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<u>Independent Auditor's Report</u>
To the Members of
Dorf-Ketal Chemicals India Private Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Dorf-Ketal Chemicals India Private Ltd. ("the Company") which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its Profit, total comprehensive income, the changes in equity and its Cash Flow for the year ended on that date.

Basis of Opinion

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

Information Other than Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditors' 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

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Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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, cash flows and changes in equity of the Company in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records,
relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

a. 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;

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

c. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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d. On the basis of 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.

e. 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 over financial reporting.

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

i. The Company has pending litigations; however, there would not be any adverse impact on the financial position.

ii. 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;

iii. The Company is not required to transfer any funds to investor education and protection fund.

iv. a) The management has represented that to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than those disclosed in the notes to the accounts, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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v. The company has not declared any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For and on behalf of
NGPC & Co.
Chartered Accountants
Firm's registration number: 147454W

NAVNIT S GAJJA
Partner
M. No: 112458
UDIN: 23112458BGYPSE9557
Place: Mumbai
Date: 26-06-2023

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"Annexure A" to the Independent Auditors' Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2023, we report that:

i) (a)The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment;

(b) According to the information and explanations given to us on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

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

ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.

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(a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to subsidiaries and associates as below:

Particulars	Amount (in Millions)
Aggregate amount during the year – Subsidiaries	246.51
Aggregate amount during the year – Associates	306.88
Balance outstanding as at balance sheet date – Subsidiaries & Associates	**553.39**

B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted loans to a party other than subsidiaries and associates.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.

iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has provided guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

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vi) The Company has maintained cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including 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 any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, the details of statutory dues of income tax or sales tax or wealth tax or duty of custom or duty of excise or value added tax or goods and service tax or cess which have not been deposited on account of any dispute are given below:

Statue/nature of dues	Amount in Rupees **	Period for which the amount relates	Forum where the dispute is pending
Income Tax	11,94,880	2014-15	Commissioner of Income Tax (Appeals) - 1, Thane
Income Tax	1,55,94,950	2015-16	Commissioner of Income Tax (Appeals) - 1, Thane
Income Tax	23,84,424	2016-17	Commissioner of Income Tax (Appeals) - 50, Mumbai
Income Tax	25,44,223	2015-16	CIT(A)-50, Appeal against penalty levied
Income Tax	-	2017-18	Commissioner of Income Tax (Appeals) - 50, Mumbai. Appeal is filed by the Assessee..
Income Tax	-	2018-19	Commissioner of Income Tax (Appeals) - 50, Mumbai. Appeal is filed by the Assessee.
Income Tax	-	2007-08 to 2014-15	Writ Petition has been filed with Bombay High Court against Settlement Commission's Order. All taxes have been paid as per Settlement Application. The Company has filed a Writ Petition against rejection of the Settlement Application by the Settlement Commission.

*net deposit

**The amounts disclosed are net of payments and include interest and penalties, wherever applicable.

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viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has obtained term loans and such term loans have been applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds have been raised on short-term basis by the Company and such funds have not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 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.

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(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 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, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group is not a CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 the 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

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assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For and on behalf of
NGPC & Co.
Chartered Accountants
Firm's registration number: 147454W

NAVNIT S GAJJA
Partner
M. No: 112458
UDIN: 23112458BGYPSE9557
Place: Mumbai
Date: 26-06-2023

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"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Dorf-Ketal Chemicals India Private Limited.

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

We have audited the internal financial controls over financial reporting of Dorf-Ketal Chemicals India Private Limited. ("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.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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21 New Marine Lines,
Mumbai-400020.
Tel:22038518/22083219

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
NGPC & Co.
Chartered Accountants
Firm's registration number: 145474W

Navnit S. Gajja

NGPC & CO. 104, Argentum, Opp. Patkar College, S. V. Road, Goregaon (W), Mumbai-104. CHARTERED ACCOUNTANTS

NANVIT S GAJJA
Partner
M No: 112458
UDIN: 23112458BGYPSE9557
Place: Mumbai
Date: 26-06-2023

DORF KETAL CHEMICALS INDIA PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Amt ₹ in Million)

Sr. No	Particulars	Note No.	For the year 2022-23	For the year 2021-22
I	**INCOME**			
	Revenue From Operations (Net)	29	23,343	17,222
	Other Income	30	393	684
II	**TOTAL INCOME**		23,736	17,906
III	**EXPENSES**			
	Cost Of Materials Consumed	31	14,481	10,798
	Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade [(Increase)/Decrease]	32	(262)	105
	Employee Benefit Expense	33	2,842	2,082
	Finance Costs	34	323	118
	Depreciation And Amortisation Expense	35	344	366
	Other Expenses	36	3,349	2,932
	TOTAL EXPENSES		21,078	16,402
IV	**Profit Before Exceptional Items And Tax**		2,658	1,505
V	Exceptional Items	36.1	-	162
VI	**Profit Before Tax**		2,658	1,342
VII	**Tax Expenses :**			
	1) Current Tax	39	449	184
	2) Deferred Tax	39	23	5
	3)Mat Credit Utilisation	39	381	147
	4)Other Taxes*	39	-	0
VIII	**Profit For The Year**		**1,805**	**1,007**
IX	**Other Comprehensive Income**			
	(i) Items That Will Not Be Reclassified To Profit Or Loss			
	- Remeasurement of Defined Benefit Plan		19	7
	- Income Tax Relating to Items that will not be Reclassified to Profit or Loss		(7)	(3)
	(ii) Items That Will Be Reclassified To Profit Or Loss			
	- Effective Portion of Losses/(Gains) on Hedging Instruments in Cash Flow Hedges		138	(81)
	- Income Tax Relating to Items that will be Reclassified to Profit or Loss		(79)	28
X	**Total Comprehensive Income For The Year**		**1,733**	**1,054**
	Earning Per Equity Share Of Face Value Of ₹ 100 Each	**40**		
	Basic And Diluted		**₹ 70.24**	**₹ 46.00**
	Significant Accounting Policies	1		
	Notes Forming Part of the Financial Statements	2 to 55		

* Represent Value less than ₹ 0.5 Million

As Per Our Report Attached
For NGPC & CO.
Chartered Accountants
Firm Registration No: 145474W

NGPC & CO. 104, Argentum, Opp. Patkar College, S. V. Road, Goregaon (W), Mumbai-104. CHARTERED ACCOUNTANTS

Navnit S Gajja
Partner
Membership No:112458
Mumbai
Date: June 26, 2023
UDIN: 23112458BGYPSE9557

For and on behalf of the Board of Directors

Sudhir Menon
Chairman and Managing Director
DIN:02487658

Subodh Menon
Director
DIN:00972842

DORF-KETAL CHEMICALS INDIA PRIVATE LIMITED

Vijaykumar Malpani
Chief Financial Officer
Date: June 26, 2023

Rajdeep Shahane
Company Secretary

DORF KETAL CHEMICALS INDIA PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

(Amt ₹ in Million)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	3,185	2,700
(b) Right Of Use Assets	2.1	338	347
(c) Capital Work-In-Progress	3	734	716
(d) Goodwill	4	513	513
(e) Other Intangible Assets	4	9	9
(f) Financial Assets			
(i) Investments In Subsidiaries , Associates And Joint Venture	5	3,736	1,253
(ii) Other Investments*	6	-	-
(iii) Loans	7	601	122
(iv) Other Financial Assets	8	82	48
(h) Income Tax Assets (Net)	9	196	591
(i) Other Non-Current Assets	10	102	103
Total Non Current Assets		9,496	6,402
(2) Current Assets			
(a) Inventories	11	4,949	3,433
(b) Financial Assets			
(i) Investments	12	-	1,522
(ii) Trade Receivables	13	6,161	4,251
(iii) Cash And Cash Equivalents	14	27	95
(iv) Bank Balances Other Than Cash And Cash Equivalents	15	90	72
(v) Others Financial Assets	16	2	127
(d) Other Current Assets	17	433	559
Total Current Assets		11,662	10,060
TOTAL ASSETS		**21,158**	**16,464**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	18	2,468	2,468
(b) Other Equity	19	10,076	8,343
Total Equity		12,543	10,811
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	533	712
(b) Non - Current Financial Liabilities	21	36	36
(c) Deferred Tax Liabilities (Net)	22	206	268
(d) Provisions	23	65	18
Total Non Current Liabilities		839	1,034
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	5,423	2,652
(ii) Trade Payables			
Total Outstanding Dues Of Small Enterprises & Micro Enterprises	25	25	8
Total Outstanding Dues Of Creditors Other Than Micro Enterprises Ar	25	1,245	1,179
(iii) Other Current Financial Liabilities	26	28	-
(b) Other Current Liabilities	27	373	190
(c) Provisions	28	681	590
Total Current Liabilities		7,775	4,619
TOTAL EQUITY AND LIABILITIES		**21,158**	**16,464**
Significant Accounting Policies	1		
Notes Forming Part of the Financial Statements	2 to 55		

* Represent Value less than ₹ 0.5 Million

As Per Our Report Attached
For NGPC & CO.
Chartered Accountants
Firm Registration No: 145474W

NGPC & CO. 104, Argentum, Opp. Patkar College, S. V. Road, Goregaon (W), Mumbai-104. CHARTERED ACCOUNTANTS

Navnit S Gajja
Partner
Membership No:112458
Mumbai Date: June 26, 2023
UDIN: 23112458BGYPSE9557

For and on behalf of the Board of Directors

Sudhir Menon
Chairman and Managing Director
DIN:02487658

Subodh Menon
Director
DIN:00972842

DORF-KETAL CHEMICALS INDIA PRIVATE LIMITED

Vijaykumar Malpani
Chief Financial Officer
Date: June 26, 2023

Rajdeep Shahane
Company Secretary

DORF KETAL CHEMICALS INDIA PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Amt ₹ in Million)

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
1. Net profit before tax	**2,658**	**1,342**
Adjustments for :		
Depreciation & Amortisation	344	366
Profit on Sale of Assets	(10)	(162)
Profit on Sale of Investments	(2)	(14)
Interest & Finance Charges	323	118
Interest Income	(28)	(5)
Interest & Dividend Income	(94)	(430)
Net gain on Fair valuation of Derivatives through profit and loss	(138)	81
Actuarial Gains/(Loss) remeasured to OCI	(19)	(7)
2. Operating Profit before Working Capital Changes	**3,033**	**1,288**
Adjustments for (Increase) / Decrease in Working Capital:		
Inventories	(1,515)	(950)
Trade Receivables	(1,910)	(681)
Other Non Current Assets	1	7
Non Current Assets Balance at Banks	(33)	(7)
Current Asset Bank Balances other than Cash and Cash Equivalents	(18)	(39)
Current Financial Assets Others	126	(101)
Other Current Assets	126	(51)
Trade and other payables	83	302
Current Liabilities Others	211	53
Other Financial Liability & Provisions	91	135
3. Increase / Decrease in Working Capital	**(2,840)**	**(1,332)**
4. Cash generated from Operations after changes in Working Capital (1 + 2 + 3	193	(44)
Income Tax Paid	(432)	(113)
NET CASH FLOW FROI Total (A)	**(239)**	**(157)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(842)	(708)
Proceeds from Sale of Assets	15	343
Purchase/Sale of Short Term Investments	1,524	(1,308)
Purchase/Sale of Long Term Investments	(2,483)	(7)
Interest Income	28	6
Dividend Income	94	430
NET CASH FLOW FROI Total (B)	**(1,664)**	**(1,244)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term borrowings	(180)	210
Proceeds from Lease Liability*	(1)	(0)
Non Current Liabilities Provisions	47	13
Proceeds from Working Capital (Short term borrowings)	2,771	1,243
Loans given Non Current Assets	(479)	(44)
Interest & Finance Charges	(323)	(118)
NET CASH FLOW FROI Total (C)	**1,836**	**1,304**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**(68)**	**(97)**
Cash & Cash Equivalents at Beginning of the Period	**95**	192
Cash & Cash Equivalents at the End of the Period (Refer Note No. 2 below)	**27**	**95**

The accompanying notes are an integral part of these standalone financial statements

Notes

1. The cash flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
2. Cash and Cash equivalents consists of cash on hand and balances with banks. Cash and Cash Equivalents included in the statement of Cash flows comprises of the following amounts in the balance sheet -

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
(a) Balances with Banks (of the nature of cash and cash equivalents)	21	92
(b) Cash on Hand	3	2
(c) Term deposits with bank original maturity of less than 3 months	3	1
Total Cash & Cash Equivalents (a) + (b) + (c)	**27**	**95**
Cash and Cash Equivalents as per Balance Sheet	27	95

As Per Our Report Attached
For NGPC & CO.
Chartered Accountants
Firm Registration No: 145474W

NGPC & CO. CHARTERED ACCOUNTANTS 104, Argentum, Opp. Patkar College, S. V. Road, Goregaon (W), Mumbai-104.

Navnit S Gajja
Partner
Membership No:112458
Mumbai
Date: June 26, 2023
UDIN: 23112458BGYPSE9557

For and on behalf of the Board of Directors

Sudhir Menon
Chairman and Managing Director
DIN:00972842

Subodh Menon
Director
DIN:00972842

Vijaykumar Malpani
Chief Financial Officer

DORF-KETAL CHEMICALS INDIA PRIVATE LIMITED

Rajdeep Shahane
Company Secretary

Date: June 26, 2023

Dorf-Ketal Chemicals India Private Limited

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MAR 31, 2023

A Equity share capital

Particulars	As of March 31, 2023		As of March 31, 2022	
	No. of Share	Amt ₹ in Million	No. of Share	Amt ₹ in Million
Balance at the beigning of the year	25	2,468	18	1,763
Changes in Equity Share Capital during the year	-	-	7	705
Balance at the end of the year	**25**	**2,468**	**25**	**2,468**

B Other Equity

(Amt ₹ in Million)

Particulars	Other equity								Total equity
	Reserves and Surplus						Other Comprehensive Income		
	Securities Premium	Capital Redemption Reserve	Amalgamation Reserve	General Reserve	Retained Earnings / Surplus	Special Economic Zone Re-investment Reserve	Effective Portion of Gains/(losses) on hedging instruments in cash flow hedges	Other items of other comprehensive income	
Balance as on March 31, 2022	1,156	20	0	109	6,788	237	57	(23)	8,343
Less: Bonus Share issued during the year	-	-	-	-	-	-	-	-	-
Less : Transfer during the year	-	-	-	-	(170)	-	-	-	(170)
Add: Profit for the year/Changes during the year	-	-	-	-	1,805	170	-	(13)	1,962
Add/(Less): Changes in Fair Value during the year	-	-	-	-	-	-	(61)	-	(61)
Add/(Less): Re-classified to Profit & Loss A/c during the year	-	-	-	-	-	-	2	-	2
Add: Utilisation of Special Economic Zone Re-investment Reserve	-	-	-	-	138	(138)	-	-	-
Balance as on March 31, 2023	1,156	20	0	109	8,560	269	(2)	(36)	10,077

Nature and purpose of reserve

a) Securities Premium

Securities Premium Reserve is created when the shares are issued at a premium. The utilisation of this reserve will be in accordance with the provisions of the Companies Act, 2013.

b) Capital Redemption reserve

Capital Redemption Reserve is acquired on the merger of M/s. Filtra Catalysts and Chemicals Ltd with the Company in the year 2016. This is not a free reserve and its utilisation will be in accordance with the provisions of the Companies Act, 2013.

c) Amalgamation reserve

Amalgamation Reserve represents the excess of net assets taken over and the consideration paid in a Scheme of Amalgamation. This is not a free reserve and its utilisation will be in accordance with the provisions of the Companies Act, 2013.

d) General Reserve

General Reserve is created out of appropriations from the profits of past years. This is a free reserve and will be used in a manner specified as per the provisions of the Companies Act, 2013.

e) Retained Earning

Retained Earnings represents cumulative profits of the Company to-date. This is stated net of items in Other Comprehensive Income. This is a free reserve and will be used in a manner specified as per the provisions of the Companies Act, 2013.

f) Special Economic Zone Re-investment Reserve

The Special Economic Zone Re-investment Reserve is created out of the profits of eligible SEZ units in terms of Section 10AA(1)(ii) of the Income Tax Act, 1961. The Reserve will be utilised by the Company towards acquisition of fixed assets as per the provisions of Section 10AA(2) of the Income Tax Act, 1961.

g) Other Comprehensive income - Effective Portion of Gains/(losses) on hedging instruments in cash flow hedges

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs.

As Per Our Report Attached

For NGPC & CO.
Chartered Accountants
Firm Registration No: 145474W

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Navnit S Gajja
Partner
Membership No:112458
Mumbai
Date: June 26, 2023
UDIN: 23112458BGYPSE9557

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Chairman and Managing Director
DIN:02487568

Subodh Menon
Director
DIN:00972842

DORF-KETAL CHEMICALS INDIA PRIVATE LIMITED

Vijaykumar Malpani
Chief Financial Officer
Date: June 26, 2023

Rajdeep Shahane
Company Secretary

NOTE 1 GENERAL INFORMATION

A. COMPANY OVERVIEW

Background

The Company was founded in 1992 and manufactures process chemicals and additives for refining petrochemicals, fuels, lubricants and oil stimulation industries. The Company also manufactures speciality chemicals such as organometallic catalysts and adsorbent catalysts. The Company has manufacturing facilities in Mundra, Dadra, Dahej and Lote. The Company also has a research facility at Taloja.

B. BASIS OF PREPARATION

a) The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“Act”) read with Companies (Indian Accounting Standards) Rules, 2015, further amended by Companies (Indian Accounting Standard) Amendment Rules 2016; and the other relevant provisions of the Act and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Company's presentation and functional currency is Indian Rupees (INR).

b) Recent Pronouncements

On March 31, 2023, the Ministry of Corporate Affairs amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

- Ind AS 1 Presentation of Financial Statements
  The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

- Ind AS 12 – Income Taxes
  The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
  The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

- Ind AS 41 – Annual Improvements to Ind AS (2022)
  The amendment removes the requirements in Ind AS 41 for entities to exclude cash flows for taxation and measuring fair values. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair value measurements. The Company does not expect this amendment to have any significant impact in its financial statements.

c) Fair Value Measurement
The company measures certain financial instruments at fair value at each reporting date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date.
While measuring the fair value of an asset or liability, the company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique 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 assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

When quoted price in active market for an instrument is available, the company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
If there is no quoted price in an active market, then the company uses a valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.
The company regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

d) Use of Judgment and Estimates
The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The company continually evaluates these estimates and assumptions based on the most recently available information.
In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

i. Assessment of Functional Currency
ii. Financial Instruments
iii. Estimates of Useful lives and residual value of Property, Plant & Equipment and Intangible Assets

iv. Valuation of Inventories
v. Measurement of Defined Benefit Obligations & Actuarial Assumptions
vi. Provisions and Contingencies
vii. Impairment of Trade Receivables
viii. Evaluation of Recoverability of Deferred Tax Assets

NOTE 1.1 SIGNIFICANT ACCOUNTING POLICIES

a) Property, Plant and Equipment

i) Recognition and Measurement

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant and Equipment including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of Property Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

ii) Depreciation

Depreciation on Property Plant and Equipment is provided on a pro-rata basis on Straight Line Method (SLM) for all locations except Lote unit which follows Written Down Value Method(WDV) based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The useful lives of the various assets under Property, Plant and Equipment range as follows:

- Factory Buildings - 30 years
- Office Buildings- 60 years
- Plant and Machinery - 7 to 20 years
- Furniture and Fixtures - 10 years
- Office Equipment – 5/6 years
- Vehicles – 8 years
- Computers- 3 years

Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition

b) Intangible Asset

Intangible assets other than Goodwill are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Expenditure on internally generated intangibles, excluding development costs, are not capitalised and is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalised if, and only if, technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.

Intangible assets such as Goodwill are construed to be perpetual in nature and are not amortised, but are tested for impairment annually. The factors determining perpetuity are reviewed at each period in order to ascertain whether events and circumstances continue to support an indefinite useful life. If not, the change in useful life from indefinite to finite is

made on a prospective basis. The impairment losses on intangible assets with indefinite life is recognised in the Statement of Profit and Loss.
Software is amortised over a period of 3/5 years on straight line basis.

c) Impairment of Non-Financial Assets
The carrying values of non-financial assets other than inventory and deferred tax / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset. When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such impairment loss is reversed in the Statement of Profit and Loss only, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

d) Business Combinations
Business combinations involving entities that are controlled by the company are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

The company has elected to use the exemption available under Ind AS 101 as to not restate any of the past business combinations as at the date of transition to Ind AS (April 01, 2016).

e) Financial Assets and Investments
i) Classification
The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii) Initial Recognition and Measurement
At initial recognition, in the case of a financial asset measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of such financial asset are expensed in the statement of profit or loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

iii) Subsequent Measurement
<u>Debt Instruments</u>
Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

- Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair Value Through Other Comprehensive Income(FVOCI)

Assets that are held for collection of contractual cash flows and <u>for selling,</u> where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair Value Through Profit and Loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

<u>Equity Instruments</u>
The Company subsequently measures all equity investments except for Investments in equity instruments of Subsidiaries, Associates & Joint ventures at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the statement of profit or loss as Other Income when the company's right to receive payments is established.
Changes in the fair value of financial assets measured at fair value through profit or loss are recognised in Other Income in the statement of profit and loss.

Investments in equity instruments of Subsidiaries, Associates & Joint ventures is recognised at Cost and reviewed for impairment at each reporting date.

iv) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note ----- details how the company determines whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 "Expected Credit Loss' model of Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

v) De-recognition of financial assets

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset and the Company has not retained control of the financial asset. In such cases, the financial asset is derecognised.

f) Financial Liabilities

i) Classification

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those measured at amortised cost.

ii) Measurement

Initial Recognition

Financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument. Financial liability is initially measured at fair value and for an item not at fair value through profit and loss, transaction costs are directly attributed to its acquisition or issue.

Subsequent Measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

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

A financial liability is classified as at Fair Value through Profit or Loss (FVTPL) if it is classified as held for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit and Loss.

- Amortised Cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the Effective Interest Rate(EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done using the EIR method is included as finance costs in the Statement of Profit and Loss.

iii) De-recognition of Financial Liabilities

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

The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

g) Derivative Financial Instruments

The Company uses derivative financial instruments to manage the risk of changes in interest rates and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

i) Hedge Accounting

The Company designates hedging instruments in respect of foreign currency risk, as either fair value hedges, cash flow hedges or hedges of net investment in foreign operations. At the inception of hedge relationship, the company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is highly effective in offsetting changes in the fair values or the cash flows of the hedged item attributable to the hedged risk.

ii) Fair Value Hedges

The Company designates derivative contracts as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices. Changes in Fair Value of the hedging instrument are recognised in Profit & Loss immediately, together with any changes in the fair value of the hedged items. Hedge Accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or when it no longer qualifies for hedge accounting.

iii) Cash Flow Hedges

Hedges taken to manage the risk of changes in foreign exchange rates of highly probable forecast transactions are classified as Cash Flow hedges. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income (OCI) and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion (if any) is recognised immediately in profit or loss, Amounts previously recognised in Cash flow hedging reserve (effective portion as described above) are reclassified to profit and loss upon the occurrence of the underlying transaction. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from Cash flow hedging reserve and included in the initial measurement of the non-financial asset or non-financial liability.

iv) Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss in other comprehensive income is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in Other Comprehensive Income is recognised immediately in profit or loss.

v) Hedges of Net Investments in Foreign Operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other Income' line item. Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are classified to profit or loss on disposal of the foreign operation.

h) 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 company or the counterparty.

i) Inventories

Items of inventories are measured at lower of cost and Net Realisable Value after providing for obsolescence, if any. Cost of manufactured inventory comprises of cost of conversion and manufacturing overheads incurred in bringing them to their respective present location and condition. Cost is determined on a weighted average basis.

j) Cash and Cash Equivalent

Cash and Cash Equivalent includes cash at bank, cash, cheques/draft on hand and demand deposits with an original maturity of less than 3 months, which are subject to an insignificant risk of changes in value. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and which are readily convertible into known amounts of cash to be cash equivalents.

k) Revenue Recognition

i) Revenue from Sale of Products

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration in exchange for the transferred goods or services. Revenue is net of taxes, rebates and returns.

ii) Interest

Interest income from a financial asset is recognised on a time proportionate basis, by reference to the principal outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the Company and the amount of interest can be measured reliably. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

iii) Dividend

Dividend is recognised when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

l) Employee Benefits

i) Short Term Employee Benefits

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.

ii) Post-employment benefits/Retirement Benefits

- Defined Contribution Plans

Obligations for contributions to defined contribution plans such as Provident Fund, Labour Funds are recognised as an expense in the Statement of Profit and Loss as the related service is provided.

- Defined Benefit Plans

The company's net obligation in respect of defined benefit plans for gratuity is calculated at each reporting period end by a qualified actuary using the Projected Unit Credit method. The Company contributes the amount so determined to a separate Trust.

The current service cost of the defined benefit plan, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The net interest is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This net interest is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurements which comprise of actuarial gains and losses, the return on plan assets (excluding amounts included in the net interest on the net defined benefit liability (asset)) and the effect of the asset ceiling (if any, excluding amounts included in the net interest on the net defined benefit liability (asset)), are recognised in other comprehensive income.

- Other long-term employee benefits

Liability towards unfunded Long Term Compensated Absences is determined on an actuarial valuation basis by using Projected Unit Credit method.

- Termination benefits (if any)

Expenditure on account of Termination benefits are charged to Statement of Profit and Loss as and when incurred.

m) Leases

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right of use assets are depreciated over the respective lease term of 22 and 75 years. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

- 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 of twelve months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

n) Income Taxes

i) Current Tax

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of reporting period.

Current tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

ii) Deferred Taxes

Deferred tax is provided using the Balance Sheet method on all taxable temporary differences 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 to the extent that it is probable that taxable profit will be available against which the same 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.

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 items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

o) Earnings per Share

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

p) Provisions, Contingent Liabilities and Capital Commitments

Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liabilities

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is either not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

q) Non-Current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

r) Transactions in Foreign Currency

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit and Loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

s) Borrowing Costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. It also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

For NGPC & CO.
Chartered Accountants
Firm Registration No: 145474W

Navnit S Gajja
Partner
Membership No:112458
Mumbai
Date: June 26, 2023
UDIN: 23112458BGYPSE9557

For and on behalf of the Board of Directors

Sudhir Menon
Chairman and Managing Director
DIN:00972842

Subodh Menon
Director
DIN:00972842

Vijaykumar Malpani
Chief Financial Officer

Rajdeep Shahane
Company Secretary

Date: June 26, 2023

DORF KETAL CHEMICALS INDIA PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Amt ₹ in Million)

Note 2 : Property, Plant & Equipment

A : Tangible Assets

Particulars	Freehold Land	Building - Office	Building - Factory	Plant and Equipment's	Furnitures & Fixtures	Office Equipment's	Motor Vehicles	Computers	Total
Gross Carrying amount									
Balance as at March 31, 2021 (I)	**15**	**168**	**1,620**	**2,759**	**166**	**64**	**268**	**163**	**5,223.7**
Additions		50	16	109	35	14	4	25	**253**
Disposals*		-	91	441	0	4	13	-	**549**
Balance as at March 31, 2022 (III)	**15**	**218**	**1,544**	**2,427**	**201**	**74**	**259**	**188**	**4,927**
Additions*		0	176	420	9	8	195	15	**823**
Disposals		-	-	-	-	-	54	-	**54**
Balance as at March 31, 2023 (V)	**15**	**218**	**1,721**	**2,847**	**211**	**82**	**400**	**203**	**5,697**
Accumulated depreciation									
Balance as at March 31, 2021 (II)	-	22	349	1,451	119	44	128	127	**2,240**
Additions	-	4	60	214	21	8	31	19	**357**
Disposals*		-	53	300	0	4	13	-	**369**
Balance as at March 31, 2022 (IV)	**-**	**25**	**356**	**1,365**	**140**	**48**	**146**	**146**	**2,227**
Additions	-	4	58	200	9	8	41	14	**334**
Disposals		-	-	-	-	-	48	-	**48**
Balance as at March 31, 2023 (VI)	**-**	**29**	**414**	**1,565**	**149**	**57**	**139**	**161**	**2,512**
Net Carrying amount									
Balance as at March 31, 2023 (V - VI)	**15**	**189**	**1,307**	**1,282**	**61**	**26**	**261**	**42**	**3,185**
Balance as at March 31, 2022 (III -IV)	**15**	**193**	**1,189**	**1,063**	**61**	**26**	**113**	**42**	**2,700**
Balance as at March 31, 2021 (I - II)	**15**	**147**	**1,271**	**1,308**	**47**	**20**	**140**	**36**	**2,984**

*** Represent Value less than ₹ 0.5 Million**

(Amt ₹ in Million)

(Amt ₹ in Million)

B : R & D Unit							
Particulars	**Building - Factory**	**Plant and Machinery**	**Furnitures & Fixtures**	**Office Equipment's**	**Motor Vehicles**	**Computers**	**Total**
Balance as at March 31, 2021 (I)	**98**	**85**	**9**	**4**	**4**	**2**	**201**
Additions*		1	-	-	-	0	**1**
Disposals							**-**
Balance as at March 31, 2022 (III)	**98**	**86**	**9**	**4**	**4**	**2**	**203**
Additions*		3	-	-	-	0	**3**
Disposals							
Balance as at March 31, 2023 (V)	**98**	**89**	**9**	**4**	**4**	**2**	**206**
Accumulated depreciation							
Balance as at March 31, 2021 (II)	30	37	8	2	3	1	**81**
Additions *	4	6	0	1	1	0	**11**
Disposals							**-**
Balance as at March 31, 2022 (IV)	**35**	**43**	**8**	**3**	**3**	**2**	**93**
Additions *	4	6	0	1	0	0	**11**
Disposals							
Balance as at March 31, 2023 (VI)	**38**	**49**	**8**	**3**	**4**	**2**	**104**
Net Carrying amount							
Balance as at March 31, 2023 (V - VI)*	**60**	**41**	**1**	**0**	**0**	**0**	**102**
Balance as at March 31, 2022 (III-IV)*	**63**	**44**	**1**	**1**	**1**	**0**	**110**
Balance as at March 31, 2021(I - II)*	**68**	**48**	**1**	**2**	**1**	**0**	**120**

*** Represent Value less than ₹ 0.5 Million**

(i) Assets given as security for borrowings
The Company have been given PPE to lenders as security for various borrowing facilities. (Refer Note 20)

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

DORF KETAL CHEMICALS INDIA PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Amt ₹ in Million)

Note 2.1 : Right of Use Asset

Particulars	**Amount**
Gross Carrying amount	
Balance as at March 31, 2021 (I)	**405**
Additions	-
Disposals	-
Balance as at March 31, 2022 (III)	**405**
Additions	-
Disposals	-
Balance as at March 31, 2023 (V)	**405**
Accumulated depreciation	
Balance as at March 31, 2021 (II)	**49**
Additions	9
Disposals	-
Balance as at March 31, 2022 (IV)	**58**
Additions	9
Disposals	-
Balance as at March 31, 2023 (VI)	**67**
Net Carrying amount	
Balance as at March 31, 2023 (V - VI)	**338**
Balance as at March 31, 2022 (III - IV)	**347**
Balance as at March 31, 2021 (I - II)	**356**

(i) Leased Assets
The lease term in respect of assets acquired under finance leases expires within 22-75 years.

Note 3: Capital work-in-progress (CWIP)

(Amt ₹ in Million)

Particulars	Amount
Gross Carrying Amount	
Balance as at March 31, 2019	**370**
Additions	417
Capitalised	605
Balance as at March 31, 2020	**182**
Additions	484
Capitalised	406
Balance as at March 31, 2021	**261**
Additions	708
Capitalised	253
Balance as at March 31, 2022	**716**
Additions	842
Capitalised	823
Balance as at March 31, 2023	**734**
At March 31 2023	**734**
At March 31 2022	**716**

Note: Capital work in progress is an account of Cost of Construction material and site and other expenditure of incomplete projects.

3.1 Capital Work-in progress ageing

Ageing for capital work-in-progress as at March 31, 2023 is as follows : (Amt ₹ in Million)

Particular	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	408	287	4	36	734
Total	**408**	**287**	**4**	**36**	**734**

Ageing for capital work-in-progress as at March 31, 2022 is as follows :

Particular	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	608	54	52	2	716
Total	**608**	**54**	**52**	**2**	**716**

3.2 Capital Work-in progress completion schedule

Completion Schedule for capital work-in-progress as at March 31, 2023 is as follows : (Amt ₹ in Million)

Particular	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects to be Capitalised	734	-	-	-	734
Total	**734**	**-**	**-**	**-**	**734**

Completion Schedule for capital work-in-progress as at March 31, 2022 is as follows :

Particular	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects to be Capitalised	716	-	-	-	716
Total	**716**	**-**	**-**	**-**	**716**

Note 4: Goodwill and other intangible Assets

(Amt ₹ in Million)

Particulars	Goodwill (incl Goodwill on Account of Merger & Acquisitions) (A)	Non-compete agreement, Acquired contracts (B)	Software's (C)	Total (B+C)
Gross Carrying amount				
Balance as at March 31, 2021 (I)	**609**	**69**	**5**	**74**
Additions				
Disposals				
Balance as at March 31, 2022 (III)	**609**	**69**	**5**	**74**
Additions				
Disposals				
Balance as at March 31, 2023 (V)	**609**	**69**	**5**	**74**
Accumulated amortisation				
Balance as at March 31, 2021 (II)	**96**	**59**	**5**	**64**
Additions		1		1
Disposals				
Balance as at March 31, 2022 (IV)	**96**	**60**	**5**	**65**
Additions		0		0
Disposals				
Balance as at March 31, 2023 (VI)	**96**	**60**	**5**	**65**
Net Carrying amount				
Balance as at March 31, 2023 (V - VI)*	**513**	**9**	**0**	**9**
Balance as at March 31, 2022 (III - IV)*	**513**	**9**	**0**	**9**
Balance as at March 31, 2021(I - II)*	**513**	**10**	**0**	**10**

*** Represent Value less than ₹ 0.5 Million**

DORF KETAL CHEMICALS INDIA PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amt ₹ in Million)

5 Non - Current Financial Assets - Investments in Subsidiaries, Associates and Joint Ventures

Particulars	As at March 31, 2023	As at March 31, 2022
Investments measured at Cost		
(a) Subsidiaries :		
(i) Investments in Equity Instruments (Unquoted), Fully Paid up		
Dorf Ketal Chemicals, LLC , USA	681	681
(6,61,000 Equity Shares (PY- 6,61,000) of $ 1 each fully paid up)		
Dorf Ketal Brasil LTDA	4	4
(1,89,74,586Equity Shares (PY - 1,70,33,005) of BRL 1 each fully paid up)		
Dorf Ketal B.V, Netherlands	341	341
(45,180 Equity Shares (PY - 45,180) of EUR 100 each fully paid up)		
Dorf Ketal Chemicals FZE	5	5
(1,973 Equity Shares (PY - 1973) of AED 150.00 each fully paid up)		
Dorf Ketal Chemicals Pte Ltd	214	214
(4,029,833 Equity Shares (PY 4,029,833) of SGD 1 each fully paid up)		
Khyati Chemicals Pvt. Ltd.	2,308	-
(8,17,587 Equity Shares (PY Nil) of INR 1 each fully paid up)		
Dorf Ketal Chemicals UK Pvt. Ltd.	46	-
(500,000 Equity Shares (PY Nil) of GBP 1 each fully paid up)		
(b) Associates :		
(i) Investments in Equity Instruments (Unquoted), Fully Paid up		
Aritar Private Limited	3	3
(2,55,000 Equity Shares (PY 2,55,000) of Rs. 10 each fully paid up)		
Trentar Private Limited	7	7
(65,00,000 Equity Shares (PY 65,00,000) of Rs. 1 each fully paid up)		
(c) Joint Venture :		
(i) Investments in Equity Instruments (Unquoted), Fully Paid up		
Dorf Ketal Tribond International Company LLC	127	-
(61,20,000 Shares (PY Nil) of SAR 1 each fully paid up)		
	3,736	**1,253**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of Unquoted investments	**3,736**	**1,253**
Aggregate amount of impairment in the value of investments	-	-

6 Non - Current Financial Assets -Other Investment

Particulars	As at March 31, 2023	As at March 31, 2022
Investments measured at Fair Value through Profit and Loss (FVTPL)		
(a) Investments in Equity Instrument (Unquoted), Fully Paid up.		
CETP, MIDC Taloja*	-	-
(5 Equity Shares (PY - 5) of ₹ 100 each fully paid up)		
Bharat Co- operative Bank Ltd.*	-	-
(25 Equity Shares (PY - 25) of ₹ 10 each fully paid up)		
Total	-	-
Aggregate amount of Unquoted investments	**-**	**-**
Aggregate amount of impairment in the value of investments		

* Represent Value less than ₹ 0.5 Million

(Amt ₹ in Million)

7 Non - Current Financial Asset - Loans

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Loans to Related parties:		
(i) Secured, Considered Good	-	-
(ii) Unsecured, Considered Good		
To Related Parties	553	69
	553	**69**
(b) Others		
(i) Secured, Considered Good		
(ii) Unsecured, Considered Good		
Loans to Employees	48	53
Total	**601**	**122**

8 Non- Current Financial Assets - Others

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Balances With Bank in Term Deposits having remaining Maturity exceeding 12 Months	20	32
(b) Held as Margin Money against Bank Guarantee & Letter of Credit	62	16
	82	**48**

9 Non Current Assets - Income Taxes (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Income Tax (net of provision)	196	591
	196	**591**

10 Non-Current Assets - Other

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Capital Advances	-	-
(b) Advances Other than Capital Advances		
(ii) Other Advances to Related Party	4	4
(iii) Security Deposits	38	36
(c) Others		
(i) Indirect Tax balances/credits	15	16
(ii) Recovery From Creditors	1	-
(iii) Prepaid Lease Rental	44	47
Total	**102**	**103**

DORF KETAL CHEMICALS INDIA PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amt ₹ in Million)

11 Current Asset - Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
(At Cost or Market Value whichever is lower)		
(a) Raw Materials	3,444	2,240
(b) Raw Materials in Transit	53	10
(c) Packing Materials	94	87
(d) Stock in Process	-	-
(d) Finished Goods	1,358	1,096
Total	**4,949**	**3,433**

12 Current Financial Assets - Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Investments measured at Fair Value through Profit and Loss (FVTPL)		
Investments in Mutual Funds	-	1,522
Total	**-**	**1,522**
Aggregate Amount of Quoted Investments	**-**	**1,522**

13 Current Financial Assets - Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
(a)Trade Receivables considered good - Secured		
(b) Trade Receivables considered good - Unsecured;	6,163	4,253
(Less:) Allowance as per Expected Credit Loss Model	(2)	(1)
Total	**6,161**	**4,251**

14 Current Financial Assets - Cash & Cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Cash on Hand	3	2
(b) Balance with Banks		
(i) In Current Account	3	7
(ii) In Foreign Currency Account	18	85
(iii) Term deposits with bank with original maturity of less than 3 months	3	1
Total	**27**	**95**

DORF KETAL CHEMICALS INDIA PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amt ₹ in Million)

15 Current Financial Assets - Bank Balances Other than Cash and Cash Euivalents

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Term deposits with bank original maturity of more than 3 months and less than 12 months	47	14
(b) Balances with banks to the extent held as margin money against bank guarantees and letter of credit having original maturity less than 12 months	43	58
Total	**90**	**72**

16 Current Financial Assets - Others

Particulars	As at March 31, 2023	As at March 31, 2022
Derivatives Contract - Cash Flow Hedge	-	116
Interest Accrued on Fixed Deposit	2	1
Derivatives Contract - Fair Value Hedge	-	10
Total	**2**	**127**

17 Current Assets - Other

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Advances other than capital advances		
(i) Advance to staff	15	17
(b) Others		
(i) Balance with Customs, Central Excise etc.	378	509
(ii) Prepaid expenses	22	24
(iii) Prepaid Lease Rentals (Current Portion)	3	3
(iv) Other Receivable	15	7
Total	**433**	**559**

DORF KETAL CHEMICALS INDIA PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amt ₹ in Million)

18 Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised:		
2,54,61,000 equity shares (PY 2,54,61,000 equity shares) of ₹ 100 each	2546	2546
5,40,000 Redeemable Preference Shares of ₹ 10 each	5	5
Issued, Subscribed and Paid up :		
24,676,548 equity shares (PY 24,676,548 equity shares) of ₹ 100 each fully paid	2,468	2,468
Total	**2,468**	**2,468**

18.1 Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Shares at the beginning of the year	25	18
Add : Bonus Shares issued during the year		7
Equity Shares at the end of the year	**25**	**25**

The Company allotted Nil equity shares (PY 70,50,442) as fully paid up bonus shares by capitalisation of profits transferred from retained earnings amounting to 70.5 crore in the quarter ended 30th Jun, 2021, pursuant to an special resolution passed after taking the consent of shareholders

18.2 Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Shares held by promoters at the end of the year 31st Mar, 2023			% of change during the year
Name of Promoter	No. of Shares	% of total holding	
Mr. Sudhir Menon	96,653	0.39%	-
Mr. Subodh Menon	49,200	0.20%	-

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Shares held by promoters at the end of the year 31st Mar, 2022			% of change during the year
Name of Promoter	No. of Shares	% of total holding	
Mr. Sudhir Menon	96,653	0.39%	40%
Mr. Subodh Menon	49,200	0.20%	40%

18.3 Major shareholders holding shares in the company

Particulars	Number of fully paid equity shares	
	As at March 31, 2023	As at March 31, 2022
Menon Family Holding Trust		
As at March 31, 2022	**24**	**17**
Changes in equity share capital	-	**7**
As at March 31, 2023	**24**	**24**

18.4 Rights of Shareholders

The Company has only one class of equity share. Each holder of equity shares is entitled to one vote per share.

DORF KETAL CHEMICALS INDIA PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amt ₹ in Million)

19 Other Equity

Particulars		As at March 31, 2023	As at March 31, 2022
(a) Securities Premium			
Opening balance		1,156	1,156
	(A)	**1,156**	**1,156**
(b) Capital Redemption reserve			
Opening balance		20	20
	(B)	**20**	**20**
(c) Amalgamation Reserve			
Opening balance*		0	0
	(C)	**0**	**0**
(d) General Reserve			
Opening balance		109	109
	(D)	**109**	**109**
(e) Retained Earnings/Surplus			
Opening balance		6,787.6	6,723
Less: Transfer to Special Economic Zone Re-investment Reserve		(170)	(237)
Less: Utilised for issue of Bonus Share		-	(705)
Add: Utilisation of Special Economic Zone Re-investment Reserve		138	-
Add: Profit for the year		1,805	1,007
	(E)	8,561	6,788
(f) Other Comprehensive Income			
(i) Effective Portion of Cash Flow Hedge			
Opening balance		57	4
Add/(Less): Changes in Fair Value during the year		(61)	117
Add/(Less): Re-classified to Profit & Loss A/c during the year		2	65
		(2)	**57**
(ii) Remeasurements of Defined Benefit (Liability) / Asset			
Opening balance		(23)	(18)
Add/(Less): Remeasurements of Defined Benefit (Liability)/Asset during the year		(13)	(5)
		(36)	(23)
	(F)	(38)	34
(g) Special Economic Zone Re-investment Reserve			
Opening balance		237	-
Add/(Less): Transfer During Year		170	237
Add/(Less): Utilisation During the Year		(138)	-
	(G)	269	237
Total Reserves & Surplus		**10,076**	**8,343**

*** Represent Value less than ₹ 0.5 Million**

DORF KETAL CHEMICALS INDIA PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amt ₹ in Million)

20 Non - Current Financial Liabilitie - Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured Loans		
Term Loans		
- **From Banks**		
- Working Capital Term Loan (Note 1)	177	270
- Other term Loans (Note 2)	243	426
- Vehicles (Note 3)	98	16
- **From Others**		
- Vehicles (Note 3)	15	-
TOTAL	**533**	**712**

1. Term Loan from Banks includes :
   i. Working Capital Term Loan of ₹ 177 Million (PY ₹ 270 Million) is repayable in monthly instalments over a period of 4 years starting from March 2022
2. Other Term Loan from Banks includes :
   i. External Commercial Borrowings of ₹ Nil (PY ₹ 51 Million), repayable in 15 quarterly instalments starting from December 2019

   ii. Loan of ₹ Nil (PY ₹ 92 Million), repayable in quarterly instalments over a period of 26 months starting from December 2021

   iii. Rupee Term Loan of ₹ 243 Million (PY ₹ 284 Million), repayable in quarterly instalments over a period of 39 months starting from September 2023
3. Vehicle Loans are repayable in monthly instalments over a period of 5 years

4. Working Capital Term Loan from Banks is secured by a second charge on the Stocks and Receivables and moveable fixed assets consisting plant and machinery located at Mundra, Dahej, Lote and Dadra plants.

5. Other Term Loan from Banks are secured by a first pari passu charge on moveable and immoveable fixed assets both present and future located at Mundra, Dahej, Lote and Dadra plants.

6. Term Loan from Banks carry interest rates ranging from 4.15% to 6.60%.

6. Vehicle Loans carry interest rates ranging from 6.90% to 9.80% and secured by the respective Vehicle purchase.

7. Term loan from Bank - ₹ 280 Million (PY 2022 ₹ 387 Million) which is repayable within 12 months has been grouped under Current financial liabilities - Borrowings.

8. Vehicle loan ₹ 33 Million (PY 2022 ₹ 9 Million) which is repayable within 12 months has been grouped under Current financial liabilities - Borrowings.

21 Non - Current Financial Liabilities - Others

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability	36	36
	36	**36**

22 Non - Current Liability - Deferred Tax Liability / (Asset) (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	268	237
Add/(Less) : Deferred Tax Liability / (Asset) created during the year		
(i) Ind AS Adjustments (net) (See Note 22.1 below)	(95)	25
(ii) Other Adjustments (See Note 22.2 below)	33	5
Total	**206**	**268**

(Amt ₹ in Million)

Note: 22.1. Impact on Ind AS Adjustments pertains to following items

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liabilities		
Remeasurement of Actuarial Gains/(Loss) to OCI on Gratuity	(7)	(3)
Remeasurement of Actuarial Gains/(Loss) to OCI on Leave Encashment	(9)	-
MTM of Derivatives of Cash Flow Hedge	(79)	28
Expected Credit Loss on Trade Receivable*	(0)	(0)
	(95)	**25**

Note: 22.2 Other Adjustments pertains to following items;

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liability		
Depreciation	33	5
	33	**5**

*** Represent Value less than ₹ 0.5 Million**

23 Non - Current Liability - Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Long term Compensated Absences	26	2
Provision for Gratuity	39	16
Total	**65**	**18**

24 Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Secured Loans		
(i) From Banks		
Loans Repayable on Demand	5,110	2,256
(b) Current Maturities of long term debt	280	387
(c) Current maturities of finance lease obligations	33	9
TOTAL	**5,423**	**2,652**

Loans Repayable on Demand from Banks are secured by first pari passu hypothecation charge on all existing and future current assets of the Mundra, Dahej, Lote & Dadra Plant. The interest rates on these loans range from 5% to 11%.

(Amt ₹ in Million)

25 Current Financial Liability - Trade Payables

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
(a) Dues to Micro and Small Enterprises (Refer Note 51)	25	8
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note below) (Refer Note 51)	1,245	1,179
Total	**1,270**	**1,187**

Notes
(i) Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management, same is relied upon by the Auditors
(ii) There were no dues outstanding to MSME as on March 31, 2023 exceeding 45 days and hence Company is not liable to pay any interest on the outstanding figures.

26 Current Financial Liabilities - Other

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Derivatives Contract - Fair Value Hedge	6	-
Derivatives Contract - Cash Flow Hedge	22	-
Total	**28**	**-**

27 Current Liabilities - Other

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Statutory Dues	201	59
Liabilities for Expense	156	166
Others	16	(35)
Total	**373**	**190**

28 Current Liabilities - Provisions

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Provision for Short Term Employee Benefits	681	590
Total	**681**	**590**

(Amt ₹ in Million)

29 Revenue from operations

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
(a) Sale of products (Refer Note 48)		
Domestic Sales	7,908	5,980
Export Sales	14,925	11,047
(b) Sale of services		
Service Income	460	157
(c) Other Operative Income		
Scrap Sales	50	38
Total	**23,343**	**17,222**

30 Other Income

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
(a) Interest		
Interest on Fixed Deposits	5	4
Interest on Loan	23	1
	28	**5**
(b) Dividend		
From Long Term Investments	94	430
	94	**430**
(c) Other non-operating Income		
Profit / (Loss) on sale of fixed assets (Net)*	10	0
Profit / (Loss) on Sale of Mutual Fund	2	14
Rental Income*	0	0
Exchange differences with reference to hedge	(28)	102
Mark to Market Impact on Derivative	(2)	15
Miscellaneous Income	29	61
Exchange Gain / (Loss)	260	57
	270	**250**
Total	**393**	**684**

* Represent Value less than ₹ 0.5 Million

31 Cost of Materials Consumed

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Opening Inventory	2,337	1,281
Add: Purchases	15,735	11,853
Less: Closing Inventory	3,591	2,337
	14,481	10,798
Total	**14,481**	**10,798**

32 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Inventories at the end of the year		
Finished goods	1,358	1,096
Inventories at the beginning of the year		
Work-in-Process	-	3
Finished goods	1,096	1,199
Total	**(262)**	**105**

33 Employee Benefit Expenses

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Salaries and Wages	2,774	2,027
Contribution to Provident and Other Funds	39	29
Staff Welfare Expenses	29	26
Total	**2,842**	**2,082**

(Amt ₹ in Million)

34 Finance Costs

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
(a) Interest		
On Working Capital Loans	229	89
On Foreign Currency Loans - Buyers Credit*	-	0
On Secured Long Term Loan (Net of Interest Capitalised 16 million (PY Nil)	47	5
(b) Other Borrowing Costs		
Bank Charges	13	9
Hedge Cost On Interest- Foreign Currency Loans	2	13
Other Interest	32	2
Total	**323**	**118**

35 Depreciation and amortisation expense

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Depreciation and Amortisation (Net)	344	366
Total	**344**	**366**

36 Other expenses

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Stores and Consumables	78	72
Power, Fuel and Water Charges	379	368
Labour Cost	217	224
Repairs-		
Building	20	7
Plant and Machinery	128	119
Others	16	7
Testing Charges	11	7
Rent	102	55
Health, Safety & Environment related Expenses	41	32
Miscellaneous Manufacturing Expenses	181	175
Payments to Auditors (Refer note 37)	4	4
Electricity Expenses	6	5
Telephone Expenses	13	11
Conveyance and Travelling	257	113
Printing and Stationary	6	5
Training and Recruitment Charges	12	7
Legal and Professional Charges	156	108
Insurance	53	41
Rent, Rates and Taxes	33	32
Computers and Networking Charges	43	37
Office Expenses	37	53
Corporate Social Responsibility	27	16
Other Administrative expenses	61	59
Advertising and Publicity*	1	0
Business Promotion Expenses	48	30
Commission	10	9
Clearing, Forwarding & Transportation	1,278	1,238
Bad Debts*	0	-
Allowance as per ECL Model*	0	1
Others	31	16
Research & Development (R&D) Expenses (Refer Note 38)	94	79
Royalty	6	2
Total	**3,349**	**2,932**

*** Represent Value less than ₹ 0.5 Million**

(Amt ₹ in Million)

36.1 Exceptional Items

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Loss on Sale of Fixed Asset (Taloja)	-	162
Total	**-**	**162**

37 Payments to Auditors

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
As Auditors		
Statutory Audit Fees	2	2
Tax Audit Fees	1	1
Cost Audit Fees*	0	0
Other Services	1	1
Total	**4**	**4**

* Represent Value less than ₹ 0.5 Million

38 R & D Expenses

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Costs of Lab Materials Consumed*	0	0
Lab Consumables	13	12
Payments & Benefits to Employees	62	50
Travelling & Conveyance	2	1
Other Overheads Expenses	17	16
Total	**94**	**79**

* Represent Value less than ₹ 0.5 Million

39 Taxation

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Current Tax	449	184
Deferred Tax	23	5
MAT Credit (Entitlement)/Utilisation	381	147
Other Taxes*	-	0
Total	**853**	**336**

*** Represent Value less than ₹ 0.5 Million**

40 Earnings Per Share (EPS)

There are no potential equity shares and hence the basic and diluted EPS are the same.
Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

(a) Profit attributable to Equity holders of Company

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Profit attributable to equity holders of the Company for basic and diluted earnings per share	**1,733**	**1,054**

(b) Weighted average number of ordinary shares

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Number of issued equity shares at April 01	**25**	**18**
Effect of shares issued		**7**
Nominal value per share	**100**	**100**
Weighted average number of shares at March 31 for basic and diluted earnings per shares	**25**	**23**

(c) Basic and Diluted earnings per share (in Rs) {(a)/(b)}	**₹ 70.24**	**₹ 46.00**

DORF KETAL CHEMCICALS INDIA PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amt ₹ in Million)

41 Financial Instruments

A. Capital Management

The Company's policy is to maintain a strong capital base so as to ensure that the Company is able to continue as going concern to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends to ordinary shareholders at regular interval.

Its guiding principles are:

i) Maintenance of financial strength to ensure the highest ratings;
ii) Ensure financial flexibility and diversify sources of financing;
iii) Manage Company exposure in forex to mitigate risks to earnings;
iv) Leverage optimally in order to maximise shareholders returns while maintaining strength and flexibility of the Balance Sheet.

The policy is also adjusted based on underlying macro-economic factors affecting business environment, financial and

The Capital gearing ratio (%) or Debt to Equity Ratio at the end of the reporting period are as under:

(Amt ₹ in Million)

Particulars	**Amounts in Rs.**	
	As at March 31, 2023	**As at March 31, 2022**
Total borrowings	5,956	3,364
Less: Cash and bank balances	118	167
Net debts	5,838	3,197
Total equity	12,543	10,811
Capital gearing ratio (%) or Debt to equity Ratio	46.55%	29.57%

B. Valuation

All financial instruments are initially recognised and subsequently re-measured at fair value as described below:

i) The fair value of investment in quoted Equity shares and Mutual funds is measured at quoted price or NAV
ii) The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.
iii) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.
iv) The fair value of the remaining financial instruments is as:

- Carrying amount of **"Current Financial Instruments"** as it approximates their fair value largely due to short term maturities of these financial instruments.

C. Fair value measurement hierarchy:

(Amt ₹ in Million)

Particulars	As at March 31, 2023				As at March 31, 2022			
		Level of input used in				Level of input used in		
	Carrying Amount	Level 1	Level 2	Level 3	Carrying Amount	Level 1	Level 2	Level 3
(a) Financial Assets								
(i) At Amortised Cost								
- Loan (Current and Non current)	601	-	-	-	122	-	-	-
- Term Deposit and Margin Money (Non current portion)	82	-	-	-	48	-	-	-
- Trade receivables	6,161	-	-	-	4,251	-	-	-
- Cash and cash equivalents	27	-	-	-	95	-	-	-
- Bank balances other then cash and cash equivalents	90	-	-	-	72	-	-	-
- Others Financial Assets	2	-	-	-	12	-	-	-
(ii) At FVOCI								
- Mark to Mark Value of Derivative contracts designated as Cash Flow Hedge	-	-	-	-	116	-	116	-
(iii) At FVTPL								
- Investments in Equity Instruments **(Unquoted)**	-	-	-	-	-	-	-	-
- Investments in MUTUAL Funds **(Quoted)**	-	-	-	-	1,522	1,522	-	-
- Mark to Mark Value of Derivative contracts designated as Fair Value Hedge	-	-	-	-	10	-	10	-
(b) Financial Liabilities								
(i) At Amortised Cost								
- Borrowings (Current and Non current)	5,956	-	-	-	3,364	-	-	-
- Trade Payables	1,270	-	-	-	1,187	-	-	-
- Other Financial Liabilities	28	-	-	-	-	-	-	-
(ii) At FVOCI								
- Mark to Mark Value of Derivative contracts designated as Cash Flow Hedge	-	-	-	-	-	-	-	-
(iii) At FVTPL								
- Mark to Mark Value of Derivative contract designated as Cash Flow Hedge	-	-	-	-	-	-	-	-
- Mark to Mark Value of Derivative contract designated as Fair value Hedge	-	-	-	-	-	-	-	-

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

i) **Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

ii) Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. In the case of the mutual funds are valued using the closing NAV. In the case of Derivative contracts, the Company has valued the same using the forward exchange rate as at the reporting date.

iii) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3. The Company owns unlisted equity shares in companies, which are non-profit companies providing facilities for treating effluents generated during its manufacturing process. In the absence of any observable market data in relation to the said companies, the same have been categorised as Level 3. Considering the objective of investment and materiality, its fair value have been considered same as cost as at the reporting date.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2023 and March 31, 2022:

(Amt ₹ in Million)

Particulars	**Unquoted Equity**
As at April 1, 2022	-
Gains/losses recognised in other comprehensive income	-
As at March 31, 2023	-

Fair value of Financial Assets and Financial Liabilities that are not measured at Fair Value (but fair value disclosures are required)

Carrying amount of cash and cash equivalents, bank balances other than cash and cash equivalents, margin money and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their fair value largely due to short term maturities of these instruments

42 Financial risk management

Risk management framework

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations.

The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative transactions.

The Company has exposure to the following risks arising from financial instruments:
A) Credit risk;
B) Liquidity risk;
C) Market risk; and

A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans investment in debt securities and other financial assets. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful trade receivables and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

(i) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

i) Actual or expected significant adverse changes in business;
ii) Actual or expected significant changes in the operating results of the counterparty;
iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
iv) Significant increase in credit risk on other financial instruments of the same counterparty;
v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

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Financial Assets are considered to be of good quality and there is no significant increase in credit risk.
Ageing for trade receivables – current outstanding as at March 31, 2023

(Amt ₹ in Million)

Particulars	Outstanding for Following Period from Due Date of Payment					
	Less than 6 months	6 months- 1 year	1-2 Year	2-3 Years	More than 3 Years	Total
(i)Undisputed Trade Receivables- Considered Good	5993	158	3	6	3	6163
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivable- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit Impaired	-	-	-	-	-	-
	5993	158	3	6	3	6163
Less : Allowances for ECL	0	1	0	0	1	2
Net Trade Receivable	**5993**	**157**	**3**	**6**	**2**	**6161**

Ageing for trade receivables – current outstanding as at March 31, 2022

(Amt ₹ in Million)

Particulars	Outstanding for Following Period from Due Date of Payment					
	Less than 6 months	6 months- 1 year	1-2 Year	2-3 Years	More than 3 Years	Total
(i)Undisputed Trade Receivables- Considered Good	4,145	71	17	-	19	4,253
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivable- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-		-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit Impaired	-	-	-	-	-	-
	4,145	71	17	-	19	4,253
Less : Allowances for ECL	-	0	0	-	1	1
Net Trade Receivable	4,145	71	17	-	18	4,251

(ii) <u>Investment in debt securities</u>
Investment in debt securities are in mutual funds.

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

(iii) <u>Investments in Equity Instruments (Quoted/ Unquoted)</u>
Investment in Equity Instruments are Unquoted Equity Instruments of Subsidiaries, Associates and Joint Ventures as well as Unquoted Equity Shares
The Company does not expect any losses from non-performance by these Counter-Parties

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired

(iv) Cash and cash equivalents

The Company held Cash and Cash Equivalents of ₹ 27 Million as at March 31, 2023 (₹ 95 Million as at March 31, 2022) . The Cash and Cash Equivalents comprises of Cash on Hand, Term Deposits having original maturity less than 3 months and Banks Balances.

The Cash and Cash Equivalents representing term deposits less than original maturity of less than 3 months and the Bank Balances are held with banks. The cash and cash equivalents are held with banks having good credit ratings and good market standing.

The Company does not expect any losses from non-performance by these counter-parties.

(v) Bank Balances other than Cash and Cash Equivalents

The Company holds Bank Balances Other than Cash and Cash Equivalents of ₹ 172 Million as at March 31, 2023 (₹121 Million as at March 31, 2022)These balances represents term deposits having original maturity between 3 -12 months; term deposits with remaining maturity of more than 12 months on the reporting date and Balances with banks to the extent held as margin money against Bank Guarantees and Letter of Credit for the period having original maturity between 3 - 12 months as well as remaining maturity more than 12 months on the reporting date.
The Cash and Cash equivalents are held with banks having good credit ratings and good market standing .

(vi) Other Financial Assets

These assets represents balances receivables in nature of Insurance Claim , Interest accrued on Term/ Fixed Deposits
The Company does not expect any losses from non-performance by these counter-parties.

(vii) Derivatives

The derivative contracts are entered into with scheduled banks which have good credit ratings. Further exposures to counter-parties are closely monitored and kept within the approved limits.
The Company does not expect any losses from non-performance by these counter-parties.

B. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company has obtained fund and non-fund based working capital facilities from various domestic as well as foreign banks.

The following are the remaining contractual maturities of Derivative financial liabilities & Non - Derivative Liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments as and where applicable-

Exposure to liquidity risk

(Amt ₹ in Million)

Particulars	**As at March 31, 2023**			**As at March 31, 2022**		
	Carrying Amount	**Contractual cash flows**		**Carrying Amount**	**Contractual cash flows**	
		Upto 1 year	**> 1 year**		**Upto 1 year**	**> 1 year**
(A) Non Derivative Financial Liabilities						
(a) Non-Current Borrowings	533	-	533	712	-	712
(b) Current Borrowings	5,423	5,423	-	2,652	2,652	-
(c) Trade Payables	1,270	1,270	-	1,187	1,187	-
(d) Others	-	-	-	-	-	-
(A)	**7,226**	**6,693**	**533**	**4,551**	**3,839**	**712**
(B) Derivative Financial Liabilities						
(a) MTM Value of Derivatives Contracts - Designated as Fair Value Hedges	-	-	-	-	-	-
(b) MTM Value of Derivatives Contracts - Designated as Cash Flow Hedges	0	0		0	0	
(B)	-	-	-	-	-	-
Total Financial Liabilities (A) + (B)	**7,226**	**6,693**	**533**	**4,551**	**3,839**	**712**

The following table details the Company's expected maturity for its Non-Derivative financial assets and Derivative Financial Assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(Amt ₹ in Million)

Particulars	**As at March 31, 2023**			**As at March 31, 2022**		
	Carrying Amount	**Contractual cash flows**		**Carrying Amount**	**Contractual cash flows**	
		Upto 1 year	**> 1 year**		**Upto 1 year**	**> 1 year**
(A) Non Derivative Financial Assets						
(a) Investments	-	-	-	1,522	1,522	-
(b) Trade receivables	6,161	6,161	-	4,251	4,251	-
(c) Cash and cash equivalents	27	27	-	95	95	-
(d) Bank balances other then cash and cash equivalents	90	90	-	72	72	-
(e) Loans	-	-	-	-	-	-
(f) Others Financial Assets	2	2	-	1	1	-
(g) Long Term Borrowings	601	-	601	122	-	122
(i) Others Non Current Financial	82	-	82	48	-	48
(A)	**6,964**	**6,281**	**683**	**6,112**	**5,942**	**170**
(B) Derivative Financial Assets						
(a) Derivatives Instruments	-	-	-	116	116	-
(b) MTM Value of Derivatives Contracts - Designated as Fair Value	-	-	-	10	10	-
(B)	**-**	**-**	**-**	**126**	**126**	**-**
Total Financial Assets	**6,964**	**6,281**	**683**	**6,238**	**6,068**	**170**

Net Gains (Losses) on fair value changes

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Investments classified at FVTPL	-	1,522
Investments Designated at FVTPL	-	-
Derivatives at FVTPL	-	10
Other Financial Instruments designated at FVTPL	-	-
Reclassification adjustments	-	-
Reliased gainon Debt investments classified as FVOCI	-	-
Others(to be specified)	-	-
Total Net Gain (Losses) on Fair Value Changes	2	4

C. Market Risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. Market risk comprises three types of risk: Currency risk, Interest rate risk and price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

(a) <u>Currency Risk</u>

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in the United States, Middle East, Singapore, Malaysia and elsewhere, and purchases from overseas suppliers in various foreign currencies. The exchange rate between the rupee and foreign currencies may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected favorably/adversely as the rupee appreciates/ depreciates against these currencies. The Company evaluates exchange rate exposure arising from these transactions and enters into foreign exchange Derivative Contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Company follows established risk management policies, to hedge forecasted cash flows denominated in foreign currency. The Company has designated certain derivative instruments as cash flow hedges to mitigate the foreign exchange exposure of forecasted highly probable cash flows.

<u>Hedge Accounting</u>

<u>Currency risk-Transactions in foreign currency</u>

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. Subsequent to initial recognition, derivative financial instruments are measured as described below:

Cash flow hedges:

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and held in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit or loss and reported within foreign exchange gains/(losses), within results from operating activities. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of income upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognised in the statement of Profit

<u>Interest Rate Risk</u>

The company does not have any interest rate risk w.r.t. Hedge for Transactions in Foreign Currency

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Disclosures of Effects of Hedge Accounting

A. Fair Value Hedge

(i) Hedging Instrument

(Amt ₹ in Million)

Type of Hedge & Risk	Carrying Amount		Changes in FV	Line item in Balance Sheet
	Assets	Liabilities		
(a) Foreign Currency Risk				
Forward Contracts	-	-	-	Other Financial Assets
Forward Contracts(Loans)	-	-	-	Other Financial Assets
Option Contracts	-	-	-	Other Financial Assets
Interest Rate Swap	-	6	6	Other Financial Assets
(b) Other Risk (if any)	-	-	-	-

(ii) Hedging Item

Type of Hedge & Risk	Carrying Amount		Changes in FV Asset / (Liability)	Line item in Balance Sheet
	Assets	Liabilities		
(a) Foreign Currency Risk				
Long term loans(ECB & FCNR)	-	2,794	-6	Borrowings
Trade Receivables	-	-	-	Trade Receivables
Trade Payables	-	-	-	Trade Payables
(b) Other Risk (if any)	-	-	-	-

B. Cash Flow Hedge

(i) Hedging Instrument

Type of Hedge & Risk	Carrying Amount		Changes in FV Asset / (Liability)	Line item in Balance Sheet
	Assets	Liabilities		
(a) Foreign Currency Risk				
Forward Contracts	-	10	-10	Other Current Liabilities
Option Contracts	-	13	-13	Other Current Liabilities
(b) Other Risk (if any)	-	-	-	-

(ii) Hedging Item

Type of Hedge & Risk	Hedging Reserve	Changes in FV	Line item in Balance Sheet
(a) Foreign Currency Risk			
Highly Probable Exports	3,229	-23	Other Comprehensive Income-Other Equities
(b) Other Risk (if any)	-	-	-

Particulars of unhedged foreign currency exposure as at the respective reporting dates -

The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Amt ₹ in Million)

Particulars	**As at March 31, 2023**	
	Amount in FC *	Amount in INR
(a) Trade Payables		
USD	2.39	196.16
AED	0.44	9.83
EUR	0.10	8.84
	-	-
(b) Foreign currency Loan Taken	-	-
USD	0.67	54.78
	-	-
(c) Export Trade Receivables	-	-
USD	50.32	4,134.89
EUR	11.80	1,055.32
MYR	7.58	141.23
CNY	7.57	90.41
KWD	0.55	147.45

Particulars	**As at March 31, 2022**	
	Amount in FC *	Amount in INR
(a) Trade Payables		
USD	5.80	439.60
EUR	0.15	12.49
CNY	0.07	0.85
	-	-
(b) Foreign currency Loan Taken	-	-
USD	3.33	252.64
	-	-
(c) Export Trade Receivables	-	-
EUR	6.67	561.59
USD	19.64	1,488.36
CNY	8.87	105.84
KWD	0.11	26.67
MYR	9.46	170.58

* FC - Foreign Currency

43 Employee benefits

(i) <u>Defined Contribution Plan</u>

The Company makes contributions towards Provident Fund, Employees' State Insurance Corporation & Labour Walfare Fund to defined contribution retirement benefit plan for qualifying employees. The contributions are made to Government administered Employees Provident Fund.

The Company recognised Rs.39 Million for the year (PY Rs.30 Million) for Provident Fund, ESIC & Labour Fund contributions included in Employee Benefits Expenses in the Statement of Profit and Loss.

(ii) <u>Defined Benefit Plan</u>

The Company makes annual contributions to Gratuity Fund which is administered by the Trustees of the fund, the board of trustees decide about the further investment of the corpus available to be invested. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The Company also has a benefit plan with respect to Accumulating Leave Absences (Privilege Leave). The obligation for Leave Encashment is recognised in the same manner as Gratuity. The company has also provided long term compensated absences which are unfunded.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at respective dates

A. Change in present value of the defined benefit obligation are as follows: **(Amt ₹ in Million)**

Particulars	**For the year Ended March 31, 2023**	**For the year Ended March 31, 2022**
1) Opening present value of Defined Benefit obligation	92	78
2) Current Service Cost	10	8
3) Past Service Cost	9	-
4) Interest Cost	7	5
5) Benefits paid	- 9	- 7
6) Actuarial (Gain) / Loss on obligation - Change in Financial Assumptions	5	- 3
7) Actuarial (Gain) / Loss on obligation - Due to Experience	8	10
8) Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	5	- 0
9) Closing present value of obligation	126	92

B. Changes in Fair value of Plan Assets during the year ended;

(Amt ₹ in Million)

Particulars	**For the year Ended March 31, 2023**	**For the year Ended March 31, 2022**
1) Fair value of plan assets as at Beginning of Period	76	76
2) Expected return on plan assets	-1	-1
3) Contributions made	16	2
4) Benefits paid	-9	-7
5) Interest income	6	5
6) Actuarial gain / (Loss) on plan assets	0	0
7) Fair value of plan assets as at End of Period	87	76

C. Expenses recognised during the year:

Particulars	**For the year Ended March 31, 2023**	**For the year Ended March 31, 2022**
1) In Income Statement	20	8
2) In Other Comprehensive Income	19	7
Total Expenses recognised during the year	**39**	**16**

D. Net employee Benefits Expenses Recognized in the Employee Cost

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
1) Current Service Cost	10	8
2) Past Service Cost	9	-
3) Interest Cost on benefit obligation	1	0
Net Expenses recognised during the year	**20**	**8**

E. Amount Recognised in Other Comprehensive Income

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
1) Actuarial changes arising from changes in demographic assumptions		
2) Actuarial changes arising from changes in financial assumptions	5	(3)
3) Actuarial changes arising from changes in experience variance	8	10
3) Actuarial changes arising from changes in Change in Demographic Assumptio	5	(0)
4) Return on plan assets, excluding amount recognized in net interest expense	1	1
Total Expenses recognised during the year	**19**	**7**

F. Net Assets / (Liability) as at Balance Sheet Date

(Amt ₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
1) Closing Present value of the defined benefit obligation	(126)	(92)
2) Closing Fair value of plan Assets	87	76
Net Assets / (Liability) recognized in the Balance Sheet	**(39)**	**(16)**

G. Actual return on plan assets for the year ended:

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
1) Expected return on plan assets	(1)	(1)
2) Actuarial gain / (loss) on plan assets	-	-
Actual return on plan assets	**(1)**	**(1)**

H. The major categories of Plan Assets as a percentage of the Fair Value of Plan Assets are as follows:

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
Insurance Funds	100%	100%
Others	0%	0%

I. Assumptions

The principal assumptions used in determining gratuity and leave encashment for the Company's plan are shown below :

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
1) Discount rate Current Year	7.47%	7.27%
2) Discount rate Previous Year	7.27%	6.87%
3) Salary growth rate (per annum)	6%	5%
4) Attrition Rate	Service < 5 : 10% Service >= 5 : 5%	Service < 5 : 8.6% Service >= 5 : 2%
5) Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
6) Mortality Rate After Employment	N.A	N.A

J. Maturity Analysis of the Benefit Payments: From the Fund

Projected Benefits Payable in Future Years From the Date of Reporting

(Amt ₹ in Million)

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
1) 1st Following Year	20	9
2) 2nd Following Year	7	4
3) 3rd Following Year	10	7
4) 4th Following Year	10	5
5) 5th Following Year	11	5
6) Sum of Years 6 to 10	64	47
7) Sum of Years 11 & above	112	125

K. Maturity Analysis of the Benefit Payments: From the Employer

Projected Benefits Payable in Future Years From the Date of Reporting

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
1) 1st Following Year	-	-
2) 2nd Following Year	-	-
3) 3rd Following Year	-	-
4) 4th Following Year	-	-
5) 5th Following Year	-	-
6) Sum of Years 6 to 10	-	-
7) Sum of Years 11 & above	-	-

Sensitivity Analysis

Quantitative Disclosures

A quantitative sensitivity analysis for significant assumption and quantitive impact on Defined Benefit Obligation as at March 31, 2019 is as shown below:

(Amt ₹ in Million)

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
1) Projected Benefit Obligation on basis of Current Assumptions	126	92
2) Delta Effect of +1% change in Rate of Discounting	-8	-7
3) Delta Effect of -1% change in Rate of Discounting	9	8
	0	0
4) Delta Effect of +1% change in Rate of Salary Increase	7	8
5) Delta Effect of -1% change in Rate of Salary Increase	-6	-7
	0	0
6) Delta Effect of +1% change in Rate of Employee Turnover	1	2
7) Delta Effect of -1% change in Rate of Employee Turnover	-1	-2

The Sensitivity Analysis is determined based on reasonable possible changes of respective assumptions occurring at the end of reporting period while holding all other assumptions constant.
The sensitivity analysis presented above may not be representative of actual change in projected benefit obligation as it is unlikely that the change is assumptions would occur in isolation of one another as some of the assumptions may be correlated.
Furthermore in presenting the above sensitivity analysis, the present value of projected benefit obligation has been calculated using Projected Unit Credit Method at the end of reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Balance Sheet.
There was no change in methods and assumptions used in preparing the sensitivity analysis from prior years

Qualitative Disclosures

Para 139 (a) Characteristics of defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.
The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Para 139 (b) Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Para 139 (c) Characteristics of defined benefit plans

During the year, the company has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from 10 lakhs to 20 lakhs. Change in liability (if any) due to this scheme change is recognised as past service cost

Para 147 (a)

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

44 Related party disclosures

(i) Name of Related Party and the nature of Relationship

(a) Subsidiary Companies
Dorf Ketal Chemicals LLC
Dorf Ketal Brasil LTDA
Dorf Ketal B.V
Dorf Ketal Chemicals UK Private Limited
Dorf Ketal Chemicals Pte Ltd.
Dorf Ketal Chemicals FZE
Khyati Chemicals Pvt. Ltd.

(b) Step Down Subsidiaries
Dorf Ketal Chemicals Ltd.,Canada
Dorf Ketal Energy Services LLC.,Canada
Dorf Ketal Energy Services LLC., USA
Dorf Ketal Chemicals(Malaysia) SDN BHD, Malaysia
Dorf Ketal Chemicals (Shanghai) Ltd., China
Flow Chem Technology LLC, USA
Fluid USA Inc., USA
Khyati Chemicals Pvt Ltd.,Singapore
Khyati Specialty Chemicals India Pvt Ltd

(c) Joint Venture
Dorf Ketal Tribonds International Company LLC

(d) Subsidiary/Joint Venture/Associate/ of Subsidiary/Step Down Subsidiary
Fluid Energy Ltd., Canada
Dorf Ketal Malaysia Specialty Chemicals SDN BHD, Malaysia
Biopsin Pte Ltd., Singapore

(e) Associate Company
Aritar Private Limited
Trentar Private Limited

(f) Key Managerial Personnel (KMP)

Mr. Sudhir V. Menon	Chairman & Managing Director
Mr. Subodh V. Menon	Executive Director
Mr. Mahesh Subramaniyam	Executive Director
Mr. Perumangode Ramaswamy	Executive Director
Mr. Pramod Menon	Executive Director
Mr. Yogesh Ranade	Executive Director
Mrs. Padmaja Menon	Non Executive Director
Mr. Vijayaraghava Aniparambil Menon	Non Executive Director
Mr. Vijaykumar Malpani	Chief Financial Officer
Mr. Rajdeep Shahane	Company Secretary

(g) Enterprises over which Key Managerial Personnel are able to exercise significant influence.
Yaap Digital Pvt Ltd
Yaap Digital FZE
FFC Information Solution Pvt Ltd
Brand Planet Consultants India Pvt Ltd
Intnt Asia Pacific Pte Ltd
Oplifi Digital Pvt Ltd
Lajawaab Foods Pvt.Ltd
Fobeoz India Private Limited.
GarudaUAV Soft Solutions Pvt. Ltd.
TM Aerospace Pvt. Ltd.
Atir Properties Pvt Ltd.
Rfly Innovations Private Ltd
Yaap Digital FZ LLC
Crayon Global FZ LLC

(h) Employment benefit plan
Dorf Ketal Chemicals India Employee's Gratuity Fund.
Yaap Employees Welfare Trust

(ii) Transactions with Related Parties **(Amt ₹ in Million)**

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Subsidiary Companies		
Sale of Goods	10,911	8,989
Sale of Fixed Assets	-	-
Purchase of Goods	1,627	34
Purchase of Fixed Assets	2	-
Purchase License	1	-
Sale of License	4	
Management Sharing Fees received	-	-
Dividend	94	430
Interest income	4	-
Interest Expense	30	-
Re-imbursement of Expenses	12	26
Recovery of Expenses	7	30
Royalty Paid	-	1
Discount allowed	40	-
Unsecured Loans Given / Repaid (Net)	298	-
Corporate Guarantee Commission Received	6	6
Investments	2,481	-
(b) Associate		
Sale of Goods	125	-
Interest income	8	1
Re-imbursement of Expenses*	1	0
Unsecured Loans Received / Repaid (Net)	55	-
Unsecured Loans Given / Repaid (Net)	276	-
Rent Received*	0	0
Investments	-	7
(c) Key Managerial Personnel (KMP)		
Remuneration	1,758	1,292
Professional Fees	1	1
Rent Paid	14	14
(d) Enterprises over which Key Managerial Personnel are able to exercise significant influence.		
Sale of Fixed Assets	-	1
Purchase of Fixed Assets	-	1
Management Sharing Fees received	-	12
Rent Received*	0	0
Recovery of Expenses*	0	1
Business Promotion Expense/ Staff Welfare	5	6
Advertisement Charges	-	1
Software expense*	0	-
Guest house expense	1	-
Security Deposit Given	1	-

Transactions carried out with related parties referred in (i) above, in ordinary course of business

(iii) Balance Outstanding of Related Parties **(Amt ₹ in Million)**

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Subsidiary Companies		
Investments	3,725	1,244
Trade Receivables	3,170	3,601
Advances recd	-	1,326
Creditors	446	-
Loans and Advances	247	77
(b) Associate		
Investments	9	9
Unsecured Loans Given / Repaid (Net)	248	69
Trade Receivables	40	-
Creditors	1	-
(c)Enterprises over which Key Managerial Personnel are able to exercise significant influence.	-	-
Receivables	3	4
Advance to Sundry Creditors	11	11
Loans & Advances	4	4
Creditors *	2	0
Other Receivables	1	-

* Represent Value less than ₹ 0.5 Million

DORF KETAL CHEMCICALS INDIA PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All Amounts in INR)

45 Tax Expense

(a) Amounts recognised in profit and loss (Amt ₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax expense (A)		
Current year (incl adjustment of MAT Credit if any)	830	331
Short/(Excess) provision of earlier years	-	0
Deferred tax expense (B)		
Origination and reversal of temporary differences	23	5
Tax expense recognised in the income statement (A+B)	**853**	**336**

(b) Amounts recognised in other comprehensive income

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	19	(7)	13	7	(3)	5
Cash Flow Hedge Derivatives	138	(79)	59	(81)	28	(52)
	157	**(86)**	**72**	**(73)**	**26**	**(48)**

(c) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	%	Amounts	%	Amounts
Profit before tax		**2,658**		**1,342**
Tax using the Company's domestic tax rate	34.94	929	34.94	469
Tax effect of:				
Exempted Income	-1.23	-33	-4.13	-110
Income Taxable at Special Rates	0.00	-	-0.76	-20
Deduction u/s 10AA	-2.46	-65	-3.05	-81
Allowances Allowed under IT Act	0.86	23	2.93	78
Effective income tax rate	**32.11**	**853**	**29.93**	**336**

DORF KETAL CHEMCICALS INDIA PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amt ₹ in Million)

46 Ind AS 115 Disclosure

1. Reconciliation between revenue with customers and contracted price:

Particulars	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Revenue as per contracted price	23,619	17,439
Less: Adjustments	-	-
Sales return	276	217
Discounts/ Rebates	-	-
Revenue from contracts with Customers	23,343	17,222

2. Sales by performance obligations

Particulars	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Upon Shipment	23,343	17,222
Upon Delivery	-	-
Total	**23,343**	**17,222**

3. Contract balances

The following table provides information about receivables from contracts with customers:

Particulars	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Trade receivables	6,163	4,253
Allowance as per Expected credit loss model	2	1
Total	**6,161**	**4,251**

DORF KETAL CHEMCICALS INDIA PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amt ₹ in Million)

47 Contingent liabilities and commitments

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Contingent liabilities		
(a) In respect of Income Tax matters	22	22
(c) Guarantees excluding financial guarantees; and		
-In respect of Bank Guarantees	1,904	991
-In respect of Letter of Credit	201	504
-In respect of Corporate Guarantee issued In favour Subsidiaries, Sub Subsidiaries and Associates	10,936	2976
Total	**13,063**	**4,493**

Note: The company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

48 Segment Information:

Business Segment:
The Company has only one identifiable Business Segment i.e. Chemicals.

Geographic Segment:
The analysis of geographical segment is based on the geographical location of the customers.

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue from Domestic Market	9470	5404
Revenue from Overseas Market	13873	11818
Total	**23,343**	**17,222**

Note - The Company has common assets for producing goods for Domestic markets and Overseas Markets. Hence, separate figures for assets and liabilities as per geographical segment can not be furnished cannot be furnished.

49 Corporate Social Responsibility(CSR):

(a) CSR amount required to be spent by the companies is as per section 135 of the companies act 2013 read with schedule VII
(b) CSR Expenditure during the year:

Particulars	FY 2022-23	FY 2021-22
Education	12	5
Arts & Culture	2	2
Health	0	1
Skill Development	-	0
Sports Development	0	0
Covid-19	-	8
Nature	5	-
Water harvesting	6	-
Total	**27**	**16**

50 Fixed assets includes Research and Development (R&D) assets Gross Block as under:-

Particulars	Building – Factory	Plant & Machinery	Furniture & Fixtures
As on 31st March, 2022	9	156	9
Additions	-	3	-
As on 31st March, 2023	9	159	9

DORF KETAL CHEMCICALS INDIA PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amt ₹ in Million)

51 Micro, Small and medium enterprises

To the extent, the Corporation has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under:

Particulars	FY 2022-23	FY 2021-22
Amount Due and Payable at the year end		
- Principal	25	8
- Interest on above Principal	-	-
Payment made during the year after the due date		
- Principal	-	-
- Interest on above Principal	-	-
Interest due and payable for Principal already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-

* (i) There were no dues outstanding to MSME as on March 31, 2023 exceeding 45 days and hence Company is not liable to pay any interest on the outstanding figures.

Ageing for trade payable – current outstanding as at March 31, 2023 **(Amt ₹ in Million)**

Particular	Outstanding for the following periods from due date of payment				
	upto 1 Year	1-2 Year	2-3 Years	More than 3 Years	Total
(i) MSME	25	-	-	-	25
(ii) Others	1,245	-	-	-	1,245
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-others	-	-	-	-	-
	1,270	**-**	**-**	**-**	**1,270**

Ageing for trade payable – current outstanding as at March 31, 2022 **(Amt ₹ in Million)**

Particular	Outstanding for the following periods from due date of payment				
	upto 1 Year	1-2 Year	2-3 Years	More than 3 Years	Total
(i) MSME	8	-	-	-	8
(ii) Others	1,054	110	-	14	1,178
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-others	-	-	-	-	-
	-	-	-	-	
	1,062	**110**	**-**	**14**	**1,187**

52 Borrowings secured against current assets

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per books of accounts	Amounts reported in the quarterly return/statements	Amount of Difference
Jun-22	Citi Bank	Inventory and Trade Receivables	7,274	7,274	0.00
Sep-22	Citi Bank	Inventory and Trade Receivables	7,990	7,990	0.00
Dec-22	Citi Bank	Inventory and Trade Receivables	8,965	8,965	0.00
Mar-23	Citi Bank	Inventory and Trade Receivables	8,390	8,390	0.00
Jun-22	J P Morgan	Inventory and Trade Receivables	7,274	7,274	0.00
Sep-22	J P Morgan	Inventory and Trade Receivables	7,990	7,990	0.00
Dec-22	J P Morgan	Inventory and Trade Receivables	8,965	8,965	0.00
Mar-23	J P Morgan	Inventory and Trade Receivables	8,390	8,390	0.00
Jun-22	HSBC Bank	Inventory and Trade Receivables	7,274	7,274	0.00
Sep-22	HSBC Bank	Inventory and Trade Receivables	7,990	7,990	0.00
Dec-22	HSBC Bank	Inventory and Trade Receivables	8,965	8,965	0.00
Mar-23	HSBC Bank	Inventory and Trade Receivables	8,390	8,390	0.00
Jun-22	ICICI Bank	Inventory and Trade Receivables	7,274	7,274	0.00
Sep-22	ICICI Bank	Inventory and Trade Receivables	7,990	7,990	0.00
Dec-22	ICICI Bank	Inventory and Trade Receivables	8,965	8,965	0.00
Mar-23	ICICI Bank	Inventory and Trade Receivables	8,390	8,390	0.00
Jun-22	Kotak Bank	Inventory and Trade Receivables	7,274	7,274	0.00
Sep-22	Kotak Bank	Inventory and Trade Receivables	7,990	7,990	0.00
Dec-22	Kotak Bank	Inventory and Trade Receivables	8,965	8,965	0.00
Mar-23	Kotak Bank	Inventory and Trade Receivables	8,390	8,390	0.00
Jun-22	DBS Bank	Inventory and Trade Receivables	7,274	7,274	0.00
Sep-22	DBS Bank	Inventory and Trade Receivables	7,990	7,990	0.00
Dec-22	DBS Bank	Inventory and Trade Receivables	8,965	8,965	0.00
Mar-23	DBS Bank	Inventory and Trade Receivables	8,390	8,390	0.00
Jun-22	HDFC Bank	Inventory and Trade Receivables	7,274	7,274	0.00
Sep-22	HDFC Bank	Inventory and Trade Receivables	7,990	7,990	0.00
Dec-22	HDFC Bank	Inventory and Trade Receivables	8,965	8,965	0.00
Mar-23	HDFC Bank	Inventory and Trade Receivables	8,390	8,390	0.00

53 Ratio Analysis

Ratio	Numerator	Denominator	Current year	Previous year	% Variance	Reasons for Variation
Current ratio (in times)	Total current assets	Total current liabilities	1.50	2.18	-0.31	Mutual Funds investments in the previous year have been liquidated in the current year resulting in lower current assets.
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	0.48	0.31	0.52	The growth in sales has pushed the working capital requirements in the current year which has resulted in higher utilisation of working capital facilities.
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	3.32	3.95	-0.16	-
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	15.46%	9.79%	0.58	The growth in top line has boosted the profits in the current year.
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.48	4.40	0.02	-
Trade payables turnover ratio	Cost of materials consumed + Other expenses	Average trade payables	11.58	10.53	0.10	-
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	5.00	3.62	0.38	Better use of working capital with increase in Sales.
Net profit ratio (in %)	Profit for the year	Revenue from operations	7.73%	5.84%	0.32	Sales have increased by 35% and year on year profits have increased by 79%.
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	23.32%	13.14%	0.77	Higher profits have resulted in higher return on capital employed.
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	0.28%	1.64%	-0.83	The reduction in treasury investments has resulted in lower income from treasury investments and so the ratio has declined.

54 Previous Year's figures have been regrouped/reclassified, wherever necessary, to conform to the Current year's presentation and classification.

55 Approval of Financial Statements
The above financial statements are approved by Board of Directors on **June 15, 2023.**

For NGPC & CO.
Chartered Accountants
Firm Registration No: 145474W

Navnit S Gajja

NGPC & CO. 104, Argentum, Opp. Patkar College, S. V. Road, Goregaon (W), Mumbai-104. CHARTERED ACCOUNTANTS

Navnit S Gajja
Partner
Membership No:112458
Mumbai
Date: June 26, 2023
UDIN: 23112458BGYPSE9557

For and on behalf of the Board of Directors

Sudhir Menon
Chairman and Managing Director
DIN:00972842

DORF KETAL CHEMICALS INDIA PRIVATE LIMITED

Subodh Menon
Director
DIN:00972842

Vijaykumar Malpani
Chief Financial Officer

Rajdeep Shahane
Company Secretary

Date: June 26, 2023