



POLYCHEM LIMITED

**66th
ANNUAL
REPORT**



2022 - 2023

POLYCHEM LIMITED

CIN: L24100MH1955PLC009663

(INCORPORATED UNDER THE INDIAN COMPANIES ACT, VII OF 1913)**BOARD OF DIRECTORS:**

MR. TANIL R. KILACHAND	(DIN 00006659) Chairman
MR. PARTHIV T. KILACHAND	(DIN 00005516) Managing Director
MR. ATUL H. MEHTA	(DIN 00005523) Dy. Managing Director
MR. NANDISH T. KILACHAND	(DIN 00005530) Non-Executive Director
MR. VINAYAK V. SAHASRABUDHE	(DIN 00296976) Independent Director
MR. CHETAN R. DESAI	(DIN 03246010) Independent Director
MS. NIRMALA S. MEHENDALE	(DIN 01230600) Independent Director
MR. YOGESH S. MATHUR	(DIN 01059977) Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER: MS. DEEPALI V. CHAUHAN**CHIEF FINANCIAL OFFICER:** MS. KANAN V. PANCHASARA**STATUTORY AUDITOR:** M/s. NAYAN PARIKH & CO. Chartered Accountants

REGISTRAR & TRANSFER AGENTS: M/s. LINK INTIME INDIA PVT. LTD
 C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg,
 Vikhroli (W), Mumbai - 400 083. Tel: 022 4918 6000,
 Email: rnt.helpdesk@linkintime.co.in, Website: www.linkintime.co.in

REGISTERED OFFICE: 7, Jamshedji Tata Road, Churchgate Reclamation,
 Mumbai - 400 020. Tel: 022 2282 0048,
 Email: polychemltd@kilachand.com, Website: www.polychemltd.com

WORK

SPECIALTY CHEMICALS
 W-91, MIDC Phase II, Sonarpada,
 Dombivali (E), 421 203,
 Maharashtra, India.

CORPORATE MANAGEMENT TEAM

MR. T. R. KILACHAND	Chairman
MR. P. T. KILACHAND	Managing Director
MR. A. H. MEHTA	Dy. Managing Director

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NOTICE

Notice is hereby given that the Sixty – Sixth Annual General Meeting of the Members of POLYCHEM LIMITED will be held on Tuesday, 29th August, 2023 at 11.00 a.m. via two – way Video Conferencing ('VC') facility or other audio visual means ('OAVM') to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) The audited Standalone financial statements of the Company for the financial year ended 31st March, 2023, including the audited Standalone Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss and Cash Flow Statement, for the year ended on that date and the reports of the Board of Directors (the Board) and Auditors thereon.
 - b) The audited consolidated financial statements of the Company for the financial year ended 31st March, 2023, including the audited Consolidated Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the report of Auditors thereon.
2. To Declare a dividend of Rs 20/- per equity share of Rs 10/- each.
3. To appoint a Director in place of Mr. T. R. Kilachand (00006659), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. N. T. Kilachand (00005530), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **Re-appointment of Mr. P. T. Kilachand as Managing Director for a period of three years w.e.f. 1st April, 2023:**

To consider and if thought fit, to pass with or without modification/s, the following resolution as a **Special resolution**:

"RESOLVED THAT in supersession of the Resolution passed by the members of the Company at the 63rd Annual General Meeting held on 11th September, 2020 and pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. P. T. Kilachand (DIN 00005516), as Managing Director of the Company, for a period of three years with effect from 1st April, 2023, upon the terms and conditions, including remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. P. T. Kilachand, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT the remuneration mentioned in Explanatory statement would nevertheless be paid and allowed to Mr. P. T. Kilachand as the minimum remuneration, within the overall ceiling limits specified in Schedule V to the Companies Act, 2013 or any amendments thereto from time to time, notwithstanding that in any financial year of the Company during the tenure of office of Mr. P. T. Kilachand, the Company might have made no profits or its profits might be inadequate."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

**6. Re-appointment of Mr. A. H. Mehta as Dy. Managing Director for a period of three years w.e.f 5th June, 2023:**

To consider and if thought fit, to pass with or without modification/s, the following resolution as a **Special resolution**:

"RESOLVED THAT in supersession of the Resolution passed by the members of the Company at the 63rd Annual General Meeting held on 11th September, 2020 and pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. A. H. Mehta (DIN 00005523), as Dy. Managing Director of the Company, for a period of three years with effect from 5th June, 2023, upon the terms and conditions, including remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. A. H. Mehta subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT the remuneration mentioned in Explanatory Statement would nevertheless be paid and allowed to Mr. A. H. Mehta as the minimum remuneration, within the overall ceiling limits specified in Schedule V to the Companies Act, 2013 or any amendments thereto from time to time, notwithstanding that in any financial year of the Company during the tenure of office of Mr. A. H. Mehta, the Company might have made no profits or its profits might be inadequate."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

7. Payment of Commission not exceeding 1% of net profit to Non-Executive Directors of the Company for three years:

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

"RESOLVED THAT pursuant to the provisions of section 197, 198 and any other applicable provisions of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof and Regulation 17(6) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and subject to availability of net profits at the end of each financial year, consent of the members be and is hereby accorded for a sum not exceeding 1% of net profits of the Company per annum, be paid to and distributed amongst the Non-Executive Directors of the Company for a period of three years for each financial years 2022-23, 2023-24 and 2024-25 in such proportion or manner as may be decided by the Board of Directors of the Company, in addition to the fees and reimbursement of expenses for attending the meetings of the Board/Committee thereof."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

Registered Office:

7, Jamshedji Tata Road,
Churchgate Reclamation,
Mumbai – 400 020.

CIN: L24100MH1955PLC009663

Tel : 022 - 22820048

Email id : polychemltd@kilachand.com

website : www.polychemltd.com

By Order of the Board of Directors

DEEPALI V. CHAUHAN

Company Secretary & Compliance Officer

ACS No.: 38273

Mumbai, May 17, 2023.

**NOTES:**

- (a) Explanatory Statement relating to business under Item nos. 5 to 7 to be transacted at the meeting is annexed hereto.
- (b) In view of the global outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circulars dated April 8, 2020 and April 13, 2020, January 13, 2021, May 05, 2022 and December 28, 2022 (collectively referred to as 'MCA Circulars') Securities and Exchange Board of India ('SEBI') vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 05, 2023 ('SEBI Circulars') permitted the holding of the Annual General Meeting ('AGM' or 'Meeting') through Video Conferencing ('VC') facility or other audio visual means (OAVM), without physical presence of the Members at a common venue. In Compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the 66th AGM of the Company is being held through VC/OAVM on Tuesday, 29th August, 2023 at 11.00 a.m. The deemed venue for the 66th AGM shall be the Registered Office of the Company.
- (c) Further, pursuant to the MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report for FY 2022-23 is sent in electronic form only to those Members whose email addresses are registered with the Company/ Depositories as of 1st cut-off date i.e. Friday, 14th July, 2023. The Notice calling the 66th AGM has been uploaded on the website of the Company at www.polychemltd.com. The Notice can also be accessed from the website of the Bombay Stock Exchange at www.bseindia.com and NSDL (agency for providing the Remote e-Voting facility) at www.evoting.nsdl.com.
- (d) 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 this AGM is being held pursuant to the MCA Circulars through VC or OAVM, physical attendance of Members has been dispensed with. Accordingly, in terms of the above-mentioned MCA and SEBI circulars, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and AGM route map are not annexed to this Notice.
- (e) Members attending the meeting through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act 2013.
- (f) The Members can join the AGM in the VC/ OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned on page 18. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- (g) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM the details of which are available on page No. 14.
- (h) Ms. Ragini Chokshi of Ragini Chokshi & Co., Practicing Company Secretary (CP 1436) has been appointed as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
- (i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) intending to send their authorised representative to attend the AGM through VC or OAVM or to vote through remote e-voting, pursuant to Sections 112 and 113 of the Act, are requested to send a certified copy of the board resolution to the Scrutinizer by e-mail at mail@raginichokshi.com with a copy marked to evoting@nsdl.co.in and polychemltd@kilachand.com, authorising their representative to attend and vote on their behalf at the AGM or they can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.



- (j) Any person, who acquires shares of the Company and becomes member of the Company after sending of the Notice and holding shares as of the 2nd cut-off date i.e. 22nd August, 2023 may obtain the login ID and password by sending an email to evoting@nsdl.co.in or polychemltd@kilachand.com by mentioning their Folio No./DP ID and Client ID No. However, if you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using “Forget User Details/Password” option available on www.evoting.nsdl.com
- (k) In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (l) All documents referred to in the accompanying Notice of the AGM and the Explanatory Statement and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available electronically for inspection by the members during the AGM.
- (m) Additional information, pursuant to Regulation 36(3)(a) of the LODR Regulations, 2015 and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India (‘ICSI’), in respect of the directors seeking appointment/reappointment at the AGM are provided on page 10.
- (n) The Register of Members and Share Transfer Book will remain closed from Wednesday, 23rd August, 2023 to Tuesday, 29th August, 2023 (both days inclusive) in terms of provision of section 91 of Companies Act, 2013.
- (o) Dividend of Rs 20/- per equity share of Rs 10/- each (200%), if declared at the Meeting, will be credited/dispatched subject to deduction of income-tax at source wherever applicable on or after 29th August, 2023 to those members whose names shall appear on the Company’s Register of Members on Record date i.e. Friday, 14th July, 2023.
- (p) Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020 and the Company is required to deduct Tax At Source (“TDS”) from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 (‘the IT Act’). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending documents through email at polychemltd@kilachand.com.
- A communication and detailed instructions with respect to tax on dividend for the financial year ended March 31, 2023 were already sent to the members of the Company.
- (q) Members holding shares in electronic form are requested to intimate immediately any change in their bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their bank mandates immediately to the Company or it’s Registrar & Share Transfer Agents - Link Intime India Pvt. Ltd.
- (r) The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company or its Registrar & Share Transfer Agents – M/s. Link Intime India Pvt. Ltd.
- (s) Members are requested to note that as per Section 124(5) of the Act, the dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account, is liable to be transferred by the Company to the “Investor Education Protection Fund” (IEPF) established by the Central Government under Section 125 of the Act.
- (i) Dividend Transferred:
- The amount of unclaimed dividend for the financial year 2014-15 has been transferred to the IEPF on 6th September, 2022, details of which are available on the website of the Company at www.polychemltd.com.
- (ii) Dividend yet to be transferred:
- Unclaimed dividend for the financial year 2015-16 is due for transfer to IEPF in September 2023. Pursuant to IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts for all years lying with the Company as on March 31, 2023 on the website of the Company and also on the website of the Ministry of Corporate Affairs. Members may approach the Company Secretary and Compliance Officer of the Company or RTA for claiming the unclaimed dividend which is yet to be transferred to IEPF by the Company.



- (t) Members are requested to note that as per Section 124(6) of the Act, read with IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to Demat Account of IEPF Authority.

(i) Shares Transferred:

The Company has transferred the shares in respect of which dividend has remained unpaid/ unclaimed for seven consecutive years on 23rd September, 2022. The details of shares transferred to IEPF have been uploaded on the website of the Company. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed from IEPF by filling Form IEPF-5. Concerned members are advised to visit the weblink: <https://www.iepf.gov.in/IEPF/refund.html> for lodging claim for refund of shares and/or dividend from the IEPF Authority.

(ii) Shares yet to be transferred:

Further, the details of members whose shares are due for transfer in IEPF Authority in September, 2023 is uploaded on Company's Website, the said details are as on 31st March, 2023. The members are requested to verify their name in the list and accordingly claim their unpaid/unclaimed dividend, within the stipulated timeline in order to avoid transfer of shares to IEPF Authority.

- (u) In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialised form with effect from 1st April, 2019. In view of the above, members are advised to dematerialise shares held by them in physical form.
- (v) Pursuant to SEBI Circular dated 3rd November, 2021 and in circular dated 16th March, 2023 for updation of KYC Details, the company has sent letters to all the members on 10th March, 2022 and 18th May, 2023 to update their KYC details with the RTA or Company before 30th September, 2023 failing which the folios will be frozen. KYC Letter along with Form ISR-1, ISR-2, ISR-3 and SH-13 is available on company's website. In view of this, the members are requested to complete their KYC before 30th September, 2023.
- (w) Members holding shares in demat form are requested to provide their e-mail address, mobile number, bank details and details relating to nomination to their Depository Participant(s) ("DP's"), in case the same are not updated.
- (x) The Company's securities are listed on the following Stock Exchange:

Sr. No.	Name & Address of the Stock Exchange	Nature of Security as on 31-03-2023
1.	Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.	4,04,045 Equity Shares of Rs. 10/-each.

The Company has paid Annual Listing fees for the year 2023-24 to the above Stock Exchange.

Registered Office:

7, Jamshedji Tata Road,
Churchgate Reclamation,
Mumbai – 400 020.

CIN: L24100MH1955PLC009663

Tel : 022 - 22820048

Email id : polychemltd@kilachand.com

website : www.polychemltd.com

By Order of the Board of Directors

DEEPALI V. CHAUHAN

Company Secretary & Compliance Officer

ACS No.: 38273

Mumbai, May 17, 2023.

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT.**

The following Explanatory Statement, as required by Section 102 of the Companies Act, 2013 sets out the material facts relating to business under Item Nos. 5 to 7, mentioned in the accompanying Notice dated 17th May, 2023.

Item No.5**To re-appoint Mr. P. T. Kilachand as Managing Director for a period of three years w.e.f 1st April, 2023:**

Mr. P. T. Kilachand was appointed as an Additional Director with effect from 3rd December, 1996 and as a Whole-time Director from time to time, he was then appointed as Managing Director with effect from 27th July, 2012 and re-appointed thrice since 1st April, 2014. In accordance with the conditions specified in Schedule V of the Act, the Board at its meeting held on 8th February, 2023 re-appointed Mr. P.T. Kilachand as Managing Director for a period of 3 years from 1st April, 2023, superseding the earlier resolution passed by the Company in this connection. This re-appointment is subject to the approval of the members at the Annual General Meeting.

The main terms of re-appointment of Mr. P.T. Kilachand as Managing Director is placed before the meeting, are as follows:

I. SALARY:

- (A) In any financial year, if the Company has sufficient Net Profit (calculated as per section 198 of the Act):

Salary of any amount upto 5% of the Net Profit of the Company as may be decided by the Board based on performance of the Company, inclusive for each financial year or part thereof computed in the manner as laid down under section 198 of the Companies Act, 2013;

OR

- (B) In case, the Company has no profits or its profits are inadequate:

Salary upto Rs. 10,00,000/- per month or Rs. 1,20,00,000/- per annum (or any higher limit as may be revised from time to time under the Act) as may be decided by the Board inclusive of the following Perquisites as Minimum Remuneration as per Schedule V.

II. PERQUISITES:

Mr. P. T. Kilachand shall be entitled to House Rent Allowance not exceeding 60% of the salary, cost of repairs, maintenance of residential accommodation, society charges, gas, electricity, hospitalisation, medical expenses, leave travel concession for self and family, club fees, personal accident insurance, Company maintained car, including driver's salary, telephone, mobile, internet and other communication facilities at Managing Director's residence and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules within the ceiling limits payable to Mr. P. T. Kilachand, subject however to the limit of overall Minimum Remuneration as prescribed under Schedule V. Mr. P. T. Kilachand shall further be eligible to the following perquisites also which shall not be included in the computation of the ceiling limit on remuneration by way of salary, perquisites, allowances etc., in the event of the Company having no profits or its profits are inadequate:

- i. The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent is not taxable under the Income Tax Act;
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- iii. Encashment of leave at the end of the tenure.

Mr. P. T. Kilachand shall be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.

The above remuneration in terms of Salary and perquisites payable to him is subject to the limits of 5% and 10% of the Net Profits of the Company, as the case may be as laid down in Section 197 of the Companies Act, 2013 and the overall limit of 11% on the Net Profits of the Company as laid down in Section 197 of the said Act.

The valuation of perquisites will be as per the Income Tax Rules, 1962, in cases where the same is otherwise not possible to be valued. In the event of having any loss, absence or inadequacy of profits in any financial year, during the terms of office of Mr. P.T. Kilachand the remuneration payable to him by way of salary, allowances and perquisites shall not exceed the limits prescribed under the Companies Act, 2013, read with Schedule V or any amendment, modification, variation or re-enactment thereof."

The remuneration is approved by the Nomination and Remuneration Committee at its meeting held on 8th February, 2023.

The Board of Directors recommends the resolution for approval of the members by way of a Special Resolution.



This may be treated as an abstract of the terms and conditions, governing the appointment and remuneration of the Managing Director, pursuant to Section 109 of the Companies Act, 2013. A Statement as required under section II, Part II of the Schedule V to the Companies Act, 2013 with reference to Resolution No. 5 is annexed hereto and marked as **Annexure A**.

None of the Directors or Key Managerial Personnel of the Company, except Mr. T. R. Kilachand, Mr. N. T. Kilachand and Mr. P. T. Kilachand are in any way, concerned or interested in the said resolution.

Item No. 6**To re-appoint Mr. A. H. Mehta as Dy. Managing Director for a period of three years w.e.f 5th June, 2023:**

Mr. A. H. Mehta was appointed as an Additional Director with effect from 29th May, 2014, he was then appointed as Dy. Managing Director with effect from 1st June, 2014 then re-appointed on 1st June, 2017 and 5th June, 2020. In accordance with the conditions specified in Schedule V of the Act, the Board at its meeting held on 17th May, 2023 re-appointed Mr. A. H. Mehta as Dy. Managing Director for a period of 3 years from 5th June, 2023, superseding the earlier resolution passed by the Company in this connection. This re-appointment is subject to the approval of the members at the Annual General Meeting.

The main terms of re-appointment of Mr. A. H. Mehta as Dy. Managing Director is placed before the meeting, are as follows:

I. SALARY:

(A) In any financial year, if the Company has sufficient Net Profit (calculated as per Section 198 of the Act):

Salary of any amount upto 5% of the Net Profit of the Company as may be decided by the Board based on the performance of the Company, inclusive of incentives for each financial year or part thereof computed in the manner as laid down under Section 198 of the Companies Act, 2013;

OR

(B) In case, the Company has no profits or its profits are inadequate:

Salary upto Rs. 6,00,000/- per month or Rs. 72,00,000/- per annum (or any higher limit as may be revised from time to time under the Act) as may be decided by the Board inclusive of the following Perquisites as Minimum Remuneration as per Schedule V.

II. PERQUISITES:

Mr. A. H. Mehta shall be entitled to House Rent Allowance not exceeding 60% of the salary, cost of repairs, maintenance of residential accommodation, society charges, gas, electricity, hospitalisation, medical expenses, leave travel concession for self and family, club fees, personal accident insurance, Company maintained car, including driver's salary, telephone, mobile, internet and other communication facilities at Dy. Managing Director's residence and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules within the ceiling limits payable to Mr. A. H. Mehta, subject however to the limit of overall Minimum Remuneration as prescribed under Schedule V.

Mr. A. H. Mehta shall further be eligible to the following perquisites also which shall not be included in the computation of the ceiling limit on remuneration by way of salary, perquisites, allowances etc., in the event of the Company having no profits or its profits are inadequate:

- i. The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent is not taxable under the Income Tax Act;
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- iii. Encashment of leave at the end of the tenure.

The above remuneration in terms of Salary and perquisites payable to him is subject to the limits of 5% and 10% of the Net Profits of the Company, as the case may be as laid down in Section 197 of the Companies Act, 2013 and the overall limit of 11% on the Net Profits of the Company as laid down in Section 197 of the said Act.

The valuation of perquisites will be as per the Income Tax Rules, 1962, in cases where the same is otherwise not possible to be valued.

In the event of having any loss, absence or inadequacy of profits in any financial year, during the terms of office of Mr. A.H. Mehta the remuneration payable to him by way of salary, allowances and perquisites shall not exceed the limits prescribed under the Companies Act, 2013, read with Schedule V or any amendment, modification, variation or re-enactment thereof."

The remuneration is approved by the Nomination and Remuneration Committee at its meeting held on 17th May, 2023.



The Board of Directors recommends the resolution for approval of the members by way of a Special Resolution.

This may be treated as an abstract of the terms and conditions, governing the appointment and remuneration of the Dy. Managing Director, pursuant to Section 109 of the Companies Act, 2013. A Statement as required under section II, Part II of the Schedule V to the Companies Act, 2013 with reference to Resolution No. 6 is annexed hereto and marked as **Annexure A**.

None of the Directors or Key Managerial Personnel of the Company, except Mr. A. H. Mehta is in any way, concerned or interested in the said resolution.

Item No. 7

To pay commission not exceeding 1% of net profit to Non-Executive Directors of the Company for three years:

The Directors of the Company plays an important role in overseeing the governance, performance and sustainable growth of the Company. They contribute their wealth of knowledge, skills, expertise and experience to the business of the Company and provide required diversity in Board decision – making process.

In view of increased roles and responsibility of the directors under Companies Act, 2013 and SEBI Listing Regulations and in appreciation to the contribution and services, the directors have rendered and continue to render to the Company, it is proposed that the remuneration by way of commission be paid collectively to all Non-Executive Directors of the Company at a sum not exceeding 1% per annum of the Net Profits of the Company, as prescribed u/s 197 of the Companies Act, 2013 and wherein the 'Net Profits' shall be computed in the manner laid down in section 198 of the Companies Act, 2013, for each relevant financial year, for a period of 3 years 2022-23, 2023-24 and 2024-25.

The quantum and manner of commission payable to each Non- Executive Directors shall be fixed and decided by the Board of Directors after considering the net profit for each year and recommendation of Nomination and Remuneration Committee. This Commission shall be in addition to the sitting fees payable to the Non- Executive Directors for attending the meetings of the Board or Committees thereof and reimbursement of expenses for participation in the Board and other meetings.

The Board recommends the resolution set out at Item No. 7 of the Notice for approval by the Members by way of an Ordinary Resolution.

Except Mr. A. H. Mehta and Key Managerial Personnel of the Company and their relatives, all other directors along with their relatives are deemed to be concerned or interested, financially or otherwise, in this resolution to the extent of the remuneration or fees that may be received by them.

As required in terms of regulation 36(3) of SEBI (LODR) Regulations 2015 and Secretarial Standard – 2 issued by ICSI, the details of the Directors who are proposed to be re-appointed furnished below:

Name of Director	Mr. T. R. Kilachand	Mr. N. T. Kilachand	Mr. P. T. Kilachand	Mr. A. H. Mehta
Director Identification Number	00006659	00005530	00005516	00005523
Age	86 years	51 years	56 years	78 years
Date of First appointment on the Board	19.08.1986	27.07.2012	03.12.1996	29.05.2014
Qualification	B.A. from Cambridge University in History and Law. M.B.A. in Business Administration from Harvard Business School.	B.A. from Tufts University, Boston, USA. 'A' levels from Eton College, Windsor, England. ICSE, Cathedral & John Connon School, Mumbai.	Sc.B "Electrical Engineering" & A.B. "Engineering & Economics" from Brown University	B.Com., F.C.A., F.C.S.
Expertise	He was the Managing Director of the Company from 19 th August, 1986 and Chairman & Managing Director from 1 st February, 1995. He was the Executive Chairman from 27 th July, 2012 to 17 th May, 2016. He has over 50 years of experience in industry, management, implementation of projects etc. He has been associated with various Chambers of Commerce and was the President of Indian Merchants' Chamber. He has been associated with various charitable trusts and is Director/Chairman of several Companies.	Director in charge of Sun Tan Trading Co. Ltd., which was the authorized distributor of the world's largest foreign liquor company. Also established a company providing third party logistics solutions including specialized warehousing, to a wide section of importers specializing in the duty free market.	Project Officer in Polychem Limited from 1 st November, 1988, then as Project Executive from 1 st October, 1990 and as Executive Assistant to the Managing Director from 2 nd July, 1993. He has been actively involved and looking after all aspects of various activities of the Company. He was appointed as a Director from December 1996 to 31 st March, 1997. From 1 st April, 1997 he was appointed as a Whole-time Director. His designation has been changed from Whole-time Director to Managing Director with effect from 27 th July, 2012 since then he was re-appointed thrice as Managing Director.	He has been involved with the company since January 1988 and is familiar with all aspects of the Company. He was Vice President – Corporate Affairs & Company Secretary till 29 th May, 2014. He was then appointed as Dy. Managing Director on 1 st June, 2014 and Re-appointed twice. He has experience in audit, accountancy, secretarial, legal & Admn., Taxation etc with the Company and Sandeep Holdings and Tandon Singapore Pte. Ltd.



Name of Director	Mr. T. R. Kilachand	Mr. N. T. Kilachand	Mr. P. T. Kilachand	Mr. A. H. Mehta
Terms and Conditions of appointment/ Re-appointment	Liable to retire by rotation as per section 152(6) of Companies Act, 2013	Liable to retire by rotation as per section 152(6) of Companies Act, 2013	Re-appointment as Managing Director for 3 years w.e.f 1st April, 2023 as per section 197 and 198 of Companies Act, 2013. Please refer explanatory statement of item 5 of this notice.	Re-appointment as Dy. Managing Director for 3 years w.e.f 5th June, 2023 as per section 197 and 198 of Companies Act, 2013. Please refer explanatory statement of item 6 of this notice.
Details of remuneration last drawn (FY 2022-23)	Please refer "Details of Remuneration to all Directors" in Corporate Governance Report.	Please refer "Details of Remuneration to all Directors" in Corporate Governance Report.	Please refer "Details of Remuneration to all Directors" in Corporate Governance Report.	Please refer "Details of Remuneration to all Directors" in Corporate Governance Report.
Details of remuneration sought to be paid	Sitting Fees and Commission as approved by the Board	Sitting Fees and Commission as approved by the Board	As mentioned in explanatory statement of item 5 of this notice	As mentioned in explanatory statement of item 6 of this notice
Other Directorship and Committee Membership as on 31st March, 2023 in listed entity	Directorship: Gujarat Poly Electronics Ltd – Executive Chairman Committee Membership: A. Member 1. Audit Committee 2. Nomination and Remuneration Committee 3. Stakeholder Relationship Committee	NIL	Directorship: Gujarat Poly Electronics Ltd –Non Executive Director Committee Membership: A. Chairman 1. Stakeholder Relationship Committee	Directorship: Gujarat Poly Electronics Ltd – Managing Director Committee Membership: A. Member 1. Stakeholder Relationship Committee
Listed entities from which the Director has resigned from directorship in last three (3) years:	None	None	None	None
No. of Board Meetings attended during FY 2022-23	4	3	4	4
No. of Equity Shares held	1,938	32,335	33,127	5
Relationship with other Directors	Mr. Parthiv T. Kilachand, Managing Director of the Company and Mr. Nandish T. Kilachand, Director of the Company are the sons of Mr. Tanil R. Kilachand.	Mr. Parthiv T. Kilachand, Managing Director of the Company and Mr. T. R. Kilachand, Chairman of the Company are brother and father respectively of Mr. N. T. Kilachand.	Mr. Tanil R. Kilachand, Chairman of the Company is the father and Mr. Nandish T. Kilachand, Director of the Company is the brother of Mr. P. T. Kilachand.	None of the Directors are related to Mr. A. H. Mehta.

Registered Office:

7, Jamshedji Tata Road,
Churchgate Reclamation,
Mumbai – 400 020.

CIN : L24100MH1955PLC009663

Tel : 022 22820048

Email Id : polychemltd@kilachand.com

Website : www.polychemltd.com

By Order of the Board of Directors

Deepali V. Chauhan

Company Secretary & Compliance Officer

ACS No.: 38273

Mumbai, May 17, 2023.

**ANNEXURE A**

Statement as required under Section II, Part II of the Schedule V to the Companies Act, 2013 with reference to the Resolution Nos. 5 & 6 are as follows:

I. General Information:

- (1) **Nature of Industry:** Manufacturers of Specialty Chemicals & Property Development
- (2) **Date or expected date of commencement of Commercial production:**
Existing Company already commenced commercial production since 1956.
- (3) **In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**
Existing Company, Not applicable
- (4) **Financial Performance based on given Indicators:** (Rs in lakhs)

Sr. No.	Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
1.	Sales Turnover	3,521.88	2,042.47	1,093.84
2.	Profit/(Loss) before Tax	460.06	313.29	27.88
3.	Current Tax	89.60	-	0.20
4.	Deferred Tax	(1.68)	(10.04)	(1.57)
5.	Profit after Tax	372.14	323.33	29.25

- (5) **Foreign Investments or Collaborations, if any:** NIL.

II. Information about the Appointees**(1) Background details :****(a) Mr. P.T.Kilachand (DIN 00005516)**

Mr. P. T. Kilachand is a Bachelor of Science in “Electrical Engineering” and A.B. “Engineering & Economics” from Brown University.

He has been associated with the Company since 1988 under various designation and has vast experience in Marketing and Management.

(b) Mr. A. H. Mehta (DIN 00005523)

Mr. A. H. Mehta holds a Bachelor Degree in Commerce. In addition, he is a Chartered Accountant and a Company Secretary.

He has experience in Audit, Accountancy, Secretarial, Legal & Admn, Taxation, etc with Polychem Ltd., Sandeep Holdings Ltd and Tandon Singapore Pte. Ltd.

(2) Past Remuneration :

Mr. P. T. Kilachand : Rs 47,69,912/- excluding superannuation fund and provident fund has been paid for the year ended 31st March, 2023.

Mr. A. H. Mehta : Rs 33,29,856/- excluding superannuation fund and provident fund has been paid for the year ended 31st March, 2023.

**(3) Recognition or awards :**

Mr. P. T. Kilachand : None

Mr. A. H. Mehta : None

(4) Job profile and suitability :

Mr. P. T. Kilachand :

He started as a project officer in the Company in November 1988, Thereafter, he has been actively involved and looking after all aspects of the various activities of the Company since April 1997 under the designation of Director. He has wide experience in Management, Marketing and Negotiation with varied authorities.

Mr. A. H. Mehta :

He has been involved with the Company since January 1988 and is familiar with all aspects of the Company. He served as a Vice President – Corporate Affairs & Company Secretary from 1993 till May 2014, subsequent to which he was appointed as Dy. Managing Director. He is responsible for Company's finance and legal functions and carries out duties as instructed to him from time to time by the Board of Directors.

(5) Remuneration Proposed :

As stated in the Resolution proposed in the notice at Item Nos. 5 & 6

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) :

The Remuneration proposed for Mr. P. T. Kilachand & Mr. A. H. Mehta is similar to that drawn by the peers in the similar capacity in the similar industry.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any :

Mr. P. T. Kilachand :

Mr. P. T. Kilachand is a Managing Director and Promoter of the Company, holding directly and indirectly through promoter and promoter group, 2,10,469 Equity shares of Rs 10/- each which constitute 52.09% of the paid up capital of the Company as on 31st March, 2023. Mr. T. R. Kilachand, Chairman and Promoter of the Company, is father of Mr. P. T. Kilachand. Mr. N. T. Kilachand, Non-Executive Director and Promoter of the Company, is brother of Mr. P.T. Kilachand. Other than these and remuneration paid to him, there is no pecuniary relationship of Mr. P. T. Kilachand, directly or indirectly with company or with its managerial personnel.

Mr. A. H. Mehta :

Mr. A. H. Mehta holds 5 Equity shares of Rs 10/- each of the Company. Other than these and remuneration paid to him, there is no pecuniary relationship of Mr. A. H. Mehta, directly or indirectly with company or with its managerial personnel.

III. Other Information:**(1) Reasons of loss or inadequacy profits:**

N. A.

(2) Steps taken or proposed to be taken for improvement:

N. A.

(3) Expected Increase in productivity and profits in measurable terms:

N. A.

**E-VOTING INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:**

1. The remote e-voting period begins on Friday, 25th August, 2023, at 09:00 A.M. and ends on Monday, 28th August, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.
2. The Members, whose names appear in the Register of Members as on cut-off date i.e. 22nd August, 2023, may cast their vote electronically.
3. The voting rights of members shall be in proportion to their shares of the paid up share capital of the Company as on the cut-off date of 22nd August, 2023.

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

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





Step 1: Access to NSDL e-Voting system

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

Step 1: Access to NSDL e-Voting system**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 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://www.evoting.nsdl.com / either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;">  App Store  Google Play </div> <div style="display: flex; justify-content: center; gap: 20px;">   </div>



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi/Easiest, they 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/loginor www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once logged-in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & e-voting during the meeting.

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

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

Login type	Helpdesk details
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 022-23058542-43

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

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

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

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



4. Your User ID details are given below:

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

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

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

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

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to polychemltd@kilachand.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to polychemltd@kilachand.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF AGM ARE AS UNDER:-**

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

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at polychemltd@kilachand.com. The same will be replied by the company suitably.
6. Shareholders, who would like to be the speaker shareholder at the AGM shall send their request at least four days in advance mentioning their name demat account number/folio number, email id, mobile number at polychemltd@kilachand.com.

OTHER INSTRUCTIONS:

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast through remote e-Voting) and make, not later than 2 working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.polychemltd.com and on the website of NSDL <https://www.evoting.nsdl.com/> immediately. The Company shall simultaneously forward the results to BSE, where the shares of the Company are listed.

DIRECTORS' REPORT

To
The Members of
POLYCHEM LIMITED

Your Directors' present the Sixty - Sixth Annual Report and Statement of Accounts for the year ended 31st March, 2023.

FINANCIAL RESULTS
(Rs in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended on		Year ended on	
	31-03-23	31-03-22	31-03-23	31-03-22
Sales	3,521.88	2,042.47	5,124.21	3,578.28
Profit/(Loss) before tax	460.06	313.29	1,052.83	77.08
Current tax (for the year)	89.60	-	89.60	-
Current tax (relating to previous year)	-	-	-	-
Deferred tax	(1.68)	(10.04)	(1.68)	(10.04)
Profit/(Loss) after tax	372.14	323.33	964.91	87.12
Other Comprehensive Income				
Re-measurement of the defined benefit plans (net of tax)	(5.94)	(4.52)	(18.13)	(9.23)
Total Comprehensive Income for the period	366.19	318.81	946.78	77.89

1. DIVIDEND:

For the year under review, the Directors propose to recommend a Dividend of Rs. 20/- per equity share of Rs 10/- each i.e. 200% (Rs 3/- i.e. 30% for the previous year) on the Equity shares of the Company aggregating to Rs. 80,80,900/-. The dividend payment is subject to approval of the Members at the ensuing Annual General Meeting.

2. STATE OF COMPANY'S AFFAIRS:

During the year ended 31st March, 2023, your Company has made a profit of Rs 372.14 lakhs after tax against a profit of Rs. 323.33 lakhs after tax in previous year. The sales of Specialty Chemicals including other operating revenue during the year ended was Rs. 3,521.88 Lakhs compared to Rs. 2,042.47 lakhs during the previous year and for property development Rs. Nil during the current and previous year.

3. RESERVES:

Your Directors do not propose to transfer any amount to the general reserve.

4. SUBSIDIARY COMPANY:

The Company has one subsidiary company i.e. Gujarat Poly Electronics Limited (GPEL).

In accordance with section 129(3) of the Companies Act, 2013, the Company has prepared the consolidated financial statements of the Company, which forms part of this Annual Report. Further a statement containing the salient features of the financial statement of our subsidiary company in the prescribed format AOC-1 also forms part of this Annual Report.

The sale of GPEL during the year ended 31st March, 2023 was Rs. 1,596.34 lakhs as against sale of Rs. 1,527.86 lakhs in the previous year. GPEL has made profit of Rs. 529.87 lakhs during the current year as compared to profit of Rs. 163.24 lakhs in the previous year. GPEL manufactures as well as outsources ceramic capacitors & marketing the same

5. NUMBER OF BOARD MEETINGS HELD DURING THE YEAR:

During the year 2022-23, four Board Meetings were held through video conference on the following dates except 8th February, 2023 which was held in physical mode:

- (a) 29th May, 2022; (b) 9th August, 2022;
(c) 14th November, 2022; and (d) 8th February, 2023

More details on the Board Meeting are given under Corporate Governance Report.

**6. AUDIT COMMITTEE:**

The Audit Committee during the year consisted of 5 members. More details on the committee are given in Corporate Governance Report.

7. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee during the year consisted of 3 members. More details on the committee are given in Corporate Governance Report.

8. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee consists of 4 members, More details on the committee are given in Corporate Governance Report.

9. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Board has established a vigil mechanism for directors and employees to report genuine concerns to be disclosed, the details of which are placed on the website of the company. The Board has also formulated the whistle blower policy, same has been uploaded on the website of the company http://www.polychemltd.com/download/Whistle%20Blower%20Policy_14.pdf.

There was no reporting made by any employee for violations of applicable laws and regulations and the Code of Conduct for the F.Y. 2022-23

10. DIRECTORS'RESPONSIBILITY:

Pursuant to Section 134 of the Companies Act, 2013 the Directors confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. Appropriate accounting principles have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the profit of the Company for the year ended 31st March, 2023;
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts have been prepared on a going concern basis;
- e. The directors have laid down internal financial controls to be followed by the company;
- f. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws.

11. TAXATION:

The Company's Income Tax assessments have been completed upto the year ended 31st March, 2022

12. DEPOSITS:

Company has not received any deposits from Public during the year and there are no outstanding deposits.

13. INDUSTRIAL RELATIONS:

Industrial Relations with the employees of the Company were cordial during the year under report.

14. CONSERVATION OF ENERGY:

Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo etc. Is given in **Annexure I** forming part of this report.

15. DIRECTORS:

Mr. T. R. Kilachand and Mr. N. T. Kilachand retire from Office by rotation, but being eligible, offer themselves for re-appointment.

The Board at its meeting held on 8th February, 2023, re-appointed Mr. P. T. Kilachand as Managing Director for a period of 3 years from 1st April, 2023, superseding the earlier resolution passed by the Company in this connection.

The Board has also re-appointed Mr. A. H. Mehta as Dy. Managing Director for a period of 3 years from 5th June, 2023 at its meeting held on 17th May 2023 superseding the earlier resolution passed by the Company in this connection. The said re-appointments are placed before the Members for their approval in ensuing Annual General Meeting.

16. DECLARATION ABOUT INDEPENDENT DIRECTORS UNDER SUB-SECTION 6 OF SECTION 149:

The Company has received the declarations from Independent Directors that they meet the criteria of independence laid down under section 149(6) of the Companies Act, 2013 and under regulation 16(b) of SEBI (LODR) Regulations, 2015.

17. DISCLOSURE OF REMUNERATION RECEIVED BY MANAGING DIRECTOR OF THE COMPANY FROM ITS SUBSIDIARY/HOLDING COMPANY UNDER SECTION 197(14):

During the year 2022-23, Mr. A. H. Mehta, Dy. Managing Director of the Company has received Rs 32.78 Lakhs excluding retirement benefits from Gujarat Poly Electronics Limited, subsidiary company in capacity of Managing Director.

18. FORMAL ANNUAL EVALUATION:

As required under the act, evaluation of every director's performance was carried out. An evaluation sheet was given to each director wherein certain criteria's were set out for which ratings are to be given.

19. COMPANY'S POLICY ON DIRECTORS APPOINTMENT, REMUNERATION ETC.:

The Nomination and Remuneration Committee recommends to the Board the policy relating to remuneration for the Directors, Key Managerial Personnel and other employees, same has been uploaded on the website of the Company. http://www.polychemltd.com/download/Criteria%20for%20Appointment%20&%20Evaluation%20of%20Board%20of%20Directors_14.pdf

20. RELATED PARTY TRANSACTIONS:

All Related Party Transactions (RPT) entered into by the Company during the year under review were at arms' length and in ordinary course of business. All RPT are placed before Audit Committee for its approval.

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

1. Details of contracts or arrangements or transactions not at arms's length basis: **NIL**
2. Details of material contracts or arrangement or transactions at arm's length basis:

FORM AOC- 2

Company & Nature of Relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangement / transaction	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Ginnars & Pressers Limited (Director having significant influence/ control)	Rent & Electricity	N.A	N.A	In Year 1997	No Advances Paid. Amount paid as when expenses incurred
Tulsi Global Logistics Pvt Ltd (Director having significant influence/ control)	Rent	N.A	N.A	In Year 2014	No Advances Paid. Amount paid as when expenses incurred



The Board on recommendation of Audit Committee, adopted a policy on related party transactions to regulate transactions between the Company and its related parties, in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The policy is uploaded and can be viewed on the Company's website

http://www.polychemltd.com/download/Related%20Party%20Transaction%20Policy_14.pdf

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The Company has not given any loan or guarantee during the year and there is no outstanding loan or guarantee as on 31st March, 2023 but the company has made an investment of Rs 2 crores in Mutual Fund during the year.

22. DONATION:

During the year, the Company has not given donation to any charitable trust.

23. CORPORATE SOCIAL RESPONSIBILITY:

The provisions relating to Corporate Social Responsibility are not applicable to the company.

24. INTERNAL FINANCIAL CONTROL:

The Company has adequate internal financial control system with reference to the financial statements.

25. RISK MANAGEMENT POLICY:

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time.

26. OTHER DISCLOSURES AS PER SECTION 134 OF THE COMPANIES ACT, 2013:

- (a) There are no qualifications, reservations or adverse remark or disclaimer by the Statutory Auditor or by Secretarial Auditor in their respective reports.
- (b) There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company, to which the financial statements relate and the date of the report.

Pursuant to Section 92(3) read with section 134(3)(a) of the Act, the Annual Return as on 31st March, 2023 is available on the Company's Website at <http://www.polychemltd.com/Annual%20Return.aspx>

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy is uploaded and can be viewed on the Company's website <http://www.polychemltd.com/Download/Anti-Sexual%20Harassment%20Policy.pdf>

The Company has also formed an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. The Company has also filed Annual Report 2022 with District Collector and District Women and Child Development Officer. The Company has not received any complaints on sexual harassment during the year.

28. MANAGERIAL REMUNERATION:

- i. The ratio of remuneration of Mr. P. T. Kilachand, Managing Director and Mr. A. H. Mehta, Dy. Managing Director with the median remuneration of the employees of the company is 9.57 and 6.68 respectively.
- ii. Increase in remuneration of Mr. P. T. Kilachand, Managing Director is 6.93%, Mr. A. H. Mehta, Dy. Managing Director is 10.46%, Ms. K. V. Panchasara, Chief Financial officer is 13.92% and Ms. D. V. Chauhan, Company Secretary and Compliance Officer is 32.36%.



- iii. There is an increase of 10.32% in the median remuneration of employees in the financial year.
- iv. There are 25 permanent employees in the company.
- v. Average increase in the salaries of employees other than the managerial personnel was 21.55%
- vi. It is hereby affirmed that the remunerations paid is as per the remuneration policy of the company.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of top ten Employees in terms of remuneration drawn and name and other particulars of Employees drawing remuneration in excess of the limits set out in the said Rules are required to be part of the report. However, there are no employees drawing remuneration as mentioned in rule 5(2) (i) (ii) and (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The information of the top ten employees in terms of remuneration is not sent along with this report. However, having regards to the provisions of Section 136(1) of the Act the said information is available for inspection. Any member interested in obtaining such information may write to the Company Secretary, at the Registered office or at polychemltd@kilachand.com and the same will be furnished on request.

29. **CORPORATE GOVERNANCE:**

Pursuant to Regulation 34(3) and Schedule V of SEBI (LODR) Regulations, 2015, a separate report on Corporate Governance and a certificate from M/s. Ragini Chokshi & Co., Company Secretaries, are annexed to this Report.

30. **AUDITOR:**

In 65th Annual General Meeting, members of the Company have re-appointed M/s. Nayan Parikh & Co., Chartered Accountants, Mumbai, for a second term of 5 years from the conclusion of 65th AGM till the conclusion of 70th Annual General Meeting to be held in the Year 2027.

31. **SECRETARIAL AUDITOR:**

Complying with the provisions of Section 204 of the Companies Act, 2013, the Audit Committee has recommended and the Board of Directors have appointed M/s. Ragini Chokshi & Co., Company Secretaries, (Membership No. 2390 & C. P. No. 1436), being eligible and having sought re-appointment, as Secretarial Auditor of the Company to carry out the Secretarial Audit of the Company for the year ending March 2024. The Secretarial Audit Report for F.Y. 2022-23 is enclosed and marked as **Annexure II**.

32. **ACKNOWLEDGEMENT:**

The Directors extend their sincere thanks to the State and Central Government Authorities and Members for their co-operation and continued support.

Sincere thanks are also due to the management team and the staff for their valuable contribution.

Registered Office:

7, Jamshedji Tata Road,
Churchgate Reclamation,
Mumbai – 400 020.

CIN : L24100MH1955PLC009663

Tel: 022 22820048

Email Id: polychemltd@kilachand.com

Website: www.polychemltd.com

By Order of the Board of Directors

TANIL KILACHAND
Chairman

Mumbai, May 17, 2023



ANNEXURE I

A. CONSERVATION OF ENERGY:

----- NIL -----

POWER AND FUEL CONSUMPTION	2022-23	2021-22
Electricity		
Purchased units (Kwh)	16,880.00	13,241.00
Total Amount (Rs.)	244,930.00	195,170.00
Rate (Kwh)	14.51	14.74

B. TECHNOLOGY ABSORPTION:

Disclosures of particulars with respect to Technology Absorption, Research & Development.

I. Research and Development**1. Specific area in which R & D work is carried out:**

Currently our focus in R&D is to develop a cross linked polystyrene with bigger particle size distribution for use of Oil field application. The trials are in progress. Our present consultant is assisting in the trials.

2. Benefits derived as a result of the above R & D:

We have improved the quality of our product particularly cross linked polystyrene. One of our grades of Cross Linked Polystyrene, STYREDEX-210 has gained good acceptance in export markets thereby improving our market share.

3. Future plan of action:

We intend to improve the efficiency of Cross Linked Polystyrene production further to match that of Competitors abroad for which we plan to extend the term of the present consultant.

4. Expenditure on R & D:

We have not incurred any major expenditure on R & D either for equipment or for testing facilities.

II. Technology Absorption, Adaptation and Innovation:**1. Efforts in brief made towards technology absorption, adaptation and innovation:**

Since local technology is used for manufacture of the products of the Company, there is no question of technology absorption.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.:

Not Applicable

3. Imported Technology:

No new technology has been imported.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. in lakhs)

	<u>Current Year</u>	<u>Previous Year</u>
a) Foreign exchange outgo	0.65	0.92
b) Foreign exchange earned (FOB Value)	2,812.15	1,386.88



ANNEXURE II

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

To,
The Members,
Polychem Limited
7 Jamshedji Tata Road,
Churchgate Reclamation,
Mumbai- 400020.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **POLYCHEM LIMITED (CIN: L24100MH1955PLC009663)** (hereinafter called the "Company") for the financial year ended March 31, 2023. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon;

Based on our Verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering April 01, 2022 to March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and Compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter;

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period **April 01, 2022 to March 31, 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made 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 **(not applicable to the company during the audit period);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(not applicable to the company during the audit period);**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 **(not applicable to the company during the audit period);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable as the company has not issued any debt securities during the audit period);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(not applicable as the company is not registrar to an issue and share transfer agent during the financial year);**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not applicable as the company has not delisted its equity shares from any stock exchange during the audit period);**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(not applicable as the company has not bought back any of its securities during the audit period);**
 - (i) Securities and Exchange Board of India (Depositories & Participants) Regulation, 2018 **(to the extent applicable).**



(vi) We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:

1. Factories Act, 1948
2. Industries (Development & Regulation) Act, 1951
3. Labour Laws and other incidental laws;
4. Environment Protection Act, 1986 and other Environmental Laws;
5. The Trade Marks Act 1999;
6. The Patents Act, 1970;
7. The Copyright Act 1957;
8. Other Acts, Rules and Regulations as applicable to the Company

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- Securities and Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulation, 2015 "SEBI (LODR)".

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

We further report that

- The Board of Directors of the Company is duly constituted and the changes in the composition of the Board of Directors that took place during the period under review were carried out in the compliance with the provision of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were with requisite majority.

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.

The Compliance by the company of applicable Financial Laws like Direct & Indirect Tax Laws, Goods and Service Tax has not been reviewed in the audit since the same has been subject to the review by the statutory financial audit and other designated professionals.

We further report that during the audit period, the company had below mentioned specific event or action which might have a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Declaration of Dividend of Rs 3/- (Rupees Three only) per equity share of Rs 10/- each i.e. 30% for the year ended March 31, 2022.

For Ragini Chokshi & Co.
(Company Secretaries)

Ragini Chokshi
(Partner)

C. P. No.: 1436

FCS No.: 2390

UDIN: F002390E000321940

P. R. Certificate No.: 659/2020

Place: Mumbai
Date: 17 May 2023



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Overview:

Company is operating in the manufacturing of Specialty Chemicals and development of property/land.

Opportunities:

Our customers for the specialty polymers are in investment casting Industry. The major end user segment for investment cast products is automotive, aerospace industry, valves & instruments. Export market is growing fast particularly for one of our newly developed grades of Cross Linked Polystyrene.

The second specialty product is used as filler in cement for structural repair of columns & beam in the old buildings. The demand for this product is stable.

Threats:

The basic raw material for the majority of our products is Styrene Monomer & Di-vinyl Benzene. The styrene price is highly volatile. Availability of Di-vinyl benzene is worrisome as China is the major supplier.

We have direct threat from two competitors for Cross Linked Polystyrene in India.

Risks & concerns:

Due to price fluctuation in the main raw material i.e. styrene monomer and no corresponding increase in the price of our finished products the margin on our finished products in the domestic market as well as exports is a major area of concern.

Outlook:

Substantial part of Company's sales consists of Exports. Our product has been accepted by all major overseas Filled wax manufacturers. Currently the export market is growing, but the competition from two other exporters' forces us to lower our price, thereby realization.

Financial Performance:

1) Share Capital:

The issued and paid-up share capital of the Company is Rs. 40.40 lakhs consisting of 4,04,045 equity shares of Rs.10/- each as on 31st March, 2023.

2) Reserves and Surplus:

As on 31st March, 2023, the reserves and surplus are Rs 2,630.99 lakhs.

3) Secured Loans:

There are no secured loans outstanding as on 31st March, 2023.

4) Results of Operation:

Revenue for the current year including other income amounts to Rs. 3,571.41 lakhs compared to Rs. 2,429.18 lakhs in the previous year. Profit before tax is Rs. 460.06 Lakhs compared to Profit before tax of Rs. 313.29 Lakhs during the previous year. Provisions for tax including deferred tax during the year is Rs. 87.92 Lakhs compared to Rs. (10.04) Lakhs during the previous year. Profit after tax amounts to Rs. 372.14 Lakhs during the year compared to profit of Rs. 323.33 Lakhs during the previous year.

**Industry Structure & Development:**

Our Company is manufacturing and selling Specialty Chemicals.

Segment wise Performance:

There are two income generating segments. Segment-wise revenue for the year ended 31st March, 2023 is as follows. viz. (1) Property/Land Rs. NIL (2) Specialty Chemicals Rs. 3,521.88 Lakhs. The sale of Specialty Chemicals has gone up.

Internal Control System:

Company has adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of raw materials and fixed assets and for the sale of goods.

Human Resources:

The Company has good relation with its employees.

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

The Company has identified the following ratios as key financial ratios:

Particulars	2022-23	2021-22	% Change
Current Ratio	3.51	3.00	17
Debt to Equity Ratio	-	-	-
Debt Service Coverage Ratio	-	-	-
Return on Equity Ratio	0.15	0.15	(0)
Inventory Turnover Ratio	9.88	8.97	10
Debtor Turnover Ratio	7.20	4.45	62
Creditors Turnover Ratio	22.90	18.21	26
Net Capital Turnover Ratio	4.21	2.82	49
Operating Profit Margin	0.13	(0.02)	N.A.
Net Profit Ratio	0.11	0.16	(32)
Return on Investment	0.03	0.05	(37)

Return on Networth

The details of return on net worth are given below:

Particulars	2022-23	2021-22	% Change
Return on networth (%)	0.17	0.14	27

Detailed Reason for change of 25% or more in Key Financial Ratios is given in point No. 4.16 on page No. 84.

**CORPORATE GOVERNANCE REPORT (2022-2023)****I. Statement on Company's philosophy on code of governance**

The Company's philosophy on corporate governance is to attain high level of transparency and accountability in the functioning of the Company and in its relationship with employees, shareholders, creditors and ensuring high degree of regulatory compliances.

The Company also believes that its systems and procedures will enhance corporate performance and maximize shareholder value in the long term.

II. Board of Directors

The Board of Directors comprises of eight members out of them one is a woman director. They are responsible for management of the Company's business. The Board's role, functions, responsibility and accountability are clearly defined.

The Composition of the Board of Directors, Attendance of each Director at the Board Meeting, last AGM, sitting fees paid and Number of other Directorship and Chairmanship/Membership of Committee held by them in other public limited companies and Directorships held by them in other listed entities as on March 31, 2023 are as given below. Other directorships do not include alternate directorships of private limited companies, Section 8 companies and of companies incorporated outside India. Chairmanship/Membership of Board Committees includes only audit and Stakeholders Relationship Committees.

1. Financial year April 22 to March 23:

Name of the Director	Attendance Particulars					No. of other Directorships and Committee Membership/ Chairmanship		Name of listed entities where a person is a director and the Category of director
	Category	No. of Board Meetings held	No. of Meetings Attended	Last AGM held on 29/08/2022	Sitting Fees paid (Rs.)	Other Directorship in Public Limited Companies	Other Committee Membership/ Chairmanship in Public Limited Companies	
Mr. T. R. Kilachand	NEC(P)	4	4	No	32,000	2	2 Committee Membership	Gujarat Poly Electronics Limited – Executive Chairman
Mr. P. T. Kilachand	MD(P)	4	4	Yes	--	8	2 Committee Membership & 2 Chairmanship	Gujarat Poly Electronics Limited – Non – Executive Director
Mr. A. H. Mehta	Dy.MD	4	4	Yes	--	3	1 Committee Membership	Gujarat Poly Electronics Limited – Managing Director
Mr. N. T. Kilachand	NED(P)	4	3	Yes	24,000	2	--	--
Mr. V. V. Sahasrabudhe	NED(I)	4	4	Yes	32,000	--	--	--
Mr. C. R. Desai	NED(I)	4	3	Yes	24,000	--	--	--
Ms. N. S. Mehendale	NED(I)	4	4	Yes	32,000	--	--	--
Mr. Y. S. Mathur	NED(I)	4	3	Yes	24,000	--	--	--

Notes:

1. NEC(P) – Non - Executive Chairman and Promoter.
2. NED(I) – Non-Executive Director - Independent
3. MD(P) – Managing Director and Promoter
4. NED(P) – Non-Executive Director & Promoter
5. Dy. MD – Deputy Managing Director

2. Number of Board Meetings held and dates on which held:

During the financial year 2022-23, four Board meetings were held on the following dates through video conference except the last meeting held in physical mode:

- (a) 26th May, 2022 (b) 9th August, 2022 (c) 14th November, 2022 (d) 8th February, 2023

**3. Disclosure of Relationships between directors inter-se:**

Mr. P. T. Kilachand, Managing Director and Mr. N. T. Kilachand, Director are sons of Mr. T. R. Kilachand, Chairman of the Company.

4. Separate Meeting of Independent Directors:

As stipulated by the code of Independent Directors under the Companies Act, 2013 and under regulation 25(3) of SEBI (LODR) Regulations, 2015, a separate meeting of the Independent directors of the company was held on 8th February, 2023 in physical mode to review the performance of Non - Independent Directors and the Board as a whole, review of the performance of the Chairperson of the Company, assessment of the quality, quantity and timeliness of the flow of information between the Company's Management and the Board and its committees.

Name of the Director	Member	No. of Meeting/s	
		held	attended
Mr. V. V. Sahasrabudhe	Chairman	1	1
Mr. C. R. Desai	Member	1	1
Mr. Y. S. Mathur	Member	1	1
Ms. N. S. Mehendale	Member	1	1

5. Evaluation of Independent Directors and Boards Performance:

In compliance with the companies Act, 2013 and SEBI (LODR) Regulations 2015, the performance evaluation of the Independent Directors and Board as a whole was carried out during the year, the details of the same has been already given under directors' report.

6. Familiarization Program:

The Company has taken up the initiative to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the company operates, business model of the Company, etc. The details of such familiarization program has been disclosed on the company's website.

<http://www.polychemltd.com/Download/Polychem-%20Familiarisation%20Programme.pdf>

7. Declaration:

All the Independent Directors have confirmed that they meet the criteria as mentioned under Listing Regulations and Section 149 of the Act.

Based on the declarations received from the Independent Directors, the Board is of the opinion that, all the Independent Directors fulfill the conditions specified in the Act, Listing Regulations and are independent of the Management.

8. Details of Director appointed and re-appointed during the year:

The details of Directors being appointed and re-appointed in the ensuing Annual General Meeting has been given in the 'Notice' calling the Sixty – Sixth Annual General Meeting of the Company.

9. Details of Number of shares and Convertible Instruments held by Non-Executive directors:

Except Mr T. R. Kilachand, Mr. N. T. Kilachand and Mr. Chetan Desai who holds 1,938, 32,335 and 2 Equity Shares of Rs 10/- each of the Company respectively, no other Non-Executive Director holds any shares or Convertible Instruments of the Company.

10. Code of Conduct

The Company has framed and adopted a Code of Conduct, which is applicable to all the directors and members of the senior management in terms of Regulation 17(5)(a) of SEBI (LODR) Regulations, 2015. The said code, lays the general principles designed to guide all directors and members of the senior management in making ethical decisions.

All Directors and members of the senior management have confirmed their adherence to the provisions of the said code.

Declaration

As provided under Regulation 26 (3) of SEBI (LODR) Regulations, 2015, we confirm that the Board Members and Senior Management of the Company have confirmed compliance with the Code for the year ended 31.03.2023.

For Polychem Limited

Deepali V. Chauhan
Company Secretary & Compliance Officer

**III. Audit Committee****(A) Terms of reference of the Audit Committee are:**

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statements and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters.

(B) Composition of Audit Committee and Meeting held during the year:

The composition of the Audit Committee meets with the requirements of Section 177 of the Companies Act 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

During the year 2022-23, four meetings of the Audit Committee were held on the following dates through video conference except the last meeting held in physical mode:

(a) 26th May, 2022 (b) 9th August, 2022 (c) 14th November, 2022 (d) 8th February, 2023

Name of the Director	Category	No. of Meeting/s		Sitting Fees Paid (Rs.)
		Held	Attended	
Mr. V. V. Sahasrabudhe	Chairman	4	4	32,000/-
Mr. P. T. Kilachand	Member	4	4	-
Mr. C. R. Desai	Member	4	3	24,000/-
Mr. Y. S. Mathur	Member	4	3	24,000/-
Ms. N.S. Mehendale	Member	4	4	32,000/-

Four members of the Audit Committee are independent. All members of the Audit committee have knowledge of finance, accounts and company law. The quorum for audit committee is minimum of two members.

The Company Secretary acts as the Secretary to the Committee.

(C) Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Verify with regard to related party transactions, whether Committee laid down parameters for determining a particular transaction as significant and reviewed the necessity of such transactions;
3. Management letters/letters of internal control weaknesses issued by the statutory auditor;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

IV. Nomination and Remuneration Committee:

It comprises of four Directors, All of them are Non-Executive Independent Directors.

(A) Terms of Reference of Nomination and Remuneration Committee:

The Committee is empowered –

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



2. Formulation of criteria for evaluation of Independent 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. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

(B) Composition of Nomination and Remuneration Committee and Meeting held during the year:

The Committee comprises of four Directors, All of them are Non-Executive Independent Directors.

During the year 2022-23, two meetings of the Nomination and Remuneration Committee were held on 26th May, 2022 and 8th February, 2023 first in video conference and second in Physical mode.

Name of the Director	Category	No. of Meeting/s	
		Held	Attended
Mr. V. V. Sahasrabudhe	Chairman	2	2
Mr. C. R. Desai	Member	2	1
Mr. Y. S. Mathur	Member	2	2
Ms. N. S. Mehendale	Member	2	2

(C) Remuneration Policy and Details of Remuneration:

The Board has adopted the remuneration policy which is available on the website of the company.

http://www.polychemltd.com/download/Criteria%20for%20Appointment%20&%20Evaluation%20of%20Board%20of%20Directors_14.pdf

None of the Non-Executive Director receives salary, benefits, bonuses, stock options, pension etc. except sitting fees. The Company pays fees to all Directors excluding the Managing Director and Dy. Managing Director of the Company for attendance during the meeting. The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors.

Details of Remuneration to all the directors:

(in Rupees)

Sr. No.	Name of Director	Salary	Perquisites & allowances	Commission	Bonus/ Incentives	Stock options granted	Sitting Fees	Total
1	Mr. T. R. Kilachand	NIL	NIL	NIL	NIL	NIL	32,000	32,000
2	Mr. P. T. Kilachand	33,38,974	14,30,938	NIL	NIL	NIL	NIL	47,69,912
3	Mr. A. H. Mehta	31,25,749	2,04,107	NIL	NIL	NIL	NIL	33,29,856
4	Mr. N. T. Kilachand	NIL	NIL	NIL	NIL	NIL	24,000	24,000
5	Mr. V. V. Sahasrabudhe	NIL	NIL	NIL	NIL	NIL	64,000	64,000
6	Mr. C. R. Desai	NIL	NIL	NIL	NIL	NIL	48,000	48,000
7	Ms. N. S. Mehendale	NIL	NIL	NIL	NIL	NIL	64,000	64,000
8	Mr. Y. S. Mathur	NIL	NIL	NIL	NIL	NIL	48,000	48,000

Note: The remuneration to the Directors does not include provident fund, gratuity and superannuation.

V. Stakeholders Relationship Committee:

The Constitution of Stakeholders Relationship Committee is as per requirement of Section 178(5) of the Companies Act, 2013. The Committee has been delegated the power of attending to share related query.

Mr. V. V. Sahasrabudhe, Non – Executive and Independent Director heads the committee

Sr. No.	Name of the Director	Category	No. of Meeting/s	
			Held	Attended
1.	Mr. V. V. Sahasrabudhe	Chairman	2	2
2.	Mr. T. R. Kilachand	Member	2	2
3.	Mr. P. T. Kilachand	Member	2	2

The Committee would look into the redressal of the shareholders' complaints in respect of all matters including transmission of shares, deletion of names, duplicate share certificate, non-receipt of Share Certificates and investors complaints etc.



Ms. D. V. Chauhan, Company Secretary & Compliance Officer provided secretarial support to the Committee and was also the designated Compliance Officer of the Company.

No complaints were received during the year ended on 31st March, 2023, and therefore, No complaints were pending as on 31st March, 2023.

VI. General Body Meetings:

Annual General Meeting (AGM)

The particulars of Annual General Meetings/Extraordinary General Meetings of the Company held during the last 3 years are as under.

Year	Day, Date and Time	Venue	Whether Special Resolution Passed
2021-2022	65 th AGM held on Monday, 29 th August, 2022 at 11.00 a.m	Through Video Conference	No
2020-2021	64 th AGM held on Thursday, 16 th September, 2021 at 11.00 a.m	Through Video Conference	Yes
2019-2020	63 rd AGM held on Friday, 11 th September, 2020 at 11.00 a.m	Through Video Conference	Yes

No Resolutions have been passed through Postal Ballot during the last 3 years.

VII. Skills/Expertise/Competence of the Board of Directors of the Company

The following is the list of core skills/expertise/competencies possessed by the Board of Directors of the Company, which are essential for the functioning of the Company in an effective manner.

a) Market Exploration & Potential Marketing:-

Experience in developing promotional strategies to increase the sales in the existing and explore potential market for the Company.

b) Service on the Board's of Various Companies:-

Experience of serving on the Board's of different companies in order to develop insights about Corporate Governance, Management Responsibility, Protecting Stakeholders interest.

c) Financial Expertise:-

Expertise in accounting and financial control functions. Possessing analytical skills. Expertise in preparation of financial strategies for the long term growth of the business of the Company.

d) Law & policies:-

Awareness of the existing law and economical policies applicable to the Company thereby ensuring proper legal and statutory compliances and appropriate application of policies to the advantage of the Company.

e) Expansion, Modification & Updation:

A significant background about the technology applicable to the company resulting in how to implement technological updates into the Business of the Company

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding skills/expertise/competencies.

Name	Market Exploration & Potential Marketing	Service on the Board's of Various Companies	Financial Expertise	Law & Policies	Expansion Modification & Updation
Mr. T. R. Kilachand	✓	✓	✓	✓	✓
Mr. P. T. Kilachand	✓	✓	✓	✓	✓
Mr. A. H. Mehta	✓	✓	✓	✓	✓
Mr. N. T. Kilachand	✓	✓	✓	✓	✓
Mr. V. V. Sahasrabudhe	-	✓	✓	✓	✓
Mr. C. R. Desai	✓	✓	✓	-	✓
Ms. N. S. Mehendale	✓	✓	-	-	✓
Mr. Y. S. Mathur	✓	✓	-	-	✓

**VIII. Disclosure:**

Mr. P. T. Kilachand, Managing Director, Mr. A. H. Mehta, Dy. Managing Director and Ms. K. V. Panchasara, Manager, Finance and Taxation & CFO, constitutes 'Management'.

1. Disclosures on materially significant related party transactions that may have a potential conflict with the interest of company at large:

The Board noted that certificate has been received from the management that there have not been any material financial or commercial transactions during the year where management has personal interest that may have a potential conflict with the interest of company at large.

The details of transactions of the company with the related parties have been disclosed as Note No. 4.09 of the Notes on Accounts.

2. Details of Non-Compliance by the company, penalties, strictures:

There are no strictures or Material penalties imposed on the Company either by SEBI, Stock Exchange or any statutory authorities on any matter related to capital markets during the last three years.

3. Whistle Blower Mechanism:

The Company has adopted the whistle blower policy and has established a vigil mechanism under Regulation 22 of SEBI (LODR) Regulations 2015, the details of mechanism and policy have been disclosed on the website.

It is hereby affirmed that no person has been denied access to the audit committee.

4. Details of Compliance with Mandatory Requirements:

The company has complied with all the mandatory requirements as mentioned in SEBI (LODR) Regulations, 2015.

5. Web Link of Policies :

- The Company has framed a Policy on Related Party transaction, the web link for the same is http://www.polychemltd.com/download/Related%20Party%20Transaction%20Policy_14.pdf.
- The Company is not dealing in commodity and hence disclosure relating to commodity price risks and commodity hedging activities are not required.

6. Certificate of Non – Disqualification of Directors:

The Certificate as required under 10(i) of Part C of Schedule V of the SEBI (LODR) Regulations, 2015 issued by M/s. Ragini Choksi & Co., Practicing Company Secretary is enclosed and marked as **Annexure A**.

7. There is no Non-Compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of the Part C of Schedule V of the Listing Regulations.

8. Details of total fees paid to statutory auditors:

The details of total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor are as follows:

Sr. No.	Particulars	Amount
1	Limited Review	1,85,000
2	Statutory	
	a. Standalone	2,25,000
	b. Consolidated	65,000
	Total	4,75,000

9. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

No. of Complaints filed during FY 2022-23	No. of Complaints disposed of during FY 2022-23	No. of Complaints pending as on end of FY 2022-23
0	0	0

10. During the year no loans /advances in the nature of loans to firms/companies in which directors are interested is given by the Company.

IX. CEO/CFO Certification:

Mr. A. H. Mehta, Dy. Managing Director and Ms. K. V. Panchasara, Manager, Finance and Taxation & CFO, of the Company have certified to the Board that:

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief: -
 1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee those deficiencies of which they are aware, in the design or operation of such internal control and that they have taken the required steps to rectify these deficiencies.
- (d) They further certify that they have indicated to the Auditors and Audit Committee -
 1. there have been no significant changes in internal control over financial reporting during the year.
 2. there have been no changes in accounting policies during the year.
 3. there have been no instances of significant fraud of which they have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control system over financial reporting.

IX. Discretionary Requirements under regulation 27(1) of SEBI (LODR) Regulations, 2015:

The company has complied with all the Mandatory requirements, apart from it the company has also adopted some non-mandatory requirements as follows

1. Audit Qualifications:
 - (a) The Company's financial statement for the year ended 31st March, 2023 does not contain any qualification.
 - (b) Secretarial Audit Report for the year ended 31st March, 2023 does not contain any qualifications.
2. Separate posts of Chairman and CEO: The Chairman of the Board's position is separate from that of Managing Director.
3. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

X. Means of Communications:

The quarterly results are communicated to Bombay Stock Exchange Ltd., Mumbai. These results are also published in one English Newspaper i.e The Free press Journal and in one Regional language newspaper i.e Navshakti times. Results of 4th quarter i.e Quarter ended 31st March, 2023 has been uploaded on the website of the company i.e www.polychemltd.com

XI. General Shareholder Information:

AGM: Date	29 th August, 2023.
Time	11 a.m.
Venue	Through Video Conference (Mumbai)
Financial Year	April 2022 to March 2023
Dividend	Dividend of Rs 20/- per equity share of Rs 10/- each (200%) will be paid on or after 29 th August, 2023, subject to approval by shareholders.
Record Date	Friday, 14 th July, 2023
Unclaimed Dividend	Dividend for the F.Y. 15-16 is due to be transferred in September, 2023. Details are available on Company's Website.
Dividend transferred to IEPF	Dividend for the F.Y. 14-15 is transferred to IEPF on 5 th September, 2022
e-voting period	From 9.00 a.m., 25 th August, 2023 to 5 p.m., 28 th August, 2023.
Cut-off date for e-voting	22 nd August, 2023.
Dates of Book Closure	Wednesday 23 rd August, 2023 to Tuesday 29 th August 2023 (both days inclusive)



Listing on Stock Exchange	Bombay Stock Exchange Ltd. Mumbai
Demat ISIN Numbers in NSDL & CDSL for Equity Shares	INE 752B01024
Stock Code	Mumbai 506605
Market price Data: High, Low during each Month in the financial year 2022-23	See Table No. 1 below
Registrar and Share Transfer Agents	M/s. LINK Intime India Pvt Ltd. C 101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai 400 083. Telephone: +91 022 49186000 Fax: +91 022 49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in
Share Transfer System	Shares are transferred only in demat mode.
Distribution of shareholding & Category-wise distribution	See table No. 2 & 3
De-materialization of shares and liquidity	See table No. 4
Plant Location	SPECIALTY CHEMICALS W91, MIDC Phase II, Sonarpada, Dombivali (E) 421 202.
Address for correspondence	Registered Office: 7, J. Tata Road, Churchgate Reclamation, Mumbai 400 020. Telephone: 022 22820048 Email: polychemltd@kilachand.com Website: www.polychemltd.com CIN: L24100MH1955PLC009663

Table 1 - Market Price Data

High and Low of market price of the Company's shares traded on Bombay Stock Exchange Ltd., Mumbai, during the financial year 2022-2023:

Month	High (Rs.)	Low (Rs.)	Total No. of shares traded.
April – 2022	766.45	567.00	4,278
May- 2022	638.00	506.00	3,037
June – 2022	747.00	540.00	46,589
July – 2022	699.00	595.50	1,418
August – 2022	983.00	550.00	8,796
September – 2022	1025.00	812.55	2,165
October – 2022	987.40	850.00	2,149
November – 2022	997.00	830.55	2,688
December - 2022	954.00	793.05	2,315
January – 2023	888.40	777.05	1,040
February – 2023	1048.95	700.00	6,572
March - 2023	963.00	845.10	1,998

Table 2 - Distribution of shareholding as on 31-3-2023

No. of Equity Shares held	No. of Shares held	% of total shares	No. of Shareholders	% of total Shareholders
1 to 500	80,234	19.86	6,033	99.18
501 to 1000	11,720	2.90	17	0.28
1001 to 2000	14,241	3.52	11	0.18
2001 to 3000	5,301	1.31	2	0.03
3001 to 4000	14,271	3.53	4	0.07
4001 to 5000	18,936	4.69	4	0.07
5001 to 10000	35,481	8.78	5	0.08
10001 and above	2,23,861	55.41	7	0.11
Total	4,04,045	100.00	6,083	100.00

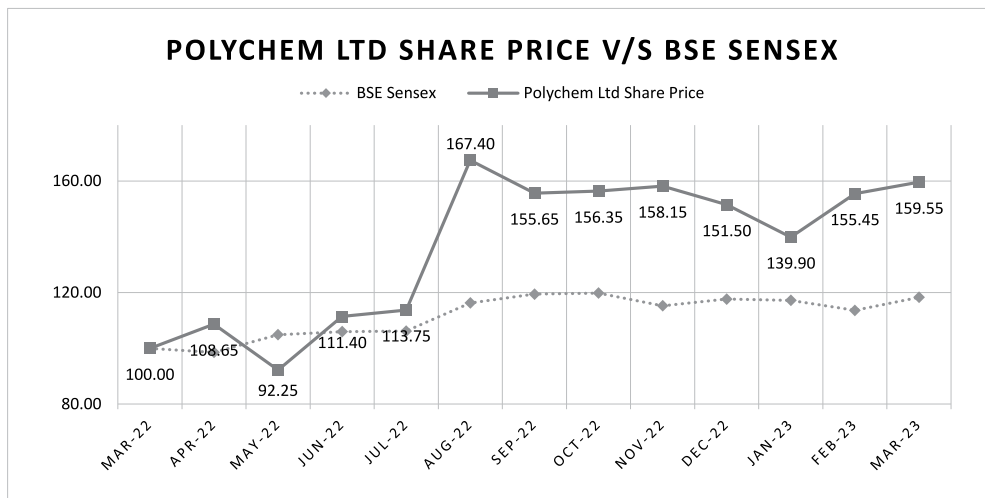


Table 3 - Category wise distribution of shareholding as on 31-03-2023

Sr. No.	Category	No. of shareholders	No. of shares held	% of total shares
1.	Promoters	9	2,10,469	52.09
2.	Institutions			
	a. Banks/FI	11	790	0.20
	b. Insurance Companies	2	11,259	2.79
	c. NBFC registered with RBI	1	125	0.03
3.	Non- Institutions			
	a. Bodies Corporate	52	6,773	1.68
	b. NRI	45	878	0.22
	c. HUF	51	8,179	2.05
	d. Clearing Members	2	11	0.00
	e. Trusts	3	92	0.02
	f. Bodies Corp – Ltd Liability Partnership	1	80	0.02
	g. IEPF	1	22,969	5.68
4.	Directors other than promoters and their relatives	11	93	0.02
5.	Key Managerial Personnel	1	1	-
6.	Resident Individuals	5,893	1,42,326	32.20
	Total	6,083	4,04,045	100.00

Table 4 - Break-up of shares in physical & electronic mode as on 31-03-2023

Mode	No of shareholders	% of total shareholders	No. of shares	% of total shares
Physical	3,362	55.27	24,508	6.07
Electronic	2,721	44.73	3,79,537	93.93
Total	6,083	100.00	4,04,045	100.00

Performance in comparison to BSE Sensex

Closing value of Polychem Ltd share price v/s BSE sensex on the last trading day of the month Base is considered to be 100 as on 31st March 2022.



ANNEXURE A

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
Polychem Limited
7 Jamshedji Tata Road,
Churchgate Reclamation,
Mumbai - 400020.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **POLYCHEM LIMITED** having **CIN: L24100MH1955PLC009663** and having registered office at 7 Jamshedji Tata Road, Churchgate Reclamation, Mumbai 400020 (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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/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 me/us by the Company & its officers.

I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Parthiv Tanil Kilachand	00005516	03/12/1996
2.	Atul Haridas Mehta	00005523	29/05/2014
3.	Nandish Tanil Kilachand	00005530	27/07/2012
4.	Tanil Ramdas Kilachand	00006659	19/08/1986
5.	Vinayak Vasudeo Sahasrabudhe	00296976	28/09/2007
6.	Yogesh Shivraj Mathur	01059977	31/03/2015
7.	Nirmala Sanjay Mehendale	01230600	25/03/2015
8.	Chetan Ramesh Desai	03246010	04/08/2010

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

For Ragini Chokshi & Co.
(Company Secretaries)

Ragini Chokshi
(Partner)

C. P. No.: 1436

FCS No.: 2390

UDIN: F002390E000322039

P. R. Certificate No.: 659/2020

Place: Mumbai
Date: 17th May, 2023



CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
POLYCHEM LIMITED
7 Jamshedji Tata Road,
Churchgate Reclamation,
Mumbai- 400020

We have examined the compliance of the conditions of Corporate Governance by **POLYCHEM LIMITED** ('the Company') for the financial year ended March 31, 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination, as carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Company Secretaries of India (the "ICSI"), was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Paragraphs C and D of Schedule V to the SEBI Listing Regulations for the year ended March 31, 2023.

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

For Ragini Chokshi & Co.
(Company Secretaries)

Ragini Chokshi
(Partner)

C. P. No.: 1436

FCS No.: 2390

UDIN: F002390E000321995

P. R. Certificate No.: 659/2020

Place: Mumbai
Date: 17th May, 2023



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLYCHEM LIMITED

Report on Audit of the Standalone Financial Statements

Opinion

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

Basis for Opinion

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics issued by ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional 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 that there are no key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors is responsible for the preparation of other information. The other information comprises the information included in Annual report but does not include the consolidated financial statements, 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.

Responsibilities of Management and Those Charged with Governance 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds



and other irregularities; selection and application of appropriate accounting policies; making 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, based on our audit we report that:
 - i. 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;
 - ii. 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;
 - iii. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - iv. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder and relevant provisions of the Act;
 - v. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
 - vi. With respect to the adequacy of the internal financial controls over financial reporting 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 with reference to standalone financial statements.
 - vii. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
 - viii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its standalone financial statements - Refer Note 4.02 to the standalone financial statements;
 - b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - c) There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund.
 - d) (i) The Management has represented that, to the best of its knowledge and belief, as stated in the Note no. 4.17 (d) to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - (ii) The Management has represented, that, to the best of its knowledge and belief, as stated in the Note no. 4.17 (e) to the accounts no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



(iii) Based on the audit procedures performed by us that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (i) and (ii) above, contain any material mis-statement;

- e) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act as applicable to the extent it applies to payment of dividend.

As stated in note no. 4.10 to the standalone financial statements the Board of director's of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act as applicable to the extent it applies to declaration of dividend.

- f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **Nayan Parikh & Co.**
Chartered Accountants
Firm Registration No.: 107023W

K. Y. Narayana
Partner

Place: Mumbai
Dated: May 17, 2023

Membership No.: 060639
UDIN: 23060639BGRYUO6585

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report on even date to the members of the Company on standalone financial statements for the year ended March 31, 2023:

- (i) a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipments;
- (B) The Company has maintained proper records showing full particulars of Intangible Assets;
- b) All Property, Plant and Equipment, have been physically verified by the management during the year according to a phased programme as designed by the management. This, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. We have been further informed that there are no material discrepancies between the book records and the physical verification have been noticed;
- c) The Company does not hold any immovable properties which are freehold. In respect of immovable properties of land and building that have been taken on lease and classified as Right of Use Asset in the standalone financial statements, the lease agreements are in the name of the Company;
- d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year;
- e) As per the information provided to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company;
- (ii) a) The inventories have been physically verified by the management during the year. In our opinion, and according to the information and explanation given to us, the frequency of verification is reasonable. The procedures of physical verification, in our opinion, are reasonable and adequate in relation to size of the Company and nature of its business. The Company is maintaining proper records of inventories. No discrepancies were noticed on verification between the physical inventories and the book records;
- b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets and hence reporting under paragraph 3(ii)(b) of the Order is not applicable



- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii)(a), (b) and (c) of the Order are not applicable;
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made;
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the Company. We have been informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard;
- (vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act, for the services rendered by the Company;
- (vii)
 - a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues such as goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other applicable statutory dues. According to information and explanations given to us, no undisputed statutory dues payable were in arrears as at March 31, 2023, for a period of more than six months from the date they became payable;
 - b) According to the information and explanation given to us, there are no outstanding disputed dues payable by the Company in case of income tax, goods and service tax or cess and any other statutory dues as on March 31, 2023.
- (viii) According to the information and explanation provided to us, there are no transactions that are not recorded in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, reporting under clause 3(viii) of the Order is not applicable to the Company;
- (ix)
 - a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under paragraph 3(ix)(a) of the Order is not applicable to the Company;
 - b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;
 - c) The Company has not taken any term loan. Accordingly, reporting under paragraph 3(ix)(c) of the Order is not applicable to the Company;
 - d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements, the Company has not raised any funds on short-term basis. Accordingly, the reporting under paragraph 3(ix)(d) of the Order is not applicable to the Company;
 - e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary;
 - f) The Company has not raised loans during the year and hence reporting on paragraph 3(ix)(f) of the Order is not applicable;
- (x)
 - a) The Company has not raised any money by way of initial public offer or further public offer (including debt instrument) during the year. Accordingly, paragraph 3(x) of the Order is not applicable.
 - b) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the current financial year. Accordingly, reporting under paragraph 3(x)(b) of the Order is not applicable to the Company;
- (xi)
 - a) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year;
 - b) To the best of our knowledge, no report under section 143(12) of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;
 - c) No whistle-blower complaints were received during the year by the Company;



- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable;
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.
- (xiv) a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business;
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable to the Company;
- (xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3(xvi)(a),(b) and (c) of the Order is not applicable to the Company;
- b) The Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under paragraph (xvi)(b) of the Order is not applicable;
- (xvii) The Company has not incurred any cash losses in the financial year covered by our audit and in the immediately preceding financial year;
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under paragraph 3(xviii) of the Order is not applicable to the Company;
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due; and
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under paragraph 3(xx) of the Order is not applicable for the year.

For Nayan Parikh & Co.
Chartered Accountants
Firm Registration No.: 107023W

K. Y. Narayana
Partner

Place: Mumbai
Dated: May 17, 2023

Membership No.: 060639
UDIN: 23060639BGRYUO6585



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2(vi) under “Report on Other Legal and Regulatory Requirements” of our report on even date to the members of the Company on standalone financial statements for the year ended March 31, 2023

Opinion

We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023 based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility for Internal Financial Controls

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 prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 standalone 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 standalone 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 standalone 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 with reference to Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 with reference to Financial Statements

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

For **Nayan Parikh & Co.**
Chartered Accountants
Firm Registration No.: 107023W

K. Y. Narayana
Partner

Membership No.: 060639
UDIN: 23060639BGRYUO6585

Place: Mumbai
Dated: May 17, 2023



STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

Particulars	Note No.	As at March 31,	
		2023	2022
ASSETS			
Non-current Assets			
Property, plant and equipment	2.01	147.29	52.01
Right - to - use asset	2.01	41.73	21.48
Other Intangible assets	2.02	8.61	1.52
Financial assets			
Investments	2.03	1,649.34	1,487.72
Loans	2.04	8.90	6.47
Other financial assets	2.05	15.87	12.32
Deferred tax assets (Net)	2.06	29.06	25.38
Other non-current assets	2.07	5.01	4.11
Total non-current assets		1,905.81	1,611.01
Current Assets			
Inventories	2.08	446.15	236.30
Financial Assets			
Trade receivables	2.09	323.47	614.04
Cash and cash equivalents	2.10	137.01	28.67
Bank balances other than cash and cash equivalents	2.11	90.31	88.05
Loans	2.04	4.20	5.16
Other financial assets	2.05	0.69	0.48
Current tax assets (Net)	2.12	22.53	1.53
Other current assets	2.07	96.19	89.48
Total current assets		1,120.55	1,063.71
Total assets		3,026.36	2,674.72
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	2.13	40.40	40.40
Other Equity	2.14	2,630.99	2,276.91
Total equity		2,671.39	2,317.31
Liabilities			
Non-current liabilities			
Financial Liabilities			
Other financial liabilities	2.15	35.84	2.38
Total non-current liabilities		35.84	2.38
Current Liabilities			
Financial Liabilities			
Trade payables	2.16		
Total outstanding dues of Micro & Small Enterprises		20.73	6.05
Other than Micro & Small Enterprises		109.88	148.11
Other financial liabilities	2.15	89.26	123.93
Other current liabilities	2.17	98.63	76.31
Provisions	2.18	0.63	0.63
Total current liabilities		319.13	355.03
Total equity and liabilities		3,026.36	2,674.72

Summary of significant accounting policies

1

Refer accompanying notes. These notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For Nayan Parikh & Co.

Chartered Accountants

Firm Registration No.: 107023W

K. Y. Narayana

Partner

Membership No.: 060639**Tanil R. Kilachand****Parthiv T. Kilachand****Atul H. Mehta****Kanan V. Panchasara****Deepali V. Chauhan**

Chairman (DIN No.: 00006659)

Managing Director (DIN No.: 00005516)

Dy. Managing Director (DIN No.: 00005523)

Chief Financial Officer

Company Secretary & Compliance Officer

Place: Mumbai **Date:** 17th May, 2023**Place:** Mumbai **Date:** 17th May, 2023

**STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in Lakhs unless otherwise stated)

Particulars	Note No.	Year Ended March 31	
		2023	2022
INCOME			
Revenue from operations	3.01	3,521.88	2,042.47
Other Income	3.02	49.53	386.71
Total Income		3,571.41	2,429.18
EXPENSES			
Cost of materials consumed	3.03	2,042.45	1,181.29
Changes in inventories	3.04	(210.99)	(32.61)
Processing charges		404.94	245.51
Employee benefits expense	3.05	358.73	304.02
Finance Cost	3.06	6.22	4.38
Depreciation and amortization expense	3.07	54.79	47.26
Other expenses	3.08	455.21	366.04
Total Expenses		3,111.35	2,115.89
Profit before tax		460.06	313.29
Tax expenses	3.09		
Current tax (for the year)		89.60	-
Deferred tax		(1.68)	(10.04)
Total tax expense		87.92	(10.04)
Profit for the period		372.14	323.33
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligation		(7.94)	(6.04)
Income tax relating to these items	3.09	2.00	1.52
Total other comprehensive income		(5.94)	(4.52)
Total comprehensive income for the period		366.20	318.81
Earnings per equity share			
Basic (in Rs.)		92.10	80.02
Diluted (in Rs.)		92.10	80.02

Significant accounting policies

1

Refer accompanying notes. These notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For Nayan Parikh & Co.

Chartered Accountants

Firm Registration No.: 107023W

K. Y. Narayana

Partner

Membership No.: 060639

Tanil R. Kilachand**Parthiv T. Kilachand****Atul H. Mehta****Kanan V. Panchasara****Deepali V. Chauhan**

Chairman (DIN No.: 00006659)

Managing Director (DIN No.: 00005516)

Dy. Managing Director (DIN No.: 00005523)

Chief Financial Officer

Company Secretary & Compliance Officer

Place: Mumbai Date: 17th May, 2023Place: Mumbai Date: 17th May, 2023

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in Lakhs unless otherwise stated)

Equity share capital	Amount
Balance as at April 1, 2021	40.40
Changes in equity share capital during the year	-
Balance as at March 31, 2022	40.40
Changes in equity share capital during the year	-
Balance as at March 31, 2023	40.40

Other Equity

Particulars	Securities Premium Account	General Reserve	Capital Redemption Reserve	Retained earnings	Total
Balance as at April 1, 2021	1,424.37	278.22	50.00	205.50	1,958.10
Profit for the year	-	-	-	323.33	323.33
Other comprehensive income/(loss)	-	-	-	(4.52)	(4.52)
Total comprehensive income for the year	1,424.37	278.22	50.00	524.31	2,276.91
Dividend Paid	-	-	-	-	-
Balance as at March 31, 2022	1,424.37	278.22	50.00	524.31	2,276.91
Profit for the year	-	-	-	372.14	372.14
Other comprehensive income/(loss)	-	-	-	(5.94)	(5.94)
Total comprehensive income for the year	1,424.37	278.22	50.00	890.52	2,643.12
Dividend Paid	-	-	-	(12.12)	(12.12)
Balance as at March 31, 2023	1,424.37	278.22	50.00	878.40	2,630.99

As per our report of even date

For Nayan Parikh & Co.

Chartered Accountants

Firm Registration No.: 107023W

K. Y. Narayana

Partner

Membership No.: 060639**Place:** Mumbai **Date:** 17th May, 2023

For and on behalf of the Board of Directors

Tanil R. Kilachand**Parthiv T. Kilachand****Atul H. Mehta****Kanan V. Panchasara****Deepali V. Chauhan****Place:** Mumbai**Date:** 17th May, 2023

Chairman (DIN No.: 00006659)

Managing Director (DIN No.: 00005516)

Dy. Managing Director (DIN No.: 00005523)

Chief Financial Officer

Company Secretary & Compliance Officer

**AUDITED STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in Lakhs unless otherwise stated)

Particulars	Year Ended March 31	
	2023	2022
Cash flow from operating activities		
Net Profit before tax	460.06	313.29
Non-cash Adjustment to Profit Before Tax:		
Depreciation and amortization expense	54.79	47.26
Dividend Income	(0.98)	(0.77)
Gratuity & Compensated absences (unfunded)	11.83	10.95
Reversal of impairment of Investments	-	(315.59)
Interest Income	(5.82)	(6.56)
Provision for Bonus	-	(0.14)
Amount written off	0.01	1.57
Amount no longer payable written back	-	(1.10)
MTM (Gain)/loss on forward contracts	(0.81)	(0.45)
Finance Income (Including fair value changes in financial instruments)	(37.19)	(55.71)
Bad Debts	0.07	-
Profit on sale of Property, plant and equipment	(0.52)	(0.01)
Finance Cost on lease	6.22	4.38
Unrealised gain and loss on foreign exchange	(4.59)	(10.31)
	483.07	(13.19)
Working Capital Adjustments:		
Decrease/(Increase) in trade receivables	295.88	(321.62)
Increase in inventories	(209.86)	(27.68)
(Decrease)/Increase in trade payables	(23.55)	77.99
Decrease in other financial assets	1.21	-
(Increase)/Decrease in other non-current assets	(2.89)	11.21
Increase in other current assets	(6.71)	(19.92)
Increase in other current liabilities	2.56	9.17
Increase in other financial liabilities	17.45	51.89
	557.16	(232.15)
Cash generated from operations	557.16	(232.15)
Direct taxes paid (net of refunds)	108.35	(0.87)
Net cash flow from/(used in) operating activities (A)	448.81	(231.18)
Cash flow from investing activities:		
Payments for acquisition of property, plant and equipment	(170.04)	(8.42)
Payments for acquisition of intangible assets	(8.66)	-
Loans & Advance repayments	(1.48)	(2.83)
Proceeds from sale of property, plant and equipment	1.80	0.36
Movement in Fixed deposits	(7.00)	(55.00)
Investment in mutual funds & shares	(200.00)	(118.36)
Proceeds on redemption of mutual funds	75.57	131.89
Interest received	5.60	7.28
Dividend received	0.98	0.77
	(303.23)	(44.31)
Net cash flow from/(used in) investing activities (B)	(303.23)	(44.31)

**AUDITED STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in Lakhs unless otherwise stated)

Particulars	Year Ended March 31	
	2023	2022
Cash flows from financing activities		
Finance lease payments	(25.13)	(23.84)
Dividends Paid	(12.12)	-
Net cash flow from/(used in) in financing activities (C)	(37.25)	(23.84)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	108.33	(299.43)
Cash and cash equivalents at the beginning of the year	28.67	328.10
Cash and cash equivalents at the end of the year	137.01	28.67

Reconciliation of cash and cash equivalents as per the cash flow statement

Cash and cash equivalents		
Balances with banks:		
On current accounts	128.01	18.90
Deposits with original maturity of less than 3 months	9.00	9.00
Cash on hand	-	0.77
Balance as per the cash flow statement	137.01	28.67

Note: Above statement has been prepared by using Indirect method as per Ind AS - 7 on Statement of Cash flows.

As per our report of even date

For Nayan Parikh & Co.

Chartered Accountants

Firm Registration No.: 107023W

K. Y. Narayana

Partner

Membership No.: 060639**Place:** Mumbai **Date:** 17th May, 2023

For and on behalf of the Board of Directors

Tanil R. Kilachand**Parthiv T. Kilachand****Atul H. Mehta****Kanan V. Panchasara****Deepali V. Chauhan****Place:** Mumbai **Date:** 17th May, 2023

Chairman (DIN No.: 00006659)

Managing Director (DIN No.: 00005516)

Dy. Managing Director (DIN No.: 00005523)

Chief Financial Officer

Company Secretary & Compliance Officer



SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ON STANDALONE FINANCIAL STATEMENTS

Background

Polychem Limited is engaged in the manufacturing of specialty chemicals and property development. The Company has manufacturing plant in India and sells it in Domestic as well as International market. The Company is Public Limited Company domiciled in India and is listed on the Bombay Stock Exchange (BSE).

Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the presentation of these standalone financial statements.

1.01 BASIS OF PREPARATION

(i) Compliance with Ind AS :

The standalone financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act"), and relevant rules issued there under. In accordance with proviso to the Rule 4A of the Companies (Accounts) Rules, 2014, the terms used in these financial statements are in accordance with the definitions and other requirements specified in the applicable Accounting standards.

Authorization of standalone financial statements

The standalone financial statements were approved for issue by Board of Directors on May 17, 2023.

(ii) Historical cost convention:

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

- certain financial assets and liabilities (including derivative instruments) is measured at fair value; and
- defined benefit plans – plan assets measured at fair value.

1.02 FUNCTIONAL AND PRESENTATION CURRENCY

These standalone financial statements are presented in India Rupees (INR), which is also the company's functional currency. All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest Lakhs, except where otherwise indicated.

1.03 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current if it is:

- i) Expected to be realized or intended to be sold or consumed in normal operating cycle,
- ii) Held primarily for the purpose of trading,
- iii) Expected to be realized within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle,
- ii) It is held primarily for the purpose of trading,
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of operations, the Company has ascertained its operating cycle as twelve months for the purpose of current - non-current classification of assets and liabilities.

**1.04 MEASUREMENT OF FAIR VALUES**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

1.05 USE OF JUDGEMENTS, ESTIMATES & ASSUMPTIONS

While preparing standalone financial statements in conformity with Ind AS, the management makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The management continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are as below:

Key sources of estimation uncertainty

- i) Financial instruments; (Refer note 4.08)
- ii) Useful lives of property, plant and equipment and intangible assets; (Refer note 1.07)
- iii) Valuation of inventories; (Refer note 1.11)
- iv) Measurement of defined benefit obligations, key actuarial assumptions; (Refer note 4.03)
- v) Evaluation of recoverability of deferred tax assets; (Refer note 2.06) and
- vi) Contingencies. (Refer note 4.02)

1.06 FOREIGN CURRENCY TRANSACTIONS**i) Functional and presentation currency**

The Company's standalone financial statements are prepared in INR, which is also the Company's functional and presentation currency.

ii) Transactions and balances***Monetary items***

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Statement of Profit and Loss.

Non – Monetary items

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

**1.07 PROPERTY, PLANT AND EQUIPMENT****Recognition and Measurement**

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

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

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Stores & Spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

Depreciation on Property, plant and equipment

Depreciation on Property, Plant & Equipment is provided on written down value method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, Plant & Equipment and has adopted the useful lives and residual value as prescribed in Schedule II.

In case of additions/deletions during the year, the depreciation is computed from the month in which such assets are put to use and upto the previous month of sale or disposal as the case may be. In case of impairment, depreciation is provided on the revised carrying amount over its remaining useful life.

All assets costing up to Rs. 5,000 (in ₹) are fully depreciated in the year of capitalization.

The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

1.08 INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised on written down value basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortisation expense on Intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss.

Business application software intended for long term use are recorded at their acquisition cost and the cost of assets at their carrying value.

Amortization of intangible assets

Computer software is amortized over the estimated useful life of the assets.

1.09 IMPAIRMENT OF ASSETS

Carrying amount of tangible assets, intangible assets and investments in subsidiary (which is carried at cost) is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.10 LEASES

As a Lessee

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term ending within 12 months and the Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease income from operating leases where the Company is a lessor are recognized on either a straight-line basis or another systematic basis. The Company shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The Company present underlying assets subject to operating leases in its balance sheet according to the nature of the underlying asset.

1.11 INVENTORIES

Inventories are valued as follows:

Raw materials, packing materials, work-in-process and finished goods are valued at cost or net realizable value, whichever is lower. Cost of raw materials and packing materials is determined on FIFO basis. Cost of work-in-process and finished goods is determined on the basis of absorption costing method.

Property under development

Property under development represents free hold land converted into stock-in-trade on the basis of valuation made by approved valuer and development expenses incurred thereon.

1.12 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.13 INVESTMENT IN SUBSIDIARY

A subsidiary is an entity that is controlled by another entity. An investor controls an investee if and only if the investor has the following; (i) Power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee and (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

The Company's investments in its subsidiary is accounted at cost and reviewed for impairment at each reporting date.

**1.14 FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition and Measurement – Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortized Cost:

A financial asset is classified and measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTOCI:

A financial asset is classified and measured at FVTOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTPL:

A financial asset is classified and measured at FVTPL unless it is measured at amortized cost or at FVTOCI.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Impairment of Financial Assets :

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Classification and Subsequent measurement: Financial Liabilities

The Company's financial liabilities include trade payables and other financial liabilities.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or losses on financial liabilities held for trading are recognized in the Statement of Profit and Loss.

**Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of Financial Assets and Financial Liabilities:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting Financial Instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**PROVISION**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a current pre-tax rate. The increase in the provision due to the passage of time is recognised as interest expense.

CONTINGENT LIABILITY

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

CONTINGENT ASSET

Contingent asset is not recognised in standalone financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

1.16 REVENUE RECOGNITION

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

To recognize revenues, the Company applies the following five step approach:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;



3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenues when a performance obligation is satisfied

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Company presents revenue net of indirect taxes in its Statement of Profit and Loss.

TRADE RECEIVABLES

A receivable represents the company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

1.17 RECOGNITION OF INTEREST AND DIVIDEND INCOME

Interest

Interest income is recognized using the effective interest rate method taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Dividend

Dividends are recognised in the Statement of Profit and Loss only 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.

1.18 TAXES ON INCOME

Current Tax

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of Profit and Loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

**1.19 EMPLOYEE BENEFITS****Short-term obligations**

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in Statement of Profit and Loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Other long-term employee benefit obligations

The liabilities for leave are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. 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. Measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Statement of Profit and Loss.

The 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.

1.20 EARNINGS PER SHARE (EPS)**BASIC EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit (or loss) attributable to the owners of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

DILUTED EARNINGS PER SHARE

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

2.01 Property, Plant and Equipment

Particulars	Gross Carrying Amount				Accumulated Depreciation/Impairment				Net Carrying Amount	
	As at April 1, 2022	Addition	Disposal	As at March 31, 2023	As at April 1, 2022	For the Year	Elimination on disposal	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Own Assets:										
Plant and Machinery	24.22	16.90	0.21	40.91	14.70	6.26	0.16	20.81	20.11	9.52
Laboratory equipments	4.95	1.65	-	6.60	4.09	0.40	-	4.50	2.10	0.86
Furniture & Fixtures	8.50	0.33	-	8.83	7.01	0.33	-	7.34	1.49	1.49
Computers	34.00	4.91	0.65	38.25	26.84	5.45	0.52	31.77	6.48	7.16
Office Equipments	18.12	4.89	0.15	22.86	12.93	3.23	0.12	16.05	6.81	5.19
Motor Vehicles	94.81	100.15	6.25	188.70	67.22	17.70	5.18	79.73	108.97	27.59
Leasehold Improvements	1.42	1.26	-	2.67	1.22	0.13	-	1.35	1.32	0.20
Total (A)	186.02	130.08	7.27	308.82	134.01	33.51	5.99	161.54	147.29	52.01
Right to use assets	80.76	39.96	-	120.72	59.28	19.71	-	78.99	41.73	21.48
Total (B)	80.76	39.96	-	120.72	59.28	19.71	-	78.99	41.73	21.48
Total (A+B)	266.78	170.04	7.27	429.54	193.30	53.22	5.99	240.53	189.01	73.49

Particulars	Gross Carrying Amount				Accumulated Depreciation/Impairment				Net Carrying Amount	
	As at April 1, 2021	Addition	Disposal	As at March 31, 2022	As at April 1, 2021	For the Year	Elimination on disposal	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Own Assets:										
Plant and Machinery	21.31	2.97	0.06	24.22	12.56	2.18	0.04	14.70	9.52	8.75
Laboratory equipments	4.95	-	-	4.95	3.79	0.30	-	4.09	0.86	1.16
Furniture & Fixtures	8.50	-	-	8.50	6.50	0.51	-	7.01	1.49	2.00
Computers	33.20	1.42	0.62	34.00	19.98	7.45	0.59	26.84	7.16	13.21
Office Equipments	14.22	4.03	0.13	18.12	10.07	2.98	0.12	12.93	5.19	4.16
Motor Vehicles	95.86	-	1.05	94.81	55.82	12.15	0.75	67.22	27.59	40.04
Leasehold Improvements	1.42	-	-	1.42	1.22	-	-	1.22	0.20	0.20
Total (A)	179.46	8.42	1.86	186.02	109.94	25.57	1.50	134.01	52.01	69.52
Right to use assets	80.76	-	-	80.76	39.52	19.76	-	59.28	21.48	41.24
Total (B)	80.76	-	-	80.76	39.52	19.76	-	59.28	21.48	41.24
Total (A+B)	260.21	8.42	1.86	266.78	149.46	45.33	1.50	193.30	73.49	110.76



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

2.02 Other Intangible Assets

Particulars	Gross Carrying Amount				Accumulated Amortisation/Impairment				Net Carrying Amount	
	As at April 1, 2022	Addition	Disposal	As at March 31, 2023	As at April 1, 2022	For the Year	Elimination on disposal	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Software	9.51	8.66	-	18.17	7.99	1.56	-	9.56	8.61	1.52
Total	9.51	8.66	-	18.17	7.99	1.56	-	9.56	8.61	1.52

Particulars	Gross Carrying Amount				Accumulated/Impairment				Net Carrying Amount	
	As at April 1, 2021	Addition	Disposal	As at March 31, 2022	As at April 1, 2021	For the Year	Elimination on disposal	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Software	9.51	-	-	9.51	6.06	1.93	-	7.99	1.52	3.45
Total	9.51	-	-	9.51	6.06	1.93	-	7.99	1.52	3.45

Notes: Range of remaining period of amortisation as at March 31, 2023 of Intangible Assets is as below:

Particulars	With in One year	2 to 5 years	Residual Value	Total WDV
Softwares	5.19	2.97	0.45	8.61
Total	5.19	2.97	0.45	8.61



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

2.03 Non-current Investments

Particulars	Face value per unit	As at March 31,			
		2023		2022	
		Qty	Amount	Qty	Amount
Investments in Equity Instruments (fully paid-up)					
Quoted					
Investment in subsidiary (Measured at Cost)					
Gujarat Poly Electronics Ltd	10	4,616,152	421.44	4,616,152	421.44
	(A)	4,616,152	421.44	4,616,152	421.44
Investment in other companies (FVTPL)					
State Bank of India	1	1,050	5.50	1,050	5.18
HDFC Limited	2	650	17.07	650	15.54
ICICI Bank Limited	2	1,612	14.14	1,612	11.77
ITC Limited	1	1,800	6.90	1,800	4.51
Larsen & Toubro Limited	2	585	12.66	585	10.34
Adani Port Sp. Eco. Zone Limited	2	1,500	9.48	1,500	11.61
Reliance Industries Limited	10	622	14.50	622	16.39
Bajaj Finserv Ltd	5	300	3.80	30	5.12
HDFC Asset Management Company Limited	5	100	1.71	100	2.15
HDFC Bank Limited	1	300	4.83	300	4.41
Maruti Suzuki India Limited	5	50	4.15	50	3.78
Nestle India Limited	10	20	3.94	20	3.48
	(B)	8,589	98.67	8,319	94.28
Unquoted					
Investment in other companies					
Crescent Finstock Limited	10	-	-	9	*
Mafatlal Dyes & Chemicals Limited	10	-	-	62	0.01
	(C)	-	-	71	0.01
Investments in Preference Shares (fully paid-up)					
Subsidiary (Measured at Cost)					
Gujarat Poly Electronics Ltd	100	981,500	128.80	668,280	10.80
Add: Purchase during the year		-	-	313,220	118.00
	(D)	981,500	128.80	981,500	128.80
Investments in Mutual Fund (FVTPL)					
Unquoted					
HDFC Floating Rate Income Fund (Growth)		218,652	91.29	218,652	86.58
HDFC Credit Risk Debt Fund (Earlier known as HDFC - STP) (Growth)		704,326	142.67	704,326	137.12
Axis Banking & PSU Debt Fund (Growth)		7,630	170.42	7,630	163.27
Bandhan Corporate Bond Fund (Growth)		1,237,093	200.87	1,237,093	194.65
{Formerly known as IDFC Corporate Bond Fund }					
DSP Corporate Bond Fund (Regular- Growth)		567,253	-	567,253	74.83
Bandhan Banking & PSU Debt Fund (Growth)		380,103	79.40	380,103	76.08
{Formerly known as IDFC Banking & PSU Debt Fund}					
HDFC Medium Term Debt Fund - Regular Plan		120,713	57.20	120,713	55.23
ICICI Prudential Medium Term Bond Fund - Growth		155,035	58.23	155,035	55.44
HDFC Medium Term Debt Fund - Regular Plan Growth		211,420	100.18	-	-
Aditya Birla Sun Life - Short Term -Regular Plan - Growth		249,796	100.17	-	-
	(E)	3,852,019	1,000.43	3,390,803	843.20
Total (A + B + C + D+ E)		9,458,260	1,649.34	8,996,845	1,487.72
Aggregate amount of quoted investments			520.11		515.72
Aggregate market value of quoted investments			1,491.36		1,509.11
Aggregate amount of unquoted investments			1,129.23		972.02

*Amounts below Rs. 500/-



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

2.04 Loans	Non - Current		Current	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Considered good - unsecured				
Loans to employees	8.90	6.47	4.20	5.16
Total	8.90	6.47	4.20	5.16

2.05 Other Financial Assets	Non - Current		Current	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Security deposits	10.87	11.87	-	-
Forward Contract - Asset	-	0.45	-	-
Bank deposits with more than 12 months maturity	5.00	-	-	-
Accrued Interest On Deposits with Bank	-	-	0.69	0.48
Total	15.87	12.32	0.69	0.48

2.06 Deferred Tax Assets (net)	As at March 31,	
	2023	2022
Deductible temporary differences		
Property, Plant and Equipment	15.76	15.15
Other deductible temporary differences	13.30	10.23
Total	29.06	25.38

	As at March 31, 2022	Recognized in Profit/ (loss) account	As at March 31, 2023
Deferred Tax Assets in relation to:			
Property, Plant and Equipment	15.15	0.60	15.76
Other deductible temporary differences	10.23	3.07	13.30
	25.38	3.67	29.06

2.07 Other Assets	Non - Current		Current	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Prepaid expenses	4.45	0.68	11.67	15.59
Staff Advances	-	-	0.40	0.55
Balance with Statutory Authorities				
Income Tax (net of provisions)	-	2.90	0.91	-
GST Receivable	-	-	52.93	68.75
Others	-	-	2.59	4.59
Other Advances	0.56	0.53	27.69	-
Total	5.01	4.11	96.19	89.48



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

2.08	Inventories						As at March 31,	
							2023	2022
	Raw Materials						29.15	29.54
	Property Development						168.86	164.98
	Finished Goods (in transit)						171.30	-
	Work in progress						71.70	35.90
	Stores and spares						5.14	5.88
	Total						446.15	236.30
2.09	Trade receivables						As at March 31,	
							2023	2022
	Unsecured							
	Trade receivables considered as good						323.47	614.04
	Total						323.47	614.04
2.09.1	Particulars	Outstanding for following periods from due date of payment as on March 31, 2023						
		Less than 6 months including not due	6 months-1 Years	1-2 Years	2-3 Years	More than 3 Years	Total	
	Undisputed Trade Receivable-Considered good	323.46	0.01	-	-	-	323.47	
	Total	323.46	0.01	-	-	-	323.47	
2.09.2	Particulars	Outstanding for following periods from due date of payment as on March 31, 2022						
		Less than 6 months including not due	6 months-1 Years	1-2 Years	2-3 Years	More than 3 Years	Total	
	Undisputed Trade Receivable-Considered good	614.04	-	-	-	-	614.04	
	Total	614.04	-	-	-	-	614.04	
2.10	Cash and Cash Equivalent						As at March 31,	
							2023	2022
	Balances with banks:							
	On current accounts						128.01	18.90
	Deposits with original maturity of less than 3 months*						9.00	9.00
	Cash on hand						-	0.77
	Total						137.01	28.67



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

2.11	Bank balances other than cash and cash equivalents	As at March 31,	
		2023	2022
	Deposits with original maturity for more than 3 months but less than 12 months*	82.00	80.00
	Unclaimed dividend accounts	8.31	8.05
	Total	90.31	88.05
	*Marked under lien in favour of banks		
	Lien marked on Deposit of Rs. 57 Lakhs for obtaining forward contract exposure in respect of trade receivables & Rs. 4 Lakhs for issuance of Corporate Expense card by HDFC Bank.		
2.12	Current Tax Assets (Net)	As at March 31,	
		2023	2022
	Advance income tax (Net of Provisions)	22.53	1.53
	Total	22.53	1.53
2.13	Share capital	As at March 31,	
		2023	2022
	Authorized share capital :		
	4,00,00,000 (March 31, 2022 : 4,00,00,000) Equity shares of Rs. 10/- each	4,000.00	4,000.00
	6,00,000 (March 31, 2022 : 6,00,000) 13.50% Redeemable cumulative preference shares of Rs. 100/- each	600.00	600.00
	5,00,000 (March 31, 2022 : 5,00,000) Cumulative convertible preference shares of Rs. 100/- each	500.00	500.00
	Total authorised share capital	5,100.00	5,100.00
	Issued, Subscribed & Paid up Capital		
	4,04,045 (March 31, 2022 : 4,04,045) Equity shares of Rs. 10/- each (fully paid up)	40.40	40.40
	Total issued, subscribed and fully paid-up share capital	40.40	40.40

a. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period:

Equity Shares	As at March 31,			
	2023		2022	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	404,045	40.40	404,045	40.40
Movement during the year	-	-	-	-
Outstanding at the end of the period	404,045	40.40	404,045	40.40

b. Rights, preference and restrictions attached to shares:

Equity Shares

The Company has one class of equity shares having a par value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

c. Details of share holders holding more than 5% shares in the Company

Particulars	As at March 31,			
	2023		2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity shares of Rs. 10/- each fully paid				
Name of the Shareholder				
Virsun Investments Private Limited	42,802	10.59%	80,802	19.99%
Highclass Trading Private Limited	24,842	6.15%	24,842	6.15%
Masuma Tradecorp Private Limited	59,991	14.85%	59,991	14.85%
Parthiv T. Kilachand	33,127	8.20%	11,627	2.88%
Nandish T. Kilachand	32,335	8.00%	10,835	2.68%

d. Details of promoters shareholding in the Company:

Equity shares of Rs. 10/- each	As at March 31,				
	2023		2022		% change during the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Name of the Shareholder					
Parthiv T. Kilachand	33,127	8.20	11,627	2.87	5.33
Nandish T. Kilachand	32,335	8.00	10,835	2.68	5.32
Tanil R. Kilachand	1,938	0.47	1,938	0.47	-
Nilima T. Kilachand	1,013	0.25	1,013	0.25	-
Virsun Investments Private Limited	42,802	10.59	80,802	19.99	(9.40)
Masuma Tradecorp Private Limited	59,991	14.85	59,991	14.85	-
Highclass Trading Private Limited	24,842	6.15	24,842	6.15	-
Ginners & Pressers Limited	4,996	1.23	9,996	2.47	(1.24)
Delmar Trading Co. Private Limited	9,425	2.33	9,425	2.33	-

Equity shares of Rs. 10/- each	As at March 31,				
	2022		2021		% change during the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Name of the Shareholder					
Parthiv T. Kilachand	11,627	2.87	2,127	0.53	2.34
Nandish T. Kilachand	10,835	2.68	1,335	0.33	2.35
Tanil R. Kilachand	1,938	0.47	1,938	0.47	-
Nilima T. Kilachand	1,013	0.25	1,013	0.25	-
Virsun Investments Private Limited	80,802	19.99	80,802	19.99	-
Masuma Tradecorp Private Limited	59,991	14.85	59,991	14.85	-
Highclass Trading Private Limited	24,842	6.15	39,842	9.86	(3.71)
Ginners & Pressers Limited	9,996	2.47	13,996	3.46	(0.99)
Delmar Trading Co. Private Limited	9,425	2.33	9,425	2.33	-



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

2.14 Other Equity	As at March 31,	
	2023	2022
General reserve	278.22	278.22
Retained earnings	878.40	524.31
Securities Premium	1,424.37	1,424.37
Capital Redemption reserve	50.00	50.00
Total	2,630.99	2,276.91

Description of the nature and purpose of each reserve within equity is as follows:

General Reserve:

- a. The Company had transferred a portion of the net profit of the Company before declaring dividend to the general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve before declaration of dividend is not required under the Companies Act, 2013.

Retained Earnings:

- b. Retained earnings are the profits that the Company has earned till date and is net of amount transferred to other reserves such as general reserves etc., amount distributed as dividend and adjustments on account of transition to Ind AS.

Securities Premium:

- c. Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

Capital Redemption Reserve:

- d. The Capital Redemption Reserve is created on redemption of 13.5% 50,000 Redeemable Cumulative Preference Shares of Rs. 100/- in the Financial Year 2007-2008 pursuant to Section 80 of the Companies Act, 1956.

2.15 Other Financial Liabilities	Non - Current		Current	
	As at Mar 31,		As at Mar 31,	
	2023	2022	2023	2022
Lease Liability	35.84	2.38	4.75	18.27
Forward contract - Liability	-	-	0.81	-
Payables for expenses				
Total outstanding dues of Micro & Small Enterprises	-	-	51.25	72.16
Other than Micro & Small Enterprises	-	-	24.14	25.45
Unpaid dividend	-	-	8.31	8.05
Total	35.84	2.38	89.26	123.93

2.16 Trade Payables	As at Mar 31,	
	2023	2022
Trade Payables		
Total outstanding dues of Micro & Small Enterprises	20.73	6.05
Other than Micro & Small Enterprises	109.88	148.11
Total	130.61	154.16



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

As at March 31, 2023

2161 Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues-MSME	20.73	-	-	-	20.73
Undisputed dues-Others	109.88	-	-	-	109.88
Total	130.61	-	-	-	130.61

As at March 31, 2022

2162 Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues-MSME	6.05	-	-	-	6.05
Undisputed dues-Others	148.11	-	-	-	148.11
Total	154.16	-	-	-	154.16

2.17 Other Current Liabilities	Current	
	As at March 31,	
	2023	2022
Gratuity payables (Funded)	45.17	35.61
Leave travel allowance payable	5.62	17.31
Compensated absences (Funded)	8.14	5.87
Statutory Payables	17.54	17.52
Bonus Payable	18.11	-
Commission payable to directors	4.05	-
Total	98.63	76.31

2.18 Provisions	As at March 31,	
	2023	
	2023	2022
Employee benefits		
Provision for Bonus (unfunded)	0.63	0.63
Total	0.63	0.63



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

3.01 Revenue From Operations	Year ended March 31,	
	2023	2022
Revenue from operations		
Sale of products (Net sales)	3,372.80	1,995.87
Other operating revenue		
Exchange gain/(loss) on foreign currency	60.70	23.90
Duty drawback received	35.76	17.90
Sale of scrap	-	1.23
Insurance Claim	-	3.57
Export Incentives replace the workings	52.62	-
Total	3,521.88	2,042.47
3.02 Other Income	Year ended March 31,	
	2023	2022
Interest Income		
Interest on Fixed Deposit	5.58	6.52
Others	0.25	2.37
Reversal of impairment of Investments	-	315.59
Fair value measurement of Investments measured at FVTPL	36.40	51.37
Realised gain on redemption of Investments	0.74	4.35
Rent Income for commercial space	4.91	4.54
Dividend Income	0.98	0.77
Gain on sale of Property, Plant and Equipment (net)	0.59	0.01
Other non - operating income		
Amount not payable written back	-	1.10
Other sundry Income	0.07	0.09
Total	49.53	386.71
3.03 Cost of Materials Consumed	Year ended March 31,	
	2023	2022
Opening Stock	29.54	36.42
Purchases	2,042.06	1,174.41
Less: Closing stock	(29.15)	(29.54)
Total	2,042.45	1,181.29
3.04 Changes in inventories	Year ended March 31,	
	2023	2022
Work in process		
Opening Stock	35.90	3.96
Less: Closing Stock	(71.69)	(35.90)
	(35.81)	(31.94)
Finished Goods		
Opening Stock	-	-
Less: Closing Stock (Goods in transit)	(171.30)	-
	(171.30)	-
Property Development		
Opening Stock	164.98	164.31
Less: Closing Stock	(168.86)	(164.98)
	(3.88)	(0.67)
Total	(210.99)	(32.61)

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in Lakhs unless otherwise stated)

3.05 Employee Benefits Expense	Year ended March 31,	
	2023	2022
Salaries, wages & incentives	299.46	255.12
Contribution to provident and other fund	42.51	38.98
Expenditure related to compensated absences	5.05	1.84
Staff welfare expenses	11.71	8.08
Total	<u>358.73</u>	<u>304.02</u>
3.06 Finance Costs	Year ended March 31,	
	2023	2022
Interest expense on Lease Liability	6.22	4.38
Total	<u>6.22</u>	<u>4.38</u>
3.07 Depreciation and Amortization Expense	Year ended March 31,	
	2023	2022
Depreciation of property, plant and equipment	33.51	25.56
Depreciation on Right to use Assets	19.71	19.76
Amortization of Intangible assets	1.56	1.93
Total	<u>54.79</u>	<u>47.26</u>
3.08 Other Expenses	Year ended March 31,	
	2023	2022
Selling & distributions expenses	245.52	206.33
Legal and professional fees	44.90	44.66
Motor car expenses	13.69	14.94
Membership & subscription	16.39	8.52
Rent	12.22	12.10
Conveyance & travelling expenses	3.30	2.46
Telephone & Internet expenses	5.69	5.85
Printing & stationery expenses	3.86	2.60
General charges	2.61	0.31
Electric Power, oil fuel and water charges	4.80	2.78
Rates & taxes	4.12	4.17
Land development expenses	3.88	0.67
Postage & courier expenses	1.15	0.65
Miscellaneous expenses	3.65	2.92
Director sitting fees	2.80	3.68
Commission to directors	4.50	-
Interest on statutory dues & GST Disallowance	8.25	1.02
Insurance charges	2.55	2.24
Advertisement expenses	1.39	1.07
ISO & certification expenses	0.75	1.79
Amount not recoverable written off	0.01	1.57
Sundry Balance written off	-	3.00
Pollution Control Permission Expenses	1.14	1.10
Bad debts	0.07	-
Loss on sale of Property, plant and equipment	0.08	0.00*



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

3.08 Other Expenses (cond..)		Year ended March 31,	
		2023	2022
Repair & Maintenance			
Computer		3.48	1.94
Others		14.94	11.52
Packing Material, Stores & spares			
Opening Stock	5.88		
Add : Purchase during the year	44.57		
Less : Closing Stock	(5.14)	45.30	24.65
Auditor's Remuneration			
Audit fees		4.15	3.50
Total		455.21	366.04
*Amount less than rupees 500/-			
3.09 Tax expenses		Year ended March 31,	
		2023	2022
(i) Income tax expenses			
Current tax			
In respect of the current year		89.60	-
		89.60	-
Deferred tax			
In respect of the current year		(1.68)	(10.04)
		(1.68)	(10.04)
(ii) Income tax recognised in Other Comprehensive Income			
Remeasurements of the defined benefit plans		2.00	1.52
		2.00	1.52
Total (a+b)		85.92	(11.56)
(iii) Reconciliation between the Statutory income tax rate applicable to the company and the effective income tax rate is as follows:			
Net profit/(loss) before tax		460.06	313.29
Effective Tax rate applicable to the company		25.17%	25.17%
Tax amount at the enacted income tax rate		115.79	78.85
Add : Expenses disallowed		19.83	14.97
Less : Expenses allowed		(26.09)	(105.16)
Tax relating to long term capital gains		0.08	8.26
Tax relating to dividend income		0.25	0.19
Expenses allowed on carryforward business losses		(109.85)	2.88
Incremental Deferred tax asset on deductible taxable differences		85.92	(11.56)
Income tax expense		85.92	(11.56)



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

4.01 Earnings Per Share (EPS)	Year ended March 31,	
	2023	2022
Basic earnings per share:		
Attributable to equity holders of the Company	92.10	80.02
Diluted earnings per share:		
Attributable to equity holders of the Company	92.10	80.02
Reconciliation of earnings used in calculating earnings per share:		
Basic earnings per share		
Profit attributable to equity holders of the Company used in calculating basic earnings per share	372.14	323.33
Diluted earnings per share		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	372.14	323.33
Weighted average number of Equity shares used as the denominator in calculating basic & diluted earnings per share	404,045	404,045
4.02 Contingent Liabilities	Year ended March 31,	
	2023	2022
i) Claims against the Company not acknowledged as debts:	27.08	27.08
Relates to supplier of materials, employees and other claims etc. (No provision is made, as the Company is hopeful of successfully contesting the claims and as such does not expect any significant liability to crystallize).		
ii) The Company has taken certain premises on sub-lease. The landlord, a Government Company issued a notice under the Public Premises (Eviction of Unauthorized Occupants) Act, 1971 against the Company for eviction and has demanded damages and other charges, which are disputed by the Company. The proceedings in this connection are pending before the Estate officer. The Contingent liability in respect of damages, interest claimed by the Insurance Company cannot be quantified.		
4.03 Employee benefits	Year ended March 31,	
	2023	2022
1) Defined Contribution Plans:		
The amounts of contribution to provident fund and ESIC recognized as expenses during the year is Rs. 20.07 Lakhs (March 31, 2022 : Rs.17.88 Lakhs) for the year ended March 31, 2023.		
2) Defined Benefit Plans:		
The Company sponsors funded defined benefit plans for qualifying employee. The defined benefit plans are administered by separate fund that are legally separate fund from the entity. The board of the fund is responsible for the investment policy with regard to assets of the fund.		
These plans typically expose the Company to Actuarial risks such as : investment risk, interest rate risk, longevity risk and salary risk. No other post-retirement benefit are provided to the employees.		
Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has investment with LIC of India.	
Interest Risk	A decrease in the interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.	
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.	
Salary Risk	The present value of the defined 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.	



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

3) **Principal assumptions used for the purpose of actuarial valuation:**

Particulars	Gratuity	
	Year ended March 31,	
	2023	2022
Discount rate	7.50%	7.23%
Expected rate of salary increase	6.00%	6.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

4. (i) **Amounts recognized in Statement of Profit and Loss in respect of defined benefit plans**

Particulars	Gratuity	
	Year ended March 31,	
	2023	2022
Service cost		
Current service cost	3.76	4.25
Net Interest Cost	2.57	1.77
Components of defined benefits cost recognized in Statement of Profit and Loss	6.34	6.02

4. (ii) **Amounts recognized in Other Comprehensive Income in respect of defined benefit plans**

Particulars	Gratuity	
	Year ended March 31,	
	2023	2022
Return on plan assets (excluding amount included in net interest expense)	0.29	0.51
Net Actuarial (Gain)/ Loss	7.65	5.53
Components of defined benefits cost recognized in Other Comprehensive Income	7.94	6.04

4. (iii) **Amounts recognized in the Balance Sheet in respect of defined benefit plans**

Particulars	Gratuity	
	Year ended March 31,	
	2023	2022
Present Value of the Defined Benefit Obligations	114.40	101.32
Fair Value of Plan Assets	(69.23)	(65.71)
Liability Recognized in the Balance Sheet	45.17	35.61

4. (iv) **Shortage of funds**

The net liability disclosed above relates to funded and unfunded plans are as follows

Particulars	Gratuity	
	Year ended March 31,	
	2023	2022
Projected benefit obligations at end of the year	114.40	101.32
Fair Value of Plan Asset at the end of the year	(69.23)	(65.71)
Deficit of gratuity plan	45.17	35.61



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

5. (i) Movements in present value of defined benefit obligation

Particulars	Gratuity	
	Year ended March 31,	
	2023	2022
Opening defined benefit obligations	101.32	90.06
Current service cost	3.76	4.25
Interest cost	7.33	6.17
Benefits paid from the fund	(5.66)	(4.70)
Actuarial (gains)/losses on Defined Benefit Obligation - Due to change in demographic assumptions	-	(0.01)
Actuarial (gains)/losses on Defined Benefit Obligation - Due to change in financial assumptions	(1.05)	(1.32)
Actuarial (gains)/losses on Defined Benefit Obligation - Due to experience	8.71	6.86
Closing defined benefit obligation	114.40	101.32

5. (ii) Reconciliation

Particulars	Gratuity	
	Year ended March 31,	
	2023	2022
Opening Net Liability	35.61	25.81
Add: Employer Expenses (Expenses recognized in the statement of P/L account)	6.34	6.02
Add: Transfer to OCI	7.94	6.04
Less: Employers contribution	(4.72)	(2.25)
Closing Net Liability	45.17	35.61

6. The category of plan assets as a percentage of total plan are as follows:

Particulars	Gratuity	
	Year ended March 31,	
	2023	2022
Deposits with LIC of India	100%	100%

7. Sensitivity Analysis

Below is the sensitivity analysis determined for significant actuarial assumption for determination of defined benefit obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period.

Key assumptions for determination of Defined Benefit Obligation are Discount Rate (i.e. Interest Rate) Salary Growth Rate and Employee Turnover Rate

Particulars	Gratuity	
	Year ended March 31,	
	2023	2022
Delta Effect of +1% Change in Rate of Discounting	(3.55)	(1.62)
Delta Effect of -1% Change in Rate of Discounting	4.13	1.75
Delta Effect of +1% Change in Rate of Salary Increase	4.16	1.76
Delta Effect of -1% Change in Rate of Salary Increase	(3.63)	(1.64)
Delta Effect of +1% Change in Rate of Employee Turnover	0.48	0.17
Delta Effect of -1% Change in Rate of Employee Turnover	(0.55)	(0.18)

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in Lakhs unless otherwise stated)

4.04 Segment Information

In accordance with Ind AS 108 on Operating Segments information has been given in the Consolidated Financial Statement of the Company and therefore no separate disclosure on segment information is given in the standalone financial statements.

4.05 Dues to Micro and Small Enterprises

The details of amounts outstanding to Micro and Small Enterprises based on available information with the Company is as under:

Particulars	Year ended March 31,	
	2023	2022
Principal amount remaining unpaid to any supplier as at the end of the accounting year.	71.99	78.21
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
The amount of interest due and payable for the year.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-

4.06 Capital Management**Risk management**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to maximize shareholder value.

For the purpose of the Company's capital management, capital includes capital and all other equity reserves. In order to maintain or achieve a capital structure that maximizes the shareholder value, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans. As at March 31, 2023, the Company has only one class of equity shares and has no debts. Hence, there are no externally imposed capital requirements.

Dividend	Year ended March 31,	
	2023	2022
Dividend on equity shares paid during the year		
Dividend paid	(12.12)	-

4.07 Financial Instruments**i) Methods & assumptions used to estimate the fair values**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- The carrying amounts of receivables and payables which are short term in nature such as trade receivables, other bank balances, deposits, loans to employees, trade payables, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

ii) Categories of financial instruments

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: inputs which are not based on observable market data

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying values	Fair value	Carrying values	Fair value
Financial assets				
Measured at amortized cost				
Trade receivables	323.47	323.47	614.04	614.04
Loans	13.10	13.10	11.63	11.63
Cash and Bank balances	227.32	227.32	116.72	116.72
Other financial assets	16.57	16.57	12.35	12.35
Total (A)	580.46	580.46	754.74	754.74
Measured at fair value through profit or loss				
Investment in equity instruments of other companies	98.67	98.67	94.28	94.28
Investment in mutual funds	1,000.43	1,000.43	843.20	843.20
Derivative Instruments	-	-	0.45	0.45
Total (B)	1,099.10	1,099.10	937.94	937.94
Total Financial assets (A+B)	1,679.56	1,679.56	1,692.67	1,692.67
Financial liabilities				
Measured at amortized cost				
Trade payables	130.61	130.61	154.16	154.16
Other financial liabilities	83.70	83.70	105.67	105.67
Lease Liability	40.59	40.59	20.64	20.64
Total (A)	254.90	254.90	280.47	280.47
Measurement at fair value through profit or loss				
Derivative Instruments	0.81	0.81	-	-
Total (B)	0.81	0.81	-	-
Total Financial liabilities (A+B)	255.71	255.71	280.47	280.47

Level wise disclosure of financial instruments

Particulars	As at March 31,		Level	Valuation techniques and key inputs
	2023	2022		
Investment in Mutual Funds	1,000.43	843.20	2	NAV as stated by Issuer
Forward contracts - Assets	-	0.45	2	Quotes from banks or dealers
Forward contracts - Liability	0.81	-	2	Quotes from banks or dealers



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

4.08 Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board of Directors. The details of different types of risk and management policy to address these risks are listed below:

The Company's activities are exposed to various risks viz. Credit risk, Liquidity risk and Market risk. In order to minimize any adverse effects on the financial performance of the Company, it uses various instruments and follows policies set up by the Board of Directors/Management.

i) Credit Risk

Credit risk arises from the possibility that counter party will cause financial loss to the Company by failing to discharge its obligation as agreed.

Credit risks from balances with banks are managed in accordance with the Company policy. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks having high credit-ratings assigned by credit-rating agencies.

Based on the industry practices and business environment in which the Company operates, management considers that the trade receivables are in default if the payment are more than 12 months past due.

Table showing age of gross trade receivables and movement in expected credit loss allowance:

As at March 31, 2023	0-90 Days	91-180 Days	181-270 Days	271-365 Days	> 1 year	Total
Gross Carrying amount	323.46	-	0.01	-	-	323.47
Expected Credit Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected credit loss	-	-	-	-	-	-
Carrying Amount of Trade Receivable (Net)	323.46	-	0.01	-	-	323.47

As at March 31, 2022	0-90 Days	91-180 Days	181-270 Days	271-365 Days	> 1 year	Total
Gross Carrying amount	614.04	-	-	-	-	614.04
Expected Credit Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected credit loss	-	-	-	-	-	-
Carrying Amount of Trade Receivable (Net)	614.04	-	-	-	-	614.04

Movement in the expected credit allowance

	Amount
As at April 1, 2021	-
Provided during the year	-
As at March 31, 2022	-
Provided during the year	-
As at March 31, 2023	-

ii) Liquidity Risk

Liquidity risk is risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company's principal sources of liquidity are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company has consistently generated sufficient cash flows from its operations and believes that these cash flows along with its current cash and cash equivalents and funding arrangements are sufficient to meet its financial obligations as and when they fall due. Accordingly, liquidity risk is perceived to be low.



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities as at the reporting date:

As at March 31, 2023	less than 1 year	1 to 5 year	Total
Non-Derivatives			
Trade payables	130.61	-	130.61
Other Financial Liabilities	83.70	-	83.70
Lease Liability	4.75	35.84	40.59
As at March 31, 2022	less than 1 year	1 to 5 year	Total
Non-Derivatives			
Trade payables	154.16	-	154.16
Other Financial Liabilities	105.67	-	105.67
Lease Liability	18.27	2.38	20.64

iii) **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed in the ordinary course of business to risks related to changes in foreign currency exchange rate and interest rate.

Market Risk – Foreign Exchange

Foreign currency risk is that risk in which the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and a portion of its business is transacted in several currencies and therefore the Company is exposed to foreign exchange risk through its overseas sales in various foreign currencies. The Company hedges the receivables by forming view after discussion with Forex Consultant and as per policies set by Management.

The carrying amount of the Company's foreign currency denominated monetary assets and liabilities as at the end of the reporting period is as follows:

Foreign currency exposure

Currencies	Assets	
	March 31, 2023	March 31, 2022
Euro	1.61	3.43
USD	3.18	2.71
Foreign currency exposure as at March 31, 2023	EURO	USD
Assets		
Trade receivables	1.58	3.16
Forward contracts - Assets	0.03	0.02
Liabilities		
Forward contracts - Liability	-	-
Foreign currency exposure as at March 31, 2022	EURO	USD
Assets		
Trade receivables	3.40	2.65
Forward contracts - Assets	0.03	0.06
Liabilities		
Forward contracts - Liability	-	-



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

Details of Unhedged Foreign Currency Exposure is as under:-

Currency	Nature	March 31, 2023		March 31, 2022	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
EURO	Asset- Export Receivables	0.11	10.18	0.78	65.61
USD	Asset- Export Receivables	0.76	62.42	0.00	0.23

Foreign currency sensitivity

1 % increase or decrease in foreign exchange rates will have the following impact on loss before tax and on other components of equity

Particulars	Impact on profit (loss) before tax and equity: Increase/(Decrease)			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	1 % Increase	1 % Increase	1 % Decrease	1 % Decrease
EURO	0.10	0.66	(0.10)	(0.66)
USD	0.62	0.00	(0.62)	(0.00)

Market Risk - Price Risk

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. At March 31, 2023, the investments in mutual funds is Rs.1000.43 Lakhs (March 31, 2022 : Rs.843.20 Lakhs). These are exposed to price risk. In order to minimise price risk arising from investments in mutual funds, the Company predominately invests in those mutual funds which have higher exposure to high quality debt instruments with adequate liquidity & no demonstrated track record of price volatility.

Price risk sensitivity:

0.10% increase or decrease in prices will have the following impact on profit/loss before tax and on other components of equity

	Impact on Profit: Increase/(Decrease)		Impact on equity: Increase/(Decrease)	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Price - increase by 0.10%	1.00	0.84	1.00	0.84
Price - decrease by 0.10%	(1.00)	(0.84)	(1.00)	(0.84)

4.09 Related Party Transactions**(a) Names of related parties and description of relationship**

	Nature of Relationship	Name of Related Parties
i)	Key managerial personnel	T. R. Kilachand - Non Executive Chairman P. T. Kilachand - Managing Director A. H. Mehta - Dy. Managing Director N. T. Kilachand - Non Executive Director V. V. Sahasrabudhe - Independent Non Executive Director C. R. Desai - Independent Non Executive Director N. S. Mehendale - Independent Non Executive Director Y. S. Mathur - Independent Non Executive Director K. V. Panchasara - Chief Financial Officer D. V. Chauhan - Company Secretary and Compliance Officer
ii)	Entities where the key managerial personnel have significant influence/control	Ginners & Pressers Limited Sun Tan Trading Company Limited Tulsi Global Logistics Private Limited
iii)	Subsidiary	Gujarat Poly Electronics Limited



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

(b) Details of Transactions :

Particulars	Key Managerial personnel		Entities where the key managerial personnel have significant influence/control		Subsidiary		Total Amount	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Expenses								
<u>Rent</u>								
Ginners & Pressers Limited	-	-	9.67	9.67	-	-	9.67	9.67
Tulsi Global Logistics Private Limited	-	-	(4.91)	(4.54)	-	-	(4.91)	(4.54)
<u>Electricity charges</u>								
Ginners & Pressers Limited	-	-	1.85	0.94	-	-	1.85	0.94
<u>Remuneration*</u>								
P. T. Kilachand	47.70	44.61	-	-	-	-	47.70	44.61
A. H. Mehta	33.30	30.15	-	-	-	-	33.30	30.15
K. V. Panchasara	22.57	19.81	-	-	-	-	22.57	19.81
D.V. Chauhan	9.10	6.87	-	-	-	-	9.10	6.87
<u>Directors sitting fees</u>								
T. R. Kilachand	0.32	0.40	-	-	-	-	0.32	0.40
N. T. Kilachand	0.24	0.40	-	-	-	-	0.24	0.40
C. R. Desai	0.48	0.72	-	-	-	-	0.48	0.72
N. S. Mehendale	0.64	0.72	-	-	-	-	0.64	0.72
V. V. Sahasrabudhe	0.64	0.72	-	-	-	-	0.64	0.72
Y. S. Mathur	0.48	0.72	-	-	-	-	0.48	0.72
Total expenses payable	115.47	105.12	6.61	6.07	-	-	122.08	111.18
<u>Reimbursement/(Recovery) of expenses</u>								
Ginners & Pressers Limited	-	-	0.19	1.94	-	-	0.19	1.94
Tulsi Global Logistics Private Limited	-	-	(2.34)	(2.60)	-	-	(2.34)	(2.60)
Total reimbursement	-	-	(2.14)	(0.65)	-	-	(2.14)	(0.65)

*The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole and also excludes contribution to provident fund and superannuation fund.

4.10 Proposed Dividend

A dividend of Rs. 20/- per Equity share i.e 200% of the face value of Rs. 10/- each per equity share (Previous Year - Rs. 3/- per equity share i.e 30% of the face value of Rs. 10/- each) has been recommended by the Board of Directors which is subject to the approval of the shareholders.

4.11 Unpaid Dividend

Particulars	Year	AGM Date	Amount
Unpaid dividend amount in the unpaid dividend account with HDFC Bank Ltd.as on:	21-22	29-Aug-22	1.17
Unpaid dividend amount in the unpaid dividend account with HDFC Bank Ltd.as on:	19-20	11-Sep-20	4.46
Unpaid dividend amount in the unpaid dividend account with Yes Bank Ltd.as on:	18-19	2-Aug-19	0.88
Unpaid dividend amount in the unpaid dividend account with Yes Bank Ltd.as on:	16-17	24-Aug-17	0.87
Unpaid dividend amount in the unpaid dividend account with Yes Bank Ltd.as on:	15-16	10-Aug-16	0.92

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in Lakhs unless otherwise stated)

There are no amounts due for payment to the Investor Education and Protection fund under Section 125 as on March 31, 2023.

4.12 Revenue from contracts with customers**Disaggregation of Revenue**

Management conclude that disaggregation of revenue disclosed in Ind AS 108 meets the disclosure criteria of Ind AS 115 and segment revenue is measured on the same basis as required by Ind AS 115, hence separate disclosures as per Ind AS 115 is not required.

Contract Balances

Trade receivable is presented net of impairment in the Balance Sheet.

The following table provides information about receivables, contract assets and contract liabilities for the contracts with the customers.

Particulars	Year ended March 31	
	March 31, 2023	March 31, 2022
Trade receivables	323.47	614.04

There is no significant changes in the contract assets and the contract liabilities balances during the period.

Performance Obligations and remaining Performance Obligations

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performances as the performance obligations relates to contracts where the Company has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date.

4.13 Export Benefits**RoDTEP Scheme**

The company is also entitled to Remission of Duties and Taxes on Exported Products (RoDTEP) scheme w.e.f 1.1.2021 vide Public Notice No.19/2015-20 notified on 17.08.2021. Accordingly, the company has recognized benefits of Rs.52.62 lakhs in the year ended March 31, 2023 (March 31, 2022 - Rs. NIL).

4.14 Leases**As Lessee**

The Company's lease asset primarily consist of leases for Office Space.

(i) The amount recognised in the Standalone statement of profit and loss in respect of right of use asset and lease obligation are as under:

Particulars	Year ended March 31	
	As At March 31, 2023	As At March 31, 2022
Depreciation	19.71	19.76
Interest expense on Lease Liability	6.22	4.38

(ii) Following are the changes in the carrying value of Lease liability for the year ended March 31, 2023 :

Particulars	Category of ROU	
	Office Place	Total
Balance as on April 01, 2022	20.64	20.64
Additions during the year	38.85	38.85
Finance cost accrued during the year	6.22	6.22
Payment of lease liabilities	25.13	25.13
Balance as at March 31, 2023	40.59	40.59
Current portion of Lease liability	4.75	
Non Current portion of Lease liability	35.84	
	40.59	

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

Following are the changes in the carrying value of Lease Liability for the year ended March 31, 2022:

Particulars	Category of ROU	
	Office Place	Total
Balance as on April 01, 2021	40.11	40.11
Finance cost accrued during the year	4.38	4.38
Payment of lease liabilities	23.84	23.84
Balance as at March 31, 2022	20.64	20.64
Current portion of Lease liability	18.27	
Non Current portion of Lease liability	2.38	
	20.64	

(iii) Amounts recognised in the statement of cash flows

Particulars	Year ended March 31	
	2023	2022
Total cash outflow for leases	25.13	23.84

- (iv) Rental expense recorded for short-term leases was Rs.12.22 Lakhs for the year ended March 31,2023 (March 31, 2022 - Rs. 12.10 Lakhs)
- (v) The maturity analysis of lease liabilities are disclosed in Note no. 4.08 (ii). The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
- (vi) Certain lease agreements are subject to escalation clause and with extension of lease term options.
- (vii) Future lease payments which will start from April 1, 2023 is Rs. NIL . (March 31, 2022 : Rs. Nil)

As a Lessor

Rental Income on assets given on operating lease is Rs. 4.91 lakhs for the year ended March 31, 2023.
(March 31, 2022 : Rs. 4.54/- lakhs)

4.15 Transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act,1956:

Name of struck off Company	Nature of transactions with struck-off Company	As at March 31, 2023	As at March 31, 2022	Relationship with the Struck off company, if any, to be disclosed
Victor Properties Pvt. Ltd.	Shares held by struck off company	1,170	1,170	Shareholder Company
UshakantInvestment&ConsultantPvtLtd.	Shares held by struck off company	100	100	Shareholder Company
Reserved Investor Pvt Ltd.	Shares held by struck off company	70	70	Shareholder Company
Fort Properties Ltd.	Shares held by struck off company	2,010	2,010	Shareholder Company
Cyril Investment Consultant (P) Ltd.	Shares held by struck off company	60	60	Shareholder Company
Alfagem agents Pvt Ltd.	Shares held by struck off company	20	20	Shareholder Company
CMS Securities Ltd.	Shares held by struck off company	20	20	Shareholder Company
Creative Commercial Private Limited.	Shares held by struck off company	20	20	Shareholder Company
Advance share trading Pvt.Ltd.	Shares held by struck off company	10	10	Shareholder Company
Heta Investment Service Pvt Ltd.	Shares held by struck off company	10	10	Shareholder Company
V.M. Fiscal Services Pvt. Ltd.	Shares held by struck off company	10	10	Shareholder Company

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023****4.16 Key Financial Ratios**

Ratios	Formula	As at 31st March, 2023	As at 31st March, 2022	% Variance	Remarks
(a) Current Ratio,	Current Asset/Current Liability	3.51	3.00	17	-
(b) Debt-Equity Ratio,	Total Debt/ Shareholders Equity	-	-	-	-
(c) Debt Service Coverage Ratio,	Earnings available for Debt service/Debt Service	-	-	-	-
(d) Return on Equity Ratio,	Net Profit after Tax - Preference dividend/Average shareholders equity	0.15	0.15	-	-
(e) Inventory turnover ratio,	Cost of goods sold or sales/ average Inventory	9.88	8.97	10	-
(f) Trade Receivables turnover ratio,	Net Credit Sales/ Avg. Accounts receivables	7.20	4.45	62	Due to increase in revenue
(g) Trade payables turnover ratio,	(Cost of Raw Material consumed +Purchase of Stock in trade+ Other Expenses)/Average Trade Payable	22.90	18.21	26	Due to increase in purchases
(h) Net capital turnover ratio,	Net Sales/Working Capital	4.21	2.82	49	Due to increase in revenue
(i) Net profit ratio,	Net Profit/Net sales	0.11	0.16	(32)	Due to decrease in other income and increase in revenue
(j) Return on Capital employed,	Earnings before interest and taxes/captial employed	0.17	0.14	27	Due to increase in revenue from operations
(k) Return on investment.	Other Income/Average Cash, Cash Equivalents & Other Marketable Securities	0.01	0.03	(79)	Due to decrease in Cash, Cash Equivalent & Other Marketeable Securities

**4.17 Additional Regulatory Information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013**

- (a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (b) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (c) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (d) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (e) 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
- (f) The Company has not entered any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (g) The Company has no borrowings from banks and financial institutions on the basis of security of current assets.
- (h) None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (i) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

As per our report of even date

For Nayan Parikh & Co.

Chartered Accountants

Firm Registration No.: 107023W

K. Y. Narayana

Partner

Membership No.: 060639

Place: Mumbai **Date:** 17th May, 2023

Tanil R. Kilachand

Parthiv T. Kilachand

Atul H. Mehta

Kanan V. Panchasara

Deepali V. Chauhan

Place: Mumbai **Date:** 17th May, 2023

Chairman (DIN No.: 00006659)

Managing Director (DIN No.: 00005516)

Dy. Managing Director (DIN No.: 00005523)

Chief Financial Officer

Company Secretary & Compliance Officer



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLYCHEM LIMITED

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Polychem Limited** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to 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 the report of the other auditor on standalone financial statements and on the other financial information of the subsidiary, 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 March 31, 2023, its consolidated profit (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows 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 SAs 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 Institute of Chartered Accountants of India (ICAI), together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics issued by ICAI. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional 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 that there are no key audit matters to communicate in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors and Management is responsible for the other information. The other information comprises the information included in Annual Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group, in accordance with Ind AS and other accounting principles generally accepted in India. The respective Governing Bodies of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors either intends to liquidate the company 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 are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the standalone financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in "Other Matters" paragraph below.

We believe that the audit evidence obtained by us along with the consideration of the audit report of the other auditors referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the audited standalone financial statements of subsidiary, whose standalone financial statements reflect total assets of ₹ 1,902.72 lakhs as at March 31, 2023, total revenue of ₹ 2,040.88 lakhs, Group's share of total net profit after tax of ₹529.87 lakhs, Group's share of total comprehensive income ₹ 517.68 lakhs and net cash outflows amounting to ₹ 5.55 lakhs for the year ended on that date, as considered in the consolidated financial statements; This financial statements and other financial information have been audited by other auditor whose report have been furnished to us by the Management of the Company and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the report of such other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

- 1) As required by section 143(3) of the Act, based on our audit we report that:
 - i. 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;
 - ii. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
 - iii. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - iv. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder and relevant provisions of the Act;
 - v. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group, is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164 (2) of the Act;



vi. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

vii. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

viii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditor of subsidiary, as noted in the Other matters paragraph:

a) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, Refer Note 4.02 to the consolidated financial statements;

b) The Group, have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts and;

c) There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

d) (i) The respective Managements of the Holding Company and its subsidiary company which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and other auditor of subsidiary company respectively as stated in Note No. 4.17(d), to best of their 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 holding Company and its subsidiary company to or in any other person or entity, including foreign entity ("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 Holding Company and its subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and other auditor of subsidiary respectively as stated in Note No. 4.17(e), to the best of our knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Holding Company and its subsidiary from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or Subsidiary 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;

(iii) Based on the audit procedures performed by us that has been considered reasonable and appropriate in the circumstances, and those performed by the auditors of the subsidiaries, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material mis-statement; and

e) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act as applicable to the extent it applies to payment of dividend.

As stated in note 4.10 to the Consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.



- f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
- 2) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order" / "CARO") issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by the auditors of the subsidiaries, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO reports.

For **Nayan Parikh & Co.**
Chartered Accountants
Firm Registration No.: 107023W

K. Y. Narayana
Partner

Membership No.: 060639
UDIN: 23060639BGRYUP3878

Place: Mumbai
Dated: May 17, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph (vi) under "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report on even date to the members of Polychem Limited ("the Holding Company) on the consolidated financial statements for the year ended March 31, 2023:

Opinion

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of **Polychem Limited (hereinafter referred to as 'the Holding Company')** and its subsidiary, which are companies incorporated in India, as of that date.

In our opinion, the Holding Company, its subsidiary, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023 based on the internal controls with reference to Consolidated financial statements criteria established by the Holding Company, considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Holding Company, considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated financial statement of the Holding Company, its subsidiary, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent



applicable to an audit of internal financial controls, 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 Consolidated 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 Consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated financial statements included obtaining an understanding of internal financial controls with reference to Consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial control system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated 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 Consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated financial statements, in so far as it relates standalone financial statements of subsidiary, which are company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **Nayan Parikh & Co.**
Chartered Accountants
Firm Registration No.: 107023W

K. Y. Narayana
Partner

Membership No.: 060639
UDIN: 23060639BGRYUP3878

Place: Mumbai
Dated: May 17, 2023



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

Particulars	Note No.	As at March 31,	
		2023	2022
ASSETS			
Non-current Assets			
Property, plant and equipment	2.01	253.73	216.87
Right - to - use asset	2.01	82.81	28.58
Other Intangible assets	2.02	26.55	11.49
Financial assets			
Investments	2.03	1,902.30	937.50
Loans	2.04	8.90	6.47
Other financial assets	2.05	24.54	21.97
Deferred tax assets (Net)	2.06	29.06	25.38
Other non-current assets	2.07	5.23	4.32
Total non-current assets		2,333.12	1,252.58
Current Assets			
Inventories	2.08	750.78	536.25
Financial Assets			
Trade receivables	2.09	781.73	978.77
Cash and cash equivalents	2.10	161.99	59.21
Bank balances other than cash and cash equivalents	2.11	175.31	343.57
Loans	2.04	9.96	14.07
Other financial assets	2.05	3.39	5.71
Current tax assets (Net)	2.12	22.53	1.53
Other current assets	2.07	113.22	112.09
Total current assets		2,018.71	2,051.20
Assets held for sale	2.13	6.39	31.39
Total assets		4,358.22	3,335.17
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	2.14	40.40	40.40
Other Equity	2.15	3,448.62	2,750.48
Amount attributable to Owners of Polychem Limited		3,489.02	2,790.88
Non controlling Interest		307.61	71.09
Total equity		3,796.63	2,861.97
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Other financial liabilities	2.16	72.72	3.45
Provision	2.17	24.16	26.84
Total non-current liabilities		96.88	30.29
Current Liabilities			
Trade payables	2.18		
Total outstanding dues of Micro & Small Enterprises		31.58	9.13
Other than Micro & Small Enterprises		110.54	148.61
Other financial liabilities	2.16	104.42	140.40
Other current liabilities	2.19	196.55	114.18
Provisions	2.17	21.62	30.59
Total current liabilities		464.71	442.91
Total equity and liabilities		4,358.22	3,335.17

Summary of significant accounting policies

1

Refer accompanying notes. These notes are an integral part of the financial statements.

As per our report of even date

For Nayan Parikh & Co.

Chartered Accountants

Firm Registration No.: 107023W

K. Y. Narayana

Partner

Membership No.: 060639**Place:** Mumbai**Date:** 17th May, 2023

For and on behalf of the Board of Directors

Tanil R. Kilachand**Parthiv T. Kilachand****Atul H. Mehta****Kanan V. Panchasara****Deepali V. Chauhan****Place:** Mumbai**Date:** 17th May, 2023

Chairman (DIN No.: 00006659)

Managing Director (DIN No.: 00005516)

Dy. Managing Director (DIN No.: 00005523)

Chief Financial Officer

Company Secretary & Compliance Officer

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in Lakhs unless otherwise stated)

Particulars	Note No.	Year Ended March 31,	
		2023	2022
INCOME			
Revenue from operations	3.01	5,124.21	3,578.29
Other Income	3.02	560.63	81.57
Total Income		5,684.84	3,659.86
EXPENSES			
Cost of materials consumed	3.03	2,044.12	1,183.74
Purchases of Stock-in-trade	3.04	1,023.12	989.97
Changes in inventories of stock-in-trade	3.05	(216.79)	(92.47)
Processing charges		404.94	245.51
Employee benefits expense	3.06	662.21	607.87
Finance Cost	3.07	7.77	5.52
Depreciation and amortization expense	3.08	76.67	68.36
Other expenses	3.09	629.97	574.28
Total Expenses		4,632.01	3,582.78
Profit before tax		1,052.83	77.07
Tax expenses	3.10		
Current tax (for the year)		89.60	-
Deferred tax		(1.68)	(10.04)
Total tax expense		87.92	(10.04)
Profit for the period		964.91	87.11
Other Comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit		(20.13)	(10.75)
Income tax relating to these items	3.10	2.00	1.52
Total other comprehensive income/(loss)		(18.13)	(9.23)
Total comprehensive income for the period		946.78	77.88
Profit/(Loss) attributable to:			
Owners of the parent		722.79	50.62
Non - Controlling Interest		242.12	36.50
Other comprehensive income/(loss) attributable to:			
Owners of the parent		(12.52)	(7.06)
Non - Controlling Interest		(5.61)	(2.17)
Total comprehensive income attributable to:			
Owners of the parent		710.27	43.56
Non - Controlling Interest		236.51	34.33
Earnings per equity share			
Basic (in Rs.)		178.89	12.53
Diluted (in Rs.)		178.89	12.53

Significant accounting policies

1

Refer accompanying notes. These notes are an integral part of the financial statements.

As per our report of even date

For Nayan Parikh & Co.

Chartered Accountants

Firm Registration No.: 107023W

K. Y. Narayana

Partner

Membership No.: 060639

For and on behalf of the Board of Directors

Tanil R. Kilachand**Parthiv T. Kilachand****Atul H. Mehta****Kanan V. Panchasara****Deepali V. Chauhan**

Chairman (DIN No.: 00006659)

Managing Director (DIN No.: 00005516)

Dy. Managing Director (DIN No.: 00005523)

Chief Financial Officer

Company Secretary & Compliance Officer

Place: Mumbai

Date: 17th May, 2023

Place: Mumbai

Date: 17th May, 2023

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023**

All amounts are in lakhs unless otherwise stated

Equity share capital	Amount
Balance as at April 1, 2021	40.40
Changes in equity share capital during the year	-
Balance as at March 31, 2022	40.40
Changes in equity share capital during the year	-
Balance as at March 31, 2023	40.40

Other Equity**Attributable to owners of the Company**

Particulars	Securities Premium Account	General Reserve	Capital Redemption Reserve	Capital Reserve	Retained earnings	Amount attributable to Owners of the Holding Company	NCI	Total
Balance as at April 1, 2021	1,424.37	278.22	50.00	344.15	414.96	2,511.70	36.76	2,548.47
Movement during the year	-	-	-	195.22	-	195.22	-	195.22
Profit for the year	-	-	-	-	50.62	50.62	36.50	87.12
Other comprehensive income/(loss)	-	-	-	-	(7.06)	(7.06)	(2.17)	(9.23)
Total comprehensive income for the year	-	-	-	195.22	43.56	238.78	34.33	273.11
Dividends	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	1,424.37	278.22	50.00	539.37	458.52	2,750.48	71.09	2,821.58
Movement during the year	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	722.79	722.79	242.12	964.91
Other comprehensive income/(loss)	-	-	-	-	(12.52)	(12.52)	(5.61)	(18.13)
Total comprehensive income for the year	-	-	-	-	710.27	710.27	236.52	946.78
Dividend Paid	-	-	-	-	-	(12.12)	-	(12.12)
Balance as at March 31, 2023	1,424.37	278.22	50.00	539.37	1,168.79	3,448.62	307.61	3,756.24

As per our report of even date

For Nayan Parikh & Co.

Chartered Accountants

Firm Registration No.: 107023W

K. Y. Narayana

Partner

Membership No.: 060639**Place:** Mumbai **Date:** 17th May, 2023

For and on behalf of the Board of Directors

Tanil R. Kilachand**Parthiv T. Kilachand****Atul H. Mehta****Kanan V. Panchasara****Deepali V. Chauhan****Place:** Mumbai **Date:** 17th May, 2023

Chairman (DIN No.: 00006659)

Managing Director (DIN No.: 00005516)

Dy. Managing Director (DIN No.: 00005523)

Chief Financial Officer

Company Secretary & Compliance Officer

AUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

All amounts are in lakhs unless otherwise stated

Particulars	Year Ended March 31	
	2023	2022
Cash flow from operating activities		
Profit before tax	1,052.83	77.08
Non-cash Adjustment to Profit Before Tax:		
Depreciation and amortization expense	76.67	68.36
Dividend Income	(0.98)	(0.77)
Gratuity & Leave Encashment Provision	(0.35)	10.95
Interest Income	(17.56)	(6.56)
Provision for Bonus	-	(0.14)
Amount no longer payable written back	(0.10)	(1.13)
Amount written off	0.01	(0.79)
Allowance for bad & doubtful debts	(6.03)	(0.04)
MTM (Gain)/loss on forward contracts	(0.81)	(0.45)
Gain/Loss on disposal of property, plant and equipment	(475.39)	(0.01)
Finance Income (Including fair value changes in financial instruments)	(55.39)	(55.71)
Bad Debts	0.07	-
Finance Cost on Lease	7.77	5.52
Unrealised gain and loss on foreign exchange	(9.62)	(16.69)
	571.13	79.62
Working Capital Adjustments:		
Decrease/(Increase) in trade receivables	213.46	(247.51)
Increase in inventories	(214.33)	(90.52)
(Decrease)/Increase in Trade payables	(15.67)	4.59
Decrease/(Increase) in other financial assets	10.24	(1.26)
(Increase)/Decrease in other non-current assets	(3.91)	11.15
Increase in other current assets	(1.12)	(36.82)
Increase in provisions	17.58	20.11
Increase in Loans	3.16	4.50
Increase/(decrease) in other current liabilities	38.24	(15.11)
Increase in Other financial Liabilities	17.43	50.67
Cash generated from operations	636.21	(220.58)
Direct taxes paid (net of refunds)	108.35	(0.87)
Net cash flow from/(used in) operating activities (A)	527.86	(219.71)
Cash flow from investing activities		
Payments for acquisition of property, plant and equipment	(170.04)	(8.42)
Payments for acquisition of other intangible assets	(8.66)	-
Loans & Advance repayments	(1.48)	(2.83)
Proceeds from sale of property, plant and equipment	564.33	0.36
Movement in Fixed deposits	158.00	(98.00)
Investment in mutual funds & shares	(1,016.73)	(118.36)
Proceeds on redemption of mutual funds	75.57	131.89
Interest received	17.35	7.28
Dividend received	0.98	0.75
Net cash flow from/(used in) investing activities (B)	(380.68)	(87.32)

**AUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in Lakhs unless otherwise stated)

Cash flows from financing activities

Finance lease payments	(32.29)	(29.36)
Dividends Paid	(12.12)	-
Net cash flow from/(used in) in financing activities (C)	(44.41)	(29.36)

Net increase/(decrease) in cash and cash equivalents (A+B+C)

	102.78	(336.39)
Cash and cash equivalents at the beginning of the year	59.21	395.60
Cash and cash equivalents at the end of the year	161.99	59.21

Reconciliation of cash and cash equivalents as per the cash flow statement:

Cash and cash equivalents

Balances with banks:

In current accounts	152.99	49.24
Deposits with original maturity of less than 3 months	9.00	9.00
Cash on hand	-	0.97

Balance as per the cash flow statement:**161.99** **59.21****Note:** Above statement has been prepared by using Indirect method as per Ind AS - 7 on Statement of Cash flows.

As per our report of even date

For Nayan Parikh & Co.

Chartered Accountants

Firm Registration No.: 107023W

K. Y. Narayana

Partner

Membership No.: 060639**Place:** Mumbai **Date:** 17th May, 2023

For and on behalf of the Board of Directors

Tanil R. Kilachand**Parthiv T. Kilachand****Atul H. Mehta****Kanan V. Panchasara****Deepali V. Chauhan****Place:** Mumbai **Date:** 17th May, 2023

Chairman (DIN No.: 00006659)

Managing Director (DIN No.: 00005516)

Dy. Managing Director (DIN No.: 00005523)

Chief Financial Officer

Company Secretary & Compliance Officer



SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

These significant accounting policies and notes to accounts form part of the Consolidated financial statements for the year ended March 31, 2023. The Consolidated financial statements comprises of Polychem Limited (the “Company”) and its subsidiary (Gujarat Poly Electronics Limited (collectively the “Group”).

Background

Polychem Limited (“the Company”) is engaged in the manufacturing of specialty chemicals and property development. The Company has manufacturing plant in India and sells it in Domestic as well as International market. The Company is Public Limited Company domiciled in India and is listed on the Bombay Stock Exchange (BSE).

1.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the presentation of these consolidated financial statements.

1.01 BASIS OF PREPARATION

(i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013 (“the Act”), and relevant rules issued there under. In accordance with proviso to the Rule 4A of the Companies (Accounts) Rules, 2014, the terms used in these financial statements are in accordance with the definitions and other requirements specified in the applicable Accounting Standards.

Authorization of standalone financial statements

The consolidated financial statements were approved for issue by Board Of Directors on May 17, 2023.

(ii) Historical cost convention

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

- certain financial assets and liabilities (including derivative instruments) is measured at fair value; and
- defined benefit plans – plan assets measured at fair value.

1.02 FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in India Rupees (INR), which is also the company’s functional currency. All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest Lakhs, except where otherwise indicated.

1.03 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current if it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.



The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

All assets and liabilities have been classified as current or non-current as per the normal operating cycle. Based on the nature of operations, the Group has ascertained its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities.

1.04 MEASUREMENT OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

1.05 USE OF JUDGEMENTS, ESTIMATES & ASSUMPTIONS

While preparing consolidated financial statements in conformity with Ind AS, the management makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The management continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as below:

Key sources of estimation uncertainty

- a) Financial instruments; (Refer note 4.08)
- b) Useful lives of property, plant and equipment and intangible assets; (Refer note 1.07)
- c) Valuation of inventories; (Refer note 1.11)
- d) Measurement of defined benefit obligations, key actuarial assumptions; (Refer note 4.04)
- e) Evaluation of recoverability of deferred tax assets; (Refer note 2.06) and
- f) Contingencies. (Refer note 4.02)

Critical accounting judgments

The Company has equity stake in its subsidiary for strategic reasons concerning its operation. The relationship with this entity have been determined based on principles laid down in Ind AS 110 – Consolidated Financial Statements.

1.06 FOREIGN CURRENCY TRANSACTIONS

(i) Functional and presentation currency

The group's consolidated financial statements are prepared in INR, which is also the group's functional and presentation currency.

**(ii) Transactions and balances***Monetary items*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss.

Non – Monetary items

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

1.07 PROPERTY, PLANT AND EQUIPMENT**Recognition and Measurement**

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Stores & Spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

Depreciation on Property, plant and equipment

Depreciation on Property, Plant & Equipment is provided on written down value method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, Plant & Equipment and has adopted the useful lives and residual value as prescribed in Schedule II.

In case of additions/deletions during the year, the depreciation is computed from the month in which such assets are put to use and upto the previous month of sale or disposal as the case may be. In case of impairment, depreciation is provided on the revised carrying amount over its remaining useful life.

All assets costing up to Rs. 5,000 (in ₹) are fully depreciated in the year of capitalization.

The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

1.08 INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised on written down value over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortisation expense on Intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss.



Business application software intended for long term use are recorded at their acquisition cost and the cost of assets at their carrying value.

Amortisation of intangible assets.

Computer software is amortized over the estimated useful life of the assets.

1.09 IMPAIRMENT OF ASSETS

Carrying amount of tangible assets, intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group's assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.10 LEASES

As a Lessee

The Group, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term ending within 12 months and the Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease income from operating leases where the Group is a lessor are recognized on either a straight-line basis or another systematic basis. The Group shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The Group present underlying assets subject to operating leases in its balance sheet according to the nature of the underlying asset.

1.11 INVENTORIES

Inventories are valued as follows:

Raw materials, packing materials, work-in-process and finished goods are valued at cost or net realizable value, whichever is lower. Cost of raw materials and packing materials is determined on FIFO basis. Cost of work-in-process and finished goods is determined on the basis of absorption costing method.

**Property under development**

Property under development represents free hold land converted into stock-in-trade on the basis of valuation made by approved valuer and development expenses incurred thereon.

1.12 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.13 PRICIPLES OF CONSOLIDATION**Subsidiary**

Subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiary are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the noncontrolling interests even if this results in the noncontrolling interests having a deficit balance.

1.14 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when a group becomes a party to the contractual provisions of the instruments.

Initial Recognition and Measurement – Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Classification and Subsequent Measurement: Financial Assets

The group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset is classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**FVTOCI:**

A financial asset is classified and measured at FVTOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTPL:

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of Financial Assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Classification and Subsequent measurement: Financial Liabilities

The group's financial liabilities include trade payables and other financial liabilities.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Other Financial Liabilities:

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

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

Derecognition of Financial Assets and Financial Liabilities:

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. If the group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting Financial Instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

**1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS****PROVISION**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a current pre-tax rate. The increase in the provision due to the passage of time is recognised as interest expense.

CONTINGENT LIABILITY

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

CONTINGENT ASSET

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

1.16 REVENUE RECOGNITION

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

To recognize revenues, the Group applies the following five step approach:

1. identify the contract with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognize revenues when a performance obligation is satisfied

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group presents revenue net of indirect taxes in its Statement of Profit and Loss.

TRADE RECEIVABLES

A receivable represents the company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

1.17 RECOGNITION OF INTEREST AND DIVIDEND INCOME**Interest**

Interest income is recognized using the effective interest rate method taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Dividend

Dividends are recognised in the Statement of Profit and Loss only 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.

**1.18 TAXES ON INCOME****Current Tax**

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the group have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

1.19 EMPLOYEE BENEFITS**a) Short-term obligations**

Short term employee benefits are recognised as an expense at an undiscounted amount in the Statement of profit & loss of the year in which the related services are rendered.

b) Post-employment obligations

The group operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.



Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit and loss as past service cost.

Defined contribution plans

The group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

c) Other long-term employee benefit obligations

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. 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 recognised in statement of profit and loss.

The 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.

1.20 EARNINGS PER SHARE (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is adjusted for after income tax effect of interest and other financing cost associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit (or loss) attributable to the owners of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

DILUTED EARNINGS PER SHARE

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

1.21 SEGMENT REPORTING

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the group. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the group as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated expenses".

Deemed cost for Property, Plant and Equipment and intangible assets

The group has elected to continue with the carrying value of all of its Property, Plant and Equipment and intangible assets recognised as of the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.01 Property, Plant and Equipment

(Rs. in Lakhs unless otherwise stated)

Particulars	Gross Carrying Amount				Accumulated Depreciation/Impairment				Net Carrying Amount	
	As at April 1, 2022	Addition	Disposal	As at March 31, 2023	As at April 1, 2022	For the Year	Elimination on disposal	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Own Assets:										
Plant and Machinery	99.85	16.90	45.19	71.56	15.32	6.31	0.18	21.45	50.11	84.52
Laboratory equipments	4.95	1.65	-	6.60	4.09	0.40	-	4.49	2.11	0.86
Furniture & Fixtures	9.53	0.34	0.54	9.34	7.39	0.35	-	7.74	1.59	2.14
Electrical Installations	4.96	-	2.43	2.53	0.12	0.19	-	0.31	2.22	4.84
Computers	43.09	8.27	0.89	50.47	33.57	6.33	0.52	39.37	11.10	9.52
Office Equipments	28.84	4.89	0.49	33.24	20.72	3.90	0.33	24.30	8.94	8.12
Building- Factory	65.12	-	-	65.12	34.19	5.47	-	39.66	25.46	30.93
Motor Vehicles	149.75	100.15	6.25	243.64	89.09	23.77	5.18	107.67	135.97	60.66
Leasehold Improvements	17.69	1.26	-	18.95	2.41	0.30	-	2.71	16.24	15.28
Total (A)	423.78	133.45	55.79	501.45	206.91	47.03	6.22	247.71	253.73	216.87
Right to use Asset	105.25	79.76	-	185.01	76.67	25.52	-	102.19	82.81	28.58
Total (B)	105.25	79.76	-	185.01	76.67	25.52	-	102.19	82.81	28.58
Total	529.03	213.21	55.79	686.45	283.58	72.55	6.22	349.90	336.55	245.45

Particulars	Gross Carrying Amount				Accumulated Depreciation/Impairment				Net Carrying Amount	
	As at April 1, 2021	Addition	Disposal	As at March 31, 2022	As at April 1, 2021	For the Year	Elimination on disposal	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Own Assets:										
Plant and Machinery	96.94	2.97	0.06	99.85	13.14	2.23	0.04	15.32	84.52	83.80
Laboratory equipments	4.95	-	-	4.95	3.79	0.30	-	4.09	0.86	1.16
Furniture & Fixtures	9.53	-	-	9.53	6.86	0.53	-	7.39	2.14	2.67
Electrical Installations	3.16	1.80	-	4.96	0.08	0.04	-	0.12	4.84	3.08
Computers	42.13	1.58	0.62	43.09	25.72	8.44	0.59	33.57	9.52	16.41
Office Equipments	23.88	5.09	0.13	28.84	16.97	3.87	0.12	20.72	8.12	6.92
Building- Factory	65.12	-	-	65.12	28.60	5.59	-	34.19	30.93	36.52
Motor Vehicles	150.80	-	1.05	149.75	71.62	18.22	0.75	89.09	60.66	79.17
Leasehold Improvements	17.69	-	-	17.69	2.24	0.17	-	2.41	15.28	15.45
Total (A)	414.19	11.44	1.85	423.78	169.03	39.38	1.50	206.91	216.87	245.16
Right to use Asset	103.68	1.57	-	105.25	51.38	25.28	-	76.67	28.58	52.30
Total (B)	103.68	1.57	-	105.25	51.38	25.28	-	76.67	28.58	52.30
Total	517.87	13.02	1.85	529.03	220.41	64.66	1.50	283.58	245.45	297.46

2.02 Other Intangible Assets

(Rs. in Lakhs unless otherwise stated)

Particulars	Gross Carrying Amount					Accumulated Amortisation/Impairment				Net Carrying Amount	
	As at April 1, 2022	Addition	Disposal	Reclassification as held for sale	As at March 31, 2023	As at April 1, 2022	For the Year	Elimination on disposal	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Software	27.13	19.17	-	-	46.30	15.64	4.12	-	19.76	26.55	11.49
Total	27.13	19.17	-	-	46.30	15.64	4.12	-	19.76	26.55	11.49

Particulars	Gross Carrying Amount					Accumulated Amortisation/Impairment				Net Carrying Amount	
	As at April 1, 2021	Addition	Disposal	Reclassification as held for sale	As at March 31, 2022	As at April 1, 2021	For the Year	Elimination on disposal	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Software	24.21	2.92	-	-	27.13	11.95	3.69	-	15.64	11.49	12.26
Total	24.21	2.92	-	-	27.13	11.95	3.69	-	15.64	11.49	12.26



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.03 Non-current Investments

(Rs. in Lakhs unless otherwise stated)

Particulars	Face value per unit	As at March 31,			
		2023		2022	
		Qty	Amount	Qty	Amount
Investments in Equity Instruments (fully paid-up)					
Quoted					
Investment in other companies (FVTPL)					
State Bank of India	1	1,050	5.50	1,050	5.18
HDFC Limited	2	650	17.07	650	15.54
ICICI Bank Limited	2	1,612	14.14	1,612	11.77
ITC Limited	1	1,800	6.90	1,800	4.51
Larsen & Toubro Limited	2	585	12.66	585	10.34
Adani Port Sp. Eco. Zone Limited	2	1,500	9.48	1,500	11.61
Reliance Industries Limited	10	622	14.50	622	16.39
Bajaj Finserv Ltd	5	300	3.80	30	5.12
HDFC Asset Management Company Limited	5	100	1.71	100	2.15
HDFC Bank Limited	1	300	4.83	300	4.41
Maruti Suzuki India Limited	5	50	4.15	50	3.78
Nestle India Limited	10	20	3.94	20	3.48
(A)		8,589	98.67	8,319	94.28
Unquoted					
Investment in other companies					
Crescent Finstock Limited		-	-	9.00	*
Mafatlal Dyes & Chemicals Limited		-	-	62.00	0.01
(B)		-	-	71.00	0.01
Investments in Mutual Fund (FVTPL)					
Unquoted					
HDFC Floating Rate Income Fund (Growth)		218,652	91.29	218,652	86.58
HDFC Credit Risk Debt Fund (Earlier known as HDFC - STP) (Growth)		704,326	142.67	704,326	137.12
Axis Banking & PSU Debt Fund (Growth)		7,630	170.42	7,630	163.27
Bandhan Corporate Bond Fund (Growth)		1,237,093	200.87	1,237,093	194.65
{Formerly known as IDFC Corporate Bond Fund}					
DSP Corporate Bond Fund (Regular - Growth)		567,253	-	567,253	74.83
Bandhan Banking & PSU Debt Fund (Growth) {Formerly known as IDFC Banking & PSU Debt Fund}		380,103	79.40	380,103	76.08
HDFC Medium Term Debt Fund - Regular Plan		120,713	57.20	120,713	55.23
ICICI Prudential Medium Term Bond Fund - Growth		155,035	58.23	155,035	55.44
HDFC Medium Term Debt Fund - Regular Plan Growth		211,420	100.18	-	-
Aditya Birla Sun Life - Short Term -Regular Plan - Growth		249,796	100.17	-	-
HDFC Ultra Short Term Fund Regular Growth		4,898,806	803.20	-	-
(C)		8,750,825	1,803.63	3,390,803	843.20
Total (A + B + C)		8,759,414	1,902.30	3,399,193	937.50

Aggregate amount of quoted investments 98.67 94.28

Aggregate market value of quoted investments 98.67 94.28

Aggregate amount of unquoted investments 1,803.63 843.20

*Amounts below Rs. 500/-

2.04 Loans

	Non - Current		Current	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Unsecured, considered good unless stated otherwise				
Loans to employees	8.90	6.47	9.96	14.07
Total	8.90	6.47	9.96	14.07



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

2.05 Other Financial Assets

	Non - Current		Current	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Security deposits	14.02	21.52	-	-
Forward Contract - Asset	-	0.45	-	-
Bank deposits with more than 12 months maturity	10.52	-	-	-
Accrued Interest on Deposits with Bank	-	-	3.22	5.71
Insurance Claim receivable	-	-	0.17	-
Total	24.54	21.97	3.39	-

2.06 Deferred Tax Assets (net)

	Current	
	As at March 31,	
	2023	2022
Property, plant and equipment	15.76	15.15
Other deductible temporary differences	13.31	10.23
Total	29.06	25.38

Deferred Tax Assets in relation to:

	As at March 31, 2022	Recognized in Profit/(loss) account	As at March 31, 2023
Property, plant and equipment	15.15	0.60	15.76
Other deductible temporary differences	10.23	3.08	13.31
Total	25.38	3.68	29.06

The Subsidiary Company has substantial unused tax losses and unused tax credits. The deferred tax assets relating to such deductible temporary differences, carry forward unused tax losses and carry forward unused tax credits is significantly higher than deferred tax liabilities. On conservative approach, the Subsidiary Company has recognized deferred tax assets on unabsorbed depreciation only to the extent of its deferred tax liabilities.

Unrecognised deductible temporary differences, unused tax losses and unused tax credits on which deferred tax assets has not been recognised.

Particulars	A.Y. 2022-23	A.Y. 2023-24	Indefinite	Total
Tax losses				
Unabsorbed depreciation	-	-	333.18	333.18
Business losses	-	-	-	-
Total	-	-	333.18	333.18

2.07 Other Assets

	Non - Current		Current	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Prepaid expenses	4.45	0.68	16.73	20.52
Staff Advances	-	-	0.40	0.55
Balances with Statutory Authorities:				
Income Tax (net of provisions)	-	2.90	0.91	-
GST Receivable	-	-	52.93	68.75
Others	-	-	13.59	10.03
Other Receivables				
Employee Super Annuation Scheme A/c - HDFC	0.12	0.11	-	-
GPEL EMP GGCA SCHEME A/C - HDFC	0.11	0.10	-	-
Other Advances	0.55	0.53	28.65	12.24
Total	5.23	4.32	113.22	112.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

2.08 Inventories	As at March 31,	
	2023	2022
Raw Materials	55.08	56.41
Property Development	168.86	164.98
Finished Goods (including goods in transit - Rs. 171.30 Lakhs for F.Y. 2022-2023 & Rs. NIL for F.Y. 2021-2022)	175.44	7.30
Stock in trade	270.95	262.08
Work in progress	74.39	38.50
Packing Material	0.27	0.65
Stores and spares	5.60	6.33
Total	750.78	536.25

2.09 Trade Receivables	As at March 31,	
	2023	2022
Trade Receivables - Considered good	781.73	978.78
Trade Receivable - Credit Impaired	0.77	6.79
Total	782.50	985.58
Less: Loss allowance for doubtful receivables	0.77	6.79
Total	781.73	978.77

2.09.1 Particulars	Outstanding for following periods from due date of payment as on 31st March 2023					
	Less than 6 months including not due	6 Months 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivable-Considered good	748.19	33.54	-	-	-	781.73
Undisputed Trade Receivable-Credit Impaired	0.28	0.49	-	-	-	0.77
Total	748.47	34.03	-	-	-	782.50
Less : Allowance for doubtful debts	0.28	0.49	-	-	-	0.77
Total	748.19	33.54	-	-	-	781.73

2.09.2 Particulars	Outstanding for following periods from due date of payment as on 31st March 2022					
	Less than 6 months including not due	6 Months 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivable-Considered good	957.84	15.00	0.25	-	5.69	978.78
Undisputed Trade Receivable-Credit Impaired	-	-	-	-	1.30	1.30
Disputed Trade Receivable-Credit Impaired	-	-	-	-	5.49	5.49
Total	957.84	15.00	0.25	-	12.48	985.58
Less : Allowance for doubtful debts	-	-	-	-	6.79	6.79
Total	957.84	15.00	0.25	-	5.69	978.77

2.10 Cash and Cash Equivalent	As at March 31,	
	2023	2022
Balances with banks:		
On current accounts	152.99	49.24
Deposits with original maturity of less than 3 months*	9.00	9.00
Cash on hand	-	0.97
Total	161.99	59.21



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

2.11 Bank balances other than cash and cash equivalents	As at March 31,	
	2023	2022
Deposits with original maturity for more than 3 months but less than 12 months*	167.00	335.52
Unclaimed dividend accounts	8.31	8.05
Total	175.31	343.57

*Marked under lien in favour of banks

Lien marked on Deposit of Rs.57 Lakhs for obtaining forward contract exposure in respect of trade receivables & Rs. 4 Lakhs for issuance of Corporate Expense card by HDFC Bank.

2.12 Current Tax Assets (Net)	As at March 31,	
	2023	2022
Advance income tax (Net of Provisions)	22.53	1.53
Total	22.53	1.53

2.13 Assets held for sale	As at March 31,	
	2023	2022
Plot of land at cost	31.39	31.39
Less: cost of land sold	(25.00)	-
Total	6.39	31.39

The company has one plot of lease hold Land for which it has initiated action for disposal. Accordingly this asset is disclosed in "Asset Held for Sale" and is valued at lower of amortised cost or fair market value.

2.14 Share Capital	As at March 31,	
	2023	2022
Paid up Capital		
4,04,045 (March 31, 2022 : 4,04,045) Equity shares of Rs. 10/- each (fully paid up)	40.40	40.40
Total fully paid-up share capital	40.40	40.40

a. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period:

Equity Shares	As at March 31,			
	2023		2022	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	404,045	40.40	404,045	40.40
Movement during the year	-	-	-	-
Outstanding at the end of the period	404,045	40.40	404,045	40.40

b. Rights, preference and restrictions attached to shares:

Equity Shares

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

c. Details of share holders holding more than 5% shares in the company

Particulars	As at March 31,			
	2023		2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity shares of Rs. 10 each fully paid				
Name of the Shareholder				
Virsun Investments Private Limited	42,802	10.59	80,802	19.99
Highclass Trading Private Limited	24,842	6.15	24,842	6.15
Masuma Tradecorp Private Limited	59,991	14.85	59,991	14.85
Parthiv T. Kilachand	33,127	8.20	11,627	2.88
Nandish T. Kilachand	32,335	8.00	10,835	2.68

d. Details of promoters shareholding in the Company:

Name of the Shareholder	As at March 31,				% change during the year
	2023		2022		
	No. of Shares	% of holding	No. of Shares	% of holding	
Equity shares of Rs. 10 each					
Parthiv T. Kilachand	33,127	8.20	11,627	2.87	5.33
Nandish T. Kilachand	32,335	8.00	10,835	2.68	5.32
Tanil R. Kilachand	1,938	0.47	1,938	0.47	-
Nilima T. Kilachand	1,013	0.25	1,013	0.25	-
Virsun Investments Pvt. Ltd	42,802	10.59	80,802	19.99	(9.40)
Masuma Tradecorp Pvt. Ltd	59,991	14.85	59,991	14.85	-
Highclass Trading Pvt. Ltd	24,842	6.15	24,842	6.15	0.01
Ginners & Pressers Limited	4,996	1.23	9,996	2.47	(1.24)
Delmar Trading Co. Pvt. Ltd	9,425	2.33	9,425	2.33	-

Name of the Shareholder	As at March 31,				% change during the year
	2022		2021		
	No. of Shares	% of holding	No. of Shares	% of holding	
Equity shares of Rs. 10 each					
Parthiv T. Kilachand	11,627	2.87	2,127	0.53	2.34
Nandish T. Kilachand	10,835	2.68	1,335	0.33	2.35
Tanil R. Kilachand	1,938	0.47	1,938	0.47	-
Nilima T. Kilachand	1,013	0.25	1,013	0.25	-
Virsun Investments Pvt. Ltd	80,802	19.99	80,802	19.99	-
Masuma Tradecorp Pvt. Ltd	59,991	14.85	59,987	14.85	-
Highclass Trading Pvt. Ltd	24,842	6.15	39,842	9.86	(3.71)
Ginners & Pressers Limited	9,996	2.47	13,996	3.46	(0.99)
Delmar Trading Co. Pvt. Ltd	9,425	2.33	9,425	2.33	-



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

2.15 Other Equity	As at March 31,	
	2023	2022
General reserve	278.22	278.22
Retained earnings	1,168.79	458.52
Capital reserve	539.37	539.37
Securities Premium	1,424.37	1,424.37
Capital Redemption reserve	50.00	50.00
Total	3,448.62	2,750.48

Description of the nature and purpose of each reserve within equity is as follows:

(a) General Reserve:

The Company had transferred a portion of the net profit of the Company before declaring dividend to the general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve before declaration of dividend is not required under the Companies Act, 2013.

(b) Retained Earnings :

Retained earnings are the profits that the Company has earned till date and is net of amount transferred to other reserves such as general reserves etc., amount distributed as dividend and adjustments on account of transition to Ind AS.

(c) Securities Premium :

Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

(d) Capital Redemption Reserve :

The Capital Redemption Reserve is created on redemption of 13.5% 50,000 Redeemable Cumulative Preference Shares of Rs. 100/- in the Financial Year 2007-2008 pursuant to Section 80 of the Companies Act, 1956.

2.16 Other Financial Liabilities	Non-Current		Current	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Forward contract - Liability	-	-	0.81	-
Lease Liability	72.72	3.45	8.02	23.89
Payables for expenses				
Total outstanding dues of Micro & Small Enterprises	-	-	51.25	72.16
Other than Micro & Small Enterprises	-	-	36.04	36.29
Unpaid dividend	-	-	8.31	8.05
Total	72.72	3.45	104.42	140.40

2.17 Provisions	Non-Current		Current	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Compensated Absences (Unfunded Plans)	24.16	26.84	17.42	26.28
Provision for Bonus	-	-	4.20	4.31
Total	24.16	26.84	21.62	30.59



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

2.18 Trade Payables	As at March 31,	
	2023	2022
Trade Payables		
Total outstanding dues of Micro & Small Enterprises	31.58	9.13
Other than Micro & Small Enterprises	110.54	148.61
Total	142.12	157.74

2.18.1	As at March 31, 2023				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Particulars					
Undisputed dues - MSME	31.58	-	-	-	31.58
Undisputed dues - Others	110.42	0.06	0.06	-	110.54
Total	142.00	0.06	0.06	-	142.12

2.18.2	As at March 31, 2022				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Particulars					
Undisputed dues - MSME	9.13	-	-	-	9.13
Undisputed dues - Others	148.55	0.06	-	-	148.61
Total	157.68	0.06	-	-	157.74

2.19 Other Current Liabilities	Current	
	As at March 31,	
	2023	2022
Gratuity payables (Funded)	98.63	59.85
Leave travel allowance payable	11.69	24.61
Compensated absences (Funded)	8.14	5.87
Statutory Payables	55.92	23.86
Bonus Payable (unfunded)	18.11	-
Commission payable to directors	4.05	-
Total	196.55	114.18



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

3.01 Revenue From Operations	Year ended March 31,	
	2023	2022
Revenue from operations		
Sale of products (Net sales)	4,969.14	3,523.74
Other operating revenue		
Exchange gain/(loss) on foreign currency	65.72	30.28
Duty drawback received	35.76	17.90
Others	0.97	6.36
Export Incentives	52.62	-
Total	5,124.21	3,578.28
3.02 Other Income	Year ended March 31,	
	2023	2022
Interest Income		
Interest on Fixed Deposit	16.88	16.81
Others	0.70	2.37
Fair value measurement of Investments measured at FVTPL	54.60	51.37
Realised gain on redemption of Investments	0.74	4.35
Rent Income for commercial space	4.91	4.54
Dividend Income	0.98	0.77
Reversal of expected credit expenses	6.03	0.04
Gain on sale of Property, Plant and Equipment (net)	475.39	0.01
Other non - operating income		
Amount not payable written back	0.10	1.13
Other sundry Income	0.30	0.18
Total	560.63	81.57
3.03 Cost of Materials Consumed	Year ended March 31,	
	2023	2022
Opening Stock	56.41	63.49
Purchases	2,042.79	1,176.66
Less: Closing stock	(55.08)	(56.41)
Total	2,044.12	1,183.74
3.04 Purchases of Stock-in-trade	Year ended March 31,	
	2023	2022
Trading Goods	1,023.12	989.97
Total	1,023.12	989.97



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

3.05 Changes in Inventories of Stock-in-Trade	Year ended March 31,	
	2023	2022
<u>Finished Goods</u>		
Opening Stock	7.30	9.27
Less: Closing Stock (including goods in transit - Rs.171.30 Lakhs for F.Y.2022-2023 & Rs. NIL for F.Y.21-22)	(175.45)	(7.30)
	<u>(168.15)</u>	<u>1.97</u>
<u>Work in process</u>		
Opening Stock	38.50	5.57
Less: Closing Stock	<u>(74.39)</u>	<u>(38.50)</u>
	<u>(35.89)</u>	<u>(32.93)</u>
<u>Trading Goods</u>		
Opening Stock	262.08	201.24
Less: Closing Stock	<u>(270.95)</u>	<u>(262.08)</u>
	<u>(8.87)</u>	<u>(60.84)</u>
<u>Property Development</u>		
Opening Stock	164.98	164.31
Less: Closing Stock	<u>(168.86)</u>	<u>(164.98)</u>
	<u>(3.88)</u>	<u>(0.67)</u>
Total	<u>(216.79)</u>	<u>(92.47)</u>
3.06 Employee Benefits Expense	Year ended March 31,	
	2023	2022
Salaries, wages & incentives	543.28	513.75
Contribution to provident and other fund	83.76	59.35
Expenditure related to compensated absences	11.68	16.02
Staff welfare expenses	23.49	18.75
Total	<u>662.21</u>	<u>607.87</u>
3.07 Finance Costs	Year ended March 31,	
	2023	2022
Interest expense on Lease Liability	7.75	5.52
Other Interest Expenses	0.02	-
Total	<u>7.77</u>	<u>5.52</u>
3.08 Depreciation and Amortization Expense	Year ended March 31,	
	2023	2022
Depreciation of property, plant and equipment	49.21	39.39
Depreciation on Right to use Assets	25.52	25.28
Amortization of Intangible assets	1.93	3.69
Total	<u>76.67</u>	<u>68.36</u>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

3.09 Other Expenses	Year ended March 31,	
	2023	2022
Non utilisation and Sub Division Charges	-	83.52
Infrastructure cost	3.63	-
Selling & distributions expenses	260.43	218.14
Legal and professional fees	97.75	64.46
Rent	12.22	12.10
Factory Expense	4.74	4.29
Security service charges	10.09	9.74
Motor car expenses	25.86	23.95
Membership & subscription	17.22	9.30
Rates & taxes	5.34	4.92
Property tax	3.70	4.15
Telephone expenses	8.12	8.26
General charges	3.60	1.25
Printing & stationery expenses	6.47	4.66
Conveyance & travelling expenses	10.57	5.17
CSR Expense	-	5.30
Electric Power, oil fuel and water charges	11.45	12.17
Miscellaneous expenses	26.00	18.00
Pollution Control Permission Expenses	1.14	1.10
Postage & courier expenses	1.36	0.86
Insurance charges	11.44	9.27
Advertisement expenses	2.00	1.26
Amount not recoverable written off	0.01	1.57
Sundry Balance written off	-	3.00
Land development expenses	3.88	0.67
ISO & certification expenses	0.75	1.79
Director sitting fees	5.36	6.16
Commission to directors	4.50	-
Interest on statutory dues	8.25	1.02
Bad debts	0.07	-
Loss on sale of assets	0.08	-
Repair & Maintenance		
Computer	3.48	1.94
Machinery	0.03	0.26
Others	29.66	26.90
Packing Material, Stores & spares		
Opening Stock	5.88	
Add : Purchase during the year	44.57	
Less : Closing Stock	(5.14)	
	46.59	25.60
Auditor's Remuneration	4.15	3.50
Total	629.97	574.28



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

3.10 Tax expenses	Year ended March 31,	
	2023	2022
(a) Income tax expenses		
Current tax		
In respect of the current year	89.60	-
	89.60	-
Deferred tax		
In respect of the current year	(1.68)	(10.04)
	(1.68)	(10.04)
(b) Income tax recognised in Other Comprehensive Income		
Remeasurements of the defined benefit plans	2.00	1.52
	2.00	1.52
Total (a+b)	85.92	(11.56)
(c) Reconciliation between the Statutory income tax rate applicable to the company and the effective income tax rate is as follows:	Year ended March 31,	
	2023	2022
Net profit/(loss) before tax	1,052.83	77.07
Effective Tax rate applicable to the company	25.17%	25.17%
Tax amount at the enacted income tax rate	264.98	19.40
Add : Expenses disallowed	19.83	14.97
Less : Expenses allowed	(26.09)	(25.73)
Tax relating to long term capital gains	0.08	8.26
Tax relating to dividend income	0.25	0.19
Deferred tax not created on current year loss	(149.18)	(19.97)
Expenses allowed on carryforward business losses	(109.85)	2.88
Incremental Deferred tax asset on deductible taxable differences	85.92	(11.56)
Income tax expense	85.92	(11.56)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

4.01 Earnings Per Share (EPS)	As at March 31,	
	2023	2022
Basic earnings per share:		
Attributable to equity holders of the Company	178.89	12.53
Diluted earnings per share:		
Attributable to equity holders of the Company	178.89	12.53
Reconciliation of earnings used in calculating earnings per share:		
Basic earnings per share		
Profit attributable to equity holders of the Company used in calculating basic earnings per share	722.79	50.62
Diluted earnings per share		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	722.79	50.62
Weighted average number of Equity shares used as the denominator in calculating basic & diluted earnings per share	404,045	404,045
4.02 Contingent Liabilities	As at March 31,	
	2023	2022
1) Claims against the group not acknowledged as debts:	27.08	27.08
Relates to supplier of materials, employees and other claims etc. (No provision is made, as the group is hopeful of successfully contesting the claims and as such does not expect any significant liability to crystallize).		
2) The group has taken certain premises on sub-lease. The landlord, a Government Company issued a notice under the Public Premises (Eviction of Unauthorized Occupants) Act, 1971 against the group for eviction and has demanded damages and other charges, which are disputed by the Group. The proceedings in this connection are pending before the Estate officer. The Contingent liability in respect of damages, interest claimed by the Insurance Company cannot be quantified.		
3) Disputed Demand of Employees' State Insurance Corporation *	1.03	1.03
*Bank Guarantee is issued to ESIC as security for Rs. 0.52 Lakhs		

4.03 Other income

During the year, the Company has granted, assigned, conveyed, and transferred to the assignees, all its leasehold rights, title and interest in 4 sub plots out of total 5 plots admeasuring 4971 square meters and resultant gain arising on the same aggregating to Rs.137.35 Lakhs for the quarter and Rs. 445.94 Lakhs for the entire year have been shown under the head "Other Income".

The above plots of land were forming part of larger land bearing Plot No. B-17/P admeasuring 6240 square meters and the transfers have been made to the assignees after fulfilment of terms and conditions as mentioned in the provisional transfer orders (PTO) and receipt of the final transfer orders from GIDC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in Lakhs unless otherwise stated)

4.04 Employee benefits**1) Defined Contribution Plans:**

The amounts of contribution to provident fund and ESIC recognized as expenses during the year is Rs. 38.88 Lakhs (March 31, 2022 : Rs. 37.90 Lakhs) for the year ended March 31, 2023.

2) Defined Benefit Plans:

The Group sponsors funded defined benefit plans for qualifying employee. The defined benefit plans are administered by separate fund that are legally separate fund from the entity. The board of the fund is responsible for the investment policy with regard to assets of the fund.

These plans typically expose the Group to Actuarial risks such as : investment risk, interest rate risk, longevity risk and salary risk. No other post-retirement benefit are provided to the employees.

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has investment with LIC of India.
Interest Risk	A decrease in the interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined 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.

3) Principal assumptions used for the purpose of actuarial valuation :

Particulars	Gratuity	
	As at March 31,	
	2023	2022
Discount rate	7.50%	7.23%
Expected rate of salary increase	6.00%	6.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

4. (i) Amounts recognized in Statement of Profit and Loss in respect of defined benefit plans

Particulars	Gratuity	
	As at March 31,	
	2023	2022
Service cost		
Current service cost	7.01	7.64
Net Interest Cost	4.33	2.82
Past Service cost	17.54	-
Components of defined benefits cost recognized in Statement of Profit and Loss	28.88	10.45



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

4. (ii) Amounts recognized in Other Comprehensive Income in respect of defined benefit plans

Particulars	Gratuity	
	As at March 31,	
	2023	2022
Remeasurement of net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	2.22	0.23
Net Actuarial (Gain)/Loss	17.91	10.52
Components of defined benefits cost recognized in Other Comprehensive Income	20.13	10.75

4. (iii) Amounts recognized in the Balance Sheet in respect of defined benefit plans

Particulars	Gratuity	
	As at March 31,	
	2023	2022
Present Value of the Defined Benefit Obligations	9.17	224.22
Fair Value of Plan Assets	(17.47)	(164.36)
Liability Recognized in the Balance Sheet	(8.30)	59.86

4. (iv) Shortage of funds**The net liability disclosed above relates to funded and unfunded plans are as follows**

Particulars	Gratuity	
	As at March 31,	
	2023	2022
Projected benefit obligations at end of the year	9.17	224.22
Fair Value of Plan Asset at the end of the year	(17.47)	(164.36)
Deficit of gratuity plan	(8.30)	59.86

5. (i) Movements in present value of defined benefit obligation

Particulars	Gratuity	
	As at March 31,	
	2023	2022
Opening defined benefit obligations	224.21	200.27
Current service cost	7.01	7.64
Interest cost	16.21	13.73
Past Service cost	17.54	-
Benefit paid from the fund	(63.25)	(7.94)
Actuarial (gains)/losses on Defined Benefit Obligation - Due to change in demographic assumptions	-	(0.06)
Actuarial (gains)/losses on Defined Benefit Obligation - Due to change in financial assumptions	(2.09)	(2.58)
Actuarial (gains)/losses on Defined Benefit Obligation - Due to experience	20.00	13.16
Closing defined benefit obligation	219.63	224.21



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

5. (ii) Reconciliation

Particulars	Gratuity	
	As at March 31,	
	2023	2022
Opening Net Liability	59.85	41.09
Add: Employer Expenses (Expenses recognized in the statement of P/L account)	28.88	10.45
Add: Transfer to OCI	20.13	10.75
Less: Employers contribution	(10.23)	(2.43)
Closing Net Liability	98.63	59.86

6. The category of plan assets as a percentage of total plan are as follows:

Particulars	Gratuity	
	As at March 31,	
	2023	2022
Deposits with LIC of India	100%	100%

7. Sensitivity Analysis

Below is the sensitivity analysis determined for significant actuarial assumption for determination of defined benefit obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period.

Key assumptions for determination of Defined Benefit Obligation are Discount Rate (i.e. Interest Rate) Salary Growth Rate and Employee Turnover Rate

Particulars	Gratuity	
	As at March 31,	
	2023	2022
Delta Effect of +1% Change in Rate of Discounting	(7.15)	(4.79)
Delta Effect of -1% Change in Rate of Discounting	8.12	5.28
Delta Effect of +1% Change in Rate of Salary Increase	8.16	3.82
Delta Effect of -1% Change in Rate of Salary Increase	(7.31)	(4.12)
Delta Effect of +1% Change in Rate of Employee Turnover	0.77	0.64
Delta Effect of -1% Change in Rate of Employee Turnover	(0.23)	(0.69)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

4.05 Segment Information

Segment information for primary segment reporting (by business segments).

The Group has three business segments:

- (i) Property Development
- (ii) Specialty Chemicals
- (iii) Manufacturing and trading in Capacitors

Sr. No.	Particulars	As at March 31,	
		2023	2022
1	Segment Revenue		
	(net sale/income from each segment)		
	(a) Property Development	-	-
	(b) Specialty Chemicals	3,372.80	1,995.87
	(c) Manufacturing and trading in Capacitors	1,596.34	1,527.87
	(d) Unallocated	715.70	136.12
	Total	5,684.84	3,659.86
	Less: Inter Segment Revenue	-	-
	Revenue from operations	5,684.84	3,659.86
2	Segment Results		
	Profit/Loss before tax and interest from each segment		
	(a) Property Development	-	-
	(b) Specialty Chemicals	803.80	259.09
	(c) Manufacturing and trading in Capacitors	526.24	79.34
	(d) Unallocated	-	-
	Total	1,330.04	338.43
	Less: Other Un-allocable Expenditure (net off)	277.21	261.34
	Total Profit Before Tax	1,052.83	77.08
3	Segment Asset		
	(Segment assets - Segment liabilities)		
	(a) Property Development	168.86	164.98
	(b) Specialty Chemicals	873.78	812.99
	(c) Manufacturing and trading in Capacitors	1,815.58	1,210.74
	(d) Unallocated	1,500.00	1,146.46
	Total	4,358.21	3,335.17
4	Segment Liabilities		
	(a) Property Development	-	-
	(b) Specialty Chemicals	196.40	265.14
	(c) Manufacturing and trading in Capacitors	206.76	115.97
	(d) Unallocated	158.43	92.10
	(e) Non Controlling Interest	307.61	71.09
	Total	869.20	544.29

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

4.06 Capital Management
Risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to maximize shareholder value.

For the purpose of the Group's capital management, capital includes capital and all other equity reserves. In order to maintain or achieve a capital structure that maximizes the shareholder value, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans. As at March 31, 2023, the Group has only one class of equity shares and has no debts. Hence, there are no externally imposed capital requirements.

Dividend	As at March 31,	
	2023	2022
Dividend on equity shares paid during the year		
Dividend paid	(12.12)	-

4.07 Financial Instruments
(i) Methods & assumptions used to estimate the fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- The carrying amounts of receivables and payables which are short term in nature such as trade receivables, other bank balances, deposits, loans to employees, trade payables, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(ii) Categories of financial instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying values	Fair value	Carrying values	Fair value
<u>Financial assets</u>				
<u>Measured at amortized cost</u>				
Trade receivables	781.73	781.73	978.77	978.77
Loans	18.86	18.86	20.54	20.54
Cash and Bank balances	337.30	337.30	402.78	402.78
Other financial assets	27.93	27.93	27.23	27.23
Total (A)	1,165.82	1,165.82	1,429.32	1,429.32
<u>Measured at fair value through profit or loss</u>				
Investment in equity instruments of other companies	98.67	98.67	94.28	94.28
Investment in mutual funds	1,803.63	1,803.63	843.20	843.20
Derivative Instruments	-	-	0.45	0.45
Total (B)	1,902.30	1,902.30	937.94	937.94
Total Financial assets (A+B)	3,068.12	3,068.12	2,367.25	2,367.25



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

Financial liabilities				
Measured at amortized cost				
Trade payables	142.12	142.12	157.74	157.74
Other financial liabilities	95.60	95.60	116.51	116.51
Lease Liability	80.73	80.73	27.34	27.34
Total (A)	318.45	318.45	301.59	301.59
Measurement at fair value through profit or loss				
Derivative Instruments	0.81	0.81	-	-
Total (B)	0.81	0.81	-	-
Total Financial liabilities (A+B)	319.26	319.26	301.59	301.59

Level wise disclosure of financial instruments

Particulars	As at March 31,		Level	Valuation techniques and key inputs
	2023	2022		
Investment in mutual funds	1,803.63	843.20	2	NAV as stated by Issuer
Forward contracts - Assets	-	0.45	2	Quotes from banks or dealers
Forward contracts - Liability	0.81	-	2	Quotes from banks or dealers

4.08 Financial Risk Management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Board of Directors. The details of different types of risk and management policy to address these risks are listed below:

The Group's activities are exposed to various risks viz. Credit risk, Liquidity risk and Market risk. In order to minimize any adverse effects on the financial performance of the Group, it uses various instruments and follows policies set up by the Board of Directors/Management.

(i) Credit Risk

Credit risk arises from the possibility that counter party will cause financial loss to the Group by failing to discharge its obligation as agreed.

Credit risks from balances with banks are managed in accordance with the Group policy. For derivative and financial instruments, the Group attempts to limit the credit risk by only dealing with reputable banks having high credit-ratings assigned by credit-rating agencies.

Based on the industry practices and business environment in which the Group operates, management considers that the trade receivables are in default if the payment are more than 12 months past due.

Table showing age of gross trade receivables and movement in expected credit loss allowance:

As at March 31, 2023	0-90 Days	91-180 Days	181-270 Days	271-365 Days	> 1 year	Total
Gross Carrying amount	748.47	32.63	1.40	-	-	782.50
Expected Credit Rate	0.01%	0.52%	34.91%	0.00%	0.00%	0.10%
Expected credit loss	0.11	0.17	0.49	-	-	0.77
Carrying Amount of Trade Receivable (Net)	748.36	32.46	0.91	-	-	781.73

As at March 31, 2022	0-90 Days	91-180 Days	181-270 Days	271-365 Days	> 1 year	Total
Gross Carrying amount	958.32	9.18	5.60	0.01	12.48	985.58
Expected Credit Rate	0.00%	0.00%	0.00%	0.00%	54.41%	0.69%
Expected credit loss	-	-	-	-	6.79	6.79
Carrying Amount of Trade Receivable (Net)	958.32	9.18	5.60	0.01	5.69	978.79



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

Movement in the expected credit allowance	Amount
As at April 1, 2021	6.83
Provided during the year	(0.04)
As at March 31, 2022	6.79
Provided during the year	(6.02)
As at March 31, 2023	0.77

(ii) Liquidity Risk

Liquidity risk is risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group's principal sources of liquidity are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Group has consistently generated sufficient cash flows from its operations and believes that these cash flows along with its current cash and cash equivalents and funding arrangements are sufficient to meet its financial obligations as and when they fall due. Accordingly, liquidity risk is perceived to be low.

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities as at the reporting date:
(Rs. in Lakhs unless otherwise stated)

As at March 31, 2023	less than 1 year	1 to 5 year	Total
<u>Non-Derivatives</u>			
Trade payables	142.12	-	142.12
Other Financial Liabilities	96.40	-	95.60
Lease Liability	8.02	72.72	80.73
As at March 31, 2022	less than 1 year	1 to 5 year	Total
<u>Non-Derivatives</u>			
Trade payables	157.74	-	157.74
Other Financial Liabilities	116.51	-	116.51
Lease Liability	23.89	3.45	27.34

(iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed in the ordinary course of business to risks related to changes in foreign currency exchange rate and interest rate.

Market Risk – Foreign Exchange

Foreign currency risk is that risk in which the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group operates internationally and a portion of its business is transacted in several currencies and therefore the Group is exposed to foreign exchange risk through its overseas sales in various foreign currencies. The Group hedges the receivables by forming view after discussion with Forex Consultant and as per policies set by Management.

The carrying amount of the Group's foreign currency denominated monetary assets and liabilities as at the end of the reporting period is as follows:

Foreign currency exposure		
Currencies	Assets	
	March 31, 2023	March 31, 2022
EURO	1.61	3.44
USD	3.18	2.71



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

Foreign currency exposure as at March 31, 2023		EURO	USD
Assets			
Trade receivables		1.58	3.16
Forward contracts - Assets		0.03	0.02
Liabilities			
Forward contracts - Liability		-	-
Foreign currency exposure as at March 31, 2022		EURO	USD
Assets			
Trade receivables		3.40	2.65
Forward contracts - Assets		0.03	0.06
Liabilities			
Trade Payables			
Forward contracts - Liability		-	-

Details of Unhedged Foreign Currency Exposure is as under:-

Currency	Nature	March 31, 2023		March 31, 2022	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
EURO	Asset - Export Receivables	0.11	10.18	0.78	65.61
USD	Asset - Export Receivables	0.76	62.42	0.00	0.23

Foreign currency sensitivity

1 % increase or decrease in foreign exchange rates will have the following impact on loss before tax and on other components of equity.

Particulars	Impact on profit/(loss) before tax and equity: Increase/(Decrease)			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	1 % Increase	1 % Increase	1 % Decrease	1 % Decrease
EURO	0.10	0.66	(0.10)	(0.66)
USD	0.62	0.00	(0.62)	(0.00)

Market risk - price risk:

The Group is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. At March 31, 2023, the investments in mutual funds is Rs. 1803.63 Lakhs (March 31, 2022 : Rs. 843.20 Lakhs). These are exposed to price risk. In order to minimise price risk arising from investments in mutual funds, the Group predominately invests in those mutual funds which have higher exposure to high quality debt instruments with adequate liquidity & no demonstrated track record of price volatility.

Price risk sensitivity:

0.10% increase or decrease in prices will have the following impact on profit/loss before tax and on other components of equity.

	Impact on Profit: Increase/(Decrease)		Impact on equity: Increase/(Decrease)	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Price - increase by 0.10%	1.00	0.84	1.00	0.84
Price - decrease by 0.10%	(1.00)	(0.84)	(1.00)	(0.84)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

4.09 Related Party Transactions

(a) Names of related parties and description of relationship

Nature of Relationship	Name of Related Parties
i) Key managerial personnel	T. R. Kilachand - Non Executive Chairman P. T. Kilachand - Managing Director A. H. Mehta - Dy. Managing Director N. T. Kilachand - Non Executive Director V. V. Sahasrabudhe - Independent Non Executive Director C.R. Desai - Independent Non Executive Director N. S. Mehendale - Independent Non Executive Director Y. S. Mathur - Independent Non Executive Director K. V. Panchasara - Chief Financial Officer D. V. Chauhan - Company Secretary and Compliance Officer
ii) Entities where the key managerial personnel have significant influence/control	Ginners & Pressers Limited Sun Tan Trading Company Limited Tulsi Global Logistics Private Limited

(b) Details of Transactions:

Particulars	Key Managerial personnel		Entities where the key managerial personnel have significant influence/control		Total Amount	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
<u>Expenses</u>						
<u>Rent</u>						
Ginners & Pressers Limited	-	-	9.67	9.67	9.67	9.67
Tulsi Global Logistics Private Limited	-	-	(4.91)	(4.54)	(4.91)	(4.54)
<u>Electricity charges</u>						
Ginners & Pressers Limited	-	-	2.16	1.09	2.16	1.09
<u>Remuneration*</u>						
T. R. Kilachand	20.87	17.13	-	-	20.87	17.13
P. T. Kilachand	47.70	44.61	-	-	47.70	44.61
A. H. Mehta	66.08	61.72	-	-	66.08	61.72
K. V. Panchasara	22.57	19.81	-	-	22.57	19.81
D. V. Chauhan	9.10	6.87	-	-	9.10	6.87
<u>Directors sitting fees</u>						
T. R. Kilachand	0.32	0.40	-	-	0.32	0.40
N. T. Kilachand	0.24	0.40	-	-	0.24	0.40
C. R. Desai	0.48	0.72	-	-	0.48	0.72
N. S. Mehendale	0.64	0.72	-	-	0.64	0.72
V. V. Sahasrabudhe	0.64	0.72	-	-	0.64	0.72
Y. S. Mathur	0.48	0.72	-	-	0.48	0.72
Total expenses payable	169.11	153.83	7.92	6.23	177.03	160.06
<u>Reimbursement/(Recovery) of expenses</u>						
Ginners & Pressers Limited	-	-	0.19	1.94	0.19	1.94
Tulsi Global Logistics Private Limited	-	-	(2.34)	(2.88)	(2.34)	(2.88)
Total reimbursement	-	-	(2.14)	(0.93)	(2.14)	(0.93)

*The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole and also excludes contribution to provident fund and superannuation fund.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in Lakhs unless otherwise stated)

4.10 Proposed Dividend

A dividend of Rs. 20/- per equity share i.e 200 % of the face Value of Rs. 10/- each (Previous Year - Rs. 3/- per equity share i.e 30% of the face value of Rs. 10/- each) has been recommended by the Board of Directors which is subject to the approval of the shareholders.

4.11 Unpaid Dividend

Particulars	Year	AGM Date	Amount
Unpaid dividend amount in the unpaid dividend account with HDFC Bank Ltd.as on:	21-22	29-Aug-22	1.17
Unpaid dividend amount in the unpaid dividend account with HDFC Bank Ltd.as on:	19-20	11-Sep-20	4.46
Unpaid dividend amount in the unpaid dividend account with Yes Bank Ltd.as on:	18-19	2-Aug-19	0.88
Unpaid dividend amount in the unpaid dividend account with Yes Bank Ltd.as on:	16-17	24-Aug-17	0.87
Unpaid dividend amount in the unpaid dividend account with Yes Bank Ltd.as on:	15-16	10-Aug-16	0.92

There are no amounts due for payment to the Investor Education and Protection fund under Section 125 as on March 31, 2023.

4.12 Revenue from contracts with customers**Disaggregation of Revenue**

Management conclude that disaggregation of revenue disclosed in Ind AS 108 meets the disclosure criteria of Ind AS 115 and segment revenue is measured on the same basis as required by Ind AS 115, hence separate disclosures as per Ind AS 115 is not required.

Contract Balances

Trade receivable is presented net of impairment in the Balance Sheet.

The following table provides information about receivables, contract assets and contract liabilities for the contracts with the customers.

Particulars	As at March 31,	
	2023	2022
Trade receivables	781.73	978.77

There is no significant changes in the contract assets and the contract liabilities balances during the period.

Performance Obligations and remaining Performance Obligations

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performances as the performance obligations relates to contracts where the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date.

4.13 Export Benefits**RoDTEP Scheme**

The Company is also entitled to Remission of Duties and Taxes on Exported Products (RoDTEP) scheme w.e.f 1.1.2021 vide Public Notice No.19/2015-20 notified on 17.08.2021. Accordingly, the Company has recognized benefits of Rs.52.62 lakhs in the year ended March 31, 2023 (March 31, 2022 - Rs. NIL).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in Lakhs unless otherwise stated)

4.14 Leases**As Lessee**

The Group's lease asset primarily consist of leases for Office Space.

- (i) The Amount recognised in the consolidated statement of profit and loss in respect of right of use asset and lease obligation are as under:

Particulars	As At March 31, 2023	As At March 31, 2022
Depreciation	25.52	25.28
Interest expense on Lease Liability	7.75	5.52

- (ii) Following are the changes in the carrying value of Lease Liability for the year ended March 31, 2023 :

Particulars	Category of ROU	
	Office Place	Total
Balance as on April 01, 2022	27.34	27.34
Additions during the year	77.93	77.93
Finance cost accrued during the year	7.75	7.75
Payment of lease liabilities	32.29	32.29
Balance as at March 31, 2023	80.73	80.73
Current portion of Lease liability	8.02	
Non Current portion of Lease liability	72.72	
	80.73	

- Following are the changes in the carrying value of Lease liability for the year ended March 31, 2022:

Particulars	Category of ROU	
	Office Place	Total
Balance as on April 01, 2021	50.73	50.73
Additions during the year	1.57	1.57
Finance cost accrued during the year	5.52	5.52
Other adjustments	(1.13)	(1.13)
Payment of lease liabilities	29.36	29.36
Balance as at March 31, 2022	27.34	27.34
Current portion of Lease liability	23.89	
Non Current portion of Lease liability	3.45	
	27.34	

- (iii) Amounts recognised in the statement of cash flows

Particulars	Year ended March 31,	
	2023	2022
Total cash outflow for leases	(32.29)	(29.36)

- (iv) Rental expense recorded for short-term leases was Rs. 12.22 Lakhs for the year ended March 31, 2023 (March 31, 2022 - Rs. 12.10 Lakhs).
- (v) The maturity analysis of lease liabilities are disclosed in Note no. 4.07 (ii). The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
- (vi) Certain lease agreements are subject to escalation clause and with extension of lease term options.
- (vii) Future lease payments which will start from April 1, 2023 is Rs. NIL . (March 31, 2022 : Rs. Nil)

As a Lessor

Rental Income on assets given on operating lease is Rs. 4.91 Lakhs for the year ended March 31, 2023 (March 31, 2022 : Rs. 4.54 Lakhs).



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs unless otherwise stated)

4.15 Transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956:

Name of struck off Company	Nature of transactions with struck-off Company	As at 31st March, 2023	As at 31st March, 2022	Relationship with the Struck off company, if any, to be disclosed
Victor Properties Pvt. Ltd.	Shares held by Struck off company	1,170	1,170	Shareholder Company
Ushakant Investment & Consultant Pvt Ltd.	Shares held by Struck off company	100	100	Shareholder Company
Reserved Investor Pvt Ltd.	Shares held by Struck off company	70	70	Shareholder Company
Fort Properties Ltd.	Shares held by Struck off company	2,010	2,010	Shareholder Company
Cyril Investment Consultant (P) Ltd.	Shares held by Struck off company	60	60	Shareholder Company
Alfachem agents Pvt Ltd.	Shares held by Struck off company	20	20	Shareholder Company
CMS Securities Ltd.	Shares held by Struck off company	20	20	Shareholder Company
Creative Commercial Private Limited.	Shares held by Struck off company	20	20	Shareholder Company
Advance share trading Pvt. Ltd.	Shares held by Struck off company	10	10	Shareholder Company
Heta Investment Service Pvt Ltd.	Shares held by Struck off company	10	10	Shareholder Company
V.M. Fiscal Services Pvt. Ltd.	Shares held by Struck off company	10	10	Shareholder Company

4.16 Disclosure in terms of Schedule III to the Companies Act, 2013

March 31, 2023:

Name of the entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs.)	As % of consolidated profit or (loss)	Amount (Rs.)	As % of consolidated other comprehensive income	Amount (Rs.)	As % of consolidated total comprehensive income	Amount (Rs.)
Parent								
Polychem Limited	55.87%	2,121.15	38.57%	372.14	32.77%	(5.94)	38.68%	366.20
Subsidiary								
Gujarat Poly Electronics Limited	36.03%	1,367.87	36.34%	350.64	36.29%	(6.58)	36.34%	344.06
Non Controlling Interest	8.10%	307.61	25.09%	242.12	30.94%	(5.61)	24.98%	236.51
Total	100%	3,796.63	100%	964.91	100%	(18.13)	100%	946.78

March 31, 2022:

Name of the entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs.)	As % of consolidated profit or (loss)	Amount (Rs.)	As % of consolidated other comprehensive income	Amount (Rs.)	As % of consolidated total comprehensive income	Amount (Rs.)
Parent								
Polychem Limited	61.74%	1,767.08	8.88%	7.74	48.99%	(4.52)	4.13%	3.22
Subsidiary								
Gujarat Poly Electronics Limited	35.77%	1,023.80	49.23%	42.89	27.52%	(2.54)	51.81%	40.35
Non Controlling Interest	2.48%	71.09	41.90%	36.50	23.49%	(2.17)	44.08%	34.33
Total	100%	2,861.97	100%	87.11	100%	(9.23)	100%	77.88

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in Lakhs unless otherwise stated)

4.17 Additional Regulatory Information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

- (a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (b) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (c) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (d) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (e) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (f) The Company has not entered any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (g) The Company has no borrowings from banks and financial institutions on the basis of security of current assets.
- (h) None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (i) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

As per our report of even date

For Nayan Parikh & Co.

Chartered Accountants

Firm Registration No.: 107023W

K. Y. Narayana

Partner

Membership No.: 060639**Place:** Mumbai **Date:** 17th May, 2023

For and on behalf of the Board of Directors

Tanil R. Kilachand**Parthiv T. Kilachand****Atul H. Mehta****Kanan V. Panchasara****Deepali V. Chauhan****Place:** Mumbai **Date:** 17th May, 2023

Chairman (DIN No.: 00006659)

Managing Director (DIN No.: 00005516)

Dy. Managing Director (DIN No.: 00005523)

Chief Financial Officer

Company Secretary & Compliance Officer

**Form AOC -1**

(Pursuant to first proviso to sub-section (3) Section 129 of the Companies Act 2013)

Statement containing salient features of the financial statements of subsidiary:**Part A : Subsidiary**

(Rs. in Lakhs unless otherwise stated)

Sr. No.	Name of the Subsidiary	
I	Gujarat Poly Electronics Limited	
1	Latest audited Balance Sheet date	March 31, 2023
2	The date since subsidiary was acquired	March 31, 2017
3	Shares of Subsidiary	
	- Number of shares	4,616,152
	- Amount of Investment (Rs. in Lakhs)	421.44
	- Extent of Holding %	53.99%
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
6	Equity Share Capital	855.00
7	Other Equity	(140.54)
8	Total Assets	1,902.72
9	Total Liabilities	1,188.26
10	Investments	NIL
11	Revenue from Operations	1,597.31
12	Profit before taxation	529.87
13	Provision for taxation	NIL
14	Profit after taxation	529.87
15	Other Comprehensive Income	(12.19)
16	Total Comprehensive Income	517.68
17	Proposed Dividend	NIL

For and on behalf of the Board of Directors

Tanil R. Kilachand
Parthiv T. Kilachand
Atul H. Mehta
Kanan V. Panchasara
Deepali V. Chauhan

Chairman (DIN No.: 00006659)
Managing Director (DIN No.: 00005516)
Dy. Managing Director (DIN No.: 00005523)
Chief Financial Officer
Company Secretary & Compliance Officer

Place: Mumbai

Date: 17th May, 2023

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[illegible]

If undelivered, please return to:

POLYCHEM LIMITED

7, Jamshedji Tata Road, Churchgate Reclamation,
Mumbai - 400 020