fair value of the plan assets at the beginning	(15.29)	(9.45)
	Net (asset)/liability at the beginning	(4.37)	0.19
	Interest cost	0.74	0.66
	Interest income	(1.04)	(0.65)
	Net interest (income)/expenses:	**(0.30)**	**0.01**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

40 Employee benefits *(continued)*

c) Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(1.58)	1.88	(1.43)	1.76
Withdrawal rate (0.5% movement)	(0.23)	0.26	(0.10)	0.11
Future salary growth (0.5% movement)	1.84	(1.58)	1.74	(1.44)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation, as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Each year an asset liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study.

d) Past service analysis:

The distribution of liability on defined benefit plans over different ranges of past service intervals is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Less than 4 years	19.54%	28.11%
Over 5 years	80.46%	71.89%
Total	**100.00%**	**100.00%**

e) Analysis of discontinuance liability:

The liability on discontinuance basis is the amount the Group has to pay if the Group discontinues its business on the valuation date. The discontinuance liability ignoring vesting criterion, if any on the valuation date works out as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Discontinuance liability (undiscounted accrued benefits) (increased by 39.63%)	16.37	11.72
Total	**16.37**	**11.72**

The distribution of the discontinuance liability for vested and non-vested employees is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Vested employees	69.92%	64.15%
Non-vested employees	30.08%	35.85%
Total	**100.00%**	**100.00%**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

40 Employee benefits *(continued)*

f) **Maturity analysis:**

The expected effect of defined benefit payments on the Group's cash flows is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Less than 1 year	0.61	0.18
Between 1-2 years	0.68	0.21
Between 2-5 years	3.63	1.85
Over 5 years	35.95	34.25

C Other long-term employee benefits:

Compensated absences (non-funded):

a) **Description of plan:**

The plan is non-funded and non-contributory defined benefits and cover the Group's liability for privilege leave. Under the compensated absences plan, leave encashment is payable to eligible employees on separation from the Group due to death, retirement, superannuation or resignation, at the rate of daily last drawn salary (monthly salary is calculated for 26 days), as per current accumulation of leave days. Other provisions of the plan are:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Encashment on separation	Yes	Yes
Encashment while in service	Yes	Yes
Availment while in service	Yes	Yes
Maximum accumulations (in days)	30	30
Maximum encashment (in days)	30	30
Excess over maximum accumulations	Lapse	Lapse
Vesting criteria	No	No

Accumulating paid absences may be either vesting (in other words, employees are entitled to a cash payment for unused entitlement on superannuation or resignation or retirement) or non-vesting (when employees are not entitled to a cash payment for unused entitlement on superannuation or resignation or retirement). An obligation arises, when employees render service that increases their entitlement to future paid absences. The obligation exists and is recognised, even if the paid absences are non-vesting, although the possibility that employees may leave before they use an accumulated non-vesting entitlement affects the measurement of that obligation.

b) **Measurement and recognition:**

The present value of the other long-term employee benefit and the related current service cost and past service cost is determined based on actuarial valuation as at the reporting date and is measured using the "projected unit credit method", which recognizes each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to build-up the final obligation.

The obligations are measured at the present value of the estimated future cash flows by applying various valuation assumptions (referred below). The discount rate used for determining the present value of the obligation is based on the market yields on Government bonds as at the date of actuarial valuation.

Based on the Group's past experience, the leave balances are split up into three proportions; leaves for while in service availment, leaves for while in service encashment and leaves for encashment on exit. This proportion is considered to follow the last in first out (LIFO) approach as guided in the Ind AS 19. During the years ended, there were no plan amendments, curtailments and settlements.

Notes forming part of the Consolidated Financial Statements

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(Currency : ₹ in Million)

40 Employee benefits *(continued)*

The most recent actuarial valuation of the present value of the other long-term employee benefits were carried out at 31 March 2022 and this valuation has been done in conformity with the Actuarial Practice Standard 27 (APS 27) and the relevant guidance notes issued by Institute of Actuaries of India.

The principal assumptions used for the purposes of actuarial valuation of other long-term employee benefits are same assumptions that are used in actuarial valuation of defined benefit plan (gratuity) (referred above), except two additional demographic assumptions which were as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Demographic assumptions:		
While in service availment rate (for compensated absences)	3%	3%
While in service encashment rate (for compensated absences)	5.00% of the leave balance (for the next year)	5.00% of the leave balance (for the next year)

The Group has recognised actuarial gains or losses on other long-term employee benefits as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Amount recognised in statement of profit and loss:		
Employee benefits expense		
Salaries and wages		
Compensated absences	4.87	4.04
Total	**4.87**	**4.04**
(ii) Amount recognised in balance sheet:		
Present value of unfunded other long-term employee benefits (increased by 25.51%)	8.30	6.62
Total liability arising from other long-term employee benefits	**8.30**	**6.62**
Non-current	6.51	5.52
Current	1.79	1.09
Total	**8.30**	**6.62**

c) Sensitivity analysis:

Significant actuarial assumptions for the determination of the other long-term benefits obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.53)	0.62	(0.54)	0.65
Employee turnover rate (1% movement)	(0.08)	0.09	(0.05)	0.06
Future salary growth rate (1% movement)	0.60	(0.53)	0.64	(0.54)

The sensitivity analysis presented above may not be representative of the actual change in the other long-term employee benefits obligation, as it is unlikely that the change in assumptions would occur in isolation of one another, as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the other long-term benefits obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

40 Employee benefits *(continued)*

d) Past service analysis:

The distribution of liability on compensated absences over different ranges of past service intervals is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Less than 9 years	84.21%	82.84%
Between 10-19 years	15.29%	16.17%
Between 20-29 years	0.50%	0.99%
Over 30 years	0.00%	0.00%
Total	**100.00%**	**100.00%**

e) Analysis of discontinuance liability:

The liability on discontinuance basis is the amount the Group has to pay if the Group discontinues its business on the valuation date. The discontinuance liability ignoring vesting criterion, if any on the valuation date works out as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Discontinuance liability (undiscounted accrued benefits) (increased by 23.61%)	7.32	5.93
Total	**7.32**	**5.93**

The discontinuance liability and other long-term employee benefits includes the due but not paid liability amount of ₹ 0.08 million

D Termination benefits:

Measurement and recognition:

The Group measures termination benefits on initial recognition and will further measure and recognise subsequent changes, in accordance with the nature of employee benefits, provided that:

- if the termination benefits are an enhancement of post-employment benefits, then the Group will apply all the requirements of post-employment benefits,
- if the termination benefits are expected to be settled wholly before 12 months after the end of reporting period, then the Group will apply all the requirements of short-term employee benefits, and
- if the termination benefits are not expected to be settled wholly before 12 months after the end of reporting period, then the Group will apply all the requirements of long-term employee benefits.

The Group has recognised termination benefits expected to be paid:

a) as employee benefits expense in the statement of profit and loss, and

b) as a current liability (employee benefits payable) or as a current asset (accrued expense) in the balance sheet, after deducting any amount already paid.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Amount recognised in statement of profit and loss:		
Employee benefits expense		
Salaries and wages		
Retrenchment compensation	0.10	0.24
Total	**0.10**	**0.24**

During the years ended, the Group does not have any current liabilities and current assets related to termination benefits.

Notes forming part of the Consolidated Financial Statements

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(Currency : ₹ in Million)

41 Segment reporting

"Operating segments" are components of the Group whose operating results are regularly reviewed by the "Chief Operating Decision Maker (CODM)" to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

"Specialty chemical business" has been identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

A Information about geographical areas

(i) Revenue from contract with customers*

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
India	908.27	841.16
Outside India	3,404.66	2,127.41
Total	**4,312.93**	**2,968.57**

**Revenue from contract with customers has been allocated based on the location of customers.*

(ii) Non - current assets*

Particulars	As at 31 March 2022	As at 31 March 2021
India	2,224.16	1,305.53
Outside India	-	-
Total	**2,224.16**	**1,305.53**

Non-current assets have been allocated based on the geographic location of the respective assets.

B Information about major customers

(i) Customers contributing more than 10% of the total revenue from contract with customers

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Customer 1	34%	17%
Customer 2	9%	15%

(ii) Customers contributing more than 10% of the outstanding trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Customer 1	26%	36%
Customer 2	-	11%

42 Related party disclosures

A Related parties

The Group does not have any fellow subsidiaries, step down subsidiaries, associates or joint ventures. As per the Ind AS 24 on "Related Party Disclosures", list of related parties identified in the Group are as follows:

1 Key managerial personnel (KMP) and relatives of key managerial personnel

(a) Key managerial personnel (KMP)

Executive directors	Designation
Mr. Chintan Nitinkumar Shah	Chairman and Managing Director
Mr. Ajaykumar Mansukhlal Patel	Whole Time Director
Mr. Shekhar Rasiklal Somani	Whole Time Director

Notes forming part of the Consolidated Financial Statements
for the year ended 31 March 2022

(Currency : ₹ in Million)

42 Related party disclosures *(continued)*

Non-executive directors	
Dr. Manher Chimanlal Desai	Independent Director
CA Subhash Ambubhai Patel	Independent Director
Dr. Avani Rajesh Umatt	Independent Director
Other key managerial personnel	
Mr. Ashok Bothra (w.e.f. 03 December 2021)	Chief Financial Officer
Mr. Mahesh Tanna (up to 31 August 2021)	Chief Financial Officer
Mr. Ishwar Nayi (w.e.f. 17 January 2022)	Company Secretary and Compliance officer
Ms. Apurva Dubey (up to 17 January 2022)	Company Secretary and Compliance officer
Ms. Mansi Ashar (up to 24 February 2021)	Company Secretary
(b) Relatives of key managerial personnel	
Ms. Darshana Nitinkumar Shah	
Ms. Shital Chintan Shah	Executive (up to 31 December 2021)
Ms. Priti Ajay Patel	Executive (up to 31 December 2021)
Ms. Kajal Shekhar Somani	Executive (up to 31 December 2021)
Mr. Samirkumar Rasiklal Somani	
Mr. Shitalkumar Rasiklal Somani	

2 Enterprises over which key managerial personnel & their relatives are able to exercise significant influence or control

M/s Ajay Mansukhlal Patel HUF
Arete Virtue Jewels
Bakia Laboratories
M/s Chintan N Shah HUF
Kirit H. Shah HUF
Marvel Indenting Private Limited
Premier Solution Private Limited
Samir Rasiklal HUF Somani
Shekhar Rasiklal Somani Ancestral
Tatva Chintan Pharma Chem Private Limited Employees Group Gratuity Scheme
Shital R Somani HUF
Shree Sai Baba Petroleum
Star Enterprise
Sardar Medical
Unigroup Resources LLP
Universal Distributors
Universal House
Voltajar Technology Private Limited
D. J. Shah Investment Finance Private Limited

B Transactions with related parties

All the contracts/ arrangements/ transactions entered with the related parties were in the ordinary course of business and on arm's length basis and were in compliance with the provisions of the Companies Act and Listing Regulations and are approved by Audit committee.

The terms and conditions of the transactions with key management personnel and their relatives were not favourable than those transaction available or those transaction which might reasonably be expected to be available, in respect of similar transactions with non-key management personnel and their relatives on an arm's length basis.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

42 Related party disclosures *(continued)*

The aggregate value of the Group's transactions with related parties are as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
1 Key managerial personnel (KMP) and relatives of key managerial personnel		
(i) Employee benefits expense		
Managerial remuneration		
Mr. Chintan Nitinkumar Shah	16.50	14.40
Mr. Ajaykumar Mansukhlal Patel	16.50	14.40
Mr. Shekhar Rasiklal Somani	16.50	14.40
Other key managerial personnel		
Mr. Mahesh Tanna	2.04	0.84
Mr. Ashok Bothra	1.56	-
Ms. Apurva Dubey	0.35	0.04
Mr. Ishwar Nayi	0.17	-
Ms. Mansi Ashar	-	-
Relatives of key managerial personnel		
Ms. Shital Chintan Shah	0.45	0.60
Ms. Priti Ajay Patel	0.45	0.60
Ms. Kajal Shekhar Somani	0.45	0.60
Subtotal	54.97	45.88
(ii) Other expenses		
Sitting fees		
CA Subhash Ambubhai Patel	0.41	0.11
Dr. Manher Chimanlal Desai	0.37	0.11
Dr. Avani Rajesh Umatt	0.34	0.10
Subtotal	**1.12**	**0.32**
(iii) Other current financial liabilities		
Reimbursement of initial public offer expenses		
Mr. Chintan Nitinkumar Shah	59.26	-
Mr. Shekhar Rasiklal Somani	53.15	-
M/s Ajay Mansukhlal Patel HUF	24.90	-
Ms. Priti Ajay Patel	24.90	-
Mr. Ajaykumar Mansukhlal Patel	16.96	-
Ms. Kajal Shekhar Somani	8.01	-
Ms. Darshana Nitinkumar Shah	7.50	-
Mr. Samirkumar Rasiklal Somani	4.73	-
Mr. Shitalkumar Rasiklal Somani	0.80	-
Subtotal	**200.21**	**-**
(iv) Other equity		
Dividend paid		
Mr. Shekhar Rasiklal Somani	-	12.61
Mr. Chintan Nitinkumar Shah	-	11.30
Mr. Ajaykumar Mansukhlal Patel	-	8.44
M/s Ajay Mansukhlal Patel HUF	-	2.48
Ms. Priti Ajay Patel	-	2.47
M/s Chintan N Shah HUF	-	0.90
Ms. Darshana Nitinkumar Shah	-	0.74
Ms. Kajal Shekhar Somani	-	0.64
Ms. Shital Chintan Shah	-	0.46
Mr. Samirkumar Rasiklal Somani	-	0.12
Mr. Shitalkumar Rasiklal Somani	-	0.02
Subtotal	**-**	**40.18**

Notes forming part of the Consolidated Financial Statements

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(Currency : ₹ in Million)

42 Related party disclosures *(continued)*

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(v) Equity share capital		
Equity share allotted on bonus issue		
Mr. Shekhar Rasiklal Somani	-	37.83
Mr. Chintan Nitinkumar Shah	-	33.89
Mr. Ajaykumar Mansukhlal Patel	-	25.33
M/s Ajay Mansukhlal Patel HUF	-	7.43
Ms. Priti Ajay Patel	-	7.42
M/s Chintan N Shah HUF	-	2.69
Ms. Darshana Nitinkumar Shah	-	2.21
Ms. Kajal Shekhar Somani	-	1.92
Ms. Shital Chintan Shah	-	1.39
Mr. Samirkumar Rasiklal Somani	-	0.36
Mr. Shitalkumar Rasiklal Somani	-	0.06
Subtotal	-	**120.53**
Total KMP and relatives of KMP	**256.30**	**206.91**

C Balances with related parties

The aggregate value of the Group's outstanding balances with related parties are as follows:

Particulars	Maximum outstanding	As at 31 March 2022	As at 31 March 2021
2 Key managerial personnel (KMP) and relatives of key managerial personnel			
(i) Other current liabilities			
(a) Employee benefits Payable			
Managerial remuneration			
Mr. Chintan Nitinkumar Shah	1.03	**0.77**	**0.77**
Mr. Ajaykumar Mansukhlal Patel	1.03	**0.76**	**0.76**
Mr. Shekhar Rasiklal Somani	1.02	**0.79**	**0.80**
Other key managerial personnel			
Mr. Ashok Bothra	0.32	**0.28**	-
Mr. Mahesh Tanna	0.72	-	**0.27**
Mr. Ishwar Nayi	0.07	**0.07**	-
Ms. Apurva Dubey	0.03	-	**0.03**
Relatives of key managerial personnel			
Ms. Shital Chintan Shah	0.04	-	**0.04**
Ms. Priti Ajay Patel	0.04	-	**0.04**
Ms. Kajal Shekhar Somani	0.04	-	**0.04**
Subtotal	**4.34**	**2.67**	**2.75**
(b) Expenses payable			
Sitting fees			
Dr. Manher Chimanlal Desai	0.05	-	**0.02**
CA Subhash Ambubhai Patel	0.06	-	**0.02**
Dr. Avani Rajesh Umatt	0.05	-	**0.02**
Subtotal	**0.16**	-	**0.06**

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(Currency : ₹ in Million)

42 Related party disclosures *(continued)*

Particulars	Maximum outstanding	As at 31 March 2022	As at 31 March 2021
(ii) Other current financial liabilities			
Other payables to related parties			
Mr. Chintan Nitinkumar Shah	(59.26)	0.89	-
Mr. Shekhar Rasiklal Somani	(53.15)	0.80	-
M/s Ajay Mansukhlal Patel HUF	(24.90)	0.38	-
Ms. Priti Ajay Patel	(24.90)	0.38	-
Mr. Ajaykumar Mansukhlal Patel	(16.96)	0.25	-
Ms. Kajal Shekhar Somani	(8.01)	0.12	-
Ms. Darshana Nitinkumar Shah	(7.50)	0.11	-
Mr. Samirkumar Rasiklal Somani	(4.73)	0.07	-
Mr. Shitalkumar Rasiklal Somani	(0.80)	0.01	-
Subtotal	(200.21)	3.01	-
Total KMP and relatives of KMP	**(195.71)**	**5.68**	**2.81**

Notes:

(i) Pursuant to Board resolution dated 03 March 2021, independent directors of the Holding Company are entitled to receive sitting fees of ₹ 0.025 million and ₹ 0.010 million for attending each meeting of the Board and the committees of the Board, respectively.

(ii) The total managerial remuneration paid to Managing Director and Whole Time Directors of the Holding Company is ₹ 49.50 million for the year ended 31 March 2022 (31 March 2021: ₹ 43.20 million) and it does not include any bonus, which is within the overall limits.

(iii) None of the Group Companies director is related to each other or to any other key managerial personnel or senior management personnel.

(iv) The Group Companies has not entered into any service contracts with its directors, key managerial personnel and senior management personnel which include termination or retirement benefits. Except statutory benefits upon termination of their employment in the Group or superannuation, none of the key managerial personnel or senior management personnel is entitled to any benefits upon termination of employment or superannuation.

(v) The Group Companies does not have any contingent or deferred compensation payable to its directors, key managerial personnel or senior management personnel which does not form part of their remuneration.

(vi) The Group Companies does not have any profit-sharing plan in which its directors, key managerial personnel or senior management personnel have participated. The Holding Company makes bonus payments to its key managerial personnel and senior management personnel, in accordance with their terms of appointment.

(vii) All the key managerial personnel and senior management personnel (other than executive directors) are interested in the Group Companies only to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

(viii) All the key managerial personnel and senior management personnel except its executive directors, are permanent employees of the Holding Company.

(ix) The directors of the Holding Company have not been paid any kind of remuneration from any of its subsidiaries.

43 Financial instruments

A Categories of financial assets and financial liabilities

The Group's financial assets and financial liabilities can be categorised as follows:

(i) The Holding Company has carried its investments in equity instruments of subsidiaries at deemed cost less provision for impairment, if any as per paragraph D15 of Ind AS 101 "First-time adoption of Indian accounting standards". The Group does not have any investment in equity instruments "designated" at FVTOCI.

Notes forming part of the Consolidated Financial Statements

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43 Financial instruments *(continued)*

(ii) All financial assets and financial liabilities of the Group are measured at amortised cost.

(iii) The Group does not have any financial assets and financial liabilities "designated to be measured at FVTPL" upon initial recognition or subsequently in accordance with Ind AS 109. The Group does not have any financial assets measured at FVTOCI.

(iv) During the years ended, the Group has not reclassified any financial assets and financial liabilities.

(v) During the years ended, the Group has not off-settled any financial assets and financial liabilities.

(vi) Refer note 13 for movement in loss allowance for credit losses of trade receivables.

(vii) The Group does not have any type of compound financial instruments.

(viii) Refer note 16 for security details of financial assets and for no default and breach related to borrowings.

(ix) The Group has disclosed carried amount, net gains or losses if any, interests' income and interest expenses of all the categories of financial assets and liabilities in respective notes forming part of consolidated financial statements.

(x) The Group does not have any financial assets that has been pledged as collateral for liabilities or contingent liabilities.

B Hedge accounting

Derivatives not designated as hedging instruments: The Group uses foreign currency denominated borrowings and foreign exchange forward contract to manage its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 4 to 6 months.

The Group does not use cash flow hedges, fair value hedges, hedging of net investment in foreign operations and embedded derivatives.

C Fair values

The Group's management have assessed that the "carrying amounts" of financial assets and liabilities other than those valued at Level 1 and Level 2 are considered to be reasonable approximation of their "fair values" due to their current and short-term nature. Accordingly, the Group has not separately disclosed fair values as per paragraph 29 of Ind AS 107 " Financial instruments: disclosures".

D Fair value hierarchy

The fair value of financial instruments has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1 quoted prices in an active market: This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual funds. It has been valued using the closing price as at the reporting period on the stock exchanges.

Level 2 valuation techniques with observable inputs: This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The fair value of these instruments is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 valuation techniques with significant unobservable inputs: This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor based on available market data.

Notes forming part of the Consolidated Financial Statements

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43 Financial instruments *(continued)*

E Measurement of fair values

The Group's management have used its best judgement in estimating the fair value of its financial instruments. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

F Recognition and classification

Particulars	FVTPL	FVTOCI	Amortised cost	Total	Fair value hierarchy		
					Level 1	Level 2	Level 3
As at 31 March 2022							
Financial assets (non-current and current)							
Trade receivables	-	-	565.98	565.98	-	-	-
Cash and cash equivalents	-	-	630.17	630.17	-	-	-
Other bank balance	-	-	1,139.69	1,139.69	-	-	-
Loans	-	-	1.61	1.61	-	-	-
Other financial assets	-	-	54.44	54.44	-	-	-
Total	**-**	**-**	**2,391.89**	**2,391.89**	**-**	**-**	**-**
Financial liabilities (non-current and current)							
Borrowings	-	-	1,199.38	1,199.38	-	-	-
Trade payable	-	-	445.13	445.13	-	-	-
Other financial liabilities	-	-	3.51	3.51	-	-	-
Total	**-**	**-**	**1,648.02**	**1,648.02**	**-**	**-**	**-**
As at 31 March 2021							
Financial assets (non-current and current)							
Trade receivables	-	-	907.43	907.43	-	-	-
Cash and cash equivalents	-	-	44.81	44.81	-	-	-
Other bank balance	-	-	8.61	8.61	-	-	-
Loans	-	-	1.19	1.19	-	-	-
Other financial assets	-	-	29.19	29.19	-	-	-
Total	-	-	991.23	991.23	-	-	-
Financial liabilities (non-current and current)							
Borrowings	-	-	902.48	902.48	-	-	-
Trade payables	-	-	474.77	474.77	-	-	-
Other financial liabilities	-	-	0.59	0.59	-	-	-
Total	-	-	1,377.84	1,377.84	-	-	-

44 Financial instruments-risk management

The Board of Directors has the overall responsibility for establishing and governing the Group's risk management framework. The Group has constituted a risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions have also been placed before the Audit Committee. This note explains the nature, extent and sources of risks arising from financial instruments to which the Group is exposed at the end of the reporting years and how the entity manages the risk and the related impact in the consolidated financial statements.

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other bank balances, loans, trade receivables and other receivables. The Group's business activities are exposed to a variety of financial risks namely: A. Credit risk, B. Liquidity risk and C. Market risk

Notes forming part of the Consolidated Financial Statements

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44 Financial instruments-risk management *(continued)*

A Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual and performance obligations resulting in financial loss to the Group. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Group's credit risks principally arises from trade receivables and other receivables, from cash and cash equivalents, from forward exchange contracts and from security deposits or other deposits. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the Group along with relevant mitigation procedures adopted have been enumerated below:

Trade and other receivables

Customer credit risk has been managed by the Group and is subject to established policy, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring the credit worthiness of the customers to which the Group extends the credit in the normal course of the business. The Group uses publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings (if available) of its counterparties are continuously monitored. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

In determining the allowances for credit losses of trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Refer note 13, 35 and 41 for other disclosures related to trade receivables.

Other financial assets

Other financial assets include security deposits, forward exchange contracts, cash and cash equivalents, loans, other bank balance and other receivables.

- Security deposits have been given to various government authorities including other counterparties. Being government authorities, the Group believe that it does not has any exposure to credit risk. Security deposits to others are subject to established policy, procedures and controls relating to counterparty credit risk management by monitoring their credit worthiness, etc.
- Foreign exchange forward contracts (not designated as hedging instruments) have been taken with the intention of reducing foreign exchange risk of expected transactions. The Group attempts to limit the credit risk by only dealing with reputable banks having high credit-ratings assigned by credit-rating agencies.
- Cash and cash equivalents and fixed deposits are placed with banks having good reputation and having high credit-ratings assigned by international credit-rating agencies.

  Refer note 7- 10 for other disclosures related to other financial assets.

B Liquidity risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Group has maintained a cautious liquidity strategy, with a positive cash balance throughout the years ended. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities. The Group also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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(Currency : ₹ in Million)

44 Financial instruments-risk management *(continued)*

Exposure to liquidity risk

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows, along with its carrying value as at the balance sheet date. It includes principal, estimated interest payments and exclude the impact of netting agreements. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Particulars	Carrying amount	Contractual maturities		Total
		Less than 1 year	More than 1 year	
Non-derivative financial liabilities				
As at 31 March 2022				
Borrowings	1,199.38	143.58	1,055.80	1,199.38
Trade payables	445.13	445.13	-	445.13
Other financial liabilities	3.51	3.51	-	3.51
Total	**1,648.02**	**592.22**	**1,055.80**	**1,648.02**
As at 31 March 2021				
Borrowings	902.48	141.91	760.57	902.48
Trade payables	474.77	474.77	-	474.77
Other financial liabilities	0.59	0.59	-	0.59
Total	1,377.84	617.27	760.57	1,377.84

C Market risk

Market risk is the risk, that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates and interest rates.

(i) Currency risk

"Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's functional currency is Indian Rupees (INR). The Group has exposure to foreign currency by way of trade receivables, borrowings and trade payables (primarily USD and EUR) and is therefore exposed to foreign exchange risk. Volatility in exchange rates affects the Group's revenue from exports markets and the costs of imports, primarily in relation to exports with respect to the US-dollar. Adverse movements in the exchange rate between the Rupee and the relevant foreign currency results in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt.

In order to minimize adverse effects on the financial performance, the Group has entered into foreign exchange forward contracts (not designated as hedging instruments) to hedge foreign currency exchange risk. All hedging activities are carried out in accordance with the Group's internal risk management policy, as approved by the Board, and in accordance with the applicable regulations where the Group operates. Such decisions are taken after considering many factors such as upside potential, cost of structure and the downside risks etc. Weekly reports are submitted to management on the covered and open positions and mark to market (MTM valuation). The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (Unhedged foreign currency exposure) at the end of the reporting period are as follows:

Particulars	As at 31 March 2022			As at 31 March 2021		
	USD	EUR	Total	USD	EUR	Total
Financial assets						
Trade receivables	412.30	-	412.30	757.59	-	757.59
Cash and cash equivalents	226.08	0.69	226.77	34.89	-	34.89
Other financial assets	1.13	-	1.13	2.45	-	2.45
Total Financial assets	**639.51**	**0.69**	**640.20**	**794.93**	**-**	**794.93**

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(Currency : ₹ in Million)

44 Financial instruments-risk management *(continued)*

Particulars	As at 31 March 2022			As at 31 March 2021		
	USD	EUR	Total	USD	EUR	Total
Financial liabilities						
Borrowings	1,173.52	-	1,173.52	377.45	-	377.45
Trade payables	103.07	2.51	105.58	147.98	2.10	150.08
Other financial liabilities	0.50	-	0.50	0.59	-	0.59
Total Financial liabilities	1,277.09	2.51	1,279.60	526.02	2.10	528.12
Net foreign currency exposure	637.58	1.82	639.40	(268.91)	2.10	(266.81)
Hedged foreing currency exposure	919.54	-	919.54	919.54	-	919.54
Unhedged foreign currency exposure	-	1.82	-	-	-	-

At the end of the reporting period the total notional amount of outstanding foreign currency contracts that the Group has committed to are as below :

Particulars	As at 31 March 2022		As at 31 March 2021	
	in USD	in INR	in USD	in INR
Foreign currency forwards-sell	12.13	919.54	12.13	928.98

The following significant exchange rates have been applied during the years:

Particulars	As at 31 March 2022		As at 31 March 2021	
	1 USD	1 EUR	1 USD	1 EUR
Opening rate as at 01 April	73.50	86.10	75.39	83.05
Average rate	74.51	86.59	74.27	86.67
Closing rate as at 31 March	75.81	84.66	73.50	86.10

Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity of "profit before tax" to a reasonably possible change of 2% in USD and EUR rates to the functional currency of the Group, with all other variables held constant:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Impact on profit before tax if exchange rates			
	increase by 2%	decrease by 2%	increase by 2%	decrease by 2%
USD	12.75	(12.75)	(5.38)	5.38
EUR	0.04	(0.04)	0.04	(0.04)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. The Group's fixed rate borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Group has exposure to variable interest rate risk, arising principally on changes in repo rate, MCLR, LIBOR and SOFR rates. The Group 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. The Group manages this risk by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The Group also has financial assets i.e. fixed deposits with fix rate of interest, therefore, they are not subject to interest rate risk.

Notes forming part of the Consolidated Financial Statements

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(Currency : ₹ in Million)

44 Financial instruments-risk management *(continued)*

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instrument is as follows:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Fix rate	Variable rate	Fix rate	Variable rate
Financial assets	1,519.07	-	23.56	-
Financial liabilities	237.38	962.00	339.97	562.50

Interest rate sensitivity analysis

The following tables demonstrate the sensitivity of "profit before tax" to a reasonably possible change of 100 basis points in variable interest rates for borrowings of the Group, assuming the amount of the liability outstanding at the end of the reporting year was outstanding for the whole year with all other variables held constant:

Particulars	As at 31 March 2022	As at 31 March 2021
Impact on profit before tax if interest rates		
- increase by 100 basis points	(9.62)	(5.63)
- decrease by 100 basis points	9.62	5.63

45 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base so as to maintain investor, creditor and market confidence, to sustain future development of the business and to be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. For the purpose of the Group's capital management, capital includes paid-up equity capital and all other equity reserves attributable to the equity holders of the Group. The Group determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings. The Group monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

The table below summarises the capital, net debt and net debt to equity ratio of the Group:

Particulars	As at 31 March 2022	As at 31 March 2021
Equity		
Equity share capital	221.65	200.88
Other equity		
Securities premium	2,090.26	-
Retained earnings	2,418.98	1,458.76
Total equity (A)	**4,730.89**	**1,659.64**
Liabilities		
Financial liabilities		
Non-current borrowings	131.11	267.63
Current borrowings	1,068.27	634.85
Gross debt	1,199.38	902.48
Less: Cash and cash equivalents	(630.17)	(44.81)
Less: Other bank balances (including deposit with banks with original maturity of more than 12 month)	(1,139.69)	(17.04)
Adjusted net debt (B)	**(570.48)**	**840.63**
Adjusted net debt to equity ratio	**(0.12)**	**0.51**

Notes forming part of the Consolidated Financial Statements

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45 Capital management *(continued)*

Notes:

(i) During the years ended, no changes were made in the objectives, policies or processes for managing capital.

(ii) Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including unutilised IPO proceeds held in deposits with banks)

46 Contingent liabilities and commitments

(to the extent not provided for)

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A	**Claims against the Group not acknowledged as debts for**		
	(i) Indirect tax matters (refer note (iii) below)	13.40	5.14
	(ii) Registrar of companies matters (refer note (iv) below)	20.00	-
B	**Commitments**		
	Estimated amount of contracts (capital) remaining to be executed	767.12	35.75
	Total	**800.52**	**40.89**

Notes:

(i) The Group does not have any classes of liabilities which have been identified as provisions as per Ind AS 37 "Provisions, Contingent liabilities and contingent assets" except provisions covered under Ind AS 109, Ind AS 19 and Ind AS 12.

(ii) Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/decisions pending with various forums/authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(iii) **Indirect tax matters**

(a) The Holding Company has received show cause cum demand notice dated 29 March 2022 from Deputy Director General of GST Intelligence (DGGI), for recovery of erroneous refund on zero rated supplies under Integrated Goods and Service Tax Act, 2017 (IGST) amounting to ₹ 11.38 million pertaining to financial year 2017-18 and 2018-19, apart from interest and penalty under section 74 (1) of The Central Goods and Service Tax Act, 2017 (CGST) r.w. regulation 20 of IGST Act, 2017. The Holding Company has filed application against the same. The Group expects the outcome of this proceeding in its favour.

(b) The Holding Company has received order dated 3 March 2021 from Superintendent, CGST for recovery of erroneous refund on zero rated supplies under IGST Act, 2017 amounting to ₹ 0.56 million pertaining to financial year 2016-17, apart from interest and penalty. The Holding Company has filed appeal against the same. The Group expects the outcome of this proceeding in its favour.

(c) The Holding Company has received notice from DGGI, for payment of IGST on imports under advance licenses for the period after 09 October 2018 till the date of notice. The matter was being contested by the Holding Company on similar lines as many other companies. In the opinion of the Group and its tax counsels, there was a possibility of reassessment of bill of entries and IGST may be payable, which would then be available again as a credit to the Holding Company. During the year ended 31 March 2022, the Holding Company has paid ₹ 14.02 million on reassessment of bill of entries and taken input credit of the same and also paid ₹ 5.17 million as interest on the same which was recognised in consolidated statement of profit and loss under rates and taxes.

(d) The Holding Company has received consultive notice dated 14 March 2022 from Assistant Commissioner of Customs, for recovery of duty drawback already granted, owing to non-realisation / short-realisation of export proceeds within prescribed time limit in terms of Foreign Exchange Management act, 1999 (as amended) amounting to ₹ 1.41 million pertaining to shipping bill filed from 01 April 2014 to 31 August 2018, the Holding Company is in process of filing reply w.r.t said consultative notice and the Group expects the outcome of this proceeding in its favour.

Notes forming part of the Consolidated Financial Statements

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46 Contingent liabilities and commitments *(continued)*

(iv) **Registrar of companies matters**

The Holding Company has received an order from Registrar of Companies (ROC) dated 31 December 2021, for non-compliance of section 42 of the Companies Act, 2013, against an Suo-moto application filed by the Holding Company pursuant to section 454 of the Companies Act, 2013, which imposes penalty of ₹ 10.00 million on the Holding Company and ₹ 2.00 million each to its three directors and two key managerial personnel. The Holding Company has filed Appeal to the Regional Director, Ministry of Corporate Affairs against the said order. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(v) **Proposed dividend**

Refer note 48 for proposed dividend.

47 Other disputed matters

The Holding Company has filed two criminal complaints against M/s Kaveri Engineering Works ("Accused"), before the Chief Judicial Magistrate under the provisions of sections 138 and 141 of the Negotiable Instruments Act, 1881, wherein it is alleged that two cheques amounting ₹ 0.78 million was issued by the Accused to the Holding Company (in respect of certain advance payments made to the Accused, that was to be reimbursed to the Holding Company, in light of the failure of the Accused to deliver certain goods to the Holding Company) was subsequently dishonoured. The matter is currently pending and the Group expects the outcome of this proceeding in its favour.

48 Subsequent events

In preparing these consolidated financial statements, the Group has evaluated events and transactions that occur during the period subsequent to 31 March 2022 for potential recognition or disclosure in the consolidated financial statements. These subsequent events have been considered through 25 April 2022, which is the date, the consolidated financial statements were available to be issued. Except proposed dividend, no significant items were identified, which may require an adjustment to the consolidated financial statements.

The Board of Directors have recommended a final dividend of 20% (₹ 2/- per equity share of face value ₹ 10 each) for the financial year ended 31 March 2022, which is subject to the approval of shareholders at the ensuing Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately ₹ 44.33 million.

Summary of proposed dividend:

Particulars	As at 31 March 2022	As at 31 March 2021
Dividend declared and paid		
Interim dividend @ ₹ 5 per equity share for financial year 2020-21	-	40.18
Proposed dividend not recognised as liability		
Final dividend @ ₹ 2 per equity share for financial year 2021-22	44.33	-

49 Statement of utilization of initial public offer (IPO) proceeds

During the year ended 31 March 2022, the Holding Company has completed Initial Public Offer (IPO) of 4,616,804 equity shares of the face value of ₹ 10/- each at an issue price of ₹ 1,083/- per equity share (including a premium of ₹ 1,073 per equity share) aggregating to ₹ 5,000.00 million. The offer comprises of a fresh issue of 2,077,562 equity shares aggregating to ₹ 2,250.00 million and an offer for sale of 2,539,242 equity shares aggregating to ₹ 2,750.00 million. The equity shares of the Holding Company were allotted on 27 July 2021 vide board resolution dated 27 July 2021. The equity shares of the Holding Company were listed on 29 July 2021 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

The details of the proceeds of the fresh issue are summarised in the table below:

Particulars	Amount
Gross proceeds from fresh issue of equity shares	2,250.00
Less: Estimated offer related expenses in relation to the fresh issue	(177.19)
Net proceeds	**2,072.81**

Notes forming part of the Consolidated Financial Statements

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49 Statement of utilization of initial public offer (IPO) proceeds *(continued)*

Details of statement of utilization of IPO proceeds till 31 March 2022 as per Regulation 32(1) and 32(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, are as under:

Objects of the offer	Amount of net proceeds as on 30 July 2021	Utilised amount up to 31 March 2022	Unutilised amount as at 31 March 2022
Funding capital expenditure requirements for expansion of our Dahej manufacturing facility	1,471.00	260.47	1,210.53
Funding capital expenditure requirements for upgradation at our R&D facility in Vadodara	239.71	18.40	221.31
General corporate purposes	362.10	362.10	-
Total	**2,072.81**	**640.97**	**1,431.84**

Notes:

(i) The Holding Company has appointed ICICI Bank Limited as the "Monitoring agency" in terms of regulation 41(2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, to monitor the utilization of IPO proceeds.

(ii) Holding Company has obtained a monitoring agency report on quarterly basis from the "Monitoring agency" and filed the same with both BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) where equity shares of the Holding Company are listed and uploaded the same on Holding Company's website.

(iii) The above statement of utilization of IPO proceeds has been reviewed by the Audit Committee and approved by the Board of directors at their meeting held on 25 April 2022.

(iv) The unutilised amount of the net proceeds for the purposes described above, as at 31 March 2022 were held in monitoring agency account and in deposits with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended and was approved by the Board.

(v) In accordance with section 27 of the Companies Act, 2013, the Holding Company has not used the net proceeds for buying, trading or otherwise dealing in shares of any other listed Holding Company or for any investment in the equity markets and will comply the same in future.

(vi) The Holding Company has not entered in any proposal whereby any portion of the net proceeds will be paid to our promoters, promoter group, directors, key managerial personnel, or senior management personnel, except in the ordinary course of business. Further, there are no existing or anticipated transactions in relation to the utilisation of the net proceeds entered into or to be entered into by the Holding Company with the promoters, promoter group, directors, key managerial personnel and / or senior management personnel.

(vii) The Holding Company has deployed net proceeds towards general corporate purposes, in accordance with Regulation 7(2) of the SEBI ICDR Regulations, to drive business growth, including, amongst other things, meeting any expenses incurred in the ordinary course of business, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties, servicing of borrowings including payment of interest and any other purpose as permitted by applicable laws and as approved by the Board.

50 Offer expenses (IPO)

As per clause 18.2 of the "Offer agreement" dated 31 March 2021, "The Holding Company" and "the Selling Shareholders" agree to share the costs and expenses (including all applicable taxes) directly attributable to "the Offer" (excluding listing fees) based on the proportion of equity shares included in "the Offer" for sale and the equity shares allotted by the Holding Company respectively, as a percentage the total equity shares in "the Offer". The Holding Company agrees to advance the cost and expenses of the Offer and will be reimbursed by the Selling Shareholders for their respective proportion of such costs and expenses only upon the successful consummation of the Offer".

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

50 Offer expenses (IPO) *(continued)*

Summary of the offer:

Particulars	Proportion	Amount
Fresh issue of equity shares	45%	2,250.00
Offer for sale by selling shareholders	55%	2,750.00
Total	**100%**	**5,000.00**

Calculation of offer expenses:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	16.90	-
Add : Costs and expenses (including all applicable taxes) directly attributable to "the Offer" (excluding listing fees)	341.64	16.90
	358.54	**16.90**
Less: Costs and expenses (including all applicable taxes) recoverable from selling shareholders in their proportion (55%)	(197.20)	-
Less: Input tax credit of Goods and service tax on costs and expenses related to the Holding Company in its proportion (45%)	(22.38)	-
Less: Costs and expenses related to the Holding Company in its proportion (45%), which have been written off under section 52 of the Companies Act, 2013 against securities premium	(138.96)	-
Balance at the end of the year	**-**	**16.90**

Notes:

(i) Other payables to related parties (selling shareholders)

During the year ended 31 March 2022, the Holding Company has recovered estimated offer costs and expenses (including all applicable taxes) from selling shareholders in the proportion of offer for sale (55%). On the basis of calculation of actual offer expenses as referred above, full and final settlement between the selling shareholders and the Holding Company stands as follows:

Particulars	Estimated expenses in proportion to selling shareholders	Actual expenses in proportion to selling shareholders	(Payables) as at 31 March 2022
Mr. Chintan Nitinkumar Shah	59.26	58.37	(0.89)
Mr. Shekhar Rasiklal Somani	53.15	52.35	(0.80)
M/s Ajay Mansukhlal Patel HUF	24.90	24.52	(0.38)
Ms. Priti Ajay Patel	24.90	24.52	(0.38)
Mr. Ajaykumar Mansukhlal Patel	16.96	16.71	(0.25)
Ms. Darshana Nitinkumar Shah	7.50	7.39	(0.11)
Ms. Kajal Shekhar Somani	8.01	7.89	(0.12)
Mr. Shitalkumar Rasiklal Somani	0.80	0.79	(0.01)
Mr. Samirkumar Rasiklal Somani	4.73	4.66	(0.07)
Total	**200.21**	**197.20**	**(3.01)**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

51 Additional regulatory information

(a) Information required for consolidated financial statements pursuant to Schedule III of the Companies Act, 2013:

Sr. no.	Name of the entity	Net assets i.e. total assets minus total liabilities				Share in profit or loss				Share in other comprehensive income (OCI)				Share in total comprehensive income (TCI)			
		C.Y.		P.Y.		C.Y.		P.Y.		C.Y.		P.Y.		C.Y.		P.Y.	
		%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
1	**Parent or Holding Company**																
	Tatva Chintan Pharma Chem Limited	99	4,688.79	98	1,619.36	100	959.87	98	513.59	(95)	(1.45)	565	1.47	100	958.42	99	515.06
2	**Foreign subsidiaries**																
	Tatva Chintan USA Inc.	2	77.35	3	57.89	2	17.35	2	12.02	-	-	-	-	2	17.35	2	12.02
	Tatva Chintan Europe B.V.	0	19.15	0	5.52	1	14.04	1	2.64	-	-	-	-	1	14.04	1	2.64
3	**Eliminations**																
	Elimination of intra group transactions including consolidation adjustments	-1	(54.40)	-1	(23.14)	-3	(32.52)	-1	(5.63)	195	2.98	(465)	(1.21)	-3	(29.54)	-1	(6.84)
Total		**100**	**4,730.89**	100	1,659.64	**100**	**958.74**	100	522.62	**100**	**1.53**	100	0.26	**100**	**960.27**	100	522.88

Notes:

(i) C.Y. represents current year i.e. 31 March 2022 and P.Y. represents previous year i.e. 31 March 2021

(ii) Percentage have been calculated, based on respective consolidated financial figures.

(iii) The Holding Company does not have any subsidiaries in India.

(b) The Holding Company does not have any transaction and/or balance that need to be disclosed under clause 34(3) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and section 186 of the Companies Act, 2013 i.e. the Holding Company has not directly or indirectly given any loan to any person or other body corporate, given any guarantee or provided security in connection with a loan to any other body corporate or person and have not acquired by way of subscription, purchased or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

(c) The Group Companies has not entered into any subsisting material agreement, including with strategic partners, joint venture partners or financial partners, other than in the ordinary course of business.

(d) During the years ended, the Group Companies has not been party to any merger or amalgamation and there have been no material acquisitions or divestments of business or undertakings by the Group.

(e) Neither the promoters, nor any of the key managerial personnel, senior management personnel, directors or employees of the Holding Company has entered into an agreement, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of the Holding Company.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

51 Additional regulatory information *(continued)*

(f) None of the Group Companies director is or was a director of any listed Company, whose shares are or were suspended from being traded on any stock exchanges, during the term of their directorship in such Company. Further, none of the directors is, or was, a director of any listed Company, which has been or was delisted from any stock exchange during the term of their directorship in such Company.

(g) None of the Group Companies director have been nominated, appointed or selected pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others of the Group.

(h) The Holding Company, its promoters, its directors, persons in control of the Group Companies and the members of the promoter group have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority / court.

(i) The Holding Company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(j) The Group has disclosed other additional regulatory information in respective notes forming part of consolidated financial statements.

52 Indirect taxes

In the opinion of the Board and to the best of their knowledge and belief, the Group has properly complied provisions of Goods and Service Tax Act, 2017, The Customs Acts, 1962 and any other indirect taxes, to the extent applicable to the Group. Difference, if any, between the figures as per books of account and the respective returns, have been reconciled and would be corrected in next periodic returns and in annual returns. The said differences, if any, do not have any material impact on the consolidated financial statements.

53 Social security

The Code of Social Security 2020 (‘Code’) relating to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules or interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.

54 Cost audit records

The Group has maintained adequate cost records as per the provisions of The Companies (Cost Records and Audit) Rules, 2014, as amended.

55 Risks and economic uncertainties (COVID-19)

The COVID-19 pandemic continues to impact the Group. The extent of the ultimate impact of the pandemic on the Group’s operational and financial performance will depend on various developments, including the duration and spread of the outbreak, and its impact on customers, employees, and vendors, all of which cannot be reasonably predicted at this time. While management reasonably expects the COVID-19 outbreak to impact the Group’s financial condition, operating results, and timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

56 Approval of financial statements

In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, this consolidated financial statements for the year ended 31 March 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on 25 April 2022.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2022

(Currency : ₹ in Million)

57 General

(a) All the amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest million up to two decimals.

(b) Figures for the previous year have been re-classified/re-arranged/re-grouped to conform to classification of current period, wherever necessary. Pursuant to amendment in Schedule III of the Companies Act, 2013:

(i) Security deposits of ₹ 17.85 million as at 31 March 2021 have been reclassified from 'Loans' to 'Other financial assets'.

(ii) Current maturities of long-term borrowings of ₹ 141.91 million as at 31 March 2021 have been reclassified from 'Other financial liabilities ' to 'Current borrowings'.

Notes forming part of the consolidated financial statements 1- 57

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 25 April 2022
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 25 April 2022
Place : Vadodara, Gujarat, India

Form AOC-1

for the year ended 31 March 2022

(Currency : ₹ in Million)

Statement containing salient features of the financial statement of subsidiaries/~~associate companies/joint ventures~~ (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
Sr. no.	1	2	1	2
Name of the subsidiary	Tatva Chintan USA Inc.	Tatva Chintan Europe B.V.*	Tatva Chintan USA Inc.	Tatva Chintan Europe B.V.*
Country	USA	The Netherlands	USA	The Netherlands
Date of incorporation	16 March 2015	01 March 2019	16 March 2015	01 March 2019
Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	01 April 2021 to 31 March 2022	01 April 2021 to 31 March 2022	01 April 2020 to 31 March 2021	01 April 2020 to 31 March 2021
Reporting currency#	USD	EUR	USD	EUR
Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Refer subnote (ii) below		Refer subnote (ii) below	
Share capital	6.66	0.01	6.66	0.01
Other equity (reserves and surplus)	70.69	19.14	51.23	5.51
Total assets	218.84	174.71	169.81	102.41
Total liabilities	141.49	155.56	111.92	96.89
Investments other than investments in subsidiaries	Not applicable		Not applicable	
Revenue from operation (turnover)	607.11	436.15	438.74	306.41
Profit before taxation	23.40	17.66	16.46	2.64
Provision for taxation	6.05	3.62	4.44	-
Profit after taxation	17.35	14.04	12.02	2.64
Proposed dividend	-	-	-	-
% of shareholding	100%	100%	100%	100%

Notes:

(i) * Financial information is based on unaudited financial statements.

(ii) # The Indian rupee equivalents have been calculated at average rate for profit and loss items and at closing rate for assets and liabilities and at historical rate for equity.

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	1 USD	1 EUR	1 USD	1 EUR
Opening rate as at 01 April	73.50	86.10	75.39	83.05
Average rate	74.51	86.59	74.27	86.67
Closing rate as at 31 March	75.81	84.66	73.50	86.10

(iii) Names of subsidiaries which are incorporated during the year and yet to commence operations : Not applicable

(iv) Names of subsidiaries which have been liquidated or sold during the year: Not applicable

(v) Part "B": Associates and Joint Ventures- Statement pursuant to Section 129 (3) of the Companies Act, 2O13 related to Associate Companies and Joint Ventures: Not applicable

(vi) Names of associates or joint ventures which are incorporated during the year and yet to commence operations : Not applicable

(vii) Names of associates or joint ventures which have been liquidated or sold during the year: Not applicable

For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 25 April 2022
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 25 April 2022
Place : Vadodara, Gujarat, India

TATVA CHINTAN

Tatva Chintan Pharma Chem Limited

Registered Office:
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Dist. Bharuch, Gujarat - 393 002, India
CIN - L24232GJ1996PLC029894
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