Valiant Organics Limited

READYING FOR THE NEXT LEVEL

Valiant Organics Limited | Annual Report 2022-23

Forward-looking statement

This document contains statements about expected future events and financial and operating results of Valiant organics limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of the Valiant Organics Limited Annual Report 2022-23.

Financial performance snapshot, FY 2022-23

912 ₹ Crore, Revenues	76 ₹ Crore, PAT	15 %, EBITDA margin
213 ₹ Crore, Net debt	585 ₹ Crore, Net worth	

Contents

Valiant Organics weathered a sectorial slowdown during the last financial year.

The company intends to capitalize on a projected sectorial recovery through an under-borrowed Balance Sheet, remunerative products, Group synergies and a higher output.

The complement of these competitive advantages is expected to translate into superior value for the company's stakeholders in a sustainable way.

PART ONE

OUR EXTENSIVE TRACK RECORD

Valiant Organics Limited.

The Company is a respected Indian manufacturer of benzene derivatives.

The Company has established a reputation for an anytime dependability of products around the highest quality standards.

The Company is widening its ecosystem to provide a range of products that help take the customer's business ahead.

Our legacy

Valiant Organics Limited is a specialty chemical manufacturing company in India. The business was established as a partnership entity (Valiant Chemical Corporation) in 1984 and transformed into a public limited company in 2015.

Products

The Company manufactures specialty chemicals based around benzene. These products are utilised across industries such as agrochemicals, pharmaceuticals, dyes and pigments.

Our production plants

The Company operates six manufacturing units across five locations - Tarapur, Sarigam, Vapi, Jhagadia and Ahmedabad - that are strategically close to the vast ports of western India. These premises have been invested with scale, cutting-edge technologies and effluent treatment systems. The Company's head office is in Mumbai.

Our clientele

The Company serves prominent industry players like Anupam Rasayan India Ltd., Lanxess India Private Limited, Spectrum Dyes & Chemicals Pvt. Ltd., Clariant Chemicals (India) Ltd., Colourtex and others. The Company exports to Europe, Japan, China and other international markets.

Our capacity

The Company's integrated manufacturing units possess a combined installed capacity of about 70,000 MTPA across multiple chemistry domains. The extensive operations establish the company as a reliable one-stop provider of a range of products.

Our capability

The Company possesses a competence in process chemistries like chlorination, ammonolysis, acetylation, hydrogenation, sulphonation and methoxylation.

Chemistry	Location	Capacity (MTPA)	Products
Chlorination	Sarigram	18,000	PCP, OCP, 2,4 DCP,2,6 DCP, 2,4,6 TCP
Ammonolysis	Vapi	10,000	PNA, OCPNA
Ammonolysis	Tarapur	6,600	PNA
Hydrogenation and methoxylation	Jhagadia (Unit 1)	28,800	ONA/OA, PNA/PA, IPPCA, conversion products
Hydrogenation	Jhagadia (Unit 2)	12,000	PAP and pharma intermediates
Acetylation, Sulphonation, others	Ahmedabad	1,800	6 Acetyl OAPSA, OA/PA Acetanilide, OT5SA

Our certifications

The Company has been accredited for OHSAS 18001:2007, ISO 14001:2015 and ISO 9001:2015 certifications, enhancing customer confidence and systemic consistency.

Our employees

The Company comprised 900+ permanent employees and 1,350+ contractual workers as on March 31, 2023. The Company's talent comprises professionals in chemistries, marketing, manufacturing, legal, finance, human resource management and others. The average employee age was 34 years in FY 2022-23.

Responsible

The Company is respected as a clean manufacturer, marked a compliance with environmental standards, governance, financial stability and community engagement. The Company has five zero liquid discharge plants.

Our listing

The Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE), enjoying a market capitalization of ₹11,322 Crore as of March 31, 2023.

Our credit rating

The Company's credit-rating was reaffirmed at CRISIL A/STABLE in FY 2022-23 for long-term debt and certified at CRISIL A1 for short-term debt in FY 2022-23.

Downstream customers we cater to

Pharmaceutical sector

India's pharmaceutical sector has been a key driver of growth in the country's specialty chemicals industry. Over the past three decades, India has emerged as a major success in the global pharmaceutical sector, becoming the largest supplier of affordable generic drugs worldwide, offering a diverse range of pharmaceutical products at competitive prices.

(Source: Invest India)

Dyes and pigment sector

India plays a significant role in the dyestuffs and dye intermediates industry, accounting for approximately 16% of global production. It holds the 14th position in exports and the 8th position in imports (excluding pharmaceuticals). The Indian dyestuff sector is positioned for growth, serving as the primary supplier to the textile industry in ASEAN and South Asian countries.

(Source: India Trade Portal)

Agrochemical sector

As the global population is projected to reach 9.7 Billion by 2050 and potentially peak at 10.4 Billion in the mid-2080s, agrochemical companies face an increasing demand for specialised crop protection chemicals to safeguard food production. The Indian agrochemicals market size reached a value of almost US$ 6 Billion in the year 2022. The market is expected to grow at a CAGR of 8.5% between 2023 and 2028 to reach almost US$ 9.82 Billion by 2028. By 2040, it is expected to account for almost 40% of India's overall chemicals exports.

(Source: agribusinessglobal.com)

16%

of global production of dye stuffs and dye intermediates from India

8.5%

CAGR between 2023 and 2028 to reach a value of almost US$ 9.82 Billion by 2028

Our process and products portfolio

Chlorination
- Para Chloro Phenol
- Ortho Chloro Phenol
- 2,4 Di Chloro Phenol
- 2,6 Di Chloro Phenol
- 2,4,6 Tri Chloro Phenol

Hydrogenation
- Ortho Anisidine
- Para Anisidine
- IPPCA
- Meta Chloro Aniline
- Para Amino Phenol

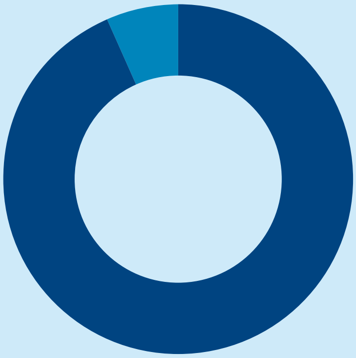
Acetylation
- 6 Acetyl OAPSA
- OA Acetanilide
- PA Acetanilide

Ammonolysis
- Para Nitro Aniline
- Ortho Chloro Para Nitro Aniline

Sulphonation
- OT5SA
- 4B Acid
- 2B Acid

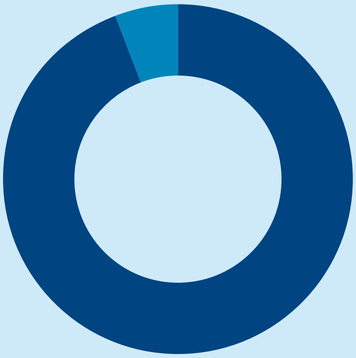
Methoxylation
- Ortho Nitro Anisole
- Para Nitro Anisole

Revenue by geography, FY 2022-23
(In ₹ Crore)



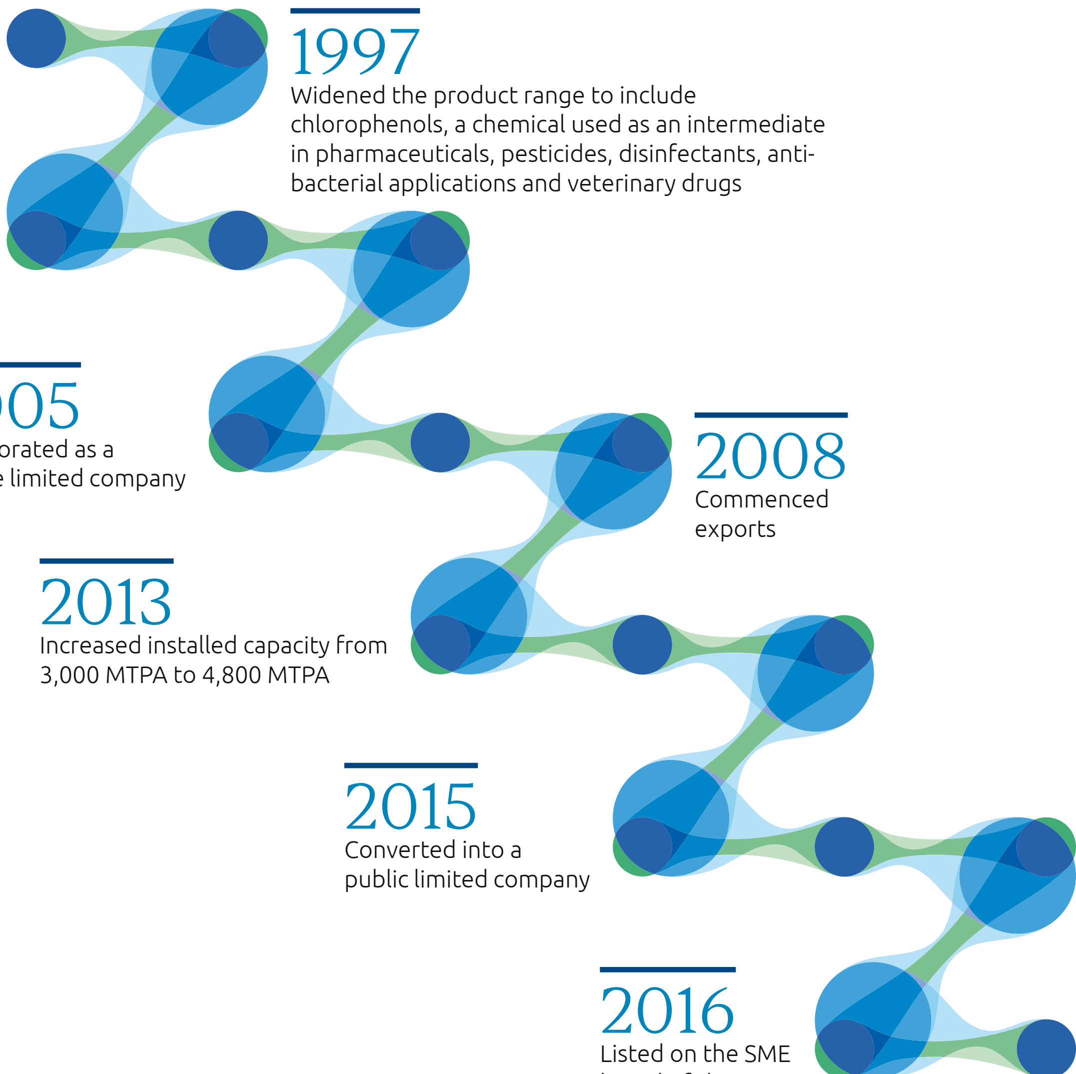
Domestic: 852.82
International: 58.79

Revenue by geography, FY 2021-22
(In ₹ Crore)



Domestic: 894.68
International: 53.76

Our milestones



1984
Established as Valiant Chemical Corporation with a single product - Meta Chloro Aniline

1997
Widened the product range to include chlorophenols, a chemical used as an intermediate in pharmaceuticals, pesticides, disinfectants, anti-bacterial applications and veterinary drugs

2005
Incorporated as a private limited company

2008
Commenced exports

2013
Increased installed capacity from 3,000 MTPA to 4,800 MTPA

2015
Converted into a public limited company

2016
Listed on the SME board of the BSE

2023

Achieved ramp up of PAP to over 400 MT per month and also commenced the pharma intermediaries plant

2022

Overcame PAP product issues and ramped production in the batch process

2021

Listed on the NSE in July. Completed Phase 1 of the PAP factory and commenced the development of a multi-purpose pharma intermediaries plant

2020

Listed on the BSE main board. Commenced ammonolysis expansion at the Vapi facility. Completed the backward integration of the ONA/OA integration. Added PNA/ PA to the product portfolio

2019

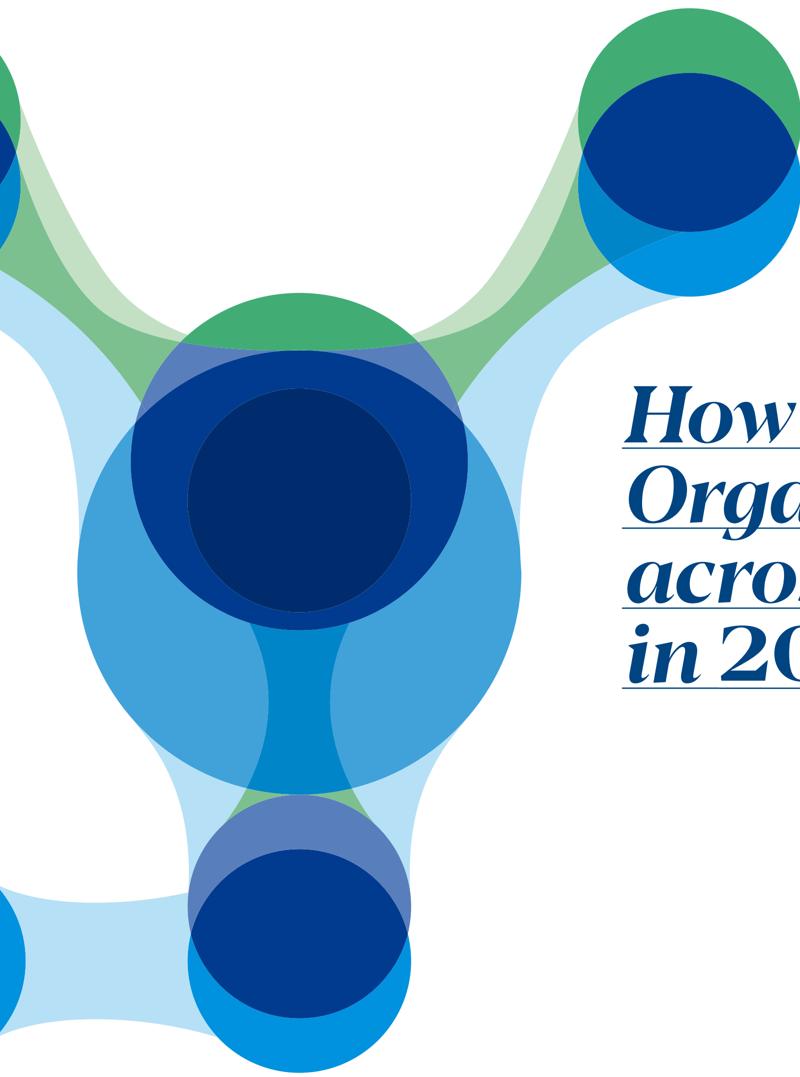
Emerged as a major supplier of Chlorophenols in India and the global markets. Acquired Amarjyot Chemicals, a large specialised chemical maker and supplier, with factories in Vapi, Jhagadia and Ahmedabad. Added hydrogenation, sulphonation and nitration to the chemistry competence basket

2018

Environmental approval to increase chlorophenol capacity to 21,600 MTPA

2017

Acquired Abhilasha Tex Chem Pvt. Ltd; added ammonolysis to the product portfolio



How Valiant Organics performed across each quarter in 2022-23

The financial health of our business

Year, 2022-23	Quarter one	Quarter two	Quarter three	Quarter four
Revenues (₹ Crore)	236	233	218	228

Year, 2022-23	Quarter one	Quarter two	Quarter three	Quarter four
EBIDTA (₹ Crore)	27	32	29	45

Year, 2022-23	Quarter one	Quarter two	Quarter three	Quarter four
Profit after tax (₹ Crore)	14	17	19	26

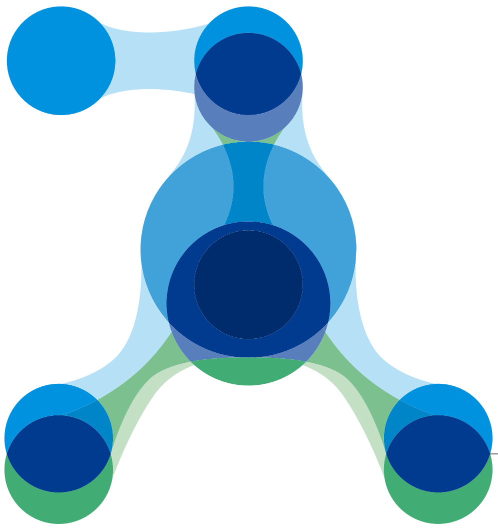
The financial hygiene of our business

Year, 2022-23	Quarter one	Quarter two	Quarter three	Quarter four
EBIDTA margin (%)	11.59	13.66	13.30	19.65

Year, 2022-23	Quarter one	Quarter two	Quarter three	Quarter four
Interest cover (x)	7.71	10.70	8.68	12.66

Year, 2022-23	Quarter one	Quarter two	Quarter three	Quarter four
Interest outflow (₹ Crore)	2.71	2.34	2.55	2.94

1. EBITDA Margin = Earnings Before Interest, Tax, Depreciation & Amortisation (Numerator)/Total Revenue (Denominator)
2. Interest cover = Earnings Before Interest & Tax (Numerator)/Finance Cost (Denominator)
3. Interest outflow = Finance cost



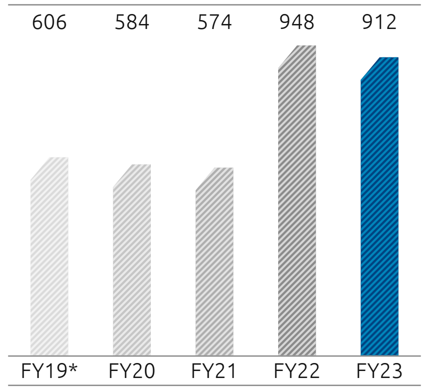
How we have grown over the years

*Figures are based on the IGAAP accounting standards and hence are not directly comparable with the previous years

#Net Worth = Total Equity - Equity Instruments through Other Comprehensive Income - Capital Reserve - Employee Stock Option Plan

Revenues from operations

(₹ Crore)



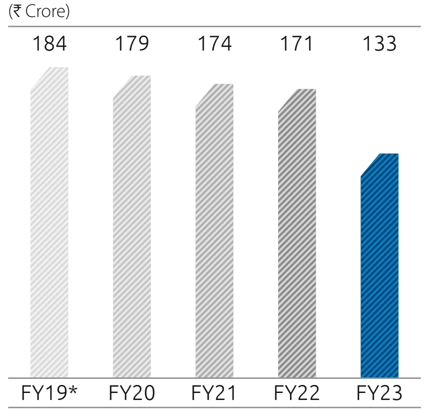
Meaning
Revenue is the total income generated from the sale of goods related to the Company's operations.

Importance
Revenue is the value of all sales of goods and services recognised by the Company during a financial year.

Performance
The Company reported ₹912 Crore of revenue in FY 2022-23, which was 3.88 % lower than the previous year mainly on account of lower demand for dyes & pigments products as well as the drop in chlorophenols owing to the fire incident.

EBITDA

(₹ Crore)



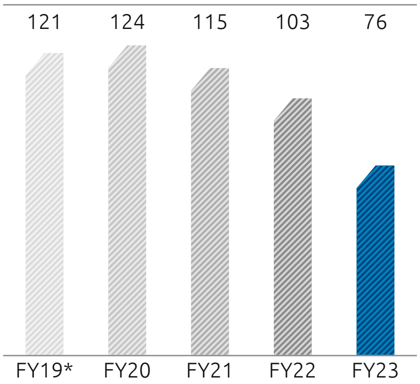
Meaning
EBITDA is an acronym that refers to the earnings of a Company before interest, tax, depreciation and amortisation expenses are deducted.

Importance
Investors use EBITDA as an indicator to measure the profitability and efficiency of a Company and compare it with similar companies.

Performance
The Company reported ₹133 Crore EBITDA in FY 2022-23, which was 22.09% lower than the previous year on account of a weakness in realisations in addition to the reduced demand from dyes and pigments products and the chlorophenol plant incident.

Net profit

(₹ Crore)



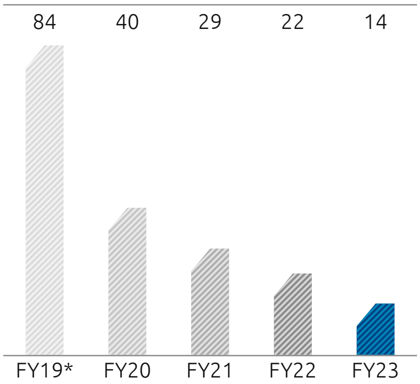
Meaning
The amount left after a Company has paid all of its operating and non-operating expenditures, other liabilities and taxes is known as profit after tax. This profit is either given to the entity's shareholders as dividend or held in reserve as retained profit.

Importance
Profit after tax indicates the actual profit that a Company has generated during a financial year. It indicates the cost structure, business model and overall competitiveness.

Performance
The Company reported ₹76 Crore of PAT in FY 2022-23, which was 26.58% lower than the previous year due to the overall reduction business during the year.

RoCE

(%)



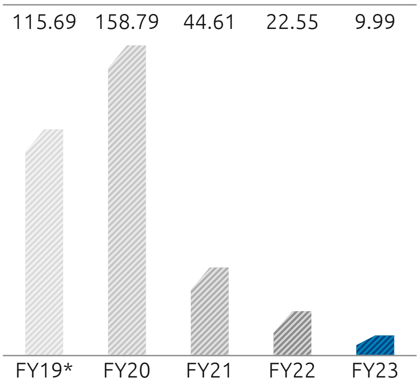
Meaning
Return on Capital Employed (ROCE), a profitability ratio, measures how efficiently a Company is using its capital to generate profits.

Importance
The return on the capital employed metric is considered one of the best profitability ratios and commonly used by investors to determine whether a Company is suitable to invest in or not.

Performance
The Company reported a 14% Return on capital employed for FY 2022-23, which was lower on account of a higher capital employed coupled with a lower net profit.

Interest coverage ratio

(x)



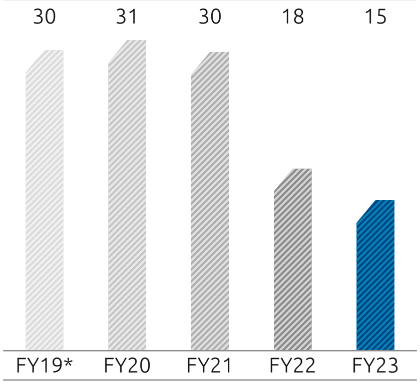
Meaning
The Interest Coverage Ratio (ICR) is a financial ratio used to determine how well a Company can pay interest on outstanding debt.

Importance
The interest coverage ratio is commonly used by lenders, creditors and investors to determine the riskiness of lending to the Company.

Performance
The Company reported a safe and attractive interest coverage ratio of 9.99x for FY 2022-23. However, the lower ratio was on account of a reduced EBIT for the year while the higher finance cost was on account increasing benchmark rates.

EBITDA margin

(%)



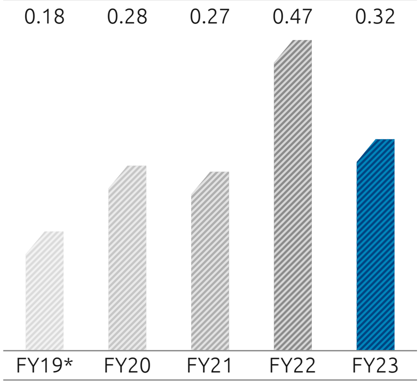
Definition
EBITDA margin is a profitability ratio used to measure a company's competitiveness and operating efficiency.

Why is this measured?
The EBITDA margin provides a perspective of how much a company earns (before accounting for interest, depreciation and taxes) on each rupee of sales.

Performance
The Company reported a 335 bps decline in EBITDA margin due to a reduced topline on account of price corrections, lower utilization due to reduced demand and the fire incident.

Gearing

(X)



Definition
This is the ratio of debt to net worth.

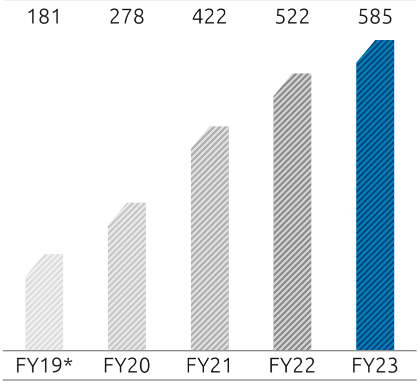
Why this is measured
This is one of the defining measures of a company's financial health. This indicates the ability of the company to remunerate shareholders over debt providers (the lower the gearing the better).

What this means
This indicates whether the company enhances shareholder value by keeping the equity side constant while moderating debt.

Value impact
The Company's gearing stood at 0.32 in FY 2022-23, due to a repayment of term loans and reduced short-term borrowings.

Net worth#

(₹ Crore)

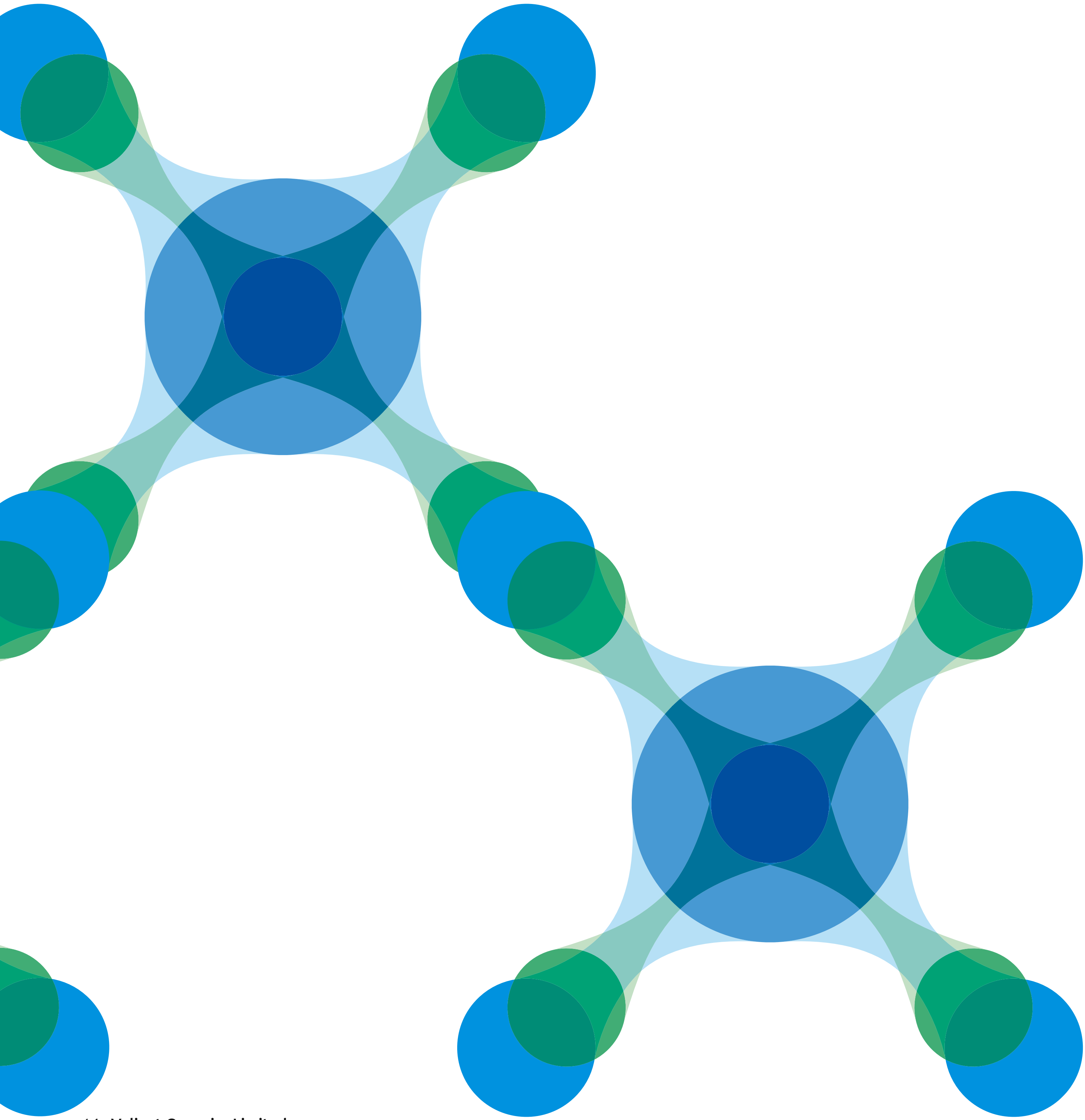


Definition
This is derived through the accretion of shareholder owned funds.

Why is this measured?
Net worth indicates the financial soundness of your Company – the higher the better.

What does it mean?
This indicates the borrowing capacity of the Company and influences the gearing (which, in turn, influences the cost at which the Company can mobilise debt).

Value impact
Your Company's net worth increased over the year by 12.11%.



PART TWO

EXTENSIVE

MANAGEMENT
PERSPECTIVES
WITH INSIGHTS

MANAGING DIRECTOR'S REVIEW

As capacity utilisation trends higher, capital efficiency will translate into enhanced value

Arvind Chheda,
Managing Director

Overview

The principal message that I need to communicate is that the last financial year was the possibly the most challenging in our existence. During this year, your company reported ₹912 Crore in operating revenue, ₹133 Crore in EBITDA, interest cover of ₹9.99x and a post -tax bottom line of ₹76 Crore.

The performance of your company during the last financial year validated what we always communicated: that during the worst of market cycles your company would continue to remain liquid, profitable and sustainable.

If this is how your company could have performed in its most challenged year, then it is indicative of the competitive advantages seeded into its business to remain sustainable across market cycles.

Performance review

At the start of the last financial year, we had sent out a message of optimism. Your company had completed capital expenditure programmes, its manufacturing capacities possessed large operating headroom and some selective capital expenditure programmes were underway to be commissioned in FY 2022-23.

The global outlook appeared reasonable; emergence from the pandemic provided the optimism that demand resurgence would sustain. Even though monetary tightening had been proposed by some economies to moderate inflation, there was a perception that the landing would be soft and demand would be protected.

These perceptions were affected by unforeseens in the form of the Ukraine-Russia war that extended through the year and disrupted global energy supply chains, increased the cost of oil, enhanced raw material costs and increased inflation. Besides, a sustained pandemic lockdown in China affected the supply chain coming out of that country, increasing the cost of critical raw materials used in our business.

Thereafter, a fire in our chlorination unit in June 2022 had an extended impact as the customers sought alternative suppliers and it was some time before we could bring that unit back on rails. The unexpected incident at that unit moderated revenues and eroded our EBIDTA to a significant extent. Besides, there were operational issues in our PAP unit, which affected productivity.

During the second half of the last financial year, a sharp slowdown in the global textile sector affected a part of our business that serviced the dyes and pigments industry (in turn a supplier to the textile sector). There was a sharp decline in the demand and realisation of some of our products, a double impact that affected our capital efficiency during the year under review. Our Return on Capital Employed lost 800 bps to 14% and our EBITDA margin lost 335 bps to 14.53%.

Silver lining

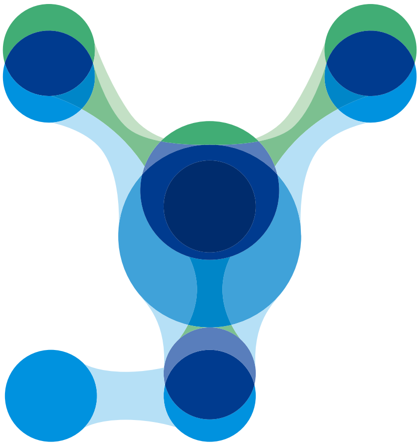
At Valiant, we believe that a faithful index of our performance is derived from how we performed compared with peer companies. Our performance was creditable; there was no impairment of our Balance Sheet; on the contrary, we added ₹585 Crore in net worth; we finished the year with a debt-equity ratio of 0.32, indicating that much of our business continues to be driven by net worth.

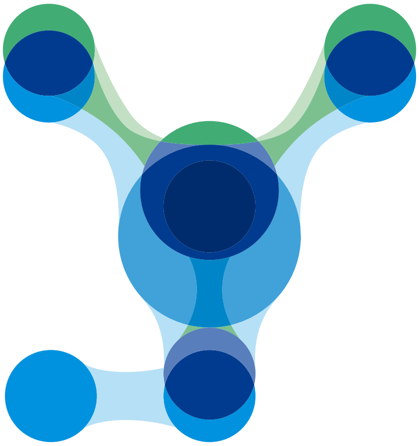
Much of the resilience of our business was derived from our governance. Over the years, the essential feature of our governance commitment was the priority to run a relatively safe business that would protect our fundamentals even during the most challenging downtrend. This stability was derived from broadbased downstream sectors across which our products are sold. We increased PAP sales to the pharmaceutical sector during the last financial year by 68%, helping us recoup a part of the decline arising out of a weak textile sector.

The second feature of our business model that was validated during the last financial year was sales integration. During the last few years, we deepened product linkages – one end product serving as the raw material for another (either within the company or within the Group to which we belong). For instance, around 40% of the company's production was marketed to a prominent Group company; around 40% of our raw material requirements were sourced from this Group company. Similarly, more than 85% of the company's PAP was sold to a Group company and the entire production of pharma intermediates to another group company. Of the five principal raw materials consumed by the company,

585

₹ Crore Net worth stood at FY 2022-23.





four were procured from within the Group. It would be relevant to indicate that all the sales and procurement from Group companies were conducted at an arm's length.

Over the years, this integration translated into a calibrated approach to growing the business. This ensured that a majority of our sales were directed within the Group, protecting our exposure to the open market. The result is that each time your company planned a new product or expanded existing capacity, it did so on the basis that its sales profile was relatively secured within the Group. Even for sales made to non-Group customers, the company enjoyed relationships with serious long-term quality-driven buyers. By the virtue of these realities, the company's sales engagements remained virtually annuity in nature, enhancing revenue visibility.

The result of this integration translated into value-addition; during the last financial year when supply chains were disrupted, this Group integration ensured the availability of materials that ensured that our production remained operational, and we could service downstream customer needs on schedule. By being able to provide materials on time and in full, we protected our brand with a complement of quality and dependence.

Optimism

The improvement in the company's performance in the last quarter of the last financial year indicates its resilience and capacity to perform better during the current financial year. Your company reported revenues of ₹228 Crore and an EBIDTA of ₹45 Crore in the fourth quarter of FY 2022-23; these numbers accounted for 25% and 34% of the company's annual performance, indicating that the worst is possibly nearing its end. The additional slowdown in the agrochemical space and with significant price corrections being observed across the product portfolio, we are being wary of the current scenario but optimistic that once stable, we will be able to bounce back.

The company's optimism is derived from the robustness of its business model. The company has been largely invested; it invested about ₹387 Crore in the three years ending FY 2022-23 and the time has come for us to focus completely on monetising our installed capacities to the fullest. The company is attractively placed: the customer attrition arising out of the fire at the chlorination plant was recovered by the third quarter. The company retained its position as the largest PAP manufacturer in India (out of three manufacturers); the company retained its position as the only chlorophenol manufacturer in India in the chlorination segment. These realities indicate that the challenges of the last year notwithstanding, the company's competitive position remains unaltered.

The company's product mix continued to be a prudent mix of high volume-reasonable margins coupled with high margins-reasonable volumes. This volume-value balance empowers the company to amortise fixed costs effectively and generate blended EBITDA margins of around 20% in a stable market environment.

Despite having engaged in the most aggressive capacity building programme in the last three years, entailing a capital expenditure of ₹387 Crore, your company remains extensively under-borrowed. A gearing of 0.32x as on March 31, 2023 provides room for responsible borrowing should circumstances warrant; the fact that the company reported a cash profit of ₹76 Crore in a challenging year indicates the adequacy of captive investable resources without taking recourse to debt.

Priorities

There is a singular priority facing the business: increase capacity utilisation with the objective to generate a 20-30% growth in the top line. We believe that given a growth in scale, the company should be able to report an appreciable increase in margins. The commissioning of a pharmaceutical intermediates plant in February 2023 should generate attractive revenues through the current financial year.

The company intends to invest ₹80-100 Crore in capital expenditure during the current financial year in products marked by a ready market and value-addition. This investment is expected to be funded through accruals.

The company expects the slowdown overhang to extend into the first half of the current financial. There is a possibility of a demand revival from the second half, strengthening the offtake of PAP; the full impact of the investments made in PAP and pharmaceutical intermediates are expected to reflect in FY 2024-25.

The company commissioned its 2.2 MW in renewable energy in June 2023, helping moderate its energy costs and addressing its responsibility as a corporate citizen.

I must assure shareholders that the company is competitively placed to address emerging realities. We believe that as capacity utilisation trends higher, capital efficiency will translate into enhanced value in the hands of those who own shares in our company.

Arvind Chheda,
Managing Director

The company has been largely invested; it invested about ₹387 Crore in the three years ending FY 2022-23 and the time has come for us to focus completely on monetising our installed capacities to the fullest

STRENGTHENING OUR SUSTAINABILITY

How we have created a financial foundation for sustainable growth

Our priorities	1 Create a Balance Sheet that is perpetually growth-prepared	2 Engage in a range of RoCE-accretive initiatives
3 Enhance working capital efficiency through superior terms for trade	4 Pare long-term debt; stay under-borrowed	5 Widen the value chain (backward and forward integration)

Overview

In a world where realities transform with speed, there is a premium on protecting the financials from impairment. The greater the capacity to absorb adversities during a downtrend and the ability to rebound with speed following sectorial recovery the higher the possibility that the Company could attract stakeholder respect and corresponding valuation.

This capacity has been secured through over-riding policies that remain consistent through market cycles. A policy-driven approach enhances strategic stability and prevents tactical responses that could be counter to the company's established direction.

Strategic direction

The company's strategic direction has been influenced by the following priorities:

Import substitutes: The Company focuses on the manufacture of specialty chemicals that are not being manufactured in India and whose demand could progressively increase. As an ongoing discipline the company has shortlisted products marked by these realities, creating a prospective products pipeline. The company has factored variables like freight rates, available resources, supply chain stability and a prospective demand appetite across the foreseeable future. This perspective provides the company with a long-term growth runway.

Integration: The Company believes that product manufacture needs to be supplemented by the capacity to manufacture resources and ensure that the product becomes a raw material for another product manufactured by the company (or the Group). Through this approach the Company has extended the issue of profitability from a product to the value chain; it has enhanced prospects of sustainable profitability for an entire 'family of products', strengthening financial stability.

Value-addition: The Company has selected to manufacture niche specialty chemicals, protected from rampant competition, aggressive pricing and progressive commoditization. By the virtue of this prudent space selection, the company is attractively placed to enhance product value, strengthening realisations and capital efficiency across market cycles. It would be relevant to indicate that around 40% of the company's resources are accessed from within its Group and about 40% of sales are made within its Group, enhancing financial visibility and stability.

Capacity adequacy: The Company has, over the years, commissioned manufacturing capacities based on the demand-supply gap visibility of the products, ensuring that it is able to capitalise commensurately with the evident opportunity. The company sizes capacities in line with the prevailing demand outlook of the next few years with a provision for space that makes it possible to deploy surpluses generated from the initial capacity creation round into capacity expansion, moderating any probable debt load on the company's Balance Sheet.

Terms of trade: The Company selects to manufacture products marked by a growing demand than supply, ensuring that the terms of trade (receivables) remain in the company's favour. This ensures adequate liquidity to address a growing existing business on the one and make capital investments in enhancing capacity on the other.

Credit rating: The Company recognizes that the credit rating comprises a consolidated report card appraisal of its financial strategy. The company was rated at CRISIL A/STABLE for term debt during the last financial year.

Liquidity: The Company is committed to utilise business liquidity to work with an under-borrowed Balance Sheet. At the close of the last financial year, your company's debt-equity ratio was 0.32 (0.47 at the close of FY 2021-22); this gearing is considered moderate enough to ensure that the company's financials remain relatively unimpaired during a sectorial downtrend. The fact that the company has addressed about 79% of its gross block growth through earned surpluses in the three years ending FY 2022-23 indicates fiscal sustainability.

Operational competitiveness

Valiant secured its financial foundation during the year under review despite challenges.

The Company widened its presence across different chemistries with the objective to broadbase risk, enhance operating flexibility and strengthen sustainability. The Company's performance of FY 2022-23 was creditable, capitalising on the China + 1 factor, larger revenues from new products, increased volume and respectable realisations.

This improvement was achieved in the face of challenges (social, political and economic): commodity inflation, shortage of shipping containers, high oil prices, increased logistics costs and the fallout of the Ukraine-Russia war. The Company's biggest achievement was its capacity to protect its market rank and share. The Company protected its customer relationships through superior service (on-time and in full delivery), deepening its recall for dependability.

Revenue growth and mix

Valiant reported degrowth during the year under review. Revenues degrew by 3.89%, EBITDA decreased by 22.09% and profit after tax weakened by 26.56%. Exports accounted for 6.43% of revenues, growing by 9.56% during the year under review. However, in contrast, the Company's domestic revenues remained flattish, while deemed exports de-grew by ~37.62%.

At Valiant, our top-line growth is likely to be attractively generated through Para Amino Phenol (PAP). Revenues from PAP accounted for about 20% during the year under review and this proportion is projected to increase to about 30-35% in the next two years, strengthening prospects.

Capital efficiency

At Valiant, we aspire to generate a return higher than what our risk partners (shareholders) would generate if they invested in alternative asset classes. During the year under review, the Company reported a ROCE of 14%, (18% in FY 2021-22), which was higher than the average debt cost incurred by the Company or the prime lending rate.

Credit rating

Valiant demonstrated its commitment to attractive margins; strengthen gearing and moderate long-term debt. However, while the Company's short-term debt decreased by about ₹60 Crore, its finance cost increased by ₹4 Crore in view of the rising interest rates within the Indian economy. The increased cost was well below the increase in interest rates within the economy on account of the Company's credit rating (the higher the rating, the possibility of a lower cost), which was CRISIL A/Stable for long-term debt and assigned at CRISIL A1 for short-term debt (first full year with this superior rating).

Capital expenditure

Valiant invested about ₹107 Crore in enhancing its manufacturing capacity (₹123 Crore in the previous year). The capital expenditure addressed redevelopment at the Ahmedabad plant, new land acquisition in Koliyad, Gujarat, pharmaceuticals intermediaries project along with other debottlenecking and plant improvements.

Stable customers and vendors

The Company generated a majority of its revenues from customers of two years or more. Sales to Group companies accounted for about 40% of the company's revenues during the last financial year, insulating the Company from a direct exposure to end markets. Besides, around 40% of the company's procurement was made from group companies, assuring the company of timely resource availability. The company's revenue visibility was protected by its 'sell and make' approach as opposed to a 'make-to-sell' business (which could have increased inventory). The company possessed an attractive and growing order book during the last financial year.

Capital allocation discipline

The Company will seek to grow its business through increased capacity utilisation, larger manufacturing proportion of value-added products, selective capacity debottlenecking and increased product integration within the existing products family.

The Company remains committed to fiscal discipline, marked by stringent working capital management. The company will reinforce backward integration through raw material sourcing from within the company or Group and counter inflation through prudent procurement and inventory management practices. The Company will also leverage its A1 credit rating to mobilise short-term debt at an affordable cost.

How we strengthened our financial discipline

Strategic clarity

Product selection

Value-addition

Backward and forward integration

Access to Group capability

Credit rating

Disciplined capital allocation

Enduring customer relationships

PART THREE

CULTURE OF EXCELLENCE

INTEGRATED VALUE-CREATION

At Valiant Organics, we have deepened our commitment to enhance stakeholder value

A report on how we have institutionalised our value-creation process

THE **SCORECARD**

Employee value
₹42 Crore, salaries, FY 2022-23
(₹34 Crore FY 2021-22)

Customer value
₹915 Crore, revenues, FY 2022-23
(₹952 Crore FY 2021-22)

Vendor value
₹670 Crore purchases, FY 2022-23
(₹710 Crore FY 2021-22)

Shareholder value
₹1,132 Crore market valuation, March 31, 2023
(₹2,498 Crore, March 31, 2022)

Community value
₹3.25 Crore spending, FY 2022-23
(₹3.42 Crore, FY 2021-22)

Exchequer value
₹24 Crore tax payment, FY 2022-23
(₹34 Crore, FY 2021-22)

Overview

There is a growing premium on the capacity to enhance value for all stakeholders. As a result, the capacity to enhance value has extended from conventional measures like an increase in revenue or profit to intangible measures that establish holistic value creation. Besides, the description of a stakeholder has evolved from one who owns shares in a company to one who is influenced by any aspect of the company's operations. The result is that stakeholder value creation has emerged as a holistic and comprehensive means of appraising the effectiveness of modern-day organisations.

The Integrated Value Creation Report draws on diverse realities (financial, management commentary, governance, remuneration and sustainability reporting) and explains how value is enhanced for diverse stakeholders (employees, customers, suppliers, business partners, local communities, legislators, regulators and policy makers).

The extensive input and outcome explain why and how an enterprise is wired for holistic sustainability across market cycles. This makes the communication of this Integrated Value Creation Report imperative in an annual report.

The Company invested in an approximately 68,000 sq. m land parcel in Koliyad, Gujarat, redeveloped the Ahmedabad facility to include more products and expand further into pharmaceuticals sector through the pharma intermediaries project.

Our operating platform

Strategic direction

Past acquisitions, brownfield expansions and the PAP project have enhanced organizational scale

Each plant operates as a standalone profit centre, enhancing accountability

Manufacturing units are aligned around an organizational direction

Knowledge

Mentorship by Aarti Group of Companies has helped enhance non-conflicting competitiveness

Established capabilities in three key chemistries (chlorination, hydrogenation and ammonolysis), enhancing economies

Focus on adjacent products within the same product 'family'

Customers

Addressing the downstream needs of sectors core to enhanced lifestyles

Addressing downstream spaces that are import-dependent and growing

Addressing prominent players in sectors like agrochemical, dyes/ pigments and pharmaceuticals

Capital expenditure

The Company invested in an approximately 68,000 sq. m land parcel in Koliyad, Gujarat, redeveloped the Ahmedabad facility to include more products and expand further into the pharmaceuticals sector through the pharma intermediaries project

The new location is the midst of Gujarat's chemical sector district and is expected to be commissioned in the next few years

The Ahmedabad facility is expected to be become fully operational by March 2024

Integration

The Company intends to strengthen its backward integration (from about 50% of raw materials currently being insourced)

Nearly 85% PAP sales are made to Valiant Laboratories Limited (Group Company) to manufacture paracetamol

Extensive backward and forward integration ensures revenue cum profit visibility

Balance Sheet

The Company is attractively under-borrowed (gearing 0.32x), FY 2022-23

The Company intends to become near-debt-free in three years

This is likely to strengthen the company's credit rating

How we are strengthening our business sustainability

Strategy

- We manufacture import substitution products, strengthening supply chain proximity
- We enhance environment responsibility across processes and products
- We provide an integrated portfolio with backward and forward linkages

Procurement economies

- We procure quality resources through knowledge and relationships
- We procure economically through better terms of trade
- We procure sustainably (preferably from within the Company or Group)

Manufacturing excellence

- We manufacture across six plants with a focus on enhanced asset utilisation
- We embrace and invest in cutting-edge technologies

Brand and customer capital

- We service the rising quantity needs of downstream customers
- We reinforce existing customer engagements, enhancing revenue visibility
- We provide a superior price-value proposition (over imports)

Financial structure

- We moderate debt / debt cost; we seek extended debt repayment tenors
- We focus on capital efficiency through working capital efficiency
- We focus on products marked by superior profitability

Environment integrity

- We seek to moderate resource consumption per unit of output
- We run operations that protect the environment balance
- We run operations benchmarked around compliance standards

People competence

- We provide an environment that enhances talent productivity
- We deepen investments in knowledge, experience and passion
- We are deepening an environment that enhances outperformance

Community support

- We provide community support through CSR engagement
- We focus on integrated community development
- We have enhanced the sustainability of our business for stakeholder benefit

Our sustainability is derived from a favourable sectorial reality

Rising population

In FY 2022-23 India surpassed China to become world's most populous nation with 142.86 Crore people, catalysing the prospects of the specialty chemicals sector

Urbanisation

India's rapid urbanisation strengthens the prospects of downstream sectors indirectly served by Valiant.

Demographic dividend

India's young population, with a median age of 28 (2022), fuels an indirect demand for the Company's products.

Growing replacement demand

Rising disposable incomes in India uplift downstream sectors, which are in some wats serviced by Valiant, improving their standards.

An uptick in domestic consumption

India's domestic consumption of chemicals is set to rise significantly, accounting for over 20% of global growth in the next two decades. The projected increase in demand is substantial, expected to reach US$ 1,000 Billion by 2040 from US$ 180 Billion in 2021.

(Source: Mckinsey)

Shifting global supply chains

India's chemical industry stands to gain from changing consumer preferences towards bio-friendly products.

Driving exports

Projected export growth for India's chemical industry is expected to reach US$ 145 Billion by 2040, with a CAGR of 9.5-10%. Within the industry, only specialty chemicals are anticipated to be net exporter with net exports predicted to increase around tenfold from US$ 2 Billion in 2021 to US$ 21 Billion by 2040.

(Source: Mckinsey)

Segment-wise value proposition

Specialty chemicals: The specialty segment in India's chemical industry offers significant opportunities for building scalable businesses. Sixteen sub segments within the specialty chemicals space exhibit cost competitiveness and market attractiveness. Agrochemicals (user of the company's products) are expected to account for almost 40% of India's overall chemical exports, with a market size of US$ 5.5 Billion and a CAGR of 8.3%. Additionally, the food and feed ingredient chemicals sub segment, valued at US$ 3 Billion, is growing at a CAGR of 7 to 9%.

(Source: ibef.org)

Inorganic chemicals: Although India faces challenges regarding feedstock availability for inorganic chemicals; the high demand for these chemicals presents attractive market opportunities. Six sub segments within the inorganic chemicals segment show potential for building large-scale businesses. Fluorine, with a projected CAGR of over 10%, is expected to become a US$ 4.2 Billion market by 2040, driven by demand from industries such as pharmaceuticals and agrochemicals. Sodium and caustic, with a CAGR of nearly 10%, could reach markets worth US$ 13 Billion and US$ 11.5 Billion, respectively, by 2040.

How Valiant Organics engages with all its stakeholders

We recognise the importance of fostering and maintaining strong relationships with key stakeholders through transparent, sincere, effective and growing engagements.

Stakeholder group	Customers	Government, competent authorities
Valiant Organics' considerations	Our products are intended to enhance effectiveness and economy of use We provide products that plug the unmet needs of customers (cost, effectiveness or import substitution)	Our ability to produce, market and distribute products is dependent on regulatory approvals by the concerned government authorities
Stakeholder interests	Quality, availability, accessibility and affordability Consistent, reliable and on-time product supply Impact of product recalls and any quality or efficacy concerns that may arise	Legal and regulatory compliance Social and environmental impact of operations Tax revenues and investments
How we engage	Engage with primary buyers (trade partners) and customers Transparent communication with customers through commercial discussions and meetings	Audits of manufacturing sites by regulatory authorities to ensure Good Manufacturing Practice (GMP) and regulatory compliance Participation in industry bodies Reports and interactions aimed at confirming legislative and regulatory compliance policies and processes
Capitals impacted	Intellectual Manufactured	Manufactured Social & Relationship

Employees	Suppliers	Investors and funders
Employees play a critical role in ensuring that we achieve strategic objectives. We seek to understand the needs, challenges and aspirations of this stakeholder group	These stakeholders play an important role in enabling us to meet our commitments to customers	As providers of capital, these stakeholders require to be kept informed of material developments impacting the Company and its prospects
Job security Equitable remuneration, and benefit structures Diversity and inclusion Reputation as an ethical employer Employee health, safety and wellness	Fair engagement terms and timely settlement Ongoing communication on our expectations and service levels provided Fair and timely payment	Growth in revenue, EBITDA and returns on investment Appropriate management of capital expenditure, working capital and expenses Gearing, solvency and liquidity Dividend payout Security over assets, ethical stewardship of investments and good corporate governance Fair executive remuneration
Direct engagements by supervisors and business management Induction and internal training Employee wellness campaigns	Conducting various training programs	Dedicated investor and analyst presentations Stock exchange announcements, media releases and published results Annual General Meetings Investor relations section of Valiant Organics' website
Human	Social & Relationship Financial	Financial

Chlorination

Overview

- The process of incorporating chlorine or chlorine compounds into a molecule to achieve a specific desired result is commonly referred to as chlorination.
- In FY 2022-23, the revenues generated in chlorination accounted for approximately 20% of the total revenues.
- The Company's Sarigam plant focuses on chlorination and has a capacity of 18,000 MTPA, featuring a zero liquid discharge facility and employs automated distributed control systems, minimizing manual interventions.
- With over 30 years of expertise in Chlorophenols, the company has established market leadership and strong, long-term relationships with renowned global customers.
- Approximately 50% of our production is exported to key markets in Europe, Japan, China and others.
- Our products are tailored to meet the specific requirements of our clients.
- The company is benefitting from the favorable impact of the China+1 strategy.
- Our focus lies in addressing the reality of imported products.

Core offerings

- Para ChloroPhenol (PCP)
- Ortho ChloroPhenol (OCP)
- 2,4 Di Chlorophenol (2,4 DCP)
- 2,6 Di ChloroPhenol (2,6 DCP)
- 2,4,6 Tri ChloroPhenol (2,4,6 TCP)

Sectors addressed

- Agro-chemicals
- Cosmetics
- Pharmaceuticals

Ammonolysis

Overview

- An ammonia-based chemical reaction performed under high pressure within an autoclave is known as ammonolysis.
- Constituted 29% of revenue in the fiscal year 2022-23.
- We enhanced our ammonolysis capabilities through strategic acquisitions of Abhilasha Tex Chem Pvt. Ltd. in 2017 and Amarjyot Chemicals Ltd. in 2019.
- Our operations span two plants in Tarapur and Vapi.
- The Company possessed a significant capacity of 16,600 MTPA for this process, making it one of the largest in India.
- We provide products to leading dye manufacturers.
- We hold a prominent position in the manufacturing of PNA (Para Nitro Aniline).

Core offerings

- Para Nitro Aniline (PNA)
- Ortho Chloro Para Nitro Aniline

Sectors addressed

- Dyes
- Pigments

Hydrogenation

Overview

- A chemical reaction involving the combination of molecular hydrogen (H_2) with another substance or element, typically facilitated by a catalyst, is known as hydrogenation.
- Constituted 45% of the total revenue in the fiscal year 2022-23.
- The company has two facilities situated in Jhagadia.
- Unit 1 possesses a capacity of 28,800 MTPA and caters to proprietary production and job work requirements for major clients.
- Unit 2 is presently engaged in the production of PAP (Para Amino Phenol) and is currently at the initial stages of Pharma Intermediates project.
- Ventured into backward integration of Ortho Anisidine (OA) and new production addition of Para Anisidine (PA) in FY 2020-21.
- The successful ramp up of PAP production will result in increased volumes.
- Achieved the distinction of being among the pioneering companies to successfully commercialize Para Amino Phenol (PAP).

Core offerings

- Ortho Anisidine
- Para Anisidine
- IPPCA
- Meta Chloro Aniline
- Para Amino Phenol

Sectors addressed

- Dyes
- Pigments
- Pharmaceuticals
- Agro-chemicals

Other chemistries

Acetylation

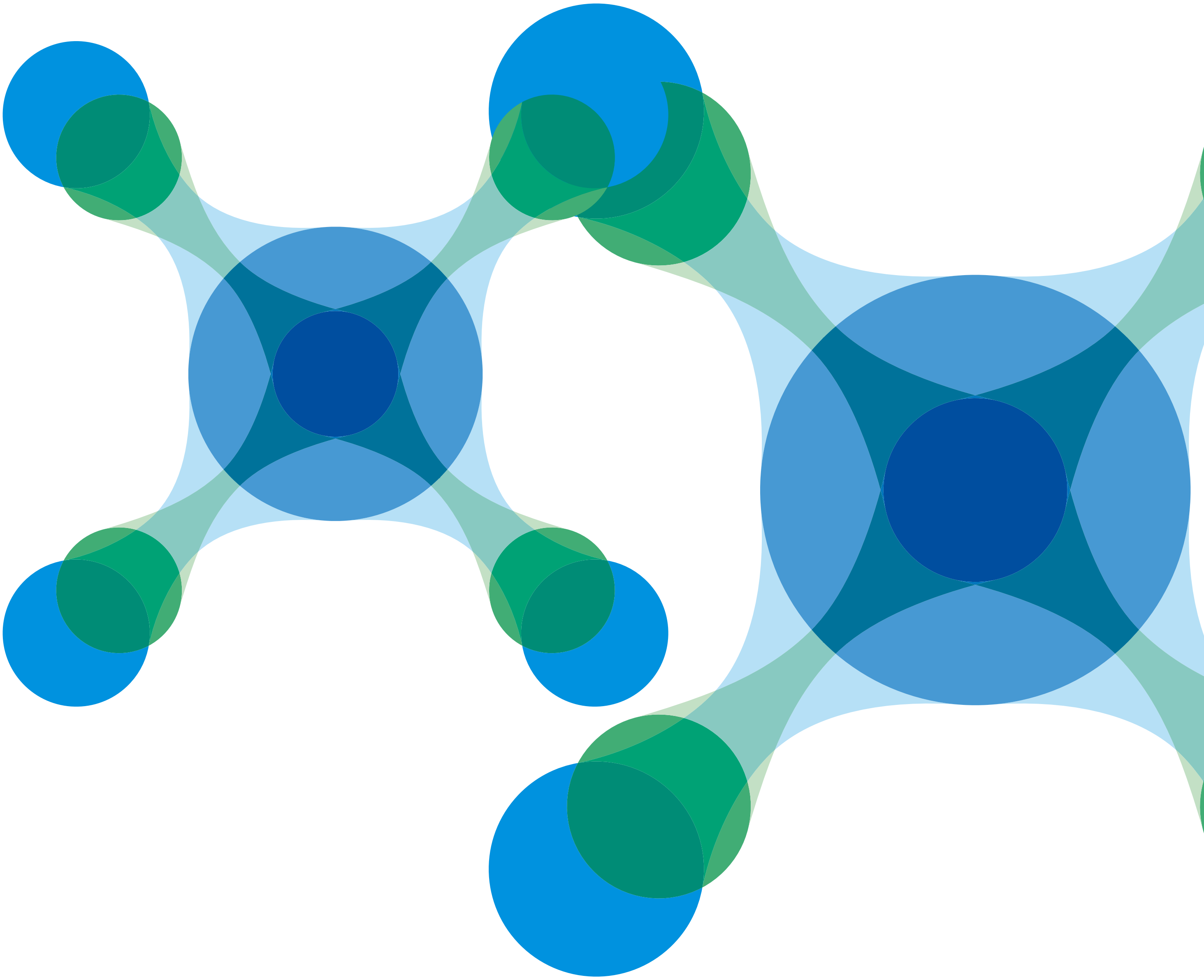
- A chemical reaction that incorporates an acetyl functional group into a compound is known as acetylation.
- Acetylation processes are performed at our Ahmedabad facility with a capacity of 1,800 MTPA. A prominent product within this segment is '6 Acetyl Ortho Aminophenol Para Sulfonic Acid', widely utilised in dye intermediates.
- The company is also engaged in job work services and assists in various conversions under annual contracts.

Sulphonation

- In an electrophilic aromatic substitution, an organic reaction occurs where a hydrogen atom on an arene is substituted by a sulfonic acid functional group. This process is known as sulphonation.
- The sulphonation process is conducted at our Ahmedabad facility. The facility produces key products such as Ortho Toluidine 5 Sulfonic Acid (OT5SA), 2-Amino-5-Methyl benzenesulfonic Acid (4B Acid), and 2-Amino-4-Chloro-5 Methyl Benzenesulfonic Acid (2B Acid). These products serve as intermediates for dyes and pigments.

Methoxylation

- Methoxylation refers to the chemical process of introducing a group into a molecule. The term is derived from 'methoxy,' which is a functional group consisting of a single oxygen atom bonded to a carbon atom that is itself bonded to three hydrogen atoms.
- Ortho Nitro Anisole (ONA) and Para Nitro Anisole (PNA) are derived from ONCB and PNCB, respectively. These products are internally utilised (via hydrogenation) for the production of Ortho Anisidine (OA) and Para Anisidine (PA).
- The hydrogenation process is implemented at Unit 1 of our Jhagadia facility.



PART FOUR

MAXIMISING

THE PROSPECTS OF OUR BUSINESS

Global overview

The global specialty chemicals market reached a value of US$ 836.94 Billion in 2022 and is predicted to hit US$ 1151.32 Billion by 2030, growing at a 4.1% CAGR from 2022 to 2030. Demand for construction, water treatment, and electronics chemicals is rising due to technological advancements and trade openness, while specialty chemicals are expanding due to increased requirements in pharmaceuticals, additives, flavors, and fragrances. Developed countries' higher consumption of processed foods is boosting demand for unique flavoring agents, driving market growth. Industries like automotive, electronics, construction, medical, and packaging are significantly contributing to the increased demand for specialty chemicals.

The oil price escalation due to European geopolitical tensions led to higher chemical production expenses in FY 2022-23. The specialty chemicals sector faced notable effects from this oil price surge. Manufacturers encountered elevated chemical costs and a decline in profits due to heightened energy expenses. Disruptions in the supply chain, especially in Europe, affected the import and export of raw materials, impacting the specialty chemical market.

The demand for specialty chemicals has risen in ASEAN, particularly China and India, due to enhanced industrialization. The Asia Pacific region has become a preferred destination for specialty chemical manufacturers, driven by the growth of construction and infrastructure projects.

The inflection point in this sector has been marked by the world seeking to develop a supply chain alternative beyond China. A supply disruption in China caused global end-user industries to diversify their vendor base, largely towards Indian players. With global companies seeking to de-risk their supply chains, excessively dependent on China, the Indian chemical sector is poised for significant growth.

Diversification

A significant opportunity is beginning to unfold for Indian speciality chemical companies: considering China's share of around 20% in the global specialty chemical industry (valued at US$ 800 Billion), even a 5% shift towards India could create an opportunity worth US$ 8 Billion for Indian specialty chemical companies.

The ongoing Russia-Ukraine conflict, which is reshaping the global supply chain, has catalysed this shift. It has enhanced demand for specialty chemicals from India; the depreciation of the Indian rupee has enhanced competitiveness of India's specialty chemicals sector. Consequently, the Indian specialty chemicals industry is positioned to capitalize on favorable global circumstances and increase its global market share from 4% to 7-8% in the coming years.

Distributed manufacturing systems

The idea of distributed manufacturing systems is gaining appeal. Shifting from a manufacturing setup centered in one country to an operation spanning multiple countries is being increasingly seen as a way to reduce risks linked to global supply chain disruptions and political challenges. However, this decision entails a trade-off between a dependable supply chain and the advantages of scale.

Potential

This transition is unlikely to be temporarily motivated by arbitrage; it is expected to be long-lasting. Moreover, the transition is expected to lead to the establishment of new assets that adhere to global compliance and certifications, giving rise to a complete ecosystem. India is prepared to capitalise with extensive consequences.

Increased competitiveness

Rising costs in China and increasing emphasis on environmental and compliance factors have led to a diversification of supply chains. India is now a favored manufacturing hub for specialty chemicals, particularly in the agrochemical and intermediates sectors, driven by domestic consumption growth. This growth may eventually transition the Indian industry towards specialty materials as user industries progress. The specialty chemicals sector is reshaping India's economic landscape towards product-focused solutions.

Valiant's response

Strengthening capital expenditure initiatives

Product	Project status	Remarks
Commissioned		
Para Amino Phenol (PAP)	Completed in Q4 FY 21	▪ Currently, limited availability domestically and mostly imported ▪ Ramp up in the production ongoing to achieve the target by the end of FY 2023-24
Pharma Intermediates	Completed in Q4 FY 23	▪ Multi-purpose plant for forward integration within the Group Company ▪ Manufactures N-1, N-2 raw materials for API products ▪ Product identification and streamlining ongoing for ramp up in producton
Ongoing projects		
Ortho Amino Phenol (OAP)	Expected to commence by end of FY 2023-24	▪ Currently, entirely imported in India ▪ Part of the production will be utilised as forward integration for one of company's existing products ▪ Trial run successful; however, further improvement is required

Our Indian business overview

India's chemical industry is diverse, covering bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers and fertilizers. It encompasses a vast range of over 80,000 commercial products.

India ranks sixth globally and fourth in Asia, as a chemical manufacturer. The industry is projected to reach US$ 304 Billion by 2025 with a CAGR of 9.3%. Rising demand for specialty chemicals and petrochemicals is driving this growth. India is expected to contribute over 20% to the global consumption of chemicals in the next two decades. The specialty chemicals sector in India is predicted to outpace China, Japan, and the rest of the world in terms of percentage growth. While India's global market share is smaller, it is estimated to increase from 4% to 6% by 2026. Foreign Direct Investment (FDI) inflows in the chemicals sector (excluding fertilizers) reached US$ 20.75 Billion between April 2000 and September 2022.

The Indian chemical industry is experiencing robust growth, driven by strong domestic demand and exports, catalysed by the China plus one approach by major global companies. Sales are projected to increase by over 19% until FY 2024-25, surpassing the sector's demand growth of 17% in FY 2020-21 and FY 2021-22. Investments have surged, rising 2.5x from ₹1,700 Crore in FY 2012-13 to ₹6,100 Crore in FY 2021-22. By 2040, net exports are expected to increase nearly tenfold, reaching US$ 21 Billion compared to US$ 2 Billion in 2021. Four segments, namely agrochemicals, dyes and pigments, cosmetics and personal care, and food ingredient chemicals, are anticipated to contribute around 80% of the specialty chemicals exports.

(Source: Mint, KPMG)

Demand drivers

- Increased consumption
- Enhanced demand from downstream users
- Favourable government policies
- International structural demand shift

India's agrochemical sector complements the growth of its specialty chemicals business

Overview

With the global population projected to reach 9.7 Billion by 2050 and potentially peak at 10.4 Billion in the mid-2080s, there is a growing need for agrochemical companies to develop specialised crop protection chemicals that could help protect food production. This priority is particularly significant in India, one of the largest agricultural markets. Approximately 70% of rural households in India rely primarily on agriculture. The majority of Indian farmers, around 86%, fall under the 'small and marginal' category, owning less than 2 hectares.

In India, crop protection products addressing pre- and post-harvest losses play a pivotal role. The Indian Council of Agricultural Research estimated that around 30%-35% of the annual crop yield in India is lost to pests. India's pesticide consumption is one of the lowest in the world; the average hectare in India consumes just 0.6 Kg of pesticide compared to 5-7 Kg per hectare in the US and 11-12 Kg per hectare in Japan, indicating a large headroom. We believe that the sector has an important role at a time the country is engaged in strengthening farmer incomes.

The India agrochemicals market size reached a value of almost US$ 6 Billion in the year 2022. The market is further expected to grow at a CAGR of 8.5% between 2023 and 2028 to reach a value of almost US$ 9.82 Billion by 2028. By 2040, it is expected to account for almost 40% of India's overall chemicals exports.

Big numbers

223.49
US$ Billion, the global agrochemicals market size in FY 2022-23

8.5
% CAGR of the Indian agrochemical market in six years

43,223
₹ Crore, agrochemicals export from India in FY 2022-23

India's dyes and pigments sector energizes specialty chemicals market

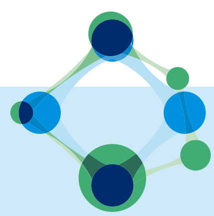
Overview

The world is becoming more vibrant and diverse with the advent of computer-based colour mixing. This advancement has expanded possibilities, allowing for a broader range of colors, benchmarking against precise swatches, and offering a wider selection to meet varying demands. India is a significant player in the dyestuffs and dye intermediates industry, contributing around 16% of global production. In terms of exports, India holds the 14th position worldwide, while ranking 8th in imports (excluding pharmaceuticals).

The Indian dyestuff sector is poised for an exciting future. It has become the primary supplier to ASEAN and South Asian dyestuff users in the textile sector. With the closure of dyestuff production plants in developed countries due to environmental non-compliance, the supply of this material has moderated. This situation has created a significant opportunity for Indian dyestuff manufacturers. (Source: investindia.gov, IMF, Businesswire, Crisil)

The Indian dyes and pigments market is driven by the growth of the pigments industry. The production value of pigments in India reached nearly 164.51 Million Tons, contributing about a quarter of the global market. It is projected to grow at a CAGR of 11% from 2023 to 2028. India's dye production accounts for approximately 6.6% of global production, with around 700 varieties of dyes and dye intermediates, including direct dyes, acid dyes, reactive dyes, and pigments being produced.

(Source: expertmarketresearch.com, downtoearth.org.in)



Big numbers

11

%, growth of India's dyes and pigments sector, FY 2023 - FY 2028

164.51

Million Tons, the production value of Indian dyes and pigments market in FY 2021-22

How India's pharmaceutical sector is driving the growth of the specialty chemicals sector

Overview

India's pharmaceutical sector has played a significant role in driving the growth of the country's specialty chemicals sector. Over the past 30 years, India has established itself as a remarkable success story in the global pharmaceutical industry. It has become the largest provider of affordable generic drugs worldwide, with a wide range of pharmaceutical products available at competitive prices.

One of the key factors contributing to India's success in the pharmaceutical sector is its ability to produce a large number of Drug Master File (DMF) filings. DMF is a comprehensive document submitted to the U.S. Food and Drug Administration (FDA) to provide confidential information about the manufacturing processes, components and facilities associated with pharmaceutical products. India has the largest number of DMF filings globally, excluding the United States.

India's domestic pharmaceutical market is projected to reach US$ 65 Billion by 2024 and is expected to grow to US$ 130 Billion by 2030. The cumulative foreign direct investment (FDI) in the pharmaceutical sector surpassed US$ 20 Billion in September 2022. Over the past five years until September 2022, FDI inflows have increased four-fold to US$ 699 Million, driven by investor-friendly policies and a promising industry outlook.

The Indian pharmaceutical sector meets over 50% of the global vaccine demand, supplies 40% of the generic drugs in the US, and contributes 25% of all medicines in the UK. It encompasses a network of 3,000 drug companies and approximately 10,500 manufacturing units domestically. The Indian pharmaceutical exports market grew by 11.88% between FY 2018-19 and FY 2021-22 to reach ₹1,445.81 Billion in FY 2021-22.

(Source: indiatimes.com, yahoo.com)

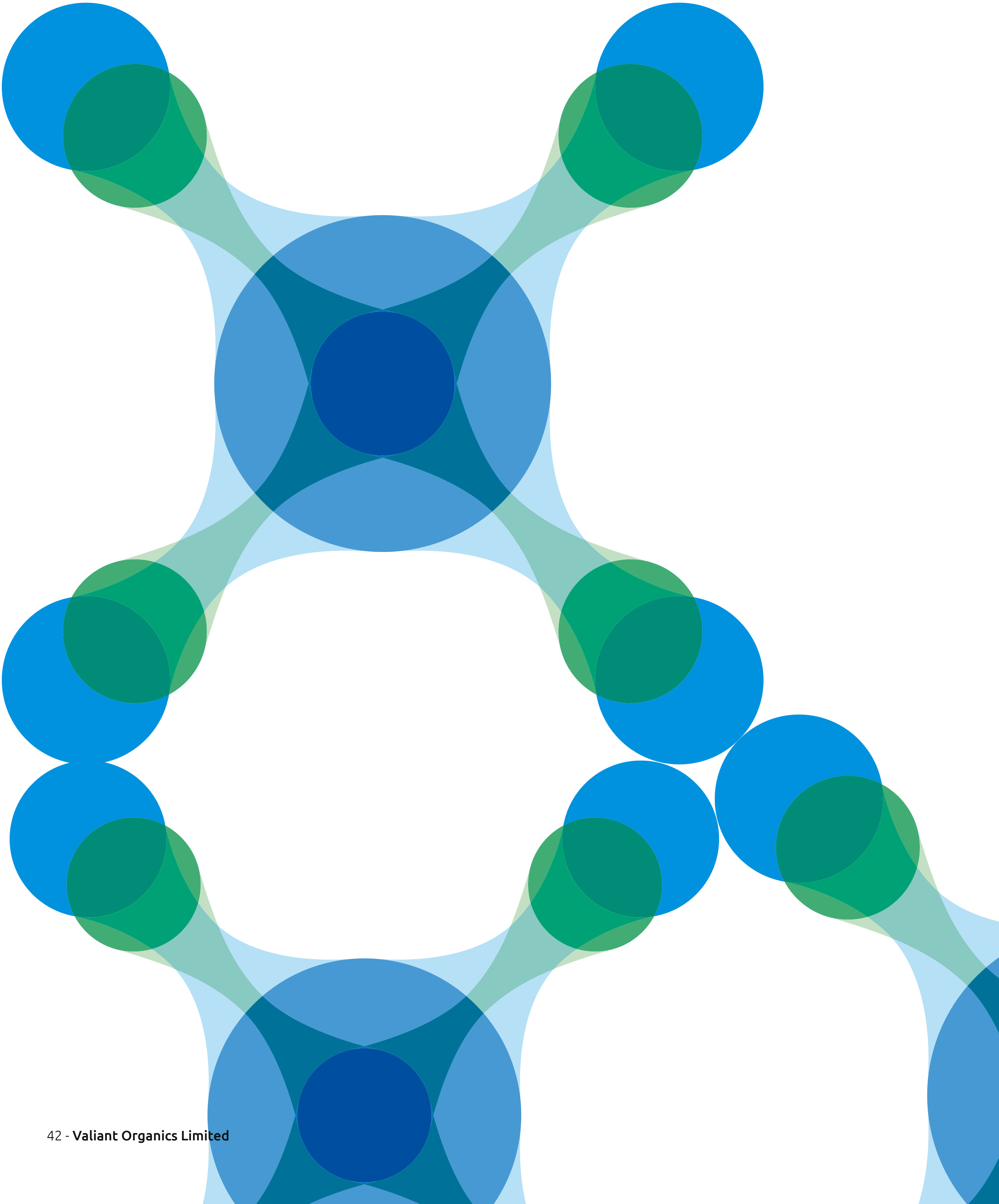
Big numbers

11

%, growth of Indian pharmaceutical exports between FY 2019 and FY 2022

65

US$, size of India's domestic pharmaceutical market in FY 2023-24

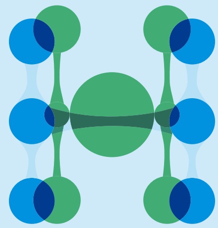


PART FIVE

FACTORS DRIVING OUR BUSINESS EXCELLENCE

BUSINESS DRIVER

How Valiant is ensuring quality control



Overview

Valiant, a leading specialty chemical manufacturer with 37 years of experience, possesses a validated expertise in Ammonolysis, Hydrogenation, Acetylation, Chlorination, Methoxylation and Sulphonation. The Company's quality products serve as essential intermediates in various industries.

Strengths

Product superiority: The Company adopted quality assurance criteria, such as match manufacturing record documents, Standard Operating Procedures (SOPs) for Good Laboratory Practices and a calibration schedule for all measurements.

Product integrity: The Company prioritizes the utilization of stringent process parameters, resulting in a superior quality of finished products.

Accomplishments

Valiant maintains robust product quality systems that ensure superior standards throughout the entire validated process. Their professional execution of Standard Test Procedures assures consistent quality and has enabled the company to enhance quality outcomes.

Outlook

The company is actively expanding its production capacity. There is an emphasis on forward integration into the manufacture of pharmaceuticals, agrochemicals, dyes and pigment intermediates.

How Valiant strengthened its marketing capability

Specialisation

- Valiant's specialization lies in the areas of chlorination (specifically chlorophenols), ammonolysis (PNA and OCPNA), and hydrogenation (OA, PA, PAP, conversion products), alongside their expertise in small chemistries.
- The company has established a strong market presence and gained a reputation for reliability and expertise in the production of chlorophenols as well as benzene derivatives derived from ammonolysis and hydrogenation.
- The company continues to enhance its production capabilities, invest in research and development and maintain stringent quality control measures. Its commitment to excellence and customer satisfaction has established it as a trusted supplier of Chlorophenols, PNA, OCPNA, OA, and PA, among others catering to the diverse needs of industries domestically and internationally.
- Considering the rising demand for PAP, Valiant is positioned to address this market requirement. With established production capabilities and focus on meeting customer needs, it aims to bridge the gap between demand and supply.

Our focus

- Valiant will optimize its supply chain and enhance customer satisfaction by providing a seamless and reliable source of all our products.
- Valiant's subsidiary relies on the parent company and vice versa, as approximately 80% of its supplies are provided by Valiant.
- Approximately 60% of Valiant's operations are secured through contractual agreements, which can span monthly, quarterly, or half-yearly periods

Growth

In FY 2022-23, Valiant experienced growth driven by higher volumes of PAP; however, it was offset by price corrections across products and lower demand of dyes & pigments intermediates.

Outlook

While being cautious of the current market scenario, a reversal of the downward trend is expected this year and the Company is readying our for this upturn. Growth will be driven by improved market demand, addition of PAP volume and the new Pharma Intermediaries project.

How Valiant is driving manufacturing excellence

Overview

Valiant utilised its Group manufacturing expertise and knowledge sharing across all products to address quality benchmarks in PAP, PA, and OAP. The Group's sharing of expertise extended to a range of products, facilitating a more comprehensive approach to quality improvement.

Highlights, FY 2022-23

- DCS systems were implemented in specific locations to automate processes.
- The ramp-up of the PAP project and the Pharma Intermediaries project was commenced. Capex was completed for the pharmaceutical intermediates project (captive plant). Investments were made at the product and plant levels, with a focus on enhancing utilization and improving processes.

A small expansion at the Ahmedabad location will introduce new products. Regular technology and process enhancements will continue.

- Investments were made in a captive renewable power plant, which will result in significant power savings going forward.
- The commissioning of an R&D facility at Vapi was completed in FY 2022-23

How Valiant is enhancing its environment commitment

Overview

Global manufacturers are increasingly recognising the financial and environmental advantages of sustainable business practices. Strict environmental regulations are facilitating a reduction in resource depletion, water scarcity, pollution and other harmful impacts. There is a growing focus on sustainable manufacturing, which involves economically viable processes that minimize energy and resource consumption while reducing negative environmental effects. This approach also prioritizes employee, community and product safety.

An increasing focus is being placed on aligning business operations with the United Nations' 10 principles for responsible manufacturing and environmental sustainability. These principles encompass Human Rights, Labor interests, Environmental responsibility and Anti-Corruption initiatives.

Valiant prioritizes minimizing environmental impact by consuming fewer resources and increasing manufacturing output. The company believes that the most successful and sustainable companies adhere to the strictest environmental standards. Valiant has invested in zero discharge units, ensuring no liquid waste effluent and minimal air emissions.

Responsibility

Valiant embraces its role as a responsible corporate citizen, placing an increasing emphasis on health, safety, and environmental (HSE) concerns to fulfill its obligations to stakeholders. The company believes that HSE practices contribute to enhanced competitiveness and sustainability, resulting in top-line growth, cost reduction, minimised legal and regulatory interventions, improved employee productivity and optimised investment returns.

On the other hand, any failure in HSE obligations can lead to criticism, legal consequences, compensation claims, higher insurance premiums, reduced productivity, diminished profitability and reputational harm. Hence, responsible HSE compliance is not optional or peripheral; it is an integral part of organizational success and long-term viability. The company is committed to employ eco-friendly processes in the production of specialty chemicals, providing greener chemistry solutions and minimizing pollution.

Our approach

Valiant is dedicated to establish a safe and healthy work environment that promotes an enhanced life quality. The company prioritizes training, learning and adherence to good working practices.

The company assumes responsibility for the safety of its workers and employees; it has positioned HSE as a core value and fundamental aspect of its identity.

The company's HSE department ensures compliance and drives continuous improvement. Through incident investigations, the department aims to identify areas for enhancement and prevent recurrence. It shares observations to raise awareness and conducts regular audits to assess the effectiveness of systemic practices.

Our health commitment

The company introduced employee safety initiatives and implemented procedures to address hazardous processes and operations.

Health measures

- On-site health awareness training programs were conducted.
- All employees underwent regular pre and periodic medical check-ups.
- The company's occupational health center was equipped with facilities.
- First-aid boxes are provided at all offices and plant areas by the company.
- The company's canteen offers hygienic food options.

Health initiatives

- The company conducted inductions, on-the-job, and on-site training programme.
- All employees were provided sufficient Personal Protective Equipment (PPE). Health awareness training programs were conducted on-site by Factory Medical Officers (FMOs).
- The company formed partnerships with local multi-specialty hospitals.
- The company extended Mediclaim benefits to employees and their family members.
- The company performed annual medical check-ups for employees and contractual workers.

Our safety commitment

In an industry characterised by hazardous processes and the handling of volatile chemicals, Valiant Organics has placed safety as a priority. The company ensures a safe working environment through the continuous identification of hazards and assessment of workplace risks. To mitigate risks associated with operations involving pressure reactions and corrosive chemicals, the company made significant investments in a dedicated block to conduct these processes safely, minimizing the potential for harm to life and property.

Safety measures

- A fire hydrant system was installed for fire safety measures.
- Water sprinklers were installed to combat fire emergencies.
- Flameproof fittings were used to prevent the risk of fire and explosion.
- Trips and interlocks were implemented on the Distributed Control System (DCS) to ensure operational safety.
- Auto pressure and flow control mechanisms were implemented for efficient process control.
- An emergency cooling system was established to maintain process stability in the absence of power.
- Nitrogen blanketing system was utilised for reducing the risk of oxidation and ensuring safety.
- Line jumpers and proper earthing measures were employed for equipment and pipeline safety.
- Open flame and sparks were strictly prohibited in the process area to prevent fire hazards.
- Special kits were provided for the detection of process and flammable gas leakages.
- Precautionary notices were displayed at various locations to raise awareness about safety protocols.
- All process and other operations were carried out in accordance with Standard Operating Procedures (SOPs).
- Auto temperature control cooling systems were implemented in limpet coils for efficient temperature regulation.
- Safety relief valves were installed in Pressure Relief Valves (PRV) and Pressure Safety Valves (PSVs) to prevent overpressure situations.
- Appropriate Personal Protective Equipment (PPE) was provided to ensure worker safety.

Safety initiatives

- The Company prioritizes continual improvement by embracing advanced technology and efficient work practices.
- A two-way communication system, both internal and external, has been established by the Company.
- The Company follows a defined organizational structure from top management to lower levels.
- Mock drills are conducted on a quarterly basis to assess and enhance emergency response capabilities.
- A dedicated investigation team is in place to address safety-related concerns, and the management ensures compliance with safety requirements.
- The Company annually observes 'Safety Week' on National Safety Day and World Environment Day to raise awareness and promote safety culture.

Approximately 500 trees were planted to establish a green belt within and outside the factory premises.

Our environment commitment

Valiant prioritises environment conservation, remaining committed to protect land, water and preventing air pollution. The company recognizes that a sustainable business grows around a foundation of responsible practices. With an established EHS policy, Valiant adheres with legal regulations and maintains a compliance across all environmental management aspects.

General health and safety management initiatives

- Adequate and segregated clean toilets are consistently available for workers.
- The ventilation, temperature, and lighting in the production process are sufficient.
- The company obtained a Certificate of Stability from a recognised authority.
- Health reports are generated for employees working in hazardous areas and handling chemicals.
- Incident statistics are diligently maintained.

- Free personal protective equipment (PPE), including face masks, helmets, hand gloves, safety shoes and safety goggles, are provided.

Fire and safety initiatives

- Each work area has a minimum two exits.
- Adequate fire-fighting equipment is in place, and regular checks are conducted to ensure their functionality.
- Comprehensive safety inductions are conducted for all employees and visitors.

Chemical safety initiatives

- Proper labeling is applied to all chemicals.
- Material Safety Data Sheets (MSDS) are readily available, providing detailed information on chemicals and hazard diagrams for those requiring careful handling.

Medical services initiatives

- Each production area is equipped with sufficient first-aid box kits.
- An occupational health centre was established with proper equipment.
- A Factory Medical Officer was appointed to oversee health-related matters.
- A certified male nurse was employed to provide medical assistance.
- A fully equipped ambulance with a dedicated driver is available 24/7.
- Pre-employment medical tests are conducted for all employees, including contractual and temporary workers.

Greening initiatives

- Approximately 500 trees were planted to establish a green belt within and outside the factory premises.
- Ambient air monitoring was regularly conducted.
- Valid consent orders for air and water, as well as consent to operate, were sought
- Regular monitoring of water consumption was carried out.

Effluent management initiatives

- Investment in a multi-effect evaporator
- Investment in an agitated thin film dryer
- Investment in a reverse osmosis plant
- Investment in an ETP plant
- Investment in a sewage treatment plant

UN's Sustainable Development Goals

Good Health and Well-being

Responsible Consumption and Production

Climate Action

Life below Water

Life on Land

Partnerships for the Goals

Our key EHS policies

At Valiant, our business is driven by a complement of policies that have influenced our approach to environmental responsibility.

Sustainability Policy: This comprehensive policy aims to optimize long-term stakeholder value while minimizing environmental impact by providing guidance for all operations and decision-making processes.

Environmental Policy: The Company has established an Environment Management System (EMS) to proactively prevent, mitigate and control environmental damage resulting from its operations and those involved throughout its value chain

Occupation health & Safety Policy: The company implemented an Occupational Health and Safety (OH&S) management system to ensure a safe and healthy work environment for all.

Water management

Valiant utilizes zero liquid discharge plants, recycling and reusing all wastewater. The company has implemented advanced technologies, including effluent treatment and sewage treatment plants, to eliminate effluents discharge.

Our esteemed Board of Directors

Shri Chandrakant V. Gogri

Chairman Emeritus

Mr. Gogri, founder of the Aarti Group of Companies, is a respected figure in the Indian chemical industry. With extensive experience and expertise in projects, operations, process development, and marketing, he has been instrumental in driving the success of the Aarti Group. His leadership and business acumen will continue to foster the Company's growth.

Shri Navin C. Shah

Chairman and Independent Director

Shri Arvind K. Chheda

Managing Director

Shri Mahek M. Chheda

Executive Director and Chief Financial Officer

Shri Nemin M. Savadia

Executive Director

Shri Sathiababu K. Kallada

Executive Director

Shri Siddharth D. Shah

Executive Director

Shri Vishnu J. Sawant

Executive Director

Shri Kiritkumar H. Desai

Non-Executive Director

Shri Santosh S. Vora

Non -Executive Director

Shri Mulesh M. Savla

Independent Director

Smt. Sonal A. Vira

Independent Director

Dr. Sudhirprakash B. Sawant

Independent Director

Corporate Information

Chairman Emeritus
Shri Chandrakant V. Gogri

Chairman
Shri Navin C. Shah

(Independent Director)

Managing Director
Shri Arvind K. Chheda

Executive Directors
Shri Mahek M. Chheda

Shri Nemin M. Savadia

Shri Sathiababu K. Kallada

Shri Siddharth D. Shah

Shri Vishnu J. Sawant

Non-Executive Directors
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Shri Santosh S. Vora

Independent Directors
Shri Mulesh M. Savla

Shri Navin C. Shah

Smt. Sonal A. Vira

Dr. Sudhirprakash B. Sawant

Chief Financial Officer
Shri Mahek M. Chheda

Company Secretary
Ms. Avani D. Lakhani

Statutory Auditors
Gokhale & Sathe,

Chartered Accountants

Secretarial Auditor
Sunil M Dedhia & Co.

Practicing Company Secretary

Registrar and Share Transfer Agent
Link Intime India Private Limited

C-101, 247 Park, L.B.S Marg,

Vikhroli (West), Mumbai – 400 083

Tel No: 022-49186270

Fax No: 022-49186060

Bankers
Citi Bank

HDFC Bank

Hongkong Shanghai Banking Corporation

Standard Chartered Bank

Registered Office Address
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Ph No: +91-22-6797 6683

Website: www.valiantorganics.com

Corporate Identification Number
L24230MH2005PLC151348

Management discussion and analysis

Global economy

Overview: The global economic growth was estimated at a slower 3.2% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.7% in 2022, among the highest in decades. US consumer prices increased about 6.5% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. The result is that the world ended in 2022 concerned that the following year would be slower.

The global equities, bonds, and crypto assets reported an aggregated value drawdown of US$26 trillion from peak, equivalent to 26% of the global gross domestic product (GDP). In 2022, there was a concurrently unique decline in bond and equity markets; 2022 was the only year when the S&P 500 and 10-year US treasuries delivered negative returns of more than 10%.

Gross FDI inflows – equity, reinvested earnings and other capital – declined 8.4% to $55.3 billion in April-December. The decline was even sharper in the case of FDI inflows as equity: these fell 15% to $36.75 billion between April and December 2022. Global trade expanded by 2.7% in 2022 (expected to slow to 1.7% in 2023).

The S&P GSCI TR(Global benchmark for commodity performance) fell from a peak of 4,319.55 in June 2022 to 3495.76 in December 2022. There was a decline in crude oil, natural gas, coal, lithium, lumber, cobalt, nickel and urea realisations. Brent crude oil dropped from a peak of aroundUS$120 per barrel in June 2022 toUS$80 per barrel at the end of the calendar year following the enhanced availability of low-cost Russian oil.

Regional growth (%)	2022	2021
World output	3.2	6.1
Advanced economies	2.5	5
Emerging and developing economies	3.8	6.3

Performance of major economies

United States: Reported GDP growth of 2.1% compared to 5.9% in 2021

China: GDP growth was 3% in 2022 compared to 8.1% in 2021

United Kingdom: GDP grew by 4.1% in 2022 compared to 7.6% in 2021

Japan: GDP grew 1.7% in 2022 compared to 1.6% in 2021

Germany: GDP grew 1.8% compared to 2.6% in 2021

[Source: PWC report, EY report, IMF data, OECD data]

Outlook

The global economy is expected to grow 2.8% in 2023, influenced by the ongoing Russia-Ukraine conflict. Concurrently, global inflation is projected to fall marginally to 7%. Despite these challenges, there are positive elements within the global economic landscape. The largest economies like China, the US, the European Union, India, Japan, the UK, and South Korea are not in a recession. Approximately 70% of the global economy demonstrates resilience, with no major financial distress observed in large emerging economies. The energy shock in Europe did not result in a recession, and significant developments, including China's progressive departure from its strict zero-Covid policy and the resolution of the European energy crisis, fostered optimism for an improved global trade performance. Despite high inflation, the US economy demonstrated robust consumer demand in 2022. Driven by these positive factors, global inflation is likely to be still relatively high at 4.9% in 2024. Interestingly, even as the global economy is projected to grow less than 3% for the next five years, India and China are projected to account for half the global growth (Source: IMF).

Indian economy

Overview: Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity market. India's economic growth is estimated at 6.8% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India overtook UK to become the fifth-largest global economy. India surpassed China to become the world's most populous nation (Source: IMF, World Bank)

Growth of the Indian economy

	FY 20	FY 21	FY 22	FY23E
Real GDP growth(%)	3.7	-6.6%	8.7	6.8

Growth of the Indian economy quarter by quarter, FY 2022-23

	Q1FY23	Q2FY23	Q3FY23	Q4FY23E
Real GDP growth(%)	13.1	6.3	4.4	4.9

(Source: Budget FY24; Economy Projections, RBI projections)

According to the India Meteorological Department, the year 2022 delivered 8% higher rainfall over the long-period average. Due to unseasonal rains, India's wheat harvest was expected to fall to around 102 million metric tons (MMT) in 2022-23 from 107 MMT in the preceding year. Rice production at 132 million metric tons (MMT) was almost at par with the previous year. Pulses acreage grew to 31 million hectares from 28 million hectares. Due to a renewed focus, oilseeds area increased 7.31% from 102.36 lakh hectares in 2021-22 to 109.84 lakh hectares in 2022-23.

Till the end of Q3FY23, total gross non-performing assets (NPAs) of the banking system fell to 4.5% from 6.5% a year ago. Gross NPA for FY23 was expected to be 4.2% and a further drop is predicted to 3.8% in FY2023-24.

As India's domestic demand remained steady amidst a global slowdown, import growth in FY23 was estimated at 16.5% to $714 billion as against $613 billion in FY22. India's merchandise exports were up 6% to $447 billion in FY23. India's total exports (merchandise and services) in FY23 grew 14 percent to a record of $775 billion in FY23 and is expected to touch $900 billion in FY24. Till Q3 FY23, India's current account deficit, a crucial indicator of the country's balance of payments position, decreased to $18.2 billion, or 2.2% of GDP. India's fiscal deficit was estimated in nominal terms at ~ Rs 17.55 lakh crore and 6.4% of GDP for the year ending March 31, 2023. (Source: Ministry of Trade & Commerce)

India's headline foreign direct investment (FDI) numbers rose from US$74.01 billion in 2021 to a record $84.8 billion in 2021-22, a 14% Y-o-Y increase, till Q3FY23. India recorded a robust $36.75 billion of FDI. In 2022-23, the government was estimated to have addressed 77% of its disinvestment target (Rs 50,000 crore against a target of Rs 65,000 crore).

India's foreign exchange reserves, which had witnessed three consecutive years of growth, experienced a decline of approximately $70 billion in 2022, primarily influenced by rising inflation and interest rates. Starting from $606.47 billion on April 1, 2022, reserves decreased to $578.44 billion by March 31, 2023. The Indian currency also weakened during this period, with the exchange rate weakening from Rs. 75.91 to a US dollar to Rs. 82.34 by March 31, 2023, driven by a stronger dollar and increasing current account deficit. Despite these factors, India continued to attract investable capital.

The country's retail inflation, measured by the consumer price index (CPI), eased to 5.66% in March 2023. Inflation data on the Wholesale Price Index, WPI (calculates the overall price of goods before retail) eased to 1.3% during the period. In 2022, CPI hit its highest of 7.79% in April; WPI reached its highest of 15.88% in May 2022. By the close of the year under review, inflation had begun trending down and in April 2023 declined below 5%, its lowest in months.

India's total industrial output for FY23, as measured by the Index of Industrial Production or IIP, grew 5.1% year-on-year as against a growth of 11.4 percent in 2021-22.

India moved up in the Ease of Doing Business (EoDB) rankings from 100th in 2017 to 63rd in 2022. As of March 2023, India's unemployment rate was 7.8 percent.

In 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1 percent Y-o-Y in RE 2022-23.

The total gross collection for FY23 was Rs 18.10 lakh crore, an average of Rs 1.51 lakh a month and up 22% from FY22, India's monthly goods and services tax (GST) collections hit the second highest ever in March 2023 to Rs. 1.6 lakh crore. For 2022–23, the government collected Rs 16.61 lakh crore in direct taxes, according to data from the Finance Ministry. This amount was 17.6 percent more than what was collected in the previous fiscal.

Per capita income almost doubled in nine years to Rs 172,000 during the year under review, a rise of 15.8 percent over the previous year. India's GDP per capita was 2,320US$ (March 2023), close to the magic figure of $2500 when consumption spikes across countries. Despite headline inflation, private consumption in India witnessed continued momentum and was estimated to have grown 7.3 percent in 2022-23.

Outlook: There are green shoots of economic revival, marked by an increase in rural growth during the last quarter and appreciable decline in consumer price index inflation to less than 5 percent in April 2023. India is expected to grow around 6-6.5 percent (as per various sources) in FY2024, catalysed in no small measure by the government's 35% capital expenditure growth by the government. The growth could also be driven by broad-based credit expansion, better capacity utilisation and improving trade deficit. Headline and core inflation could trend down. Private sector investments could revive. What provides optimism is that even as the global structural shifts are creating a wider berth for India's exports, the country is making its largest infrastructure investment. This unprecedented investment is expected to translate into a robust building block that, going ahead, moderates logistics costs, facilitates a quicker transfer of products and empowers the country to become increasingly competitive. This can benefit India's exports in general, benefiting several sectors. The construction of national highways in 2022-23 was 10,993 kilometres; the Ministry of Road Transport and Highways awarded highway contracts of 12,375 km in the last financial year (Source: IMF).

The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP estimate of 6.8% and America and Europe are experiencing its highest inflation in 40 years.

India's production-linked incentive appears to catalyse the downstream sectors. Inflation is steady. India is at the cusp of making significant investments in renewable energy and other sectors and emerging as a suitable industrial supplement to China. India is poised to outpace Germany and Japan and emerge as the third-largest economy by the end of the decade. The outlook for private business investment remains positive despite an increase in interest rates. India is less exposed to Chinese economic weakness, with much less direct trade with China than many Asian peers.

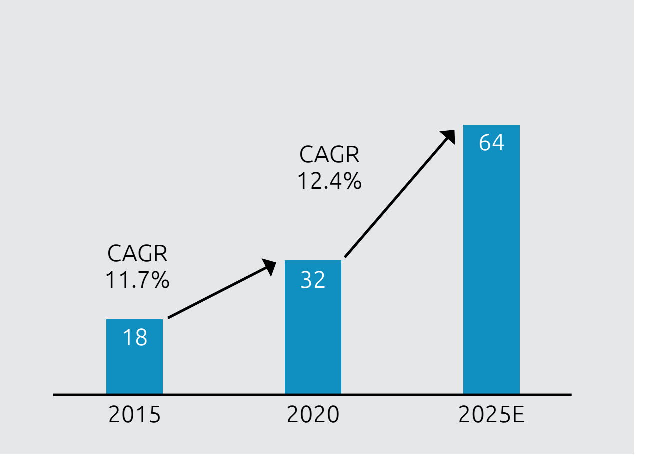
Broad-based credit growth, improving capacity utilisation, government's thrust on capital spending and infrastructure should bolster investment activity. According to our surveys, manufacturing, services and infrastructure sector firms are optimistic about the business outlook. The downside risks are protracted geopolitical tensions, tightening global financial conditions, and slowing external demand.

Specialty chemicals industry of India

The Indian specialty chemicals industry has experienced significant growth in recent years, making it an attractive sector. Currently, it accounts for 22 percent of India's overall chemicals and petrochemicals market, with a total value ofUS$32 billion. It is projected that by 2025, the industry will reach a valuation ofUS$64 billion, representing a CAGR of 12.4 percent.

Among the various segments in the Indian manufacturing sector, the specialty chemicals segment has demonstrated remarkable growth, emerging as one of the fastest-growing segments. This expansion can be credited to multiple factors, including a surge in demand from diverse end-user sectors, favorable government policies, a growing domestic customer base and shifts in consumer lifestyles, among other influential factors.

Fig:- Indian specialty chemicals industry size (USD billion)



In the global market, India's specialty chemicals sector currently holds a market share of approximately 4%, whereas China dominates with a share of 26%. However, India's specialty chemicals industry is expected to experience rapid growth, surpassing the growth rates of China, Japan and the rest of the world in terms of percentages. Projections indicate that by 2026, India's market share is predicted to increase from 4% to 6%, primarily driven by strong revenue growth of 15-20% during FY2023. (Source: KPMG)

The market size of chemicals and petrochemicals sector in India is around $178 Bn in 2022 and expected to grow to $300 Bn by 2025.

The agrochemicals market in India is presently valued at $5.5 billion, with a compound annual growth rate (CAGR) of 8.3%. This market segment is projected to be a significant contributor to India's overall chemicals exports, accounting for nearly 40% by 2040.

The fertilizer market in India is poised to witness significant growth, with a CAGR of 4.7% between 2023 and 2028. This growth is expected to propel the market to a value ofUS$1160.18 billion by 2028. The increasing demand for food production and the need for improved agricultural processes are the key drivers behind this growth.

The construction chemical market of India is valued at US$ 1,617.8 million in 2023 and is projected to grow at a CAGR of 13.1% to reach US$ 5,541.8 by 2023.

(Source: KPMG, futuremarketinsights.com)

Prospects in the specialty chemical industry

- Increasing disposable income, median age of the population, urbanization and expanding reach and demand in rural markets.

- Transition in consumer preferences towards a more health-conscious lifestyle and sustainable, eco-friendly products.
- Potential to manufacture chemical products worth $111 billion by 2023 to cater to domestic demand.

Growth drivers

- **Rising consumption:** The consumer electronics and appliances market in India is projected to reach US$160.03 billion by 2027, exhibiting a robust CAGR of 12.78% during the period of 2023-2027. The production of air conditioners and refrigerators is expected to double during this period.
- **Research and Development:** Specialty chemical companies are expanding their production value chain through increased investments in research and development (R&D). In addition, they are leveraging their R&D capabilities by offering contract research and manufacturing services, which could potentially boost their margins.
- **Changing consumer preferences:** India stands to benefit from the increasing global demand for environmentally friendly products, as it is a prominent producer of various chemicals used in such products.
- **Domestic availability:** India's specialty chemical companies, catering to the growing demand for petrochemical intermediates, often rely on imports of such intermediates due to the diversion of ethylene and propylene for their manufacturing processes.
- **Young population:** More than 50% of India's current population is below the age of 25 and over 65% below the age of 35. The median age of the country is 28.4 years, an economically productive age compared to the global average of 30 years
- **Increased production:** Potential to manufacture chemical products valued at $111 billion by 2023 to meet domestic demand

  (Source: Mckinsey, Invest India)

Government initiatives

- The Indian government acknowledges the chemical industry as a crucial driver of economic growth and aims to raise the sector's contribution to approximately 25% of the manufacturing sector's GDP by 2025.
- Under the Union Budget 2023-24, the government allocated Rs. 173.45 crore (US$ 20.93 million) to the Department of Chemicals and Petrochemicals.
- PLI schemes have been introduced to promote Bulk Drug Parks, with a budget of Rs. 1,629 crore (US$ 213.81 million).
- The Government of India is considering launching a production linked incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports.
- The Indian government has established a visionary plan for the chemicals and petrochemicals sector, with a target set for 2034. This plan aims to capitalize on opportunities to enhance domestic production, minimize imports, and attract investments in the sector. As part of this vision, the government intends to implement a production-link incentive system that offers output incentives of 10-20% for the agrochemical sector
- 100% FDI is allowed under the automatic route in the chemicals sector with few exceptions that include hazardous chemicals. FDI inflows in the chemicals sector (other than fertilisers) reached US$ 20.41 billion between April 2000-June 2022.
- Under the new PCPIR Policy 2020-35, a combined investment of Rs. 10 lakh crore (US$ 142 billion) is targeted by 2025, Rs. 15 lakh crore (US$ 213 billion) by 2030 and Rs. 20 lakh crore (US$ 284 billion) by 2035 in all PCPIRs across the country. The four PCPIRs are expected to generate employment for ~33.83 lakh people.

  (Source: IBEF)

Opportunities and threats

Opportunities

- As urbanization in India continues, there is a growing surge in the demand for personal care products, paints, packaged food, textiles, adhesives and construction chemicals.
- The possibility of multinational companies shifting their operations from China to India has the potential to serve as a substantial catalyst for the growth of India's chemicals sector.
- The chemical industry in the country is anticipated to flourish due to increasing demand for chemicals in the agricultural and pharmaceutical domains.
- The Indian government has granted permission for 100 percent Foreign Direct Investment (FDI) in the chemicals sector through the automatic route, with the exception of hazardous chemicals.

Threats

- The chemical industry is constantly evolving to meet the demands of end-users, posing challenges for businesses in terms of customer retention.
- The presence of lower-priced imports poses a threat to local manufacturers and impacts domestic output.

- The chemical industry is subject to stringent regulations and environmental standards due to the hazardous nature of its production processes.

Company overview

With over thirty years of experience, Valiant (referred to as 'the Company') has established itself as a prominent producer of specialty chemicals in India. Leveraging extensive industry expertise and in-depth domain knowledge, the Company manufactures and supplies specialty chemicals to both local and international markets. Its specialized chemicals find applications in various industries such as agrochemicals, pharmaceuticals, dyes and pigments. Valiant Organics Limited's commitment to product quality enables it to export to Asia, Europe and the United States, alongside its domestic sales in India.

Manufacturing capacity

The company excels in manufacturing high-quality specialty chemicals across six integrated production sites located in Gujarat and Maharashtra. These facilities are strategically designed to cater to a diverse range of processes, as outlined below:

Manufacturing facilities	Process
Sarigam	Chlorination
Tarapur	Ammonolysis
Vapi	Ammonolysis
Jhagadia (Units 1 & 2)	Hydrogenation, Hydrogenation with condensation, Methoxylation
Ahmedabad	Sulphonation and Acetylation

Revenue break-up

Regional growth (%)	FY 2022-23	FY 2021-22
Domestic	94%	94%
Exports	6%	6%

Operational diversity

With a history of over thirty years, the Company is affiliated with the esteemed Aarti Group, which comprises renowned companies like Aarti Surfactants, Aarti Industries and Aarti Drugs. The organization specializes in various chemical processes, including acetylation, hydrogenation, ammonolysis, chlorination, methoxylation and several others. This broad expertise within the organization enables it to deliver exceptional quality and cater to diverse chemical requirements.

Our core product portfolio comprises a range of essential chemicals such as Para Chlorophenol, Ortho Chlorophenol, 2, 4 Di Chlorophenol, Para Nitro Aniline, Ortho Anisidine, Para Anisidine, Para Amino Phenol and more. These products form the cornerstone of our offerings and cater to diverse industry requirements.

Our products have diverse applications across industries such as pharmaceuticals, dyes and pigments and agrochemicals. The company focuses on niche markets as part of its strategic approach. We export to Asia, Europe and the USA, in addition to serving the entire Indian market. Our success is attributed to a highly skilled and experienced workforce.

Financial performance

The Company's revenue from operations during FY2022- 23 stood at Rs. 91,161.80 lakhs compared to Rs. 94,844.73 lakhs in FY 2021-22, registering a decrease of 3.88% y-o-y. The EBITDA of Valiant Organics Limited stood at Rs. 13,291.22 lakhs in FY 2022-23 compared to Rs. 17,059.79 lakhs in FY 2021-22, a y-o-y decrease of 22.09%. Further, its profit after tax stood at Rs. 7557.99 lakhs in FY 2022-23 compared to Rs. 10,293.82 lakhs in FY 2021-22, a 26.58% y-o-y decrease. Its debt-equity ratio stood at 0.32x in FY 2022-23 compared to 0.47x in FY 2021-22.

Indicative revenue break-up as per end-user industry

2021-22	FY 2022-23	FY 2021-22
Dyes and pigments	41%	29%
Pharmaceuticals	31%	17%
Agrochemicals	25%	40%
Speciality chemicals	3%	14%

Key financial ratios

Particulars	FY 2022-23	FY 2021-22	Y-o-Y change	Explanations
Current ratio	1.05	1.25	-16.11%	Current Assets decreased more than Current Liabilities. Current Assets decreased on account of Trade Receivables & Cash & Equivalents while Current Liabilities decreased on account of short term borrowings
Net debt-to-equity	0.32	0.47	-31.66%	Borrowings decreased on account of repayments and dependency on short term funding

Particulars	FY 2022-23	FY 2021-22	Y-o-Y change	Explanations
Return on equity	11.91%	18.62%	-36.05%	Profits decreased mainly due to subdued demand in dyes & pigments industry, price correction across products and the fire incident; while Average Total Equity also increased compared to the previous year
Net profit ratio	8.29%	10.85%	-23.59%	Profits decreased more than revenue with increases mainly in Employee Expenses, Finance Cost, Depreciation and Other Expenses.

Environment, social and Governance

The Company is committed to incorporating health, safety, environmental, social and governance principles into its business operations. The Company recognizes the potential for sustainable growth and value creation through ethical behavior and strong governance. The Company prioritizes people-centricity by striving to align its environmental, health, and safety practices with international standards.

In terms of health and safety, proactive measures are implemented to safeguard the wellbeing of employees and contractual workers. The Company aims to create a positive environment for its workforce by focusing on employee satisfaction, respect for human rights, talent management, skills development and multiple engagement initiatives. Safety managers work proactively at all facilities to ensure healthy and safe work environment.

The Company also actively participates in CSR projects that help the areas and communities where it operates. Various social facets demonstrate our dedication to employee/ worker welfare and community development.

The Company focuses on environmental sustainability by reducing hazardous waste, conserving water, enhancing energy efficiency, and optimising natural resource use, which in-turn reduces its carbon footprint. It has Zero Liquid Discharge units at majority of its manufacturing facilities in order to reduce waste. Furthermore, we have taken proactive steps through a captive renewable energy plant, which will not only help in cost moderation but also contribute to reducing carbon footprint.

The Company believes that the best governance and disclosure practices can create a strong foundation for sustainable growth and success. This is achieved by making accountability and responsibility cornerstones of company's governance structure. The company is governed by a thorough set of policies that have been put in place. It maintains a robust governance system that makes sure the best interests of all stakeholders are maintained by adhering to these policies.

Risk management

As a sector driven by knowledge-intensive operations, the Company faces the risk of adverse impacts due to a lack of innovation. The Company also encounters risks associated with the volatility of crude prices and foreign currency exchange rates on an annual basis. Additionally, the dominant position of China in the chemical manufacturing sector remains a persistent threat, increasing the risk of cheaper imports.

Internal control systems

The Company has implemented a robust internal control framework that encompasses governance, compliance, audit, control and reporting aspects. These internal controls are instrumental in ensuring adherence to regulatory requirements, preventing fraud, safeguarding finances and ensuring the reliability of financial reporting. The Company's internal audit team conducts regular audits of the internal control systems and communicates their findings to the management. Prompt corrective and mitigating measures are initiated by the management based on these findings to ensure the accuracy and effectiveness of internal controls.

Cautionary statement

The Management Discussion and Analysis contains statements describing the Company's objectives, projections, estimates and expectations, which may be forward-looking in nature. These statements are made within the meaning of applicable laws and regulations and are based on informed judgements and estimates. There cannot be any guarantee of previous performance continuity as future performance also involves risks and uncertainties. These may include but are not limited to the general market, macroeconomics interest rate movements, competitive pressures, technological and legislative developments and other key factors that may affect the Company's business and financial performance.

Directors' Report

To
The Members of
VALIANT ORGANICS LIMITED

Your Directors ("Board") present this 18th (Eighteenth) Annual Report of Valiant Organics Limited ("the Company"/ "VOL") along with the Audited Financial Statements and Report of Auditors thereon for the Financial Year ended March 31, 2023.

COMPANY'S FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue From Operations	91,161.80	94,844.73	1,05,180.48	1,15,327.11
Other Income	290.65	330.79	803.26	741.75
Total Income	91,452.45	95,175.52	1,05,983.74	1,16,068.86
EBITDA	13,291.22	17,059.80	17,226.44	21,226.84
Depreciation & Amortisation	2,762.62	2,729.44	2,918.93	2,961.89
Profit before Finance Costs	10,528.60	14,330.36	14,307.51	18,264.95
Finance Costs	1,053.89	635.38	1,079.27	647.93
Profit before Exceptional income	9,474.71	13,694.97	13,228.24	17,617.02
Exceptional Items	489.78	-	489.78	
Profit before Tax	9,964.49	13,694.97	13,718.02	17,617.02
Total Tax Expenses	2,406.50	3,401.15	3,461.55	4,825.74
Net Profit for the period	7,557.99	10,293.82	10,256.47	12,791.28
Other Comprehensive Income	-111.44	71.88	15.23	59.57
Total of profit and other comprehensive income for the period	7,446.55	10,365.71	10,271.70	12,850.85
Earnings Per Share (in Rs.)				
Basic	27.83	37.91	32.45	41.72
Diluted	27.02	36.81	31.50	40.51

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

On a Standalone basis, the Revenue from Operations for FY 2022-23 was ₹ 91,161.80 Lakhs, lesser by 3.88% over the previous year's Revenue from Operations of ₹ 94,844.73 Lakhs. The profit after tax ("PAT") attributable to shareholders for FY 2022-23 was ₹ 7,557.99 Lakhs as against ₹ 10,293.82 lakhs for FY 2021-22.

On a Consolidated basis, the Revenue from Operations for FY 2022-23 was ₹ 1,05,180.48 Lakhs, lesser by 8.80 % over the previous year's Revenue From Operations of ₹ 1,15,327.11 Lakhs. The profit after tax ("PAT") attributable to shareholders for FY 2022-23 was ₹ 10,256.47 Lakhs as against ₹ 12,791.28 Lakhs for FY 2021-22.

On a Standalone basis, Earning per share ₹ 27.83 (Basic) and ₹. 27.02 (Diluted) stood at in FY 2022-23 as compared to ₹ 37.91 (Basic) and ₹36.81 (Diluted) in FY 2021-22.

On a Consolidated basis, Earning per share ₹ 32.45 (Basic) and ₹ 31.50 (Diluted) stood at in FY 2022-23 as compared to ₹ 41.72 (Basic) and ₹40.51 (Diluted) in FY 2021-22.

DIVIDEND

During the year, the Board has declared Interim Dividend @ ₹ 1/- (@10%) each per share. With a view to conserve resources for business expansion, your Directors do not recommend Final Dividend for the financial year 2022-23. The interim dividend payout was in accordance with the Dividend Distribution Policy which is available on the website of the Company.

DIVIDEND DISTRIBUTION POLICY

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the top 1000 listed companies shall formulate a Dividend Distribution Policy ("the Policy'). Accordingly, the Policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its members and/or retaining profits earned by the Company.The policy is available on the website of the Company and the web link thereto is:https://www.valiantorganics.com/assets/investors/dividend-distribution-policy.pdf

TRANSFER TO RESERVES

The Company has not transferred any amount of profit to the reserves during the financial year under review.

CHANGE IN SHARE CAPITAL

As on March 31, 2023, the Authorized Share Capital of the Company stood at ₹ 40,00,00,000 comprising of 3,71,00,000 equity shares of ₹10 each and 20,00,000 Optionally Convertible Preference Shares of ₹10/- each (OCPS) and 40,000 Redeemable Non-cumulative Preference Shares of ₹100/- each and 5,00,000 redeemable preference shares of ₹10 each.

During FY 2022-23 there was no change in the share capital of the Company.

The Company has neither issued any shares with differential rights as to dividend, voting or otherwise nor issued any sweat equity shares during the year under review.

VALIANT ORGANICS LIMITED EMPLOYEES STOCK OPTION PLAN 2022

The Board formulated 'Valiant - Employees Stock Option Plan-2022 (ESOP-2022)' on April 30, 2022 which was approved by Members through postal ballot on June 15, 2022 to reward the eligible Employees of the Company and/ or its Subsidiary Company(ies)/Group Company(ies)/ Associate Company(ies) (present or future) in India and/ or outside for their performance and to motivate them to contribute to the growth and profitability of the Company. The Scheme aims to attract and retain talent in the organization. The Company views Employee Stock Options as a means that would enable the Employees to get a share in the value they create for the Company in future. ESOP-2022 has been formulated in accordance with the provisions of the Companies Act, 2013 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021(SEBI SBEB and Sweat Equity Regulations).

Under the ESOP-2022, the Company would grant upto 10,00,000 Options to the eligible Employees in one or more tranches, from time to time, which in aggregate shall be exercisable into not more than 10,00,000 Shares of face value of Rs. 10/- each fully paid up, with each such Option conferring a right upon the Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided under the ESOP-2022.

During the year under review, 16,000 options have been granted to the eligible employees in terms of the ESOP-2022 and no employee was granted options equal to or exceeding 1% of the issued share capital of the Company.

Further, the statutory disclosures as required under the Companies Act, 2013 and SEBI SBEB and Sweat Equity Regulations and a certificate from CS Sunil M. Dedhia (COP No. 2031),Secretarial Auditor of the Company, confirming implementation of the Scheme in accordance with the provisions of SEBI SBEB and Sweat Equity Regulations and the resolution passed by the shareholders is available on the website of the Company at https://www.valiantorganics.com/investors.php?action=showSubcat&id=3 and will be available for electronic inspection by the members during the AGM of the Company.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company as on March 31, 2023 has 2(Two) direct subsidiaries namely, Valiant Speciality Chemical Limited and Dhanvallabh Ventures LLP. Further, the Company has 2(two) indirect subsidiaries namely Valiant Laboratories Limited(converted from a partnership Firm- Bharat Chemicals on August 16,2021) and Valiant Advanced Sciences Private Limited (incorporated on July 08,2022).

The Company does not have any Joint Venture or Associate Company within the meaning of Section 2(6) of the Companies Act, 2013.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. Pursuant to the first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 and 8 of the Companies (Accounts) Rules, 2014, the salient features of the financial statements and performance of each subsidiary in Form AOC-1 is disclosed under **Annexure-A** and forms an integral part of this Report.

Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements along with other relevant documents, in respect of subsidiaries, are available on the website of the Company and the web link thereto is https://www.valiantorganics.com/investors.php?action=showSubcat&id=4.

Material Subsidiary

The Company has 1(one) material subsidiary Company Valiant Laboratories Limited, as it fulfills the criteria given under Regulation 16(1)(c) of the Listing Regulations. Pursuant to Regulation 24A of Listing Regulations, Secretarial Audit Report as prescribed in section 204 of the Companies Act, 2013 for the material subsidiary Company Valiant Laboratories Limited for the Financial year ended March 31,2023 is annexed as **Annexure-D2** and forms an integral part of this Report.

A Policy on material subsidiaries had been formulated and is available on the website of the Company and the web link thereto is https://www.valiantorganics.com/assets/investors/Policy-for-Material-Subsidiary.pdf

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Section 129(3) of the Companies Act, 2013 & Regulation 33 of Listing Regulations and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company and its subsidiaries, together with the Auditors' Report forms part of this Annual Report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Composition

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations. As on March 31, 2023, the Board comprises 12 (Twelve) Directors out of which 6 (six) are Executive Directors, 2 (Two) Non-Executive Directors and 4 (Four) Non-Executive Independent Directors. The Chairman of the Board is an Independent Director. The Board has highly qualified members and has varied experience in their respective fields.

Appointment/ Re-appointment:

During the year, Shri Santosh S. Vora (DIN: 07633923) was appointed as an Additional Director by the Board w.e.f. May 01, 2022 and appointed as a Non-Executive Director by members through Postal Ballot on June 15, 2022. Shri Nemin M. Savadia (DIN: 00128256) and Shri Siddharth D. Shah (DIN: 07263018) were appointed as Additional Directors of the Company by the Board w.e.f. May 01, 2022 and June 01, 2022 respectively and their appointment as the Executive Directors of the Company was approved by members through Postal Ballot on June 15, 2022. Shri Sathiababu K. Kallada (DIN: 02107652), Non-Executive Director's appointment as an Executive Director was approved by the members w.e.f. May 01, 2022 through Postal Ballot on June 15, 1022. Shri Vishnu J. Sawant (DIN 03477593) was reappointed as an Executive Director of the Company w.e.f July 01, 2022 as approved by members through Postal Ballot on June 15, 2022.

Further, the Board of Directors based on the recommendations of the Nomination & Remuneration Committee at its meeting held on August 04, 2022, appointed Shri Navin C. Shah (DIN: 01415556) and Smt. Sonal A. Vira (DIN: 09505883) as an Additional Independent Director of the Company for a period of three years w.e.f. August 04, 2022 and Shri Mahek M. Chheda (DIN: 06763870) was reappointed as an Executive Director of the Company for the further period of Five years w.e.f. July 06,2023 and such appointment/ reappointment were also approved by the Members at the 17th Annual General Meeting held on September 28, 2022.

Shri Mahek M. Chheda and Shri Vishnu J. Sawant Executive Directors of the Company, who retired by rotation in terms of Section 152(6) of the Companies Act, 2013 were re-appointed at the 17th Annual General Meeting held on September 28, 2022.

Further, the Board of Directors based on the recommendations of the Nomination & Remuneration Committee at its meeting held on May 19, 2023, appointed Dr. Sudhirprakash B. Sawant (DIN: 02343218) as an Additional Independent Director of the Company for a period of five years w.e.f. May 19, 2023 and such appointment was approved by the Members through Postal Ballot on July 11, 2023. The members by passing special resolution approved his continuation as an Independent Director of the Company for the said term of Five years, notwithstanding he attains the age of 75 years during his tenure as an Independent Director.

Directors retiring by rotation

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the relevant rules made thereunder, one-third of the Directors are liable to retire by rotation every year and if eligible, offer themselves for re-appointment at the Annual General Meeting.

Dr. Kiritkumar H. Desai (DIN: 08610595) & Shri Sathiababu K. Kallada (DIN: 02107652), Directors being longest in the office of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors has recommended their re-appointment and the matter is being placed for seeking approval of members at the ensuing Annual General Meeting of the Company.

Pursuant to Regulation 36 of the Listing Regulations read with Secretarial Standard-2 on General Meetings, necessary details of Dr. Kiritkumar H. Desai & Shri Sathiababu K. Kallada, are provided as an Annexure to the Notice of the Annual General Meeting.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Resignation/ Retirement

During the year, Shri Bijal D. Modi resigned as Director of the Company w.e.f. April 10, 2022 due to medical reasons. Shri Mahesh M. Savadia and Shri Dinesh S. Shah resigned from the office of the Director effective from April 30, 2022 and May 30, 2022, respectively due to inability to give adequate time to day to day operations of the Company. The Board placed on record its appreciation for their valuable contribution to the Company.

Smt. Jeenal K. Savla and Shri Dhirajlal D. Gala Independent Directors of the Company retired from directorship on account of completion of second consecutive term as Independent Directors w.e.f. June 30, 2022. The Board placed on record its appreciation for valuable contribution during their tenure as an Independent Director of the Company.

Declarations by Independent Directors

In accordance with Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations, as amended, each Independent Director of the Company has provided a written declaration confirming that he/she meets the criteria of independence as stipulated under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, Independent Directors fulfill the conditions specified in Companies Act, 2013 read with the Schedules and Rules issued there under as well as Listing Regulations and are independent from Management.

All the Independent Directors of the Company have registered their names in the online database of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Familiarization Programmes

The Company has a Familiarisation programme for its Independent Director which is imparted at the time of appointment of an Independent Director on Board as well as annually. During the year, the Independent Directors of the Company were familiarized and the details of familiarization programmes imparted to them are placed on the website of the Company and the web link thereto is: https://valiantorganics.com/assets/investors/details-of-familirisation-programme-2022-2023.pdf

Number of Meetings of the Board

The Board met 5 (five) times during the Financial Year 2022-23. The details of Board Meetings and the attendance of the Directors at such meetings are provided in the Corporate Governance Report, which forms part of this Annual Report. The intervening gap between the meetings was within the prescribed period under the Companies Act, 2013 and the Listing Regulations.

KEY MANAGERIAL PERSONNEL

As on March 31, 2023 and as on the date of this report, the following are Key Managerial Personnel of the Company as per Sections 2(51) and 203 of the Companies Act, 2013:

i) Shri Arvind K. Chheda- Managing Director

ii) Shri Mahek M. Chheda- Executive Director and Chief Financial Officer and

iii) Ms. Avani D. Lakhani- Company Secretary

During the year under review, there was no change in the Key Managerial Personnel of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(5) of the Companies Act, 2013:

a. That in the preparation of the annual financial statements for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;

c. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;

d. That Directors have prepared the annual accounts on a going concern basis;

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

f. The Directors had devised adequate systems and processes, commensurate with the size of the Company and the nature of its business, to ensure compliance with the provisions of all applicable laws and that such systems and processes are operating effectively.

ANNUAL BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and as per the Listing Regulations, the Board of Directors has carried out annual performance evaluation of its own performance, the directors individually as well as the working of its Committees.

The Board evaluation was conducted through a questionnaire designed with qualitative parameters and feedback based on ratings. Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, review of performance of Executive Directors, succession planning, strategic planning, etc.

Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholder interest and enhancing shareholder value, experience and expertise to provide feedback, and guidance to top management on business strategy, governance, risk and understanding of the organization's strategy, etc.

The performance of the Committees and Independent Directors were evaluated by the entire Board of Directors except for the Director being evaluated. The performance evaluation of the Chairman, Non-Independent Directors and Board as a whole was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

COMMITTEES OF THE BOARD

As on March 31, 2023, the Board has constituted the following committees:

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

During the year, all recommendations made by the committees were approved by the Board.

Details of all the Committees such as terms of reference, composition and meetings held during the year under review are disclosed in the Corporate Governance Report, which forms part of this Annual Report.

AUDIT COMMITTEE

The details of the composition of the Audit Committee, terms of reference, meetings held, etc. are provided in the Corporate Governance Report, which forms part of this Report. During the year there were no cases where the Board had not accepted any recommendation of the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY

The Company's CSR initiatives and activities are aligned to the requirements of Section 135 of the Companies Act, 2013. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure-B** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Your Company through, Aarti Foundation and various other NGOs, has been doing work in the following sectors.

- Education & Skill Development
- Childcare & Healthcare Facilities
- Women Empowerment
- Environment Sustainability
- Social Welfare
- Disaster relief and rehabilitation
- Green Environment Project

The detailed Policy on Corporate Social Responsibility is available on the website of the Company on the web link provided below; https://www.valiantorganics.com/assets/investors/CSR%20Policy.pdf

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Human resources have always been of supreme importance at Valiant as they are the growth-drivers and the mainstay of the organization. The prominence of the people of the organization stems from the belief that they are the authors of the Company's success story. Integral to the Company's approach, Human resource development is its distinctive strategy. The strategy ensures developing and nurturing a team of competent, passionate and inspiring leaders who would turn to be the scribes of a promising future's slate. Thus, building a future ready organisation through true to type learning, innovation and world-class execution. The Company believes that the alignment of all employees to a shared vision and purpose is crucial for succeeding in the marketplace. Further it recognises the mutuality of interest with key stakeholders and is committed to building harmonious employee relations.

VOL is confident that its employees will relentlessly strive to meet the growth agenda, deliver world class performance and innovate newer things. They will thus uphold human dignity, foster team spirit and discharge their role as 'trustees' of all stakeholders with true faith and allegiance.

The Company cares for its people, customers, suppliers, and community which is reflected in the Company's policy, programs and development efforts. As of March 31, 2023, the Company had 920 permanent employees at its manufacturing plants and administrative office.

NOMINATION AND REMUNERATION POLICY

Your Company has in place a Nomination and Remuneration Policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy also lays down criteria for selection and appointment of Board Members. The remuneration paid to the Directors, Key Managerial Personnel and Senior Management of the Company is as per the terms laid down in the Nomination and Remuneration Policy of the Company.

The policy on remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on the Company's website at the link: https://www.valiantorganics.com/assets/investors/nomination-and-remuneration-policy-new.pdf.

PERSONNEL

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure and forms part of this report.

In terms of Section 136(1) of the Companies Act, 2013, the Report and the Accounts are being sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining a copy of the Annexure may write to the Company Secretary at the Registered Office of the Company for a copy of it.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no other material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year to which these financial statements relate and the date of the report.

RISK MANAGEMENT

During the year under review, the Company has identified and evaluated elements of risk. The risk, inter-alia, further includes fluctuations in foreign exchange, Raw Material Procurement risk, Environmental & Safety Risk, Working Capital Risk, Market Risk and Business Operations Risk. The Company has put in place an Enterprise risk management policy which enables businesses to take faster, informed and quality decisions, encouraging a risk resilient culture.

The risk management framework defines the risk management approach of the Company and includes periodic review of such risk and also documentation, mitigating controls and reporting mechanisms of such risks.

In compliance with Regulation 21 of Listing Regulations, Your Company has a Risk Management Committee consisting of Shri Mulesh Savla (Chairperson), Shri Arvind Chheda, Shri Mahek Chheda. The Committee through its dynamic risk management framework continuously identifies, evaluates and takes appropriate measures to mitigate various elements of risks.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has clearly laid down policies, guidelines and procedures that form part of internal financial control systems, which provide for automatic checks and balances. Your Company has maintained a proper and adequate system of internal controls. The Company has appointed an Internal Auditor who periodically audits the adequacy and effectiveness of the internal controls laid down by the Management and suggests improvements. This ensures that all Assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorised, recorded and reported diligently. Your Company's internal control systems are commensurate with the nature and size of its business operations. Internal Financial Controls are evaluated and Internal Auditors' Reports are regularly reviewed by the Audit Committee of the Board.

Statutory Auditors Report on Internal Financial Controls as required under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is annexed with the Independent Auditors' Report.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

There are no amount due to be transferred to the IEPF account.

RELATED PARTY TRANSACTIONS

The Company has a Policy on Materiality of Related Party Transaction and dealing with Related Party Transaction. The said policy is available on the website of the Company at https://www.valiantorganics.com/assets/investors/Related-Party-Transactions- Policy.pdf

All related party transactions that were entered into during the FY 2022-23 were on an arm's length basis and were in the ordinary course of the business. All transactions entered with related parties were in compliance with the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder and the Listing Regulations.

All related party Transactions are placed before the Audit Committee for their review and approval. Prior Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis specifying the nature, value and terms & conditions of the transactions.

The details of related party transactions are provided in the accompanying financial statements.

Particulars of contracts or arrangements with related parties referred to in Section 188 (1) of Companies Act,2013, as prescribed in Form AOC-2 under Rule 8 (2) of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure- C**.

The transactions entered by the Company during the Financial Year under review were in conformity with the Company's Policy on Related Party Transactions.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the notes to the Financial Statement of the Company.

DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from the public was outstanding as on the date of the Balance Sheet.

The Company does not have any deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

SAFETY HEALTH AND ENVIRONMENT

The Company operates according to the best practices with regards to environmental, health, safety and quality standards. With a strong commitment to Safety, Health and Environment (SHE) norms, the Company conducts regular safety training of employees and undertakes necessary safety management procedures.

The Company practises eco-friendly manufacturing with minimal to zero discharge of harmful pollutants.

Out of six Manufacturing units, five are Zero Liquid Discharge Units. The Company has worked towards reducing plants' energy requirement per unit of output and achieved moderate cost savings by converting high-pressure steam from manufacturing processes to power the plants.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism and Whistle Blower Policy for its Directors and employees to report concerns about unethical behaviour, actual or suspected fraud, actual or suspected leak of UPSI or violation of Company's Code of Conduct. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism, and allows direct access to the chairperson of the audit committee in exceptional cases. Further, your Company has prohibited discrimination, retaliation, or harassment of any kind against any employee who reports under the Vigil Mechanism or participates in the investigation.

The said Policy has been posted on the website of the Company and the web link thereto is https://www.valiantorganics.com/assets/investors/Whistle%20Blower%20Policy.pdf

AUDITORS AND REPORTS

Statutory Auditors & their Audit Report for the year ended March 31, 2023

At the 13th Annual General Meeting (AGM) held on September 29, 2018 Members had approved the appointment of Gokhale & Sathe Chartered Accountants (Firm Registration No: 103264W), as the Statutory Auditors for a period of 5 (five) years to hold office till the conclusion of 18th AGM to be held in the year 2023. Accordingly, their first term as Statutory Auditors expires at the conclusion of the 18th AGM.

Pursuant to the provisions of Section 139(2)(b) of the Companies Act,2013, an audit firm can be appointed for two terms of five consecutive years each. Accordingly, the Board in its meeting held on May 19,2023 approved the reappointment of Gokhale & Sathe based on the recommendations of the Audit Committee and the same is subject to the approval of the Members of the Company. The Notice of ensuing 18th AGM includes the proposal for seeking Members' approval for the re-appointment of Gokhale & Sathe as the Statutory Auditors, for the second term of 5 (five) years commencing from the conclusion of the 18th AGM until the conclusion of the 23rd AGM to be held in the year 2028.

Gokhale & Sathe has provided their consent and a certificate of their eligibility under sections 139 and 141 of the Companies Act,2013 and the Companies (Audit and Auditors) Rules 2014 for their continuance as the Statutory Auditors of the Company for the second term of 5 (five) years. In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

The Auditors have issued an unmodified opinion on the Financial Statements, both standalone and consolidated for the financial year ended March 31, 2023. The said Auditors' Report(s) for the financial year ended March 31, 2023 on the financial statements of the Company forms part of this Annual Report.

The Auditors Report for the financial year ended March 31, 2023 does not contain any qualification, adverse remark or reservation and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The Auditors had not reported any fraud under Section 143(12) of the Companies Act, 2013 and therefore no details are required to be disclosed under Section 134 (3)(ca) of the Companies Act, 2013.

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Rules, 2014 the Company is required to maintain cost accounting records and have them audited every year. The Cost accounts and records as required to be maintained are duly made and maintained by the Company.

The Board has re-appointed Ketaki D. Visariya, Cost Accountants, (Membership No.16028) as the Cost Auditors of the Company for Financial Year 2023-24 under Section 148 and all other applicable provisions of the Companies Act, 2013.

The remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution for seeking Member's ratification for the remuneration payable to Ketaki D. Visariya, Cost Accountants, is included at Item No. 11 of the notice convening the Annual General Meeting.

Secretarial Auditor & their Audit Report for the year ended March 31, 2023

Pursuant to the provisions of Section 204 of Companies Act, 2013 and rules made thereunder, the Board had appointed CS Sunil M Dedhia (COP no. 2031), Proprietor of Sunil M. Dedhia & Co, Company Secretary in practice to undertake Secretarial audit of the Company.

The Secretarial Audit Report is included as **Annexure-D1** and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimer. During the year under review, the Secretarial Auditor had not reported any fraud under Section 143(12) of the Companies Act, 2013 and therefore no details are required to be disclosed under Section 134 (3)(ca) of the Companies Act, 2013.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act,2013, the Annual Return as on March 31, 2023 is available in prescribed format on the Company's website on www.valiantorganics.com

CORPORATE GOVERNANCE

Corporate Governance essentially involves balancing the interests of a Company's stakeholders. The Company is committed to good Corporate Governance practices and the Corporate Governance practices of the Company are a reflection of its values, policies and relationship with our stakeholders.

Your Company has complied with the mandatory Corporate Governance requirements stipulated under the Listing Regulations. A separate Report on Corporate Governance is annexed hereto forming part of this report together with the requisite certificate from Gokhale & Sathe Chartered Accountants as stipulated under the Listing Regulations.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 read with Schedule V to Listing Regulations, Management Discussion and Analysis Report, capturing your Company's performance, industry trends and other material changes with respect to your Company's and its subsidiaries, wherever applicable, for the year under review is presented in a separate section forms an integral part of this Annual Report.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

The Listing Regulations mandate the inclusion of the Business Responsibility & Sustainability Reporting as part of the Annual Report for top 1000 listed entities based on market capitalisation. BRSR for the year under review, as stipulated under Regulation 34 (f) of Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021 is in a separate section forms an integral part of the Annual Report.

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

Your Company has constituted an Internal Complaints Committee, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has a policy and framework for employees to report sexual harassment cases at workplace. The Company's process ensures complete anonymity and confidentiality of information.

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

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The below table provides details of complaints received/ disposed during the Financial year 2022-23.

Particulars	No. of Complaints
Number of complaints at the beginning of the financial year	0
No. of complaints filed and resolved during the financial year	0
No. of complaints pending at the end the financial year	0

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended from time to time, are provided in **Annexure–E** to this report.

SECRETARIAL STANDARDS COMPLIANCE

During the year under review, the Company has complied with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Companies Act, 2013.

DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF VALUATION AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE AT THE TIME OF TAKING A LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the Financial Year 2022-23, the Company has not made any settlement with its bankers for any loan/ facility availed or/and still in existence.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE FINANCIAL YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

During the Financial Year 2022-23, there was no application made and proceeding initiated / pending by any Financial and/or Operational Creditors against your Company under the Insolvency and Bankruptcy Code, 2016 ("the Code").

Further, there is no application or proceeding pending against your company under the code.

GREEN INITIATIVE

Your Company has adopted a green initiative to minimize the impact on the environment. The Company has been circulating the copy of the Annual Report in electronic form to all members whose email addresses are available with the Company. Your Company appeals to other members to also register themselves for receiving the Annual Report in electronic form.

ACKNOWLEDGEMENT

The Board of Directors places on record its sincere appreciation for the dedicated services rendered by the employees of the Company at all levels and the constructive cooperation extended by them. Your Directors would like to express their grateful appreciation for the assistance and support by all Shareholders, Government Authorities, Auditors, financial institutions, Customers, employees, suppliers, other business associates and various other stakeholders.

For and on Behalf of the Board

	Arvind K. Chheda	**Mahek M. Chheda**
Place: Mumbai	Managing Director	Executive Director
Date: May 19, 2023	DIN: 00299741	DIN: 06763870

ANNEXURE – " A"

FORM AOC-1

[Pursuant to first proviso to sub – section (3) of Section 129 read with Rule 5 of Companies (Account) Rules, 2014]

Statement containing salient features of Financial Statements of Subsidiaries / Associate Companies / Joint Ventures

Part "A" – Subsidiaries

(₹. in Lakhs)

Sr. No.	Name of Subsidiary Company	Date since when subsidiary was acquired	Reporting Period	Reporting Currency & Exchange Rate as on the last date of the relevant financial year in the case of foreign subsidiary	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Proposed Dividend	% of Shareholding
1.	Valiant Speciality Chemical Limited	December 20, 2019	Same as of the Holding Company	N.A	25.00	(3.81)	21.53	21.53	-	-	(0.47)	Nil	Nil	100
2.	Dhanvallabh Venture LLP	May 15,2012	Same as of the Holding Company	N.A	0.50	Nil	7,758.15	7,758.15	2,886.60	0.40	(0.89)	160.32	Nil	73.15
3.	Valiant Laboratories Limited*	August 16, 2021	Same as of the Holding Company	N.A	3,256.00	6,793.08	21,275.84	21,275.84	3,402.86	33,390.95	3,813.64	913.81	Nil	62.5
4.	Valiant Advance Sciences Private Limited**	July 08,2022	Same as of the Holding Company	N.A	1.00	Nil	3,255.26	3,255.26	Nil	Nil	Nil	Nil	Nil	62.5

**Converted from Bharat Chemical to Valiant Laboratories Limited on August 16, 2021.*

*** Subsidiary of step down subsidiary*

 # Holding through Dhanvallabh Ventures LLP

Part "B": Associates and Joint Ventures

Note: The Company does not have any Associate/Joint Venture Company as on March 31, 2023

Names of the associate or joint ventures which are yet to commence operations - **NIL**

Names of the associate or joint ventures which have been liquidated or sold during the year – **NIL**

For and on behalf of the Board
Valiant Organics Limited

Arvind K. Chheda
Managing Director
DIN: 00299741

Mahek M. Chheda
Executive Director & Chief Financial Officer
DIN: 06763870

Avani D. Lakhani
Company Secretary
ICSI M. No. A47118

Place: Mumbai
Date :May 19, 2023

ANNEXURE - B

The Annual Report on CSR Activities Financial Year ended March 31, 2023

1. Brief outline on CSR Policy

The Company's policy on CSR, sets out a statement containing the approach and direction given by the Board of Directors after taking into account the recommendations of its CSR Committee and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

This policy is framed pursuant to Section 135 of the Companies Act, 2013 read with rules made thereunder as amended time to time.

2. Composition of CSR Committee

Sr. No.	Name	Designation	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Velji K. Gogri (upto May 19, 2023)	Chairperson	Independent Director	1	1
2	Shri Arvind K. M. Chheda	Member	Managing Director	1	1
3	Shri Mahek Chheda	Member	Executive Director	1	1

Shri Navin C. Shah has been inducted as Chairperson of the Committee w.e.f. May 19, 2023.

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

https://www.valiantorganics.com/assets/investors/CSR%20Policy.pdf

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

Not applicable

However, project wise amounts spent together with the lives impacted thereby have been covered later in this report.

5. (a) Average net profit of the company as per sub-section (5) of section 135: - **₹15,117.50 Lakhs**
   (b) Two percent of average net profit of the company as per sub-section (5) of section 135: - **₹302.35 Lakhs**
   (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: - **₹Nil**
   (d) Amount required to be set-off for the financial year, if any: - **₹52.17 Lakhs**
   (e) Total CSR obligation for the financial year [(b)+(c) - (d)]: - **₹250.18 Lakhs**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): - **₹310 Lakhs**
   (b) Amount spent in Administrative Overheads: - **Nil**
   (c) Amount spent on Impact Assessment, if applicable: - **Nil**
   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: - **₹310 Lakhs**
   (e) CSR amount spent or unspent for the Financial Year: -

Total Amount Spent for the Financial Year. (₹ in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
310	NIL				

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

Sr. No.	Particular	Amount (₹ In Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	302.35
(ii)	Total CSR obligation for the financial year 2022-23	250.18*
(iii)	Total amount spent for the Financial Year	310
(iv)	Excess amount spent for the Financial Year [(iii)-(ii)]	59.82
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(vi)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	59.82

**This excludes an aggregate amount of ₹52.17 Lakhs, being the amount set-off in FY 2022-23 from the excess spends of Financial Year 2020-21.*

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
NIL							

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

If Yes, enter the number of Capital assets created/ acquired: - **Not Applicable**

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

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

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub- section (5) of section 135: - Not Applicable

	Arvind K. Chheda	**Velji K. Gogri**
Place: Mumbai	Managing Director	Chairperson of CSR Committee
Date: May 19,2023	DIN: 00299741	DIN: 02714758

ANNEXURE C

Form No. AOC - 2

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

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

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

a)	Name(s) of the related party	Aarti Industries Limited
	Nature of relationship	Promoter Group
(b)	Nature of contracts/arrangements/transactions	Purchase & Sale of Goods.
(c)	Duration of the contracts / arrangements/transactions	Continuous basis
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Contract for purchase & Sale of Goods shall be on a continuous basis. Monetary value of total transactions during the financial year 2022-23 upto Rs.950 Crore (consisting of purchase and sale of Goods).
(e)	Date(s) of approval by the Board, if any:	March 16, 2022
(f)	Amount paid as advances, if any:	Nil

a)	Name(s) of the related party	Valiant Laboratories Limited
	Nature of relationship	Indirect Subsidiary Company
(b)	Nature of contracts/arrangements/transactions	Sale of Goods
(c)	Duration of the contracts / arrangements/transactions	Continuous basis
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Contract for Sale of Goods shall be on a continuous basis. Monetary value of aggregate transactions during the financial year 2022-23 upto Rs.700 Crores.
(e)	Date(s) of approval by the Board, if any:	March 16, 2022
(f)	Amount paid as advances, if any:	Nil

• The above mentioned transactions were entered into by the Compnay in its ordinary course of business and at arm's length basis.

ANNEXURE-D1

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023

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

To,
The Members,
Valiant Organics Limited
(CIN: L24230MH2005PLC151348)
109, Udyog Kshetra, 1st Floor,
Mulund Goregaon Link Road,
Mulund (W), Mumbai 400080

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Valiant Organics Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings to the extent applicable;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

(b) The Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which were not applicable to the Company during Audit Period;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(f) Securities and Exchange Board of India (Issue and Listing of Non - Convertible Securities) Regulations, 2021 which were not applicable to the Company during Audit Period;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 which were not applicable to the Company during Audit Period; and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 which were not applicable to the Company during Audit Period.

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

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

(ii) Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the Audit Period under review and as per the representations and clarifications made, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that based on review of compliance system prevailing in the Company, I am of the opinion that the Company has adequate systems and processes in place commensurate with its size and nature of operations to monitor and ensure compliance with the following laws applicable specifically to the Company:

(a) The Explosive Act,1884 and Rules made thereunder;

(b) Indian Boiler Act, 1923 & The Indian Boilers Regulations, 1950;

(c) Air (Prevention and Control of Pollution) Act, 1981;

(d) Water (Prevention and Control of Pollution) Act, 1974;

(e) The Noise (Regulation and Control) Rules, 2000;

(f) Environment Protection Act, 1986 and other environmental laws;

(g) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008; and

(h) Public Liability Insurance Act, 1991.

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

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

All decisions at the Board Meetings and Committee Meetings were taken unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

I further report that during the Audit Period under review, there was no specific events /actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs.

This report is to be read with Annexure which forms an integral part of this report.

CS Sunil M. Dedhia
Proprietor, Sunil M. Dedhia & Co.
Practising Company Secretary
FCS No: 3483 C.P. No. 2031
Place: Mumbai — Peer Review Certificate No. 867/2020
Date: July 29, 2023 — UDIN: F003483E000704931

Annexure

To,
The Members,
Valiant Organics Limited
(CIN: L24230MH2005PLC151348)
109, Udyog Kshetra, 1st Floor,
Mulund Goregaon Link Road,
Mulund (W), Mumbai 400080

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

(1) Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

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

(3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

(4) Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.

(5) The compliance of the provisions of Corporate and Other Applicable Laws, Rules, Regulations, Standard is the responsibility of Management. My examination was limited to the verification of procedures on test basis.

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

CS Sunil M. Dedhia
Proprietor, Sunil M. Dedhia & Co.
Practising Company Secretary
FCS No: 3483 C.P. No. 2031
Peer Review Certificate No. 867/2020
UDIN: F003483E000704931

Place: Mumbai
Date: July 29, 2023

ANNEXURE-D2

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023

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

To,
The Members,
Valiant Laboratories Limited
(CIN: U24299MH2021PLC365904)
104, Udyog Kshetra, Mulund Goregoan Link Road,
Mulund(West), Mumbai 400080

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Valiant Laboratories Limited** (hereinafter called "the Company") **which is a material subsidiary of Valiant Organics Limited, ultimate listed holding company**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder which were not applicable to the Company during Audit Period;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings, which were not applicable to the Company during Audit Period;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during Audit Period:-

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

(b) The Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR");

(f) Securities and Exchange Board of India (Issue and Listing of Non¬-Convertible Securities) Regulations, 2021;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

(ii) Listing Agreements entered into by the Company with the Stock Exchanges which were not applicable to the Company as the Company is not listed on any Stock Exchange in India during Audit Period;

During the Audit Period under review and as per the representations and clarifications made, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that based on review of compliance system prevailing in the Company, I am of the opinion that the Company has adequate systems and processes in place commensurate with its size and nature of operations to monitor and ensure compliance with the following laws applicable specifically to the Company:

(a) Petroleum Act, 1934 and Rules made thereunder;

(b) Drugs and Cosmetic Act, 1940 and Rules made thereunder;

(c) The Explosive Act 1884 and Rules made thereunder;

(d) The Insecticides Act, 1968;

(e) Narcotic Drugs and Psychotropic Substances Act, 1985;

(f) The Indian Boilers Act, 1923 & The Indian Boilers Regulations 1950;

(g) The Chemical weapon convention Act 2000, and the Rules made thereunder;

(h) Air (Prevention and Control of Pollution) Act 1981;

(i) Water(Prevention and Control of Pollution) Act 1974;

(j) The Noise (Regulation and Control) Rules 2000;

(k) Environment Protection Act, 1986 and other environmental laws;

(l) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016; and

(m) Public Liability Insurance Act 1991.

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

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

All decisions at the Board Meetings and Committee Meetings were taken unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

I further report that during the Audit Period under review, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs.

This report is to be read with Annexure which forms an integral part of this report.

CS Sunil M. Dedhia
Proprietor, Sunil M. Dedhia & Co.
Practising Company Secretary
FCS No: 3483 C.P. No. 2031
Peer Review Certificate No. 867/2020
UDIN: F003483E000493005

Place: Mumbai
Date: June 24, 2023

Annexure

To
The Members,
Valiant Laboratories Limited
(CIN: U24299MH2021PLC365904)
104, Udyog Kshetra, Mulund Goregoan Link Road,
Mulund(West), Mumbai 400080

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

(1) Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

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

(3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

(4) Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.

(5) The compliance of the provisions of Corporate and Other Applicable Laws, Rules, Regulations, Standard is the responsibility of Management. My examination was limited to the verification of procedures on test basis.

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

CS Sunil M. Dedhia
Proprietor, Sunil M. Dedhia & Co.
Practising Company Secretary
FCS No: 3483 C.P. No. 2031
Peer Review Certificate No. 867/2020
UDIN: F003483E000493005

Place: Mumbai
Date: June 24, 2023

ANNEXURE-E

Disclosure pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts), Rules 2014

A) Conservation for Energy

- **The Steps Taken or Impact on Conservation of Energy:**

1. **LED Lighting Upgrade:** The shift from Conventional light to Energy Efficient LED Light has reduced daily energy consumption and led to cost savings.
2. **Mechanical Vapour Recompression system:** Installation of Mechanical vapour recompression system of 48KLD, which reduces evaporation cost by approximately 25%. This shift has resulted in reduced energy evaporation cost compared to the previous fiscal year.
3. **Cooling Tower system:** Installation of new cooling tower of 1,200 TR with low RPM pumps for energy & maintenance savings
4. **Renewable Power Plant:** Commissioned a captive renewable power plant which has capacity to generate 2.2MW wind energy in June 2023.

- **The steps taken by the company for utilizing alternate sources of energy:**

  Installed a captive renewable power plant which has capacity to generate 2.2MW wind energy in June 2023.

- **The Capital Investment on energy conservation equipments:**

  An Investment of more than Rs. 250 lakhs has been dedicated to energy conservation equipment.

(B) Technology absorption

Efforts made towards technology absorption	i. Implementation of Distributed Control System (DCS) in other plants for safer operations and enhancement of production ii. Installation of 18,000 m3/hr booster (as a part of MVR) for increasing the pressure of the steam iii. Installation of New 2000 CFM process Air Blower for enhancement of production iv. Installation of New racking system for the storage of drum systematically, enhance capacity and safety v. Installed a Dust collector system to avoid chemical exposure and maintenance of other equipment
Benefits derived like product improvement, cost reduction, product development or import substitution	Production efficiency, improved yield and safer operations
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	Nil
Details of technology imported	N.A.
Year of import	N.A.
Whether the technology has been fully absorbed	N.A.
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.

- Expenditure incurred on Research and Development:

Years	(₹ in lakhs)
Financial year 2022-23	100 (Approximately)
Financial year 2021-22	100 (Approximately)

C) Foreign Exchange Earnings and Outgo:

The details of foreign exchange earnings and outgo's are as follows: -

(₹ in lakhs)

Particulars	Financial year 2022-23	Financial year 2021-22
Foreign Exchange earnings	5,879	5,376
Foreign Exchange outgo's	9,774	8,251

For and on behalf of the Board

	Arvind K. Chheda	**Mahek M. Chheda**
Place: Mumbai	Managing Director	Executive Director
Date: May 19, 2023	(DIN: 00299741)	(DIN: 06763870)

Report on Corporate Governance

The Company's Report on Corporate Governance for the financial year ended March 31, 2023 is in compliance with the principles of Corporate Governance as prescribed in Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations").

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is essentially the management of an organization's activities in accordance with policies that are value-accretive for all stakeholders. The corporate governance philosophy of your Company is based on its core values; Persistent, Confident, Resilient. The Company is committed to the adoption and adherence to Corporate Governance Practices that ensure adequate transparency to take informed decisions and building trust for impactful collaboration.

These governance practices help enhancement of long-term shareholders value and interest of other Stakeholders and also help to align with our strategy for sustainable growth. The Company is committed to maintain high standards of Corporate Governance to achieve business excellence and strengthen the confidence of all stakeholders. The Company constantly endeavors to create and sustain long-term value for all its stakeholders including, but not limited to shareholders, employees, customers, business partners, suppliers and the wider communities that we serve.

The Board fully appreciates the need for increased awareness for responsibility, transparency and professionalism in management of the Organization. The Board believes that Corporate Governance is not an end, it is just the beginning towards growth of the Company for long term prosperity. Continuous efforts taken towards strong governance practice have rewarded the Company in the sphere of stakeholders' confidence, valuation, market capitalisation and high credit rating.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, as applicable, with regard to Corporate Governance.

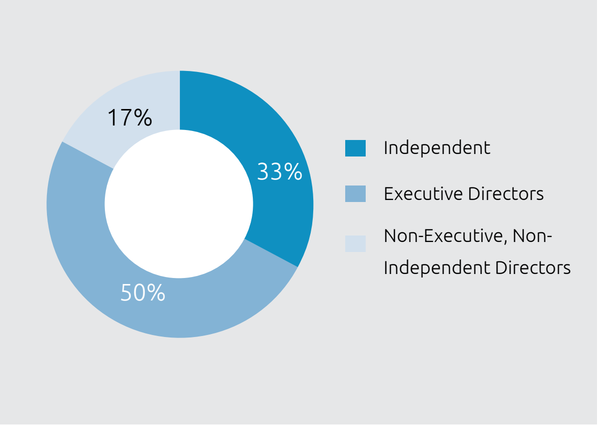
2. BOARD OF DIRECTORS–

The primary role of the Board of Directors ("the Board) is that of trusteeship – to protect and enhance shareholder value. The Board have a fiduciary responsibility to ensure that the Company's actions and objectives are aligned to sustainable growth and long-term value creation.

The Board is entrusted and empowered to oversee the management, direction and performance of the Company with a view to protect the interest of the stakeholders and enhance value for shareholders. The Board monitors the strategic direction of the Company.

Composition and size of the Board–

The Board comprises members having varied skills, experience and knowledge. The Board has a mix of both Independent and Non-independent Directors. As on close of business hours of March 31, 2023, the Board comprises Twelve (12) Directors, out of which 6 (Six) are Executive Directors, 2 (Two) are Non- Executive Non Independent Directors and 4 (Four) are Independent Directors (including one Woman Independent Director). The Chairman of the Company is Non-Executive, Independent Director. As on March 31, 2023 and as on date of this Report, the Company is in compliance with the provisions of Section 149(4) of the Companies Act, 2013 read with Regulation 17(1)(a) and 17(1)(b) of the Listing Regulations.



Independent Directors –

In terms of Section 149(7) of the Companies Act, 2013, the Independent Directors have given a declaration to the Company that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and the Listing Regulations. The Board confirms that the Independent Directors fulfill the conditions specified in terms of the Companies Act, 2013 and the Listing Regulations and that they are Independent of the management of the Company. All the Directors are in compliance with the limit on Independent Directorships of listed Companies as prescribed under Regulation 17A of the Listing Regulations. The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company as required in terms of Regulation 46 of the Listing Regulations.

All the Directors have confirmed that they are not members of more than 10 Committees and Chairman of more than 5 Committees (as specified under Regulation 26 (1) Listing Regulations) across all the Companies in which they are Directors.

Board procedure –

The Board Meeting is conducted at least once in every quarter to discuss the agenda items set for the meeting including performance, policies and the strategies required, from time to time. Agenda of the business(es) to be transacted at the Board Meeting along with explanatory notes thereto are drafted and circulated well in advance to the Board of Directors of the Company. Every Board Member is free to suggest the inclusion of any item on the agenda and hold due discussions thereto.

Meetings held during the Financial year 2022-23 –

5 (Five) Board Meetings were held during the year under review and the gap between two meetings did not exceed 120 days. The meetings were held on the following dates.

Board Meeting Dates	April 30, 2022	May 25, 2022	August 04, 2022	November 08, 2022	January 31, 2023
Start Timing	12:00 Noon	06:30 P.M.	04:00 P.M.	12:00 Noon	12:00 Noon
Mode of Meeting	Meeting held Physically	Meeting conducted through Video Conferencing	Meeting held Physically	Meeting held Physically	Meeting held Physically

Apart from the Physical/VC meetings, the Board / Committees also considered and approved certain matters by circular resolutions, which were noted at the next meeting of the Board as required in terms of the Companies Act, 2013.

Attendance, Directorships and Committee positions –

The names and categories of the Directors on the Board, their Directorship in other Companies, their attendance record, the committee positions in other Companies as on March 31, 2023, are as under:

Name of the Director	Category	Shareholding as on March 31, 2023		Directorships as on March 31, 2023		Attendance at meetings held during the Financial year 2022-23		Number of Committee Membership in other Companies (excluding Valiant Organics Limited)	
		No. of Equity Shares	% of Shareholding	Total no. of Directorships as on March 31, 2023 (excluding Valiant Organics Limited)	Directorship held in other listed entity	Board (out of 5)	AGM held on September 28, 2022	Chairman	Member
Shri Arvind K. Chheda (DIN: 00299741)	Promoter, Managing Director	433476	1.596	1	None	5	√	-	-
Shri Bijal D. Modi (DIN:00616848) [upto April 10,2022]	Executive Director	123762	0.456	0	None	NA	NA	-	-
Shri Dinesh S. Shah (DIN:00345641) [upto May 30,2022]	Executive Director	115544	0.426	1	None	2	NA	-	-
Shri Mahek M. Chheda (DIN: 06763870)	Executive Director	67200	0.248	2	None	4	√	-	-

Name of the Director	Category	Shareholding as on March 31, 2023		Directorships as on March 31, 2023		Attendance at meetings held during the Financial year 2022-23		Number of Committee Membership in other Companies (excluding Valiant Organics Limited)	
		No. of Equity Shares	% of Shareholding	Total no. of Directorships as on March 31, 2023 (excluding Valiant Organics Limited)	Directorship held in other listed entity	Board (out of 5)	AGM held on September 28, 2022	Chairman	Member
Shri Mahesh M. Savadia (DIN: 00128389) [upto April 30,2022]	Executive Director	537734	1.980	0	None	1	NA	-	-
Shri Nemin M. Savadia (DIN: 00128256) [w.e.f. May 01,2022]	Executive Director	60226	0.222	0	None	3	√	-	-
Shri Siddharth D. Shah (DIN: 07263018) [w.e.f. June 01,2022]	Executive Director	69684	0.256	0	None	3	√	-	-
Shri Sathiababu K. Kallada (DIN: 02107652) [w.e.f. May 01,2022]	Executive Director	1600	0.006	3	None	5	√	-	-
Shri Vishnu J. Sawant (DIN: 03477593)	Executive Director	100	0.000	0	None	5	√	-	-
Dr. Kiritkumar H. Desai (DIN: 08610595)	Non-Executive (Non) Independent Director	600	0.000	1	None	5	√	-	-
Shri Santosh S. Vora (DIN: 07633923) [w.e.f. May 01,2022]	Non-Executive (Non) Independent Director	153830	0.567	2	None	4	√	-	-
Shri Dhirajlal Damji Gala (DIN: 07552111) [upto June 30,2022]	Independent Director	0	0.000	0	None	2	NA		
Shri Jeenal K. Savla (DIN: 07545244) [upto June 30,2022]	Independent Director	0	0.000	2	Independent Director(Aarti Pharmalabs Limited)	2	NA		
Shri Mulesh M. Savla (DIN: 07474847)	Independent Director	0	0.000	1	Independent Director(Aarti Surfactants Limited)	5	√	1	1
Shri Navin C. Shah (DIN: 01415556) [w.e.f. August 04,2022]	Independent Director	0	0.000	2	Independent Director (Aarti Drugs Limited)	3	√	1	1
Smt. Sonal A. Vira (DIN: 09505883 [w.e.f. August 04,2022]	Independent Director	35	0.000	1	None	2	√	0	2
Shri Velji K. Gogri (DIN: 02714758) [upto July 05,2023]	Independent Director	9800	0.036	1	None	5	√	2	0

Dr. Sudhirprakash B. Sawant was appointed as an Independent Director w.e.f. May 19,2023.

Notes:

1) Promoter includes Promoter Group;
2) While considering the total number of directorships, directorships in LLP, directorships in private companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013 have been excluded;
3) While calculating Number of Committee Membership in other Companies, it includes Audit Committee and the Stakeholders' Relationship Committee of Public Companies (listed and unlisted) only;
4) In terms of Part C of Schedule V of the Listing Regulations, it is hereby disclosed that there is no inter-se relationship amongst the Directors.
5) None of the Directors on the Board serve as Director or Independent Director in more than seven listed companies.
6) The number of Directorship, Chairmanship/ Membership in Committees of all Directors is within prescribed limit under Companies Act, 2013 and Regulation 26 of Listing Regulations.

Skills / expertise / competencies of the Board of Directors –

The table below summarizes the broad list of core skills / expertise / competencies identified by the Board of Directors, as required in the context of the Company's business / sector and the said skills are available with the Board members:

List of core skills/expertise/competencies identified by the board of directors as required in the context of the business(es) and sector(s)		Names of directors who have such skills / expertise / competence.
Industry Experience	Experience in Speciality chemical & Pharmaceutical industry	All the Executive Directors, Dr. Kiritkumar Desai Dr. Sudhirprakash B. Sawant Shri Santosh S. Vora Shri Velji K. Gogri
Operations, Technology, Sales and Marketing	Experience in sales and marketing management based on understanding of the consumer & consumer goods industry	Shri Arvind Chheda Shri Mahek Chheda Shri Vishnu Sawant Dr. Kiritkumar Desai
Leadership	Extensive leadership experience of an organization for practical understanding of the organization, its processes, strategic planning, risk management for driving change and long-term growth	Shri Mahek Chheda Shri Arvind Chheda Shri Sathiababu Kallada
Understanding of Global Business	Owing to presence across the globe, the understanding of global business & market is seen as pivotal	
Finance and Banking	Finance field skills/competencies/ expertise is seen as important for intricate and high quality financial management and financial reporting processes	Shri Arvind Chheda Shri Mulesh Savla Shri Mahek Chheda Shri Navin Shah Smt. Sonal Vira
Legal/Governance/ Compliance	In order to strengthen and maintain the governance levels & practices in the organization	Shri Mulesh Savla Shri Mahek Chheda Shri Navin Shah Dr. Kiritkumar Desai

Selection and Appointment of New Directors

The task of creating the Board's competency standards has been delegated to the Nomination and Remuneration Committee (the "NRC"), based on the Company's strategy and industry. The examination of the Board's composition reveals a thorough knowledge of the business, including its tactics, operations, the environment, the financial situation, and conditions for conformity. The Board is advised by the NRC on the appointment of Directors and their reappointment, and additionally carry out regular gap evaluations to update the Board. The NRC also examines the profiles of possible prospects to make sure they possess the necessary skills.

Process of appointment of a Director

Certificate from Company Secretary in Practice –

Certificate as required under Part C of Schedule V of Listing Regulations, received from CS Sunil M. Dedhia proprietor of Sunil M. Dedhia & Co. ,Practicing Company Secretaries, that none of Directors on the Board of the Company have been debarred and disqualified from being appointed or continuing as Directors of the Company by an order from the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority.

KYC of Directors –

Pursuant to the Companies (Appointment and Qualification of Directors) Fourth Amendment Rules, 2018, all the Directors of the Company have completed the KYC for the Financial Year 2022-23.

Independent Directors Databank registration –

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all Directors have completed the registration with the Independent Directors Databank. The requisite disclosures have been received from the Directors in this regard.

Code of ethics –

The Company has prescribed a code of ethics for its Directors and senior management. The code of ethics of the Company has been posted on its website https://www.valiantorganics.com/assets/investors/code-of-conduct.pdf

The declaration from the Managing Director in terms of Regulation 34(3) read with Part D of Schedule V of the Listing Regulations, stating that as of March 31, 2023, the Board members and the senior management personnel have affirmed the compliance with the Code of Ethics laid down by the Company forms integral part of this Report.

Code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct to regulate, monitor and report trading by insiders –

In Compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a "Code on Prohibition of Insider Trading" to regulate, monitor and report trading by Designated Persons identified by the Company and their Immediate Relatives. The Code lays down procedures to be followed and disclosures to be made while trading in the Company's shares from time to time. Also this code includes practices and procedures for fair disclosure of unpublished price sensitive information. The same is posted on the Company's website at https://www.valiantorganics.com/assets/investors/Code-of-Insider-Trading-Regulations-2015.pdf

Familiarization Programme –

At the time of appointment, the Independent Directors are made aware of their roles and responsibilities through a formal letter of appointment which stipulates various terms and conditions. At Board and Committee meetings, the Independent Directors are regularly being familiarized on the business model, strategies, operations, functions, policies and procedures of the Company and its subsidiaries. Details of familiarization Programmes imparted to Independent Directors are disclosed on the Company's website https://www.valiantorganics.com/assets/investors/details-of-familirisation-programme-2022-2023.pdf

Separate meeting of Independent Directors –

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors was held on March 20, 2023. The meeting was chaired by Shri Mulesh Savla and was held without the participation of Non-Independent Directors and the members of the management. The Independent Directors discussed various aspects, viz. performance of non-Independent Directors and the Board as a whole, performance of the chairperson of the Company, quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform duties.

3. COMMITTEES OF BOARD –

In compliance with the requirements of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has constituted five Statutory Committees namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. In addition to above, the Board has constituted the Finance and Investment Committee to deal with routine operational matters. These Committees are entrusted with such powers and functions as detailed in their respective terms of reference.

The composition, meetings, attendance and the detailed terms of reference of various Committees of the Board are as under:

(i) Audit Committee –

The Audit Committee of the Company is duly constituted as per Regulation 18 of the Listing Regulations, read with the provisions of Section 177 of the Companies Act, 2013. All the Members of the Audit Committee are financially literate and capable of analysing Financial Statements of the Company.

Composition, Meetings and Attendance –

During the Financial Year 2022–23 the Audit Committee met 4 (Four) times. The Composition of the Committee, date of the meetings and attendance of Audit Committee members in the said meetings is given below -

Name of Members	Category	Meeting Dates	May 25, 2022	August 04, 2022	November 08, 2022	January 31, 2023
		Mode of Meeting	video conferencing	Physical		
		Start Timing	5:30 P.M.	2:30 P.M.	10:30 A.M.	10:30 A.M.
		No. of Meetings attended				
Shri. Mulesh M. Savla (Chairperson w.e.f. August 04, 2022)	Independent Director	4	√	√	√	√
Smt. Jeenal K. Savla (Chairperson upto June 30,2022)	Independent Director	1	√	NA	NA	NA
Shri Dhirajlal D. Gala (Member upto June 30,2022)	Independent Director	1	√	NA	NA	NA
Shri Navin C. Shah (Member w.e.f. August 04,2022)	Independent Director	3	NA	√	√	√

Name of Members	Category	Meeting Dates	May 25, 2022	August 04, 2022	November 08, 2022	January 31, 2023
		Mode of Meeting	video conferencing	Physical		
		Start Timing	5:30 P.M.	2:30 P.M.	10:30 A.M.	10:30 A.M.
		No. of Meetings attended				
Shri Velji K. Gogri (Member)	Independent Director	4	√	√	√	√
Smt. Sonal A. Vira (Member w.e.f. August 04,2022)	Independent Director	2	NA	√	√	-
Shri Arvind K. Chheda (Member)	Managing Director	4	√	√	√	√
Shri Sathiababu K. Kallada (Member)	Executive Director	4	√	√	√	√

Dr. Sudhirprakash B. Sawant has been inducted as member of the Committee w.e.f. May 19, 2023.

The Chief Financial Officer, Functional Heads, Representatives of the Statutory auditors, Internal auditors, Cost Auditor, as and when required attend the meetings of the Audit Committee from time to time. The Company Secretary of the Company acts as the secretary to the Audit Committee. The Chairperson of the Audit Committee attended the 17th Annual General Meeting held on September 28, 2022.

Terms of Reference: The brief terms of reference of the Audit Committee include the following :

1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

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

    (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

    (b) Changes, if any, in accounting policies and practices and reasons for the same;

    (c) Major accounting entries involving estimates based on the exercise of judgment by management;

    (d) Significant adjustments made in the financial statements arising out of audit findings;

    (e) Compliance with listing and other legal requirements relating to financial statements;

    (f) Disclosure of any related party transactions;

    (g) Modified opinion(s) in the draft audit report;

5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8) Approval or any subsequent modification of transactions of the listed entity with related parties;
9) Scrutiny of inter-corporate loans and investments;
10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11) Evaluation of internal financial controls and risk management systems;
12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14) Discussion with internal auditors of any significant findings and follow up there on;
15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18) To review the functioning of the whistle blower mechanism;
19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20) Carrying out any other function as is mentioned in the terms of reference of the audit committee. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

Mandatorily review the following information:

1) Management discussion and analysis of financial condition and results of operations;
2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
4) Internal audit reports relating to internal control weaknesses;
5) The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee.
6) Statement of deviations:
   (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
   (b) Annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7).

During the year under review, the Audit Committee also reviewed and approved the related party transactions from time to time.

(ii) Nomination and Remuneration Committee –

The Nomination and Remuneration Committee of the Board has been constituted as per the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Composition, Meetings and Attendance –

During the Financial Year 2022–23 Nomination and Remuneration Committee met 2 (two) times.

The Composition of the Committee, date of the meetings and attendance of Nomination and Remuneration Committee members in the said meetings is given below–

Members	Category	Meeting Date	April 30, 2022	August 04, 2022
		Mode of Meeting	Physical	
		Start Timing	10:00 A.M.	02:00 P.M.
Shri Mulesh M. Savla (Chairperson)	Independent Director	2	√	√
Smt. Jeenal K. Savla (upto June 30, 2023)	Independent Director	1	√	NA
Shri Velji K. Gogri (upto May 19, 2023)	Independent Director	2	√	√
Shri. Santosh S. Vora (w.e.f. August 04, 2022)	Non-Executive Non-Independent Director	1	NA	√

Shri Navin Shah has been Independent Director has been inducted as member of the Committee w.e.f. May 19, 2023.

Terms of reference – The brief terms of reference of the Nomination and Remuneration Committee shall, inter alia, include the following:

1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3) Devising a policy on diversity of board of directors;
4) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6) Recommend to the board, all remuneration, in whatever form, payable to senior management.
7) Oversee the implementation of Valiant - Employees Stock Option Plan 2022 as per SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and perform the function of overall administration and superintendence of the scheme.

Nomination and Remuneration policy –

I. Criteria and Qualification for Nomination & Appointment

A person to be appointed as Director, key managerial personnel or at Senior Management level should possess adequate and relevant qualification, expertise and experience for the position that he/ she is being considered for.

II. Policy on Remuneration

The Company considers human resources as its invaluable assets. The remuneration policy endorses equitable remuneration to all Directors, key managerial personnel and employees of the Company consistent with the goals of the Company.

The Remuneration policy for all the employees are designed in a way to attract talented executives and remunerate them fairly and responsibly, this being a continuous ongoing exercise at each level in the organization.

Remuneration of Directors

Executive Directors

The Company remunerates its Executive Directors by way of salary and commission based on performance of the Company. Remuneration is paid within the limits as approved\ by the shareholders within the stipulated limits of the Companies Act, 2013 and the Rules made thereunder. The remuneration paid to the Executive Director is determined keeping in view the industry benchmark and the performance of the Company.

Non-Executive Directors

Non-executive Directors are presently receiving sitting fees (including reimbursement of expenses) for attending the meeting of the Board and its Committees as per the provisions of the Companies Act, 2013 and the rules made thereunder.

The Non-executive Directors are also entitled to reimbursement of expenses for participation in the Board and other meetings in terms of the Companies Act, 2013.

Key Managerial Personnel [KMP] and other employees

The remuneration of KMP and other employees largely consists of basic salary, perquisites, allowances and performance incentives (wherever paid). Perquisites and retirement benefits are paid according to the Company policy. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/ merits and performance of each employee.

Remuneration to Executive Directors – (₹ In Lakhs)

Name of Director(s)	Salary	Commission	Total Remuneration
Shri Arvind K. Chheda	32.50	47.45	79.95
Shri Bijal D. Modi	0.73	-	0.73
Shri Dinesh S. Shah	2.12	-	2.12
Shri Mahek M. Chheda	22.00	-	22.00
Shri Mahesh M. Savadia	1.23	-	1.23
Shri Nemin M. Savadia	11.77	-	11.77
Shri Sathiababu K. Kallada	27.50	-	27.50
Shri Siddharth D. Shah	16.86	-	16.86
Shri Vishnu J. Sawant	22.00	-	22.00

**Figures are exclusive of gratuity.*

Remuneration to Non-Executive Directors – The Non- Executive Directors are paid remuneration in the form of sitting fees for attending the meetings of the Board and / or Committees thereof which is within the limits prescribed by the Companies Act, 2013. The details of the sitting fees during the financial year 2022-23 are as under:

Name of Director(s)	Sitting fees (Rs. in Lakhs)
Dr. Kiritkumar H. Desai	0.50
Shri Santosh S. Vora	0.45
Shri Sathiababu K. Kallada	0.10
Shri Dhirajlal D. Gala	0.25
Smt. Jeenal K. Savla	0.30
Shri Mulesh M. Savla	0.90
Smt. Sonal A. Vira	0.20
Shri Navin C. Shah	0.55
Shri Velji K. Gogri	1.00

Employee Stock Options

Details of Stock options granted to the Directors under the 'Valiant - Employees Stock Option Plan 2022'of the Company are as under:

Name of Directors	Category	Date of grant	Options Granted	Vesting Period	Exercise Period
Dr. Kiritkumar H. Desai	Non-executive Director	August 04,2022	8000	1 year	3 years from the date of vesting.
Shri Sathiababu K. Kallada	Executive Director	August 04,2022	8000		

Transactions with the Non-executive Directors –

The Company does not have material pecuniary relationship or transactions with its Non-executive Directors except the payment of sitting fees for attending the meetings of Board / Committees, as disclosed in this Report.

Board evaluation –

The process for evaluation of performance of the Board has been established. Accordingly, an annual evaluation has been carried out through a questionnaire having qualitative parameters in terms of the provisions of the Companies Act, 2013, Regulations 17 and 25 of the Listing Regulations. The performance was evaluated on the basis of the criteria such as the composition, attendance, participation, quality and value of contributions, knowledge, skills, experience, etc.

Independent Directors Evaluation –

The criteria for performance evaluation include areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness.

The performance evaluation of Independent Directors is carried out by the Board of Directors without the presence of the Director being evaluated.

(iii) Stakeholders Relationship Committee –

The Stakeholders Relationship Committee has been constituted as per the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

Composition, Meetings and Attendance –

During the Financial Year 2022-23 Stakeholders Relationship Committee met 1(one) time. The Composition of the Committee, date of the meetings and attendance of Stakeholders Relationship Committee members in the said meetings is given below –

Members	Category	Meeting Date	January 31, 2023
		Mode of Meeting	Physical
		Start Timing	10:15 A.M.
Shri Mulesh M. Savla (Chairperson)	Independent Director	1	√
Shri Navin C. Shah	Independent Director	1	√
Shri Arvind K. Chheda	Managing Director	1	√

Terms of Reference – The brief terms of reference of the Stakeholders Relationship Committee shall, inter alia, include the following:

1) Resolving the grievance of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
2) Review of measures taken for effective exercise of voting rights by shareholders.

3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

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

5) Such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the Listing Regulations and / or such other regulatory provisions, as amended from time to time, as also as the Board of Directors of the Company may consider think fit.

Name, designation and contact details of the Compliance Officer – Ms. Avani D. Lakhani, Company Secretary (ICSI M.No. A47118), is the Compliance Officer of the Company.

The Compliance Officer can be contacted at the Registered office of the Company at:

109,Udyog Kshetra, 1st Floor,

Mulund Goregaon Link Road,

Mulund (West), Mumbai-400080,

Maharashtra, India;

Tel.: +91 22 25916545;

Fax: +91 22 25913765;

Email: investor@valiantorganics.com;

Website: www.valiantorganics.com

Separate email-id for redressal of investors' complaints –

As per Regulation 6 of the Listing Regulations, the Company has designated a separate email id (investor@ valiantorganics.com) exclusively for registering complaints by investors.

Status of investors' complaints as on March 31, 2023 –

During the year, no Complaints were received through the SCORE portal of SEBI. No request for Share Transfer or Dematerialisation was pending for approval as on March 31, 2023.

(iv) Corporate Social Responsibility (CSR) Committee –

The Corporate Social Responsibility (CSR) Committee has been constituted as per the requirements of Section 135 of the Companies Act, 2013.

Composition, Meetings and Attendance – During the Financial Year 2022–23 CSR Committee met 1(one) time. The Composition of the Committee, date of the meetings and attendance of CSR Committee members in the said meeting is given below –

Name of Director(s)	Category	Meeting Date	August 04, 2022
		Mode of Meeting	Physical
		Start Timing	10:00 A.M.
Shri Velji K. Gogri (Chairperson)	Independent Director	1	√
Shri Arvind K. Chheda (Member)	Managing Director	1	√
Shri Mahek Chheda (Member)	Executive Director	1	√

Terms of reference – The brief terms of reference of CSR Committee includes the following:

1) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013, as amended, read with Rules framed thereunder;

2) Recommend the amount of expenditure to be incurred on such activities; and

3) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

   The Board has also approved CSR Policy. The Annual Report on CSR Activities as required to be given under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in an Annexure which forms part of the Directors' Report.

v) Risk Management Committee –

The Board of Directors has constituted a Risk Management Committee and also approved Risk Management Policy in accordance with the provisions of Regulation 21 of the Listing Regulations.

Composition, Meetings and Attendance – During the Financial Year 2022–23 Risk Management Committee met 2 (Two) times. The Composition of the Committee, date of the meetings and attendance of Risk Management Committee members in the said meeting is given below –

Name of Director(s)	Category	Meeting Date	August 04, 2022	January 31, 2023
		Mode of Meeting	Physical	
		Start Timing	09:45 A.M.	10:00 A.M.
Shri Velji K. Gogri (Chairperson)	Independent Director	2	√	√
Shri Arvind K. Chheda (Member)	Managing Director	2	√	√
Shri Mahek Chheda (Member)	Executive Director	2	√	√

Terms of Reference- The brief terms of reference of the Risk Management Committee shall, inter alia, include the following:

1) Formulate a detailed risk management policy which shall include:

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

   B. Measures for risk mitigation including systems and processes for internal control of identified risks.

   C. Business continuity plan.

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

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

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

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

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

4. GENERAL BODY MEETINGS –

i. Annual General Meetings

Details of Last three Annual General Meetings are as under –

Financial Year	Day, Date & Time	Venue	Special Resolutions
2021-2022 (17th AGM)	Wednesday, September 28, 2022 11:30 a.m.	through Video Conferencing (VC or other audio visual means (OVAM))	a) Appointment of Shri Navin C. Shah (DIN:01415556) as an Independent Director for a period of 3 (three) years with effect from August 04, 2022. b) Appointment of Smt. Sonal A. Vira (DIN: 09505883) as an Independent Director for a period of 3 (three) years with effect from August 04, 2022.
2020-2021 (16th AGM)	Wednesday, September 29, 2021 11:30 a.m.	through Video Conferencing (VC or other audio visual means (OVAM))	a) Re-appointment of Shri Mulesh M. Savla as an Independent Director for a period of 3 (Three) years w.e.f. April 20,2022.
2019-20 (15th AGM)	Tuesday, September 29, 2020 11:30 a.m.	through Video Conferencing (VC or other audio visual means (OVAM))	a) Re-appointment of Shri Velji K. Gogri as an Independent Director for a period of 3 (Three) years w.e.f July 06, 2020.

ii. Extraordinary General Meetings:

Details of Extraordinary General Meeting held during the last three financial years are as under-

Financial Year	Day, Date & Time	Resolutions passed for
2020-21	Tuesday, December 15, 2020	Business Transacted by way of Ordinary Resolution: a) Increase in authorized share capital to enable issue of bonus shares. b) Alteration of Clause V of Memorandum of Association to reflect the increase in the authorized share capital proposed under Item no. 1 for the issue of bonus shares. c) Approval for the issue of bonus shares.

iii. Details of resolutions passed by way of postal ballot :

As per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, during the year under review, the following resolutions were passed by members of the Company through Postal Ballot.

Sr. No.	Particulars of Resolution	Resolution Type
1	Approval for appointment of Shri Sathiababu K. Kallada (DIN: 02107652), Non-Executive Director as an Executive Director of the Company	Ordinary
2	Appointment of Shri Santosh S. Vora (DIN: 07633923) as Non-Executive Director of the Company	Ordinary
3	Appointment of Shri Nemin M. Savadia (DIN: 00128256) as a Director	Ordinary
4	Approval for appointment of Shri Nemin M. Savadia DIN: 00128256) as an Executive Director of the Company	Ordinary
5	Appointment of Shri Siddharth D. Shah (DIN: 07263018) as a Director	Ordinary
6	Approval for appointment of Shri Siddharth D. Shah (DIN: 07263018) as an Executive Director of the Company	Ordinary

Sr. No.	Particulars of Resolution	Resolution Type
7	Approval for variation in terms of Remuneration of Executive Directors	Ordinary
8	Approval for re-appointment of Shri Vishnu J. Sawant (DIN: 03477593) as an Executive Director of the Company	Ordinary
9	Approval of Material Related Party Transaction(s) with Aarti Industries Limited	Ordinary
10	Approval of Material Related Party Transaction(s) with Valiant Laboratories Limited	Ordinary
11	Approval of -'Valiant - Employees Stock Option Plan 2022'(ESOP-2022)	Special
12	Grant of employee stock options to the employees of Subsidiary Company(ies) under Valiant-Employee Stock Option Plan 2022	Special

In compliance with provisions of Section 108, Section 110 and other applicable provisions of the Companies Act, 2013 read with the Management Rules, the Company had provided remote e-voting facility to all the Members of the Company.

The Company engaged the services of National Securities Depository Limited (NSDL) for facilitating e-voting to enable the Members to cast their votes electronically. The Board of Directors had appointed Shri Sunil M. Dedhia, Practicing Company Secretary (FCS 3483, COP 2031), Proprietor of Sunil M. Dedhia and Co., Company Secretaries, as Scrutinizer for conducting the Postal Ballot. The voting period commenced on Tuesday, May 17, 2022 at 9.00 a.m. IST and ended on Wednesday, June 15, 2022 at 5.00 p.m. The cut-off date, for the purpose of determining the number of Members was Friday, May 06, 2022 and the total number of Members as on cut-off date was 33,552.

The Scrutinizer, after the completion of scrutiny, submitted his report to the Chairman of the Company in accordance with the provisions of the Companies Act, 2013, the Rules framed thereunder and the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India.

5. MEANS OF COMMUNICATION

Quarterly Results	The Company communicates to the Stock Exchanges about the quarterly financial results within 30 minutes from the conclusion of the Board Meeting in which the same is approved. The results are usually published in the Financial Express (English) edition and Navshakti (Marathi) edition. These results are also available on the website of the Company at www.valiantorganics.com.
Website	All the information and disclosures required to be disseminated as per Regulation 46(2) of the Listing Regulations and Companies Act, 2013 are being posted at Company's website at www.valiantorganics.com The official news releases and presentations to the institutional investors or analysts, if made any are disseminated to the Stock Exchange at www.nseindia.com and www.bseindia.com and the same is also uploaded on the website of the Company at www.valiantorganics.com
Designated E-mail address for investor services	The designated e-mail address for investors complaints is investor@valiantorganics.com

6. GENERAL SHAREHOLDERS INFORMATION:

AGM day, date, time and Venue	Friday, September 15, 2023, 11:00 a.m. by way of video conferencing/ other audio visual means
Financial Year	April to March
Cut-off Date	September 08, 2023.
Dividend Payment Date	NA

6. GENERAL SHAREHOLDERS INFORMATION: *(Contd.)*

Registered Office	109, Udyog Kshetra, First Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai- 400080
CIN	L24230MH2005PLC151348
Name and Address of Stock Exchanges where Company's securities are listed	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, India Tel. : +91-22-22721234 | Fax : +91-22-22722041 National Stock Exchange of India Limited Exchange Plaza Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, India Tel. : +91-22-26598100 | Fax : +91-22-26598237
Stock Code / Symbol	BSE Limited : 540145 National Stock Exchange Limited: VALIANTORG
Listing fees	The Annual Listing fees for the financial year 2023-24 have been paid to the respective Stock Exchanges.
Share Registrar and Transfer Agents	Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India Tel No.: +91-22-4918 6270 Fax No.: +91-22-4918 6060 Investor query registration: rnt.helpdesk@linkintime.co.in
Company Secretary & Compliance officer	Ms. Avani D. Lakhani

Tentative Financial Calendar:

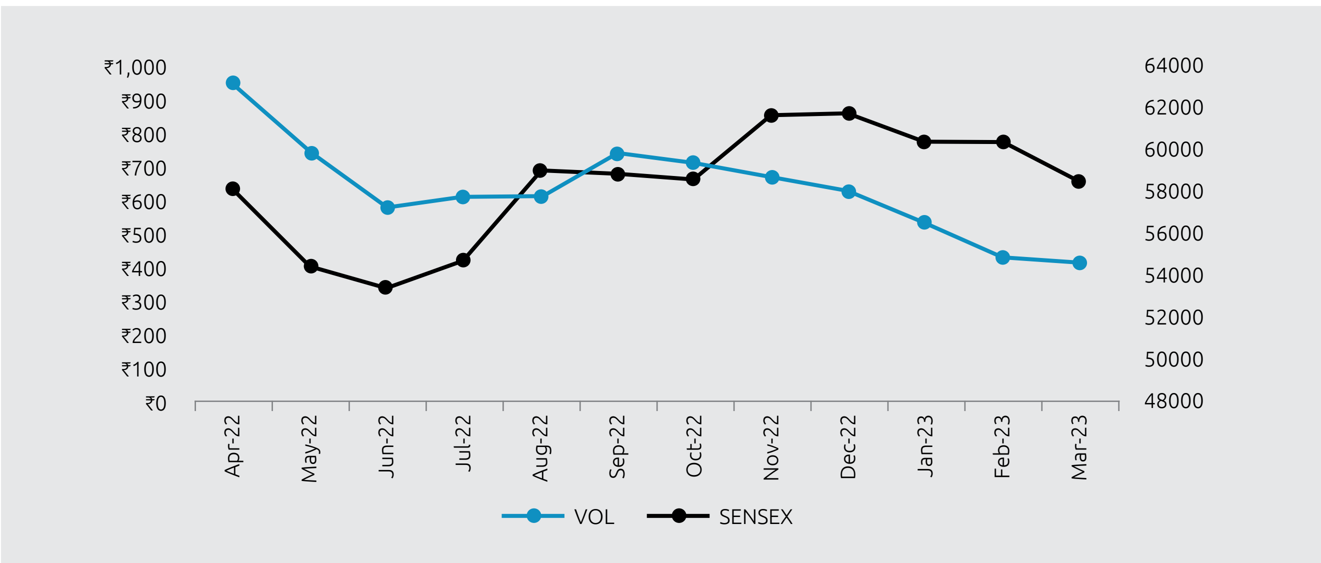
Financial Year	April 01, 2023 to March 31, 2024
Adoption of Quarterly Results for the quarter ending:	
June, 2023	1st /2nd week of August, 2023
September, 2023	1st/2nd week of November, 2023
December, 2023	1st/2nd week of February, 2024
March, 2024	1st/2nd/3rd week of May, 2024

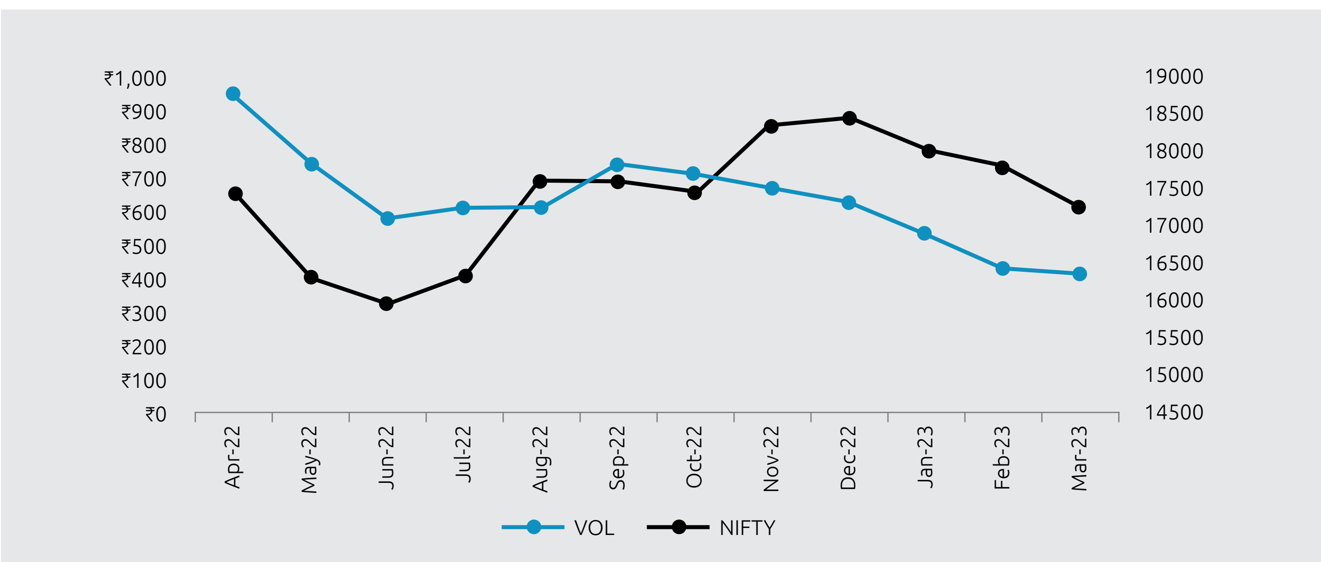
Market Price Data (high, low in each month in last financial year):

Month	BSE Limited			National Stock Exchange India Limited		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
April, 2022	1034	871	361099	1,034.80	866.95	1125494
May, 2022	960	625.6	267440	902.65	624.85	1177413
June, 2022	737	504.5	255381	724.90	504.00	2263976
July, 2022	733.55	505	415384	733.80	525.00	4319721
August, 2022	683.9	575	274120	675.70	574.85	1580937
September, 2022	869	595	642545	868.95	594.00	4906592
October, 2022	773.15	665	124364	774.00	665.05	628557
November, 2022	748.7	620.3	172714	749.00	620.00	925570
December, 2022	687	567.95	198236	694.00	567.35	729933
January, 2023	604.15	470.25	140021	607.85	472.00	1026511
February, 2023	498	400.3	168642	485.60	400.25	1414635
March, 2023	484.55	366.2	544270	484.00	355.00	6564726

Performance in comparison to broad based indices:

Period	VOL	SENSEX	VOL	NIFTY
April, 2022	950.41	58165.86	949.62	17419.36
May, 2022	743.73	54436.66	743.36	16271.02
June, 2022	579.03	53478.91	579.24	15933.16
July, 2022	608.38	54684.79	607.98	16299.02
August, 2022	607.99	58990.51	607.75	17579.07
September, 2022	735.82	58843.43	735.56	17544.88
October, 2022	712.27	58632.37	712.27	17406.87
November, 2022	667.58	61631.46	667.55	18311.28
December, 2022	625.25	61767.33	625.04	18385.13
January, 2023	536.99	60397.23	536.88	17968.75
February, 2023	428.75	60345.93	428.70	17739.22
March, 2023	416.90	58502.47	416.81	17225.64





Share Transfer System:

In terms of Regulation 40(1) of Listing Regulations, as amended, securities can be transferred only in dematerialised form w.e.f. April 1, 2019, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfer of Equity Shares in electronic form are effected through the depositories with no involvement of the Company.

Shareholding Pattern (Equity) as on March 31, 2023

Category	No. of Shares	%
Promoters	1,04,28,942	38.41
Mutual Funds	2,42,763	0.89
Foreign Portfolio Investor	48,625	0.18
Public	1,21,34,378	44.69
Bodies Corporate	4,67,088	1.72
Others	3831692	14.11
Total	**2,71,53,488**	**100.00**

Shareholding Pattern (Optionally Convertible Preference Shares) as on March 31, 2023

Category	No. of Shares	%
Promoters	2,02,359	49.90
Mutual Funds	-	-
Foreign Portfolio Investor	-	-
Public	192518	47.47
Hindu Undivided Family	855	0.21
Bodies Corporate	-	-
Others	9,829	2.42
Total	**4,05,561**	**100.00**

Distribution of Shareholding as on March 31, 2023

Range	Shareholders		Equity Shares	
	Number	%	Number	%
1 – 500	43445	95.8057	2396805	8.8269
501 – 1000	926	2.042	693028	2.5523
1001 – 2000	474	1.0453	689643	2.5398
2001 – 3000	162	0.3572	403053	1.4844
3001 – 4000	74	0.1632	262687	0.9674
4001 – 5000	48	0.1059	221310	0.8150
5001 – 10000	85	0.1874	612798	2.2568
Above 10000	133	0.2933	21874164	80.5575
Total	**45347**	**100.00**	**27153488**	**100.00**

xiv. Dematerialisation of shares and liquidity

99.99 of the Paid-up Capital is held in Dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on March 31, 2023 under ISIN No: INE565V01010.

Particulars	NSDL	CDSL	Physical	Total
Shares (nos.)	19156181	7997157	150	27153488
Shares (%)	70.55	29.45	0.00	100

ADRs/GDRs/Warrants

The Company has not issued any ADRs/GDRs/Warrants.

Commodity Price Risk or Foreign exchange risk and hedging activities

During the year 2022-23, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Notes to the Annual Accounts.

Plant Locations

- Plot Nos.2906, 752/755, GIDC Estate, Phase III ,Sarigam, Vapi – 396 195, Dist. Valsad, Gujarat.
- Plot No. M-7 MIDC Tarapur, Boisar, Taluka Palghar-401506
- Plot no, 286/2 , A-1 322/11, 2nd Phase,Vapi -396195, Gujarat
- Plot No. 775,776,777, 914, 915,918,919 GIDC, Jhagadia, Dist-Bharuch, Gujarat-393110
- Plot No.A-210,231,232.233,235,236, GIDC Estate, Phase-II, Vatva, Ahmedabad, Gujarat, 382445

List of all credit rating

Following is the summary of latest credit ratings obtained of the Company:

Facilities	CRISIL Rating
Long Term Issuers Rating Covering various term loan and Working Capital	CRISIL A/Stable
Short Term Rating	CRISIL A1 (Assigned)

During the year there is no change in credit rating.

Address for correspondence

Registered office:

109, Udyog Kshetra, 1st Floor, Mulund-Goregaon Link Road, L.B.S. Marg, Mulund (West), Mumbai-400 080

Details with respect to Demat Suspense Account/Unclaimed Suspense Account as per Regulation 34(3) of Listing Regulations:

Particulars	Demat		Physical	
	No. of Shareholders	No. of equity shares	No. of Shareholders	No. of equity shares
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on April 01, 2022	Nil	Nil	Nil	Nil
Number of shareholders who approached the Company for transfer of shares from suspense accounts during the year	-	-	-	-
Number of shareholders to whom shares were transferred from the suspense account during the year	-	-	-	-
Shares Transferred to IEPF A/c	-	-	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2023	Nil	Nil	Nil	Nil

xxii. CEO/CFO Certification

As required under Regulations 17(8) and 33(2)(a) of Listing Regulations, certificates duly signed by Shri Arvind K. Chheda Managing Director and Shri Mahek Chheda, Chief Financial Officer were placed at the Meeting of the Board of Directors held on May 19, 2023 copy of which is attached in this Annual Report.

7. Disclosures

I. Disclosures on Materially Significant Related Party Transactions that may have potential conflict with the interests of the Company.

During the year, there were no material related party transactions i.e. transactions of the Company of a material nature with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company at large. All related party transactions are mentioned in the notes to the accounts.

As required under Regulation 23(1) of Listing Regulations, the Company has formulated a policy on dealing with related party transactions. The said policy is also available on the website of the Company. The weblink thereto is https://www.valiantorganics.com/assets/investors/Related-Party-Transactions-Policy.pdf

II. Details of Non-Compliance by the Company, Penalties, and Strictures imposed on the Company by Stock Exchange(s) or the Board or any Statutory Authority, on any matter related to Capital Markets, during the last three years.

There was No Non-Compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI), or any statutory authority on any matter related to the capital markets during the last three years.

III. Disclosure of Vigil Mechanism/ Whistle Blower Policy and access to the Chairman of the Audit Committee:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, Regulation 22 of Listing Regulations, the Company has formulated Whistle Blower Policy for Vigil Mechanism for Directors and Employees to report to the Management about the unethical behavior, fraud or violation of Company's code of conduct. The same has been put up on the website of the Company on following web-link: http://www.valiantorganics.com/assets/investors/Whistle%20Blower%20Policy.pdf

The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the people has been denied access to the Audit Committee.

IV. The Company has complied with all the mandatory requirements under SEBI Listing Regulations.

V. Policy for determining 'material' subsidiaries:

To determine 'material subsidiary', the Company has adopted a 'Policy for Determining Material Subsidiary' and the same has been hosted on the website of the Company on the following web link; https://www.valiantorganics.com/assets/investors/Policy-for-Material-Subsidiary.pdf

As on March 31, 2023 the Company has one Material subsidiary Company namely Valiant Laboratories Limited.

VI. There were no instances during the financial year 2022-23 wherein the Board had not accepted recommendations made by any committee of the Board.

VII. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is part during the Financial Year 2022-23.

Particulars	Rs. in Lakhs
Audit Fees	12.54
Certification Charges	3.32
Out of pocket expenses	0.75
Total	**16.61**

VIII. Disclosures in relation to Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

IX. The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

X. With a view to regulate trading in securities by the Directors and Designated Employees, the Company has adopted a code of Conduct to regulate, monitor and report trading by Insiders.

8. Discretionary Requirements

The status of compliance with discretionary requirements of Part E of schedule II of Listing Regulations with Stock Exchanges is provided below:

Sr. No.	Particulars	Remarks
1.	Non-Executive Chairman's Office	The Company has a Non-executive Chairperson.
2.	Shareholders' Rights	As the quarterly and half-yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the members.
3.	Audit Qualifications	The Company's financial statement for the year 2022-23 is unmodified.
4.	Separate posts of Chairman and CEO	The Company has separate post of Chairperson and MD/CEO.
5.	Reporting of Internal Auditor	The Internal Auditor reports to Chairman & Managing Director and has direct access to the Audit Committee.

For and on behalf of the Board

Arvind K. Chheda
Managing Director
(DIN: 00299741)

Mahek M. Chheda
Executive Director
(DIN: 06763870)

Place: Mumbai
Date: May 19, 2023

Code of Conduct Declaration

[Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

All Directors and Senior Management personnel of the Company have affirmed compliance with Code of Conduct, as applicable to them, for the financial year ended March 31, 2023.

For and on Behalf of the Board

Arvind K. Chheda
Managing Director
DIN: 00299741

Place: Mumbai
Date: May 19, 2023

Auditors' Certificate on Corporate Governance

To

The Members of Valiant Organics Limited
109, Udyog Kshetra,
1st Floor, Mulund Goregaon Link Road
Mulund West
Mumbai -400080

Dear Members,

Background:

We, Gokhale and Sathe, Chartered Accountants, being the Statutory Auditors of Valiant Organics Limited ("the Company") are issuing this certificate as required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

The Corporate Governance Report prepared by Valiant Organics Limited, contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para-C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015, as amended ("the SEBI Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended 31 March 2023.

Management Responsibility:

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility:

Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the SEBI Listing Regulations.

We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control for Firms that Perform Audits and Review Historical Financial Information, and Other Assurance and Related Services Engagements. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. We have examined (a) the minutes of the meetings of the board of directors of the Company (the "**Board**") and of committees of the Board, the annual general meetings of the shareholders of the Company; (b) declarations made by the Board under relevant statutory / regulatory requirements; (c) relevant statutory registers maintained by the Company; and (d) such other documents and records of the Company as deemed necessary, in connection with ascertaining compliance with the conditions of corporate governance by the Company, as prescribed under the, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations").

The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion:

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, in our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the SEBI Listing Regulations, and the rules made thereunder, each as amended on Corporate Governance.

Restriction on use:

This Certificate is issued to the company solely for their consideration and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Disclaimer:

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

Yours faithfully,
For Gokhale and Sathe
Chartered Accountants
Firm Registration No: 103264W

Tejas Parikh
Partner
Membership: 123215
UDIN: 2312315BGQLCT1639

Place: Mumbai
Date: May 19, 2023

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

[Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We hereby certify that:

A. We have reviewed Financial Statements and the cash flow statement for the Financial Year ended March 31, 2023 and to the best of our knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent or illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

   i. There have been no significant changes in the above-mentioned internal controls over financial reporting during the relevant period;

   ii. That there have been no significant changes in the accounting policies during the relevant period; and

   iii. We have not noticed any significant fraud particularly those involving the management or an employee having a significant role in the Company's internal control system over Financial Reporting.

For Valiant Organics Limited

Arvind K. Chheda
Managing Director
DIN: 00299741

Mahek M. Chheda
Executive Director& Chief Financial Officer
DIN: 06763870

Place: Mumbai
Date: May 19, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
Valiant Organics Limited
(CIN: L24230MH2005PLC151348)
109, Udyog Kshetra, 1st Floor,
Mulund Goregaon Link Road,
Mulund (W), Mumbai 400080

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Valiant Organics Limited** having CIN:L24230MH2005PLC151348 and having registered office at109, Udyog Kshetra, 1st Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai 400080 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

DIN/PAN	Name of Director	Designation	Begin date
00128256	NEMIN MAHESH SAVADIA	Wholetime Director	01/05/2022
00299741	ARVIND KANJI CHHEDA	Managing Director	16/02/2005
01415556	NAVIN CHAPSHI SHAH	Director	04/08/2022
07263018	SIDHHARTH DINESH SHAH	Wholetime Director	01/06/2022
07633923	SANTOSH SHANTILAL VORA	Director	01/05/2022
02107652	SATHIABABU KRISHNAN KALLADA	Wholetime Director	23/11/2020
02714758	VELJI KARAMSHI GOGRI	Director	06/07/2017
03477593	VISHNU JOTIRAM SAWANT	Wholetime Director	06/04/2011
06763870	MAHEK CHHEDA MANOJ	Wholetime Director	06/07/2017
07474847	MULESH MANILAL SAVLA	Director	20/04/2019
08610595	KIRITKUMAR HARIBHAI DESAI	Director	14/08/2021
09505883	SONAL AMIT VIRA	Director	04/08/2022

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

CS Sunil M. Dedhia
Proprietor, Sunil M. Dedhia & Co.
Practising Company Secretary
FCS No: 3483 C.P. No. 2031
UDIN: F003483E000400484
Mumbai, Dated May 27, 2023

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN)	L24230MH2005PLC151348
2	Name of the Listed Entity	Valiant Organics Limited
3	Year of incorporation	2005
4	Registered office address	109, Udyog Kshetra, 1st Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai - 400080
5	Corporate address	109, Udyog Kshetra, 1st Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai - 400080
6	E-mail	investor@valiantorganics.com
7	Telephone	+91 22 67976683
8	Website	www.valiantorganics.com
9	Financial year for which reporting is being done	2022-2023
10	Name of the Stock Exchange(s) where shares are listed	a) National Stock Exchange of India Limited b) BSE Limited
11	Paid-up Capital	Rs. 2755.91 Lakhs
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Arvind K. Chheda Designation- Business Responsibility Head Email- investor@valiantorganics.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The Business Responsibility & Sustainability Reporting (BRSR) is prepared on a standalone basis for VOL. It includes operations of its corporate office and six manufacturing plants

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacturing & marketing of benzene-based speciality chemicals	99.68%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Agro-chemicals	202	25%
2	Dyes & Pigments	201	41%
3	Pharmaceutical	210	31%
4	Cosmetics & Speciality Chemicals	202	3%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	6	1	7
International	-	-	-

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	29
International (No. of Countries)	4+

b. What is the contribution of exports as a percentage of the total turnover of the entity?

6%

c. A brief on types of customers

VOL supplies chemical products to end-user companies in various industries like pharmaceuticals, chemicals, etc. It also exports products to customers in countries such as US, Europe, Japan and China.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C /A)
	EMPLOYEES					
1.	Permanent (D)	538	530	99%	8	1%
2.	Other than Permanent (E)	11	10	91%	1	9%
3.	**Total employees (D + E)**	549	540	98%	9	2%
	WORKERS					
4.	Permanent (F)	604	604	100%	-	0%
5.	Other than Permanent (G)	763	753	99%	10	1%
6.	Total workers (F + G)	1367	1357	99%	10	1%

b. Differently abled Employees and workers:

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

19. Participation/Inclusion/Representation of women

	Total	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	1	8%
Key Management Personnel*	3	1	33%

**KMP includes Managing Director,Chief Financial Officer and Company Secretary.*

20. Turnover rate for permanent employees and workers

	FY 2022-23 Current FY			FY 2021-22 Previous FY			FY 2020-21 Year prior to the Previous FY		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	24%	12%	27%	38%	29%	38%	21%	29%	21%
Permanent Workers	6%	0%	6%	7%	0%	7%	7%	0%	7%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint venture

S. No.	Name of the holding/ subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shared held by listed entity	Does the entity indicated in column A, participate in the Business Responsibility Initiatives of the listed entity? (Yes/No)
1	Valiant Speciality Chemical Limited	Subsidiary	100%	No
2	Dhanvallabh Ventures LLP	Subsidiary	73.15%	No
3	Valiant Laboratories Limited	Step-down subsidiary	62.50%	No
4	Valiant Advanced Sciences Private Limited	Step-down subsidiary	62.50%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013:

Yes

(ii) Turnover (in Rs.)

Rs. 91,161.80 Lakhs

(iii) Net worth (in Rs.)

Rs. 58,491.60 Lakhs

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remark	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remark
Communities	Yes	-	-		-	-	
Investors (other than shareholders)	Yes	-	-		-	-	
Shareholders	Yes	-	-		-	-	
Employees and workers	Yes	-	-		-	-	
Customers	Yes	-	-		-	-	
Value Chain Partners	Yes	-	-		-	-	
Other (please specify)	-	-	-		-	-	

The Company has a grievance redressal mechanism in place for all internal and external stakeholders of the business.

The policy is available at https://www.valiantorganics.com/investors.php?action=showSubcat&id=9

During the year, there have been no complaints/grievances on any of the 9 principles of NGRBC.

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Increased temperature and heat waves	Risk	Increase in temperature and prolonged heat waves may create unsafe environment and cause health & safety risks for the workforce	The company is also looking at building shed to reduce surface temperatures and provide more resting places to the workforce. The company is also installing adequate ventilations and ensuring structures of the facilities have adequate protection from external extreme atmospheric conditions	Negative
2	Water Scarcity	Risk	Water scarcity & less rainfall/ droughts might impact the production processes as water is one of the main resources consumed by the company.	All plant locations are located in industrial zones where water is provided by the Government so the risk is minimized. Additionally, all plant location have water storing facilities to maintain reserves upto a weeks' worth of water requirement in case of extreme emergency.	Negative
3	New environment-friendly products	Opportunity	There is growing demand for products free of 'forever chemicals'. Regulatory landscape is also evolving globally to reduce the amount of chemicals used in various business sectors like agriculture, pharmaceuticals, food, etc. Such increasing focus on sustainability and increasing preference for such 'greener' products - represents an area of increasing market opportunity for us.	N/A	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Waste management	Risk	Given the operations involve hazardous waste, managing waste effectively is a key aspect as any lapses can lead to health, reputational and financial risks.	The Company adopts latest technology and initiatives to reduce the amount of waste generated as part of the production process. The Company has also implemented ZLD mechanism at 5 manufacturing locations to avoid release of any waste water into the environment. Additionally, the Company is also looking at reusing/ recycling various types of waste through partnering with third-party agencies.	Negative
5	GHG emissions and carbon footprint	Opportunity	The Company is looking at increasing the adopting of renewable sources of energy and implementing energy efficient processes across the value chain in order to decrease the GHG emissions from its operations and in-turn reduce the overall carbon footprint of its products	N/A	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	All statutory policies, codes, and guidelines are adopted in line with prevailing legal requirements. Depending on the regulatory or operational requirements, they are approved by the board of directors, various functional committees, and the senior management.								
c. Web Link of the Policies, if available	https://www.valiantorganics.com/investors.php?action=showSubcat&id=9								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, and Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All policies within the Company are in compliance with applicable laws. The company always endeavors to incorporate industry best practices and latest technological advances. The Company has accreditations per international frameworks and standards like ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007. Various components of each of these accreditations align with the 9 NGRBC principles.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	No	No	No	No	No	No	No	No	No
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA	NA	NA	NA	NA	NA	NA	NA	NA
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	A note of ESG aspects of the business is covered as part of the 'Management discussion and analysis' section on page 58 of the Annual Report.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The MD and Risk Management Committee are responsible for overall governance and oversight in relation to sustainability related issues and implementation of the Business Responsibility policies.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Responsibility for the day-to-day decision making on ESG & wider sustainability related issues is with respective Department/Functional heads.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	All statutory policies are approved by the Board of Directors, whereas other operational policies are signed by the Managing Director or the Senior Management, including respective Department/Functional heads. The MD & Risk Management Committee review the business responsibility performance on an ongoing basis.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No	No	No	No	No	No	No	No	No

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1- Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	2	A preliminary understanding of the nine principles of NGRBC	100%
Key Managerial Personnel	2		
Employees other than BoD and KMPs Workers	12	During the FY, various induction, training & awareness sessions were conducted for all employees and workers on diversified topics such as human rights, anti-corruption, health & safety, environmental considerations, in addition to sessions on code of conduct, overview on internal policies, etc.	100%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Particulars	Monetary				
	NGRBC Principle	Name of regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	-	-	Nil	-	-
Settlement	-	-	Nil	-	-
Compounding Fee	-	-	Nil	-	-

Particulars	Non-Monetary			
	NGRBC Principle	Name of regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

During the FY, there have been no incidences of fines/penalties against the company.

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

Case Details	Name of the regulatory/enforcement agencies/ judicial institutions
-	-

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

The Company has 'zero tolerance' to any form of corruption or bribery. The company has a Code of Conduct (applicable to Board Members, Directors & Senior Management), Whistle blower policy and a Vigil Mechanism which applies to employees and associated persons for ensuring compliance with applicable anti-bribery laws, rules and regulations. The mentioned policies are also applicable to contract employees, consultants, contractors, agents or any other person associated with or acting on behalf of the Company.

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

During the FY, no disciplinary action has been taken by any law enforcement agency or the charges of bribery/ corruption against any Directors/KMPs/employees/workers.

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

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

During the FY, no complaints have been received in relation to any instances of conflict of interest for Directors or KMPs.

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

   During the FY, there have been no cases of corruption or conflicts of interest and no fines/penalties have been levied by any regulatory/law enforcement agencies or judicial institutions, so no corrective actions were required.

PRINCIPLE 2- Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

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

Particulars	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D			
Capex			

During the FY, the Company has incurred CAPEX & R&D on various aspects of its operations, which have, alongside others, the potential to reduce the environmental impact through resource and energy efficiency. However, the Company does not have specific or identifiable data on this which it can report. The Company will consider this for additional transparency going forward.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Yes, the company has a procedure for sustainable sourcing. All key supply chain partners are evaluated on environmental, health & safety and sustainability parameters. The company ensures that its suppliers have got an international/domestic accreditation/certification, e.g. ISO, etc. A significant proportion of the key raw materials (like Phenol, PNCB & ONCB) are procured from multinationals with their own sustainability targets & initiatives thereby (indirectly) contributing to the Company's own sustainable sourcing process.

   Requirements of various Indian and global chemical standards/regulations are also included in various standard operating procedures and protocols for onboarding suppliers. Utmost care is taken to ensure that products conform to stringent quality standards and stability of products is submitted during the periodic audits.

   Preference is given to suppliers from nearby locations/districts to reduce carbon footprint from the logistics activity. Only government accredited suppliers are chosen for waste management activities to ensure strictest level of compliance.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   Approximately 75% of our key raw materials are sourced from large Indian and global multinationals which have their own sustainability targets. The Company engages in ongoing interactions with the Suppliers across the end-to-end value chain to align them with the Company's vision and aspirations on ESG goals.

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

   a. **Plastics (including packaging) –**
   b. **E-waste-**
   c. **Hazardous waste-**
   d. **Other waste-**

Focus on effective waste management is an important aspect of the company operations. The Company ensures the sustainability of resources by reducing, reusing, recycling and managing waste. It has embraced the "3-R" (Reduce, Reuse and Recycle) philosophy leading to minimisation of waste in line with legal requirements and industry best practice. The Company continuously implements newer processes and technologies to reduce the amount of waste generated through the processes. During the FY, the Company has installed a diffuser system for bio reaction purposes to allow additional water from the production process to pass through to convert to steam for subsequent usage in the plant operations. A study is also being undertaken to achieve reduction in the quantity of solid waste generated as by-product of the production processes.

In 5 of the 6 manufacturing locations, the company has implemented a ZLD policy. SCARA system is also used for automatic segregation of water for primary treatment. All waste water and hazardous waste from the process is treated before reusing or disposing.

Strict protocols are in place to ensure that the hazardous waste generated as part of the production process is disposed as per the guidelines of respective State Pollution Control Boards (SPCB). The company only works with designated waste recyclers to help with collection, recycling, and disposal. GPS system is used and detailed logs and records are maintained for traceability and tracking from plant premises to landfill sites.

The Company operations do not generate any significant plastic, e-waste or any other liquid waste.

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

EPR rules are not applicable to the company operations.

PRINCIPLE 3- Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

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

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	530	530	100%	530	100%	-	0%	530	100%	-	0%
Female	8	8	100%	8	100%	8	100%	-	0%	-	0%
Total	**538**	**538**	**100%**	**538**	**100%**	**8**	**1%**	**530**	**99%**	**-**	**0%**
Other than permanent employees											
Male	10	10	100%	10	100%	-	0%	10	100%	-	0%
Female	1	1	100%	1	100%	1	100%	-	0%	-	0%
Total	**11**	**11**	**100%**	**11**	**100%**	**1**	**9%**	**10**	**91%**	**-**	**0%**

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

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	604	604	100%	604	100%	-	0%	-	0%	-	0%
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**604**	**604**	**100%**	**604**	**100%**	**-**	**0%**	**-**	**0%**	**-**	**0%**
Other than permanent employees											
Male	753	-	0%	-	0%	-	0%	-	0%	-	0%
Female	10	-	0%	-	0%	-	0%	-	0%	-	0%
Total	**763**	**-**	**0%**	**-**	**0%**	**-**	**0%**	**-**	**0%**	**-**	**0%**

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y
Others-Please Specify	-	-	-	-	-	-

3. Accessibility of workplaces

It is extremely difficult for the company to employ differently abled individuals in the plants as the operations involve dealing with chemicals and other hazardous substances. However, the Company endeavours to employ them in HQ and management functions. The Company will prioritise providing for support like braille signage, accessible restrooms, elevators, wheel chair ramps, etc. depending on the business requirements.

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

Providing equal opportunities is part of the day-to-day activities of the Company. The internal Employee Code of Conduct and various HR policies in place within the organisation have also formally captured this focus area for the Company. The company does not discriminate based on race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability, or any other category protected by applicable law.

The applicable policies are accessible at https://www.valiantorganics.com/investors.php?action=showSubcat&id=9

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

Gender	Permanent employees		Permanent workers	
	Return to Work rate	Retention rate	Return to Work rate	Retention rate
Male	100%	100%	0	0
Female	0	0	0	0
Total	**100%**	**100%**	**0**	**0**

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

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent workers	All employees and workers of the Company have access to grievance redressal mechanism. As part of periodic team/department meetings, an opportunity is provided for employees/workers to voice any concerns and issues. Formally, there is a dedicated channel (e.g. mail box/ form on internal portal, etc.) which all company employees/workers have access to and to which they send any complaints/grievances. Complaints are initially resolved at the plant level. Depending on the category of grievance/compliant received, necessary actions will be taken by the HR/stakeholder contact point. If any worker/employee is unhappy with the resolution, there is provision to escalate the issues to Senior Management and engage in mediation/arbitration.
Other than Permanent workers	
Permanent employees	
Other than Permanent employees	

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

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in Respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent employees	538	-	0%	454	-	0%
Male	530	-	0%	449	-	0%
Female	8	-	0%	5	-	0%
Total Permanent workers	604	-	0%	605	-	0%
Male	604	20	3%	605	21	3%
Female	0	-	0%	0	-	0%

8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and Safety measures		On skills up gradation		Total (D)	On Health and Safety measures		On skills up gradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	540	367	68%	409	76%	456	308	68%	365	80%
Female	9	3	33%	2	22%	6	2	33%	1	17%
Total	**549**	**370**	**67%**	**411**	**75%**	**462**	**310**	**67%**	**366**	**79%**
Workers										
Male	1357	1101	81%	927	68%	1196	941	79%	675	56%
Female	10	10	100%	10	100%	10	10	100%	10	100%
Total	**1367**	**1111**	**81%**	**937**	**69%**	**1206**	**951**	**79%**	**685**	**57%**

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	530	530	100%	449	449	100%
Female	8	8	100%	5	5	100%
Total	**538**	**538**	**100%**	**454**	**454**	**100%**
Workers						
Male	604	604	100%	605	605	100%
Female	-	-	-	-	-	-
Total	**604**	**604**	**100%**	**605**	**605**	**100%**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the Company is an Integrated Management System Certified Company meeting the requirements specified in ISO 9001:2015 Quality Management System, ISO 14001:2015 Environment Management System and ISO 45001:2018 Occupational Health and Safety Management System.

The company has a formal health and safety policy and framework across the end-to-end operations on all 6 plant sites.

There are dedicated safety managers on all 6 plant sites who are responsible to day-to-day implementation of the H&S policies and for proactively identifying improvements opportunities. The safety managers also engage in various H&S initiatives to encourage best practice and ensure a very safe work environment across the company. There is a compulsory requirements for all workforce to wear PPE in the plant premises. Induction & refresher trainings are provided to new joiners & workers on general H&S aspects, use of tool kits, machinery, etc.

Mandatory medical check-up is conducted for all employees prior to joining the plant. Subsequently, medical check-ups are undertaken every 6 months for all the employees & every 12 months for contract employees. Periodic safety assessments & quality checks are undertaken by third parties to ensure compliance with applicable regulations and to maintain an effective health & safety policies.

Latest technology (e.g. scrubbing system) is used to monitor air emissions & possible gas leakages to ensure it is within permissible limits and does not pose any threat to the workforce. All health & safety initiatives are applied consistently at all 6 plant locations.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The company adopts the Hazard Identification and Risk Assessment (HIRA) process wherein the Safety manager and other functional/technical teams work together to identify the hazards associated with the company activities and evaluate the risks vis-a-vis the control measures in place. This is done for all routine and non-routine activities.

The company also has dedicated Safety manager on site to regularly keep a check on the activities carried out. A regular safety check/maintenance is also carried out for safety of all equipment/machinery in place.

Through ongoing trainings, safety related messaging is continuously communicated to all workforce to remind of various safety protocols, policies and initiatives in place to reduce any safety related risks.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. The company has internal controls and processes in place to report work related hazards immediately.

Additionally, Root Cause Analysis (RCA) is done to prevent happening of threatful incidences in future. CAPA methodology & Incident Integration Mechanism is followed for proactive monitoring and controlling incidents. Incident statistics are also maintained on sites to investigate on its occurance and implementing corrective actions.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees and workers have access to periodic medical check-ups (6 months for full-time employees & 12 months for contractual staff) by healthcare professionals. Additionally, all full-time employees have access to non-occupational personal and family insurance cover and accident insurance cover under Group Accident Policy and Personal and Family Life Insurance cover.

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

Safety Incident/Number	Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	2	-
	Workers	2	5
Total recordable work-related injuries	Employees	1	-
	Workers	5	14
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company is committed to creating a safe and healthy work environment for a better life. The Company focuses on ongoing training, learning and best practices to ensure a safe and healthy work place. The Company owns the overall responsibility of their workers' and employees' safety.

VOL has implemented several health & safety measures/initiatives to safeguard its employees & workers, including:

- Daily tool box meeting is conducted to discuss health & safety focused best practices, including handling of machinery and tool kits
- Pre-Startup Safety Review (PSSR) approach is followed for any planned initiatives within the plant
- There are guidance instructions of 'Dos' and 'Don'ts' displayed across the plant premises
- Periodical medical check-up facility is provided to all employees and workers
- The company has collaborations with local multi-speciality hospitals for emergencies and a fully equipped ambulance is available round the clock with a driver
- Mock safety drills on a periodic basis
- Material safety data sheets are available with hazard diagrams on chemicals needing careful handling

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

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-			-		
Health & Safety	-			-		

Any health & safety and working conditions related concerns of the employees and workers are addressed during the daily tool box meetings. No other formal complaints have been received from the employees or workers during the year.

14. Assessments for the year:

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

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

Following a fire incident at its Sarigam unit, the Company has undertaken a thorough health & safety assessment at all of its plant locations to address such safety-related incidents or risks/concerns from arising in the future. During the FY, the Company has undertaken the following corrective actions:

1) Redesigned the loop reactor and catalyst pot to cater excess catalyst generated from the production process
2) A secondary reactor was also designed for taking the excess chlorine heat out from the process
3) Linked all the operation controls to DCS
4) Engaged external third parties & competent process safety personnels to conduct HAZOP study
5) All HAZOP recommendations were incorporated in SOP for their implementation on a day-to-day basis going forward.
6) Engaged accredited third party to conducted a safety audit

PRINCIPLE 4- Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

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

Stakeholders are critical to the Company's business operations and their interests are key enablers for our business strategy. The main stakeholders are those who directly and indirectly benefit from the business operations and activities as well as those with whom we regularly communicate for the purpose of reporting, establishing relationships, conducting business, etc. There are both internal and external groups of stakeholders.

The key internal and external stakeholder groups that have an immediate impact on the company's operations and functioning are the following: Employees/Workers, Shareholders, Customers, Communities, Suppliers/Contractors, and Business Partners.

The above stakeholders are identified based on the material influence they have over the company and/or the degree to which the company's corporate choices and their results have a material impact on them.

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

Methods of stakeholder engagement includes surveys (such as supplier, customer, employee surveys), workshops, online video calls, regular interactions with the CSR teams and impact assessments, periodic updates, investors meetings & calls and interactions with team members. The table below provides a more detailed overview in relation to how we engage with both our internal and external stakeholder groups.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers / Contractors	No	Emails, Campaigns, Programmes, Personal Interactions	Ongoing	On-time supply, deliveries, timely settlements, expectations & service levels provided, sustainable initiatives, etc.
Customers	No	Email, Commercial discussions & meetings	Ongoing	Product availability, understanding technical requirements, changing market landscape, feedback & complaints management
Shareholders	No	Presentations, Announcements & published results, Meetings, Emails, Website	Quarterly, Annually	Company's financial & non-financial performance, Updates & Amendments, Expectations & complaints of shareholders/ investors, Market growth, etc.
Employees/ Workers	No	Direct engagement by supervisors & management, Induction & internal trainings, campaigns, Emails, Notice board, Meetings	Ongoing	Performance review, Benefits structure, career development and growth opportunities, skills upgradation programmes, etc.
Communities	Yes	Campaigns, Online Notices, Website	Ongoing	CSR initiatives, Social impact programmes, company operations, grievances & complaints management
Business Partners	No	Product catalogues, Meetings and visits, Emails, Corporate films	Ongoing	Ensuring availability of products, Explaining newer technology & emerging products, Supply chain matters, including sustainable sourcing, Customer feedback

PRINCIPLE 5- Businesses should respect and promote human rights

ESSENTIAL INDICATORS

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	538	168	31%	454	154	34%
Other than permanent	11	-	0%	8	-	0%
Total Employees	**549**	**168**	**31%**	**462**	**154**	**33%**
Workers						
Permanent	604	85	14%	605	93	15%
Other than permanent	763	140	18%	601	150	25%
Total Workers	**1367**	**225**	**16%**	**1206**	**243**	**20%**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	538	-	-	538	100%	454	-	-	454	100%
Male	530	-	-	530	100%	449	-	-	449	100%
Female	8	-	-	8	100%	5	-	-	5	100%
Other than permanent	11	-	-	11	100%	8	-	-	8	100%
Male	10	-	-	10	100%	7	-	-	7	-
Female	1	-	-	1	100%	1	-	-	1	100%
Workers										
Permanent	604	-	-	604	100%	1196	-	-	1196	100%
Male	604	-	-	604	100%	1196	-	-	1196	100%
Female	-	-	-	-	-	-	-	-	-	-
Other than permanent	763	-	-	763	100%	10	-	-	10	100%
Male	753	-	-	753	100%	-	-	-	-	-
Female	10	-	-	10	100%	10	-	-	10	100%

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

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/
Board of Directors (BoD) - Excluding Non- Executive Director and Independent Directors	6	Rs. 22,35,296		-
Key Managerial Personnel - Excluding Managing Director and Chief Financial Officer.			1	Rs. 11,50,008
Employees other than BoD and KMP*	399+	Rs. 2,31,901	5+	Rs. 2,31,584
Workers*	580+	Rs. 2,14,626		

** Total count of Employees & Workers excludes the individuals who joined VOL only for a short term & resigned without prior intimation.*

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

Mahek Chheda, the Director and Head of HR is responsible for addressing any human right issues/concerns raised.

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

To uphold the human rights of our employees, suppliers and other third parties, the Company embeds human rights considerations as integral part of all business operations. A separate policy on POSH is also maintained to specifically address sexual harassment issues. All employees, workers and business stakeholders can raise any human rights issues in line with Code of Conduct, Vigil Mechanism and Whistle blower policy. HR and Functional heads will work to resolve any human rights grievances as a priority.

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

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

During the FY, there have been no complaints made by workers or employees on any human rights issues

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

The Company has a Vigil Mechanism and a Whistle Blower Policy wherein the employees can report, without fear of retaliation, any wrong practices or unethical behaviour on discrimination or harassment which may have a detrimental effect on the organisation, including financial damage and impact on brand image.

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

No, human rights requirements do not explicitly form a specific part of the business agreement & contracts. However, the company has a zero tolerance policy for any human rights violations and adopts best practices while engaging with the employees and workers of the company as well as external customers, suppliers and other value chain partners.

9. Assessments for the year:

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

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

There were no significant risks/concerns arising from the above assessments.

PRINCIPLE 6- Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	115.10	103.92
Total fuel consumption (B)	3	2
Energy consumption through other sources I	40	35
Total energy consumption (A+B+C)	**158**	**142**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	**0.0017** Tera Joule / INR lakh revenue	**0.0015** Tera Joule / INR lakh revenue
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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

The company has not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company does not have sites / facilities identified as designated consumers under PAT.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
(i) Surface water	-	-
(ii) Groundwater	7,200	7,200

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
(iii) Third party water	2,79,747	2,20,258
(iv) Seawater / desalinated water		
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (I + ii + iii + iv + v)	**2,86,947**	**2,27,458**
Total volume of water consumption (in kilolitres)	**2,86,947**	**2,27,458**
Water intensity per rupee of turnover (Water consumed / turnover)	**3.15** KL/ INR Lakh revenue	**2.40** KL/ INR Lakh revenue
Water intensity (optional) – the relevant metric may be selected by the entity		

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

The company has not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

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

The company has a Zero Liquid Discharge (ZLD) mechanism in place at 5 out of the 6 manufacturing facilities. All manufacturing facilities follows best practices to control the liquid discharge through captive water treatment & processing for further use in plant operation. No water/waste is discharged into the environment. A diffuser system is installed for bio-reaction purposes to allow the additional water from production process to convert to steam for subsequent usage in the plant operations.

The Zero Liquid Discharge (ZLD) mechanism covers the end-to-end manufacturing process.

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

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Nox			
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

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

The Company regularly engages government accredited third party agencies to monitor air emissions from its operations at its manufacturing facility in line with requirements of local pollution control regulations. The air emissions recorded during the FY are within the permissible limits. The Company also submits the emissions data to MOEF and the State Pollution Control Boards twice a year. The Company will continue to monitor its air emissions on an ongoing basis and implement various environmental control measures and latest technology to reduce its air emissions.

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

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	2,305.94	1,750.43

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	22,859.60	20,206.43
Total Scope 1 and Scope 2 emissions per rupee of turnover		**0.276** MTCO2e / INR lakh revenue	**0.232** MTCO2e / INR lakh revenue
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

The Scope 1 and Scope 2 calculations are from the energy, electricity and fuel usage at the corporate office and the six manufacturing facilities in India. Scope 1 calculations are undertaken using guidelines and emissions factors prescribed by IPCC (2006 version). Latest GWP factors published as part of AR5 are used for the calculations. Scope 2 calculations are undertaken using the emission factors prescribed by Central Electricity Authority (version 18).

The company activities do not involve any other process or fugitive emissions.

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

The company has not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Through ongoing process improvements and implementing latest available technology and industry best practices, the Company continuously aims to reduce its carbon footprint. During the FY, the Company has implemented the following initiatives to reduce GHG emissions across its operations:

- Commissioned a captive renewable power plant which has capacity to generate 2.2MW wind energy.
- Implement latest technology devices e.g. scrubbing system to capture So2, No2 and dust particles and reduce overall air emissions. The company also considers newer processes e.g. a mixture of caustic soda to absorb SO2 or NO2 emissions are part of the production process

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	3	-
Bio-medical waste (C)	0.00123	-
Construction and demolition waste (D)	-	-
Battery waste (E) – Nos	90	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)		
Used Oil- Litre	500	280
Any Other	9,145	4,672
ETP Sludge	5,095	5,778
Solid Waste	1,005	856

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Off Specification Material	30	33
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Discarded Barrels- Nos	868	65
Spent HCL	9,954	16,163
Spent Solvent	10	-
Spent Catalyst	6	3
Spent filter cloth	5	3
Total (Metric Tonnes)	**25,253**	**27,508**
Total (Litre)	**500**	**280**
Total (Nos)	**958**	**65**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled		
- in Metric Tonnes	14	5
- in Nos	90	-
(ii) Re-used		
- in Metric Tonnes	9,994	16,195
- in Litre	500	280
- in Nos	868	65
(iii) Other recovery operations		
Total (Metric Tonnes)	**10,008**	**16,200**
Total (Litre)	**500**	**280**
Total (Nos)	**958**	**65**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	9,145	4,672
(ii) Landfilling	6,100	6,635
(iii) Other disposal operations		
Total	**15,245**	**11,307**

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

The company has not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

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

The Company manages waste while reducing, reusing, recycling, and maximising resource efficiency. In accordance with regulatory regulations and industry best practises, it has adopted the "3-R" (Reduce, Reuse, and Recycle) philosophy for all sorts of wastes.

Additionally, below waste management practices are implemented at all plant location:

- The SCARA system is used for automatic segregation of water during primary treatment.
- Marginal waste is treated and sent to licensed waste management companies for further treatment and disposal in a landfill.
- Solid waste generated is sent to licenses waste management agencies in Ankleshwar, Mumbai, etc. based on plant location for detoxification and treatment before disposal in a government designated landfill site.

- Raw materials are procured in plastic bags that are reused for filling and disposing solid waste.
- Water used in the production process is captured and treated for further reuse.

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

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
None of the plants/offices of the company fall in/around ecologically sensitive areas.			

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
During the year, no environmental impact assessment has been undertaken by the company					

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

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	Hazardous Waste Management & Handling Rules, 1989	Unit has supplied HCL to BRFL Textile Pvt Ltd., Boiser, Maharashtra with Manifest under Rule-9 as per GPCP guidelines of Hazardous Waste Management & Handling Rules 1989 but End User was not having permission under Rule-9 as per MPCB, hence there was technical violation.	Rs. 50,00,000 (Rs. Fifty Lakhs)	Unit thereafter has started to dispatch HCL only to Actual users only having permission under Rule-9 as per GPCB guidelines of Hazardous Waste Management & Handling Rules 1989.

PRINCIPLE 7- Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

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

   The company has affiliations with 8 (eight) national and state level trade and industry associations/ chambers.

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

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	CHEMEXCIL – Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council Industry (FICCI)	National
2	The Gujarat Dyestuffs Manufacturers Association	State
3	Gujarat Chamber of Commerce & Industry	State
4	Saykha Industries Association & Saykha CETP	State
5	Bharuch Industry Association	State
6	Jhagadia Industry Association	State
7	Vapi Industrial Association	State
8	Tarapur Industrial Manufacturers Association (TIMA)	State

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

Name of authority	Brief of the case	Corrective action taken
During the FY, no adverse orders from any regulatory authorities have been received in relation anti-competitive conduct.		

PRINCIPLE 8- Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

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

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable During the FY, there has been no requirement for the company to conduct any SIA.					

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

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable During the FY, there has been no projects undertaken by the company which has required any Rehabilitation & Resettlement of any local communities.						

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

The company treats the communities around its plant operations as equal partners in development. The Company engages with the communities on an ongoing basis. The communities have access to grievance redressal in case of any issues/ complaints.

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

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	18%	23%
Sourced directly from within the district and neighbouring districts	80%	80%

The above calculation is based on approximation. The Company will capture procurement data more effectively going forward for improved transparency.

PRINCIPLE 9- Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

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

The company has well established customer complaint handling standard operating procedures. There is a dedicated team to monitor and respond to client grievances and complaints. Complaints are escalated and resolved within the time bound manner as per the defined technical and quality procedures.

The company maintains customer complaint register for tracking and assessment. Additionally, the sales/commercial teams regularly interact with the customers to understand their needs and proactively manage any complaints/grievances.

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

	As a Percentage of total Turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

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

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-		-	-	
Advertising	-	-		-	-	
Cyber-security	-	-		-	-	
Delivery of essential services	-	-		-	-	
Restrictive Trade Practices	-	-		-	-	
Unfair Trade Practices	-	-		-	-	
Other	-	-		-	-	

During the FY, there have been no complaints from customers across any parameters.

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

	Number	Reasons for recall
Voluntary recalls	During the FY, there have been no instances of product recalls on account of safety/quality issues.	
Forced recalls		

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

Yes, the company has a cyber-security policy and a framework for data privacy and protection in place. A dedicated IT team is responsible for implementation of the policy and assessment of the end-to-end operations for any vulnerabilities. Through ongoing monitoring and robust IT controls, the company proactively implements measures to mitigate any cyber security and data privacy risks. The policy is available at https://www.valiantorganics.com/assets/investors/vol-cyber-security-policy.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

During the FY, there have been no issues to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls. No penalty/action have been taken by any regulatory authorities on these matters.

Standalone Financial Statements

Independent Auditor's Report

To
the Members of
Valiant Organics Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone Financial Statements of **Valiant Organics Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements including summary of significant accounting policies) and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS OF OPINION

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

EMPHASIS OF MATTERS

Pursuant to the scheme of arrangement with Amarjyot Chemical Limited, Optionally Convertible Preference Shares (OCPS) were supposed to be converted into equity shares or into Redeemable Preference Shares (RPS) before February 2022. However, on obtaining consent from OCPS shareholders for conversion into equity shares, the Company filed a Settlement Application with SEBI on 19 December 2022. Pending Settlement Application with SEBI, the Board of Directors has approved extension in timeline until Company gets directives from SEBI for such conversion in its meeting held on 31 January 2023. Under these circumstances, the Company has continued to disclose 4,05,561 OCPS under equity at par value as on 31 March 2023 (Refer Note No. 16 and 34 to standalone financial statements).

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
Accuracy, Completeness, and disclosure with reference to Ind AS-16 of Property, Plant and Equipment (including Capital Work-in-Progress) The carrying value of property, plant and equipment (including capital work-in-progress) as on 31 March 2023 of ₹67,937.76 lakhs (as on 31 March 2022 ₹61,865.18 lakhs) include ₹10,134.19 lakhs as on 31 March 2022 capitalised /transferred from capital work in progress during the year. (FY 2022 ₹1,881.32 lakhs)	**Our audit procedures, amongst others, include the following –** • Obtained an understanding of operating effectiveness of management's internal controls over capital expenditure. • We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including Capital Work in Progress with reference to Indian Accounting Standard 16 - Property, Plant and Equipment.

Key Audit Matters	Auditor's Response
Capital expenditure involves management's technical estimates and judgement about capitalisation, estimated useful life, impairment which has material impact on balance sheet and operating results of the Company. Refer Note no. 04 to the Standalone Financial Statements.	• We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment. • We have verified the capitalisation of borrowing cost incurred on qualifying assets in accordance with the Indian Accounting Standard 23 - Borrowing Costs. • Confirmed adequacy of disclosures in the Standalone Financial Statements.

INFORMATION OTHER THAN FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of use of the going concern basis of accounting by the Management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial statements.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 (the Order), issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, based on our audit, we report that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
    b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
    c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
    d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
    e. On the basis of the written representations received from the directors as on 31 March 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023, from being appointed as a director in terms of section 164(2) of the Act.
    f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer our separate

report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls with reference to standalone financial statements.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements. (Refer Note no 36 to the Standalone financial statements).

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note no 41 (d) (i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in Note no. 41 (d) (ii) to the standalone financial statements, 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 such 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 (a) and (b) above contain any material misstatement.

(v) The Company has paid final dividend proposed in previous year and an interim dividend during the year which is in accordance with section 123 of the Act. The Board of Directors of the Company has not proposed any final dividend for the FY 2022-23.

(vi) In respect of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, since 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 for the company only w.e.f. 1 April 2023, reporting under this clause is not applicable.

For Gokhale & Sathe
Chartered Accountants
Firm Registration Number: 103264W

Tejas Parikh
Partner
Membership Number: 123215
UDIN: - 23123215BGQLCR8538

Place: Mumbai
Date: 19 May 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

(Referred to in para 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of the Company's Property Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Capital Work in Progress.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of verification of Property, Plant and Equipment so to cover all the items in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification which were not properly dealt with in the books of accounts in the current year.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds of self-constructed buildings and title deeds of all immovable properties (other than properties where the Company is lessee and lease agreements are duly executed in favour of the Company), disclosed in the financial statements included under Property Plant and Equipment are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed separately in Property Plant & Equipment in the financial statements, the lease agreements are in the name of the Company except the below:

Description of Property	Gross Carrying Value (₹ in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held (since)	Reason for not being held in the name of company also indicate if in dispute and period for which it has been held
Land Plot Nos. 228 to 233 & 235 to 239, Vatva, Ahmedabad, Gujarat.	16.84	Dispo Dyechem Private Limited	No	October 2018	Properties were acquired through amalgamation/ merger, the name change in the name of the Company is pending.
Land (Sayakha) - Plot No. DP/90/21	320.58	Amarjyot Chemical Limited	No	October 2018	
Land - Plot No. A1/322-11, Vapi Industrial Area.	57.44	Amarjyot Chemical Limited	No	October 2018	Land - Plot No. A1/322-11, Vapi Industrial Area.
Plot No C-1 + 2/B, GIDC Estate, DAHEJ, Tal. Vagra, Dist. Bharuch, Gujarat.	300	Aarti Industries Limited	No	August 2019	Application is already filed for change in title of the property.

(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended 31 March 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate; Discrepancies noticed were less than 10% for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, from banks on the basis of security of current assets. As mentioned in note no. 18(4) to the Standalone Financial Statements, the difference between the quarterly returns filed by the Company with banks and books of accounts are on account of explainable items and not in material in nature.

(iii) The Company has not granted loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year, and hence sub-clauses 3 (iii) (a), (d), (e), (f) of the Order are not applicable. During the year, the Company has made investments in one of the Company other than subsidiaries as given below.

(₹ in Lakhs)

Particulars	Amount
Aggregate amount of Investment in other than subsidiaries	
- Made during the year and	151.80
- Aggregate Investment Balance (other than subsidiaries) as at 31 March 2023 (at FVTOCI)	387.04

The investments made by the Company during the year, are primafacie, are not prejudicial to the Company's interest.

(iv) The Company has not provided any loans or advances or provided guarantees and securities and hence compliance with provisions of section 185 of the Act is not applicable. The Company's investment during the year is in compliance with section 186 of the Act.

(v) The Company has not accepted deposits or amounts which are deemed to be deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provision of section 73 to 76 any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regards to the deposits accepted from the public are not applicable.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Based on examination of records of the Company, amount deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2023 for a period of more than six months from the date.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2023 on account of disputes are given below:

Name of Statute	Nature of Dues	unpaid amount (₹ in lakhs)	period to which the amount relates	Forum where dispute is pending
GST Act	GST (Interest and Penalty)	111.98	FY 2017-18	Assistant Commissioner
Income Tax Act	Income Tax	2,875.37	AY 2014 to 2021	Commissioner of Income-tax (Appeals)
Stamp Duty	Stamp Duty (Interest and Penalty)	199.87	FY 2020-21	The Chief Controlling Revenue Authority, Inspector General of Registration and Controller of Stamps

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(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.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under Sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Indian accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or persons connected with such 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. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

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

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of Sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

(xxi) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Gokhale & Sathe
Chartered Accountants
Firm Registration Number: 103264W

Tejas Parikh
Partner
Membership Number: 123215
UDIN: - 23123215BGQLCR8538

Place: Mumbai
Date: 19 May 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of **Valiant Organics Limited** (the "Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2023, based on the criteria for internal financial control over financial reporting 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 ICAI.

Managements' Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

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 standalone 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

being made only in accordance with authorisations of management and directors of the company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

For Gokhale & Sathe
Chartered Accountants
Firm Registration Number: 103264W

Tejas Parikh
Partner
Membership Number: 123215
UDIN: - 23123215BGQLCR8538

Place: Mumbai
Date: 19 May 2023

Standalone Balance Sheet as at March 31, 2023

(₹ In Lakhs)

Particulars			Note No.	As at March 31, 2023	As at March 31, 2022
I.	**ASSETS**				
	Non-current assets				
	(a)	Property, Plant and Equipment	4	60,917.28	50,848.91
	(b)	Capital work-in-progress	4	7,020.48	11,016.27
	(c)	Right of Use assets	5	41.53	38.65
	(d)	Other Intangible Assets	6	21.31	0.18
	(e)	Financial Assets			
		(i) Investment in Subsidiaries	7A	4,892.94	5,010.44
		(ii) Other Investments	7B	366.81	324.54
		(iii) Other Financial Assets	8A	551.89	521.64
	(f)	Other non-current assets	9A	427.41	113.71
	Total Non-Current Assets			**74,239.66**	**67,874.34**
	Current assets				
	(a)	Inventories	10	11,367.82	9,734.37
	(b)	Financial Assets			
		(i) Investments	7C	20.23	13.82
		(ii) Trade Receivables	11	21,177.95	25,316.27
		(iii) Cash and Cash Equivalents	12	626.45	2,296.58
		(iv) Bank Balances Other than Cash & Cash Equivalents	13	31.95	33.55
		(v) Loans	14	71.33	46.45
		(vi) Other Financial Assets	8B	291.46	32.20
	(c)	Other Current Assets	9B	1,982.49	2,165.40
	(d)	Current Tax Assets (Net)	15	769.99	775.01
	Total Current Assets			**36,339.67**	**40,413.66**
	TOTAL ASSETS			**1,10,579.33**	**1,08,288.00**
II.	**EQUITY AND LIABILITIES**				
	EQUITY				
	(a)	Equity Share Capital	16	2,715.35	2,715.35
	(b)	Optionally Convertible Preference Shares	16	40.56	40.56
	(c)	Other Equity	17	63,847.85	57,557.15
	Total Equity			**66,603.76**	**60,313.05**
	LIABILITIES				
	Non-Current Liabilities				
	(a)	Financial Liabilities			
		- Borrowings	18A	5,886.20	9,397.35
		- Lease Liabilities	19A	23.76	21.83
	(b)	Provisions	20A	153.04	97.62
	(c)	Deferred Tax Liabilities (net)	21	3,257.89	2,626.57
	Total non-current liabilities			**9,320.89**	**12,143.37**
	Current liabilities				
	(a)	Financial Liabilities			
		(i) Borrowings	18B	16,020.38	21,097.02
		(ii) Lease Liabilities	19B	19.81	19.15
		(iii) Trade Payables	22		
		A) Total Outstanding Dues of Micro enterprises and Small Enterprises; and		1,675.04	85.11
		B) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises		14,754.35	12,620.80
		(iv) Other Financial Liabilities	23	1,793.85	1,537.45
	(b)	Other Current Liabilities	24	112.91	219.90
	(c)	Provisions	20B	278.35	252.14
	Total Current Liabilities			**34,654.68**	**35,831.57**
	TOTAL EQUITY AND LIABILITIES			**1,10,579.33**	**1,08,288.00**
	Notes forming part of the financial statements		1-43		

The accompanying notes are an integral part of the Ind AS financial statements.

Previous year figures have been recasted/restated wherever necessary.

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

For and on behalf of the Board of Directors

Tejas Parikh
Partner
M. No. 123215
Date - 19th May, 2023
Place : Mumbai

Mr. Arvind Chheda
Managing Director
DIN: 00299741

Mr. Mahek Chheda
Executive Director & CFO
DIN: 06763870

Ms. Avani D. Lakhani
Company Secretary
ICSI M. No. A47118

Standalone Statement of Profit and Loss March 31, 2023

(₹ In Lakhs except EPS)

	Particulars	Note No.	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
I	Revenue from operations	25	91,161.80	94,844.73
II	Other Income	26	290.65	330.79
III	**Total Revenue (I + II)**		**91,452.45**	**95,175.52**
IV	**Expenses**			
	Cost of materials consumed	27	59,359.05	62,851.47
	Purchase of stock-in-trade	28	1,385.22	1,708.65
	Changes in inventories of finished goods, work-in-progress and stock in trade	29	(474.39)	(2,041.88)
	Employee benefits expense	30	4,181.48	3,407.30
	Finance costs	31	1,053.89	635.38
	Depreciation, Amortization and Impairment Expenses	32	2,762.62	2,729.44
	Other expenses	33	13,709.86	12,190.19
IV	**Total Expenses**		**81,977.74**	**81,480.55**
V	**Profit before exceptional items and tax (III - IV)**		**9,474.71**	**13,694.97**
VI	Exceptional Items		489.78	-
VII	**Profit before tax (V+VI)**		**9,964.49**	**13,694.97**
VIII	**Tax expense:**			
	Current tax		1,757.07	2,840.00
	Short/(Excess) Provision of earlier year		0.01	(78.60)
	Deferred tax charge		649.42	639.75
	Total Tax Expense		**2,406.50**	**3,401.15**
IX	**Profit for the period (VII-VIII)**		**7,557.99**	**10,293.82**
X	**Other comprehensive income:**			
	(i) Items that will not be reclassified to profit or loss in subsequent year			
	Re-measurement of the net defined benefit plan (net of taxes)		(18.78)	(7.06)
	Fair value changes of various Financial intruments (net of taxes)		(92.66)	78.94
	Total other comprehensive income for the period, net of tax		**(111.44)**	**71.88**
XI	**Total comprehensive income for the period (IX+X) (Total of profit and other comprehensive income for the period)**		**7,446.55**	**10,365.71**
	Earnings per equity share of ₹10/- each (PY: ₹10/- each)	34		
	(1) Basic		27.83	37.91
	(2) Diluted		27.02	36.81

Notes forming part of the financial statements [Note No. 1 - 43]

The accompanying notes are an integral part of the Ind AS financial statements.

Previous year figures have been recasted/restated wherever necessary.

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

For and on behalf of the Board of Directors

Tejas Parikh
Partner
M. No. 123215
Date - 19th May, 2023
Place : Mumbai

Mr. Arvind Chheda
Managing Director
DIN: 00299741

Mr. Mahek Chheda
Executive Director & CFO
DIN: 06763870

Ms. Avani D. Lakhani
Company Secretary
ICSI M. No. A47118

Statement of Changes in Equity for the period March 31, 2023

A. Equity Share Capital

Current Reporting Period

(₹ in Lakhs)

Particulars	Balance as on April 1, 2022	Changes in equity share capital during the period	Balance as on March 31 , 2023
Ordinary Equity Shares	2,715.35	-	2,715.35
Optionally Convertible Equity Shares (Instruments entirely equity in nature)	40.56	-	40.56
Total	**2,755.90**	**-**	**2,755.90**

Previous Reporting Period

(₹ in Lakhs)

Particulars	Balance as on April 1, 2021	Changes in equity share capital during the period	Balance as on 31-03-2022
Ordinary Equity Shares	2,715.35	-	2,715.35
Optionally Convertible Equity Shares (Instruments entirely equity in nature)	40.56	-	40.56
Total	**2,755.90**	**-**	**2,755.90**

Footnote: Pursuant to the scheme of arrangement with Amarjyot Chemical Limited, OCPS was supposed to be converted into equity shares or into Redeemable Preference Shares (RPS) before February 2022. However, on obtaining consent from OCPS shareholders for conversion into equity shares, the Company filed a Settlement Application with SEBI on December 19, 2022. Pending Settlement Application with SEBI, the Board of Directors has approved extension in timeline until Company gets directives from SEBI for such conversion in its meeting held on January 31, 2023. Under these circumstances, the Company has continued to disclose 4,05,561 OCPS under equity at par value as on 31 March 2023.

B. Other Equity

(₹ in Lakhs)

Particulars	Reserve and surplus				Equity instruments through Other Comprehensive Income	Employee Stock Option Plan	Total other equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained earnings			
Balance as at 01st April 2021 -	7,846.30		3,910.88	35,503.27	213.52	-	47,473.97
Changes in accounting policies and prior periods errors	-		-	-	-	-	-
Restasted balance at April 2021	**7,846.30**		**3,910.88**	**35,503.27**	**213.52**	**-**	**47,473.97**
Net profit for the year	-		-	10,293.82	-	-	10,293.82
Fair value changes of various Financial intruments (net off tax)	-		-	-	78.94	-	78.94
Remeasurement Gain/(Loss) on defined benefit plan (net off tax)	-		-	(7.06)	-	-	(7.06)
Expenses incurred for stamp duty				(282.51)		-	(282.51)
Transfer from Retained Earning to Capital Redemption Reserve		38.40		(38.40)			-
Balance as at 31st March 2022	**7,846.30**	**38.40**	**3,910.88**	**45,469.12**	**292.46**	**-**	**57,557.15**
Changes in accounting policies and prior periods errors	-		-	-	-	-	-

Statement of Changes in Equity for the period March 31, 2023

B. Other Equity *(Contd.)*

(₹ in Lakhs)

Particulars	Reserve and surplus				Equity instruments through Other Comprehensive Income	Employee Stock Option Plan	Total other equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained earnings			
Restasted balance at April 2022	**7,846.30**	**38.40**	**3,910.88**	**45,469.12**	**292.46**	**-**	**57,557.16**
Net profit for the year	-		-	7,557.99	-	-	7,557.99
Fair value changes of various Financial intruments (net off tax)	-		-		(92.66)	-	(92.66)
Remeasurement Gain/(Loss) on defined benefit plan (net off tax)	-		-	(18.78)	-	-	(18.78)
Amount utilised for Dividend	-		-	(1,221.91)	-	-	(1,221.91)
ESOPs Recognised during the period	-		-	-	-	66.06	66.06
Balance as at March 31, 2023	**7,846.30**	**38.40**	**3,910.88**	**51,786.41**	**199.80**	**66.06**	**63,847.85**

1 The above Statement of Changes in Equity be read in conjunction with the accompanying notes.

2 Previous Year's figures are regrouped / rearranged wherever required.

3 Retained Earnings include Remeasurement Loss (net of tax) on Defined Benefit Plans to the extent of ₹51.03 Lakhs (PY ₹69.81 Lakhs).

C. Notes forming part of the financial statements [Note No. 1 - 43]

The accompanying notes are an integral part of the Ind AS financial statements.
Previous year figures have been recasted/restated wherever necessary.

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

Tejas Parikh
Partner
M. No. 123215
Date - 19th May, 2023
Place : Mumbai

For and on behalf of the Board of Directors

Mr. Arvind Chheda
Managing Director
DIN: 00299741

Mr. Mahek Chheda
Executive Director & CFO
DIN: 06763870

Ms. Avani D. Lakhani
Company Secretary
ICSI M. No. A47118

Statement of Cash Flows for the Period of March 31, 2023

(₹ in Lakhs)

	Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(A)	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	9,964.49	13,694.97
	Adjustments		
	Add:		
	Finance Cost	1,053.89	635.38
	Depreciation, Amortization and Impairment Expenses	2,762.62	2,729.44
	Forex Loss / (Gain)	79.12	121.31
	Loss on Investment in Subsidiary	117.49	(225.34)
	Less:		
	Interest Income	10.92	12.20
	Gain/(Loss) on disposal of Property, Plant and Equipment (PPE)	(1.59)	-
	Dividend Income	0.89	1.08
	Operating Profit Before Working Capital Changes	**13,967.40**	**16,942.49**
	Adjustments		
	Add/(Less):		
	(Increase)/Decrease in Trade Receivables	4,138.33	(13,602.96)
	(Increase)/Decrease in Inventories	(1,633.45)	(3,131.83)
	(Increase)/Decrease Loans	(55.13)	1.10
	(Increase)/Decrease Other Current Assets	(329.79)	404.43
	(Increase)/Decrease Other non-Current Assets	(295.34)	-305.34
	Increase/(Decrease) in Trade Payable	3,722.50	2,287.24
	Increase/(Decrease) in Provisions	81.62	(71.15)
	Increase/(Decrease) in Other Current Liabilities	(106.99)	22.72
	Increase/(Decrease) in Financial Liabilities	480.61	(901.85)
	Cash Generated from Operation	**19,969.76**	**1,644.85**
	Direct Taxes Paid	(1,757.08)	(2,761.40)
	Net Cash From Operating Activities (A)	**18,212.68**	**(1,116.55)**
(B)	**Cash Flow From Investing Activities**		
	Acquisition of Property, Plant and Equipment and CWIP (net)	(10,730.46)	(11,469.44)
	Sales Proceeds of Property, Plant and Equipment (PPE)	2,145.81	-
	Gain/(Loss) on disposal of Property, Plant and Equipment (PPE)	(1.59)	-
	Bank Balances not considered as Cash and Cash Equivalents	1.60	281.54
	Capital Advances	(313.70)	-
	Interest Income	10.92	12.20
	Purchase of investments	(151.80)	-
	Investment in Subsidiary	-	(835.94)
	Dividend Income	0.89	1.08
	Net Cash from Investing Activities (B)	**(9,038.34)**	**(12,010.56)**
(C)	**Cash Flow From Financing Activities**		
	Proceeds / (Repayment) of Short Term Borrowings	(5,076.64)	10,261.75
	Proceeds/(Repayment) of Long Term Borrowings	(3,511.14)	5,221.92
	Payment for Lease Liability	2.59	-5.08
	Payment of Dividend & Tax thereon	(1,221.91)	-
	Interest Paid	(1,037.37)	(635.38)
	Stamp Duty paid on Equity	-	(282.51)
	Net Cash from Financing Activities (C)	**(10,844.47)**	**14,560.70**
	Net Increase in Cash and Cash Equivalents (A+B+C)	(1,670.12)	1,433.58
	Opening Balance of Cash and Cash Equivalents	2,296.58	863.00
	Closing Balance of Cash and Cash Equivalents	**626.45**	**2,296.58**

Statement of Cash Flows for the Period of March 31, 2023

1. The above statement of Cash Flows should be read in conjunction with the accompanying notes.
2. Previous year figures have been recasted/restated wherever necessary.
3. Figures in brackets indicate cash outgo.
4. The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS 7 Statement of Cash Flow.
5. Cash flows from operating activities include ₹310.00 lakhs (March 31, 2022: ₹337.23 lakhs) being expenses towards Corporate Social Responsibility initiatives.

6. Cash and Cash Equivalents comprises of:

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
a. Cash on Hand	3.29	3.78
b. Balances with Banks	623.15	2,292.80
Total	**626.45**	**2,296.58**

Particulars	As at 1st April 2022	Net Cash Flow	Non-Cash Flow Changes			As at March 31, 2023
			Net Addition / Accrued Interest	Forex Loss/ (Gain)	Other Changes	
Non-current Financial Liabilities						
- Borrowings	9,397.35	775.30		93.53	(4,379.98)	5,886.20
- Lease Liabilities	21.83		25.35		(23.42)	23.75
Current Financial Liabilities						
- Borrowings	21,097.02	(9,456.61)		-	4,379.98	16,020.39
- Lease Liabilities	19.15	(27.65)	4.89		23.42	19.81

Particulars	As at 1st April 2021	Net Cash Flow	Non-Cash Flow Changes			As at March 31, 2022
			Net Addition / Accrued Interest	Forex Loss/ (Gain)	Other Changes	
Non-current Financial Liabilities						
- Borrowings	7,471.42	5,341.64	-	53.49	(3,469.20)	9,397.35
- Lease Liabilities	17.72	-	25.38	-	(21.26)	21.83
Current Financial Liabilities						
- Borrowings	7,366.07	10,261.75	-	-	3,469.20	21,097.02
- Lease Liabilities	28.34	(34.60)	4.15	-	21.26	19.15

The accompanying notes are an integral part of the Ind AS financial statements.
Previous year figures have been recasted/restated wherever necessary.

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

Tejas Parikh
Partner
M. No. 123215
Date - 19th May, 2023
Place : Mumbai

For and on behalf of the Board of Directors

Mr. Arvind Chheda
Managing Director
DIN: 00299741

Mr. Mahek Chheda
Executive Director & CFO
DIN: 06763870

Ms. Avani D. Lakhani
Company Secretary
ICSI M. No. A47118

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

Valiant Organics Limited ("VOL" or "the Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the Bombay Stock Exchange ('BSE'). The registered office of the company is located 109, Udyog Kshetra, 1st Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai.

The Company is engaged in manufacturing and dealing in specialty chemicals and pharma intermediates in India and abroad.

2. SUMMARY OF BASIS OF COMPLIANCE, BASIS OF PREPARATION AND PRESENTATION, AND CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

2.1 Basis of Compliance

The company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of Section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except if compliance with other statutory promulgations require a different treatment.

These financial statements have been approved by the Board of Directors at their meeting held on 19th May 2023.

2.2 Basis of Preparation and Presentation of Financials Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows".

The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Ind AS and in accordance with guidelines issued by the Securities and Exchange Board of India ("SEBI").

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

(i) Certain financial instruments measured at fair value (refer accounting policy regarding financial instruments); and

(ii) Employee's Defined Benefit Plan as per actuarial valuation.

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 under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the status of realisability and expected settlement in cash and cash equivalents of the respective assets and liabilities and other criteria set out in the Schedule III to the Companies Act 2013, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

Functional & Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values in the financial statements are rounded off to the nearest rupees in lakhs except otherwise indicated.

Notes to the Financial Statements for the year ended 31st March 2023

2.3 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented along with the accompanying disclosures.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected.

The following are the critical estimates, assumptions and judgments that the management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the financial statements:

2.3.i. Provision for Income Tax and Deferred Tax Assets:

The Company uses estimates and judgements based on the relevant rulings in the areas of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax at the end of each reporting period.

2.3.ii. Useful Lives of Property, Plant and Equipment ("PPE"):

Property, plant and equipment represents a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

2.3.iii. Defined Benefit Plans (Gratuity):

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets and is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.3.iv. Provisions and Contingent Liabilities:

The Company estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.3.v. Provision against Obsolete and Slow-Moving Inventories:

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use at each balance sheet date. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions.

2.3.vi. Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as market risk, liquidity risk and credit risk.

2.3.vii. Allowance for Credit Losses on Receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates.

2.3.viii. Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by other available fair value indicators.

2.3.ix. Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgment in assessing the lease term and the applicable discount rate.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Classification of Current versus Non-Current:

All assets and liabilities in the financial statements have been classified as current or non-current as per the Company's normal operating cycle of up to twelve months.

For the purpose of Balance Sheet, an asset is classified as current if:

(i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or

(ii) It is held primarily for the purpose of trading; or

(iii) It is expected to realise the asset within twelve months after the reporting period; or

(iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Notes to the Financial Statements for the year ended 31st March 2023

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

(i) It is expected to be settled in the normal operating cycle; or

(ii) It is held primarily for the purpose of trading; or

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

3.2 Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use less accumulated depreciation and accumulated impairment losses, if any Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs is capitalised in accordance with the company's accounting policy.

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

Long term lease arrangements of land are treated as PPE, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected with the carrying amount of any component accounted for as a separate asset is derecognised when replaced. Gains or losses arising from de-recognition of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Depreciation methods, estimated useful lives and residual value:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided using straight line method, so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation on additions/ disposals is provided on a pro-rata basis i.e. from/ upto the date on which asset is ready for use/ disposed.

The Company uses different useful lives than those prescribed in Schedule II to the Act for some of the assets. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

The company has used the following useful lives to provide depreciation on the following assets:

Particulars	DEPRECIATION
Factory Building	Over a period of 30 years
Plant & Machinery	Over its useful life as technically assessed, i.e over a period of 19 years
Vehicle	Over a period of 10 years
Computers	Over a period of 3 years
Furniture and Fixtures	Over a period of 10 years
Office Equipment	Over a period of 5 years
Leasehold Land	Over the tenure of lease

3.3 Capital Work-in-Progress

Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. The same is carried at cost, comprising of direct costs, related incidental expenses and attributable borrowing costs. Project expenses pending allocation are apportioned to the PPE of the project proportionately on capitalisation.

3.4 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the company and cost of the assets can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are carried at cost less any accumulated amortisation and cumulative impairment losses. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is charged to the statement of profit or loss in the period in which the expenditure is incurred.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation:

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as change in accounting estimates. Amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another assets.

Intangible Assets without finite life are tested for impairment at each Balance sheet date and impairment provision, if any are debited to profit and loss.

Notes to the Financial Statements for the year ended 31st March 2023

The estimated useful lives of the amortisable intangible assets are as follows:

PARTICULARS	AMORTISATION
computer software	3year

3.5 Business Combinations and Goodwill:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. The consideration transferred does not include amount related to the settlement of pre-existing relationships with the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in statement of profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the relevant Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and any difference subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the fair value of identifiable assets acquired net of fair value of liabilities assumed. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence, of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise, the gain is recognised directly in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the entities' cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than it's carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

3.6 Impairment of Non-Financial Assets:

The Company assesses at each reporting date, whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for such asset is required, the Company estimates the asset's recoverable amount in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount which is higher of asset's (or cash generating unit's) net selling price or the value in use. The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset (or cash generating unit) and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset (or cash generating units).

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit). A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

3.7 Inventories:

Inventories are valued, after providing for obsolescence as given below:

Raw Materials, Packing Materials and Stores and Spares:

Raw materials, packing materials and stores and spares are valued at lower of Cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on First in First out method.

Work-in-process:

Work-in-process is valued at the lower of cost and net realizable value. The cost is computed on First in First out method.

Finished Goods, Semi-Finished Goods and Traded Goods:

Finished goods, Semi-finished goods and traded goods are valued at lower of cost and net realisable value. The cost is computed on First in First out method.

Cost is determined on First in First out basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit), cost of conversion and other costs incurred in acquiring the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.8 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid financial instruments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value with an original maturity of three months or less.

3.9 Employee Benefits:

(a) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages short-term compensated absences, expected cost of bonus, etc. are recognised in the period in which the employee renders the related services.

(b) Post-employment benefits:

(i) Defined Contribution Plan:

The Company makes defined contribution to Employee Provident Fund, Employee Pension Fund, Employee Deposit Linked Insurance, and Superannuation Schemes. The contribution paid/payable under these schemes is recognised during the period in which the employee renders the related service which are recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services.

Notes to the Financial Statements for the year ended 31st March 2023

(ii) Defined Benefit Plan

The gratuity liability of the company is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. The Company's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

(c) Long term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, actuarial valuations being carried out at each Balance Sheet date.

(d) Employee Stock Option Plan:

The Company recognizes compensation expense relating to share-based payments in net profit based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding accounts

3.10 Provisions, Contingent Liabilities and Contingent Assets

Provisions

The Company recognizes a provision when it has a present legal or constructive obligation as a result of past events, it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reasonably estimated. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

Contingent Liabilities

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

Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefit will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Onerous Contracts:

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

3.11 Taxes:

The tax expenses comprise of current tax and deferred income tax charge or credit. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

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

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded in other comprehensive income or in equity along with the tax as applicable.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

3.12 Revenue Recognition:

Revenue from Operations:

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

To recognise revenues, the Company applies the following five step approach in accordance with Ind AS 115:

(a) identify the contract with a customer

(b) identify the performance obligations in the contract

(c) determine the transaction price

(d) allocate the transaction price to the performance obligations in the contract and

(e) recognise revenues when a performance obligation is satisfied.

Sale of Goods:

The Company recognises revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates,

Notes to the Financial Statements for the year ended 31st March 2023

scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Sale of Services:

Revenue from services is recognised when the performance obligation is met and the right to receive income is established.

Interest Income:

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example prepayment, extension and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividend Income:

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Export Incentives:

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

Other Income:

Revenue with respect to Other Operating Income and Other Income including insurance and other claims are recognised when a reasonable certainty as to its realisation exists.

3.14 Leases:

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

As a Lessee:

The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

(a) control the use of an identified asset,

(b) obtain substantially all the economic benefits from use of the identified asset, and

(c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, 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 asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-of-Use asset or the end of the lease term. The estimated useful lives of Right-of-Use assets are determined on the same basis as those of property, plant and equipment. In addition, the Right-of-Use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease payments included in the measurement of the lease liability comprises fixed payments, including amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option. The lease liability is subsequently measured at amortised cost using the effective interest method.

Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Finance charges are recognised as finance costs in the statement of profit and loss.

As a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.15 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

In determining the amount of borrowing costs eligible for capitalization, any income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.16 Foreign Currency Transactions:

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.17 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity

Notes to the Financial Statements for the year ended 31st March 2023

shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net 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 effects of all dilutive potential equity shares.

3.18 Exceptional items:

When items of income or expense within the statement of profit & loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such material items are disclosed separately as exceptional items.

3.19 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity. The Company determines the classification of its financial assets and liabilities at initial recognition.

Initial Recognition:

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the transaction values, at fair values. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from as the case may be, from the fair value of on initial recognition.

Classification and Subsequent Measurement of Financial Assets:

The Company classifies financial assets, subsequently at amortised cost, Fair Value through Other Comprehensive Income ("FVTOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

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

(a) Financial Assets measured at Amortised Cost:

A Financial Asset is measured at amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

(b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

(c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Classification and Subsequent Measurement of Financial Liabilities:

(a) Financial liabilities measured at Fair Value Through Profit or Loss (FVTPL):

Financial liabilities are classified as FVTPL when the financial liability is held for trading or is a derivative (except for effective hedge) or are designated upon initial recognition as FVTPL. Gains or Losses, including any interest expense on liabilities held for trading are recognised in the Statement of Profit and Loss.

(b) Other Financial liabilities:

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

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

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Debt and Equity Instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investments in subsidiaries:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

De-recognition of Financial Instruments:

The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

A Financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract 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 derecognition of the original liability and the recognition of a new liability.

Notes to the Financial Statements for the year ended 31st March 2023

The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Impairment of Financial Assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of all Financial Assets subsequent to initial recognition other than financial assets measured at fair valued through profit and loss (FVTPL). For Trade Receivables and all lease receivables resulting from transactions within the scope of Ind AS 116 the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. For other financial assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk since its initial recognition. If there is significant increase in credit risk since its initial recognition full lifetime ECL is used. The impairment losses and reversals are recognised in Statement of Profit and Loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and it is intended to either settle them on net basis or to realise the asset and settle the liability simultaneously.

Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Financial instruments by category are separately disclosed indicating carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative Financial Instruments:

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

Notes to the Financial Statements for the year ended 31st March 2023

4 Property, Plant and Equipment (PPE)

(₹ in Lakhs)

Particulars	Land	Factory Building	Plant & Machinery	Electrical Installation	Furniture & Fixture	Vehicle	Computer	Office Equipment	Total	Capital Work in Progress (CWIP)
Year ended March 31, 2022 Gross carrying amount										
Opening gross carrying amount as at April 1, 2021	3,922.59	12,152.89	38,309.71	246.17	395.41	262.71	138.31	136.15	55,563.95	4,589.10
Addition	313.64	654.51	2,849.33	1.19	52.19	31.18	19.78	30.53	3,952.35	8,308.49
Assets capitalised during the period from CWIP	-		1,881.32	-	-	-	-	-	1,881.32	(1,881.32)
Disposals	-	-	(999.30)	-	-	(5.52)	-	-	(1,004.82)	
Closing gross carrying amount	**4,236.23**	**12,807.40**	**42,041.07**	**247.36**	**447.60**	**288.37**	**158.09**	**166.68**	**60,392.80**	**11,016.27**
Accumulated depreciation										
Opening accumulated depreciation	77.86	561.25	6,787.25	40.12	73.96	131.62	109.39	69.65	7,851.10	-
Depreciation charge during the period	48.33	391.09	1,956.45	22.44	38.47	23.54	24.64	22.88	2,527.84	-
Disposals	-	-	(829.52)	-	-	(5.52)	-	-	(835.04)	-
Closing accumulated depreciation	**126.19**	**952.34**	**7,914.17**	**62.56**	**112.43**	**149.64**	**134.03**	**92.53**	**9,543.89**	**-**
Net carrying amount Year ended March 31, 2022	**4,110.04**	**11,855.06**	**34,126.90**	**184.80**	**335.18**	**138.73**	**24.06**	**74.15**	**50,848.91**	**11,016.27**

(₹ in Lakhs)

Particulars	Land	Factory Building	Plant & Machinery	Electrical Installation	Furniture & Fixture	Vehicle	Computer	Office Equipment	Total	Capital Work in Progress (CWIP)
Year ended March 31, 2023 Gross carrying amount										
Opening gross carrying amount as at April 1, 2022	4,236.23	12,807.40	42,041.07	247.36	447.60	288.37	158.09	166.68	60,392.80	11,016.27
Addition	1,059.21	303.42	3,060.59	-	67.91	10.17	25.07	40.16	4,566.52	6,138.40
Assets capitalised during the period from CWIP		399.11	9,735.08						10,134.19	(10,134.19)
Disposals	(1,331.78)	(80.16)	(630.48)	-	-	(7.54)	-	0	(2,049.96)	
Closing gross carrying amount	**3,963.66**	**13,429.76**	**54,206.26**	**247.36**	**515.51**	**291.00**	**183.16**	**206.84**	**73,043.55**	**7,020.48**
Accumulated depreciation										
Opening accumulated depreciation	126.19	952.34	7,914.17	62.56	112.43	149.64	134.03	92.53	9,543.89	-
Depreciation charge during the period	44.69	409.98	2,144.94	22.39	43.88	20.65	21.03	26.27	2,733.84	-
Disposals	(21.56)	(40.68)	(81.68)	-	-	(7.54)	-	-	(151.45)	-
Closing accumulated depreciation	**149.32**	**1,321.65**	**9,977.43**	**84.96**	**156.31**	**162.76**	**155.06**	**118.79**	**12,126.28**	**-**
Net carrying amount Year ended March 31, 2023	**3,814.34**	**12,108.11**	**44,228.83**	**162.41**	**359.20**	**128.25**	**28.10**	**88.04**	**60,917.28**	**7,020.48**

Notes to the Financial Statements for the year ended 31st March 2023

4 Property, Plant and Equipment (PPE) *(Contd.)*

Footnotes:

(a) Borrowing cost of ₹709.61 Lakhs have been capitalised during the year (March 31, 2022 - ₹377.52 Lakhs).

(b) Title deeds of Immovable Properties not held in the name of the Company

Relevant line item in Balance Sheet	Description of item of property	Gross Carrying Value		Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
		As at 31st March, 2023	As at 31st March, 2022				
Land	Land Plot Nos. 228 to 233 & 235 to 239, Vatva, Ahmedabad, Gujarat.	16.84	16.84	Dispo Dyechem Private Limited	No	October 2018	Property was acquired through amalgamation / merger, the name change in the name of the Company is pending.
Land	Plot NO DP/90/21, Sayakha Dist. Bharuch, Gujarat.	320.58	320.58	Amarjyot Chemical Limited	No	October 2018	Property was acquired through amalgamation / merger, the name change in the name of the Company is pending.
Land	Plot No C-1 + 2/B, GIDC Estate, DAHEJ, Dist. Bharuch, Gujarat.	300.00	300.00	Aarti Industries Limited	No	August 2019	Property in the name of Aarti industries limited
Land	Land - Plot No. A1/322-11, Vapi Industrial Area.	57.44	57.44	Amarjyot Chemical Limited	No	October 2018	Property was acquired through amalgamation / merger, the name change in the name of the Company is pending.

4 Property, Plant and Equipment (PPE) *(Contd.)*

(c) Capital Work-In-Progress (CWIP) Ageing Schedule

As at 31st March 2023

	< 1 Year	1- 2 Years	2- 3 Years	> 3 Years	Total
Projects in progress	2,365.70	1,244.88	3,409.91	-	7,020.48
Projects temporarily suspended	-	-	-	-	-
Total	**2,365.70**	**1,244.88**	**3,409.91**	**-**	**7,020.48**

As at 31st March 2022

	< 1 Year	1- 2 Years	2- 3 Years	> 3 Years	Total
Projects in progress	7,491.28	3,503.75	21.24	-	11,016.27
Projects temporarily suspended	-	-	-	-	-
Total	**7,491.28**	**3,503.75**	**21.24**	**-**	**11,016.27**

(d) There are no material projects whose completion is overdue as compared to its original plan as at 31st March 2023.

(e) There were no material projects which have exceeded their original plan cost as at 31st March, 2023.

5 Right-of-Use Asset-

(₹ in Lakhs)

Particulars	Right-of-Use Asset Building
Year ended March 31, 2022 Gross carrying amount	
Opening gross carrying amount as at April 1, 2021	82.35
Addition	26.20
Disposals	-
Closing gross carrying amount	**108.54**
Accumulated depreciation	
Opening accumulated depreciation	39.37
Depreciation charge during the period	30.52
Disposals	-
Closing accumulated depreciation	**69.89**
Net carrying amount as on March 31, 2022	**38.65**
Year ended March 31, 2023 Gross carrying amount	-
Opening gross carrying amount as at April 1, 2022	108.54
Addition	27.25
Disposals	-
Closing gross carrying amount	**135.79**
Accumulated depreciation	
Opening accumulated depreciation	69.89
Depreciation charge during the period	24.37
Disposals	-
Closing accumulated depreciation	**94.26**
Net carrying amount as on March 31, 2023	**41.53**

Notes to the Financial Statements for the year ended 31st March 2023

6 Intangible Assets

(₹ in Lakhs)

Particulars	Computer Software	Total
Year ended March 31, 2022 Gross carrying amount		
Opening gross carrying amount as at April 1, 2021	4.12	4.12
Addition	-	-
Disposals	-	-
Closing gross carrying amount	**4.12**	**4.12**
Accumulated depreciation		
Opening accumulated depreciation	2.64	2.64
Depreciation charge during the period	1.31	1.31
Disposals	-	-
Closing accumulated depreciation	**3.94**	**3.94**
Net carrying amount as on March 31, 2022	**0.18**	**0.18**
Year ended March 31, 2023 Gross carrying amount		
Opening gross carrying amount as at April 1, 2022	4.12	4.12
Addition	25.54	25.54
Disposals	-	-
Closing gross carrying amount	**29.66**	**29.66**
Accumulated depreciation		
Opening accumulated depreciation	3.94	3.94
Depreciation charge during the period	4.41	4.41
Disposals		-
Closing accumulated depreciation	**8.35**	**8.35**
Net carrying amount as on March 31, 2023	**21.31**	**21.31**

7 Investments

7A Investment in Subsidiaries (non-current)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Unquoted Investments		
Investment in subsidiaries - measured at cost		
Investment in subsidiary companies	25.00	25.00
Investment in Limited Liability Partnership	4,867.94	4,985.44
Total	**4,892.94**	**5,010.44**

	March 31, 2023		March 31, 2022	
	No of Shares	Amount	No of Shares	Amount
Investments carried at cost/deemed cost:				
Equity Shares of Subsidiary Companies (Unquoted)				
Valiant Speciality Chemicals Ltd	2,50,000	25.00	2,50,000	25.00
Investments in Limited Liability Partnership (Unquoted)				
Dhanvallabh Ventures LLP	N.A.	4,867.94	N.A.	4,985.44
Total Investment in Subsidiaries	**2,50,000**	**4,892.94**	**2,50,000**	**5,010.44**

Footnote: Aggregate value of Unquoted Investments is ₹4,892.94 lakhs (PY 5,010.44 lakhs).

7B Other Investments (non-current)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Quoted Investments - FVTOCI		
Quoted Investments		
- Investments in Equity Shares	176.13	286.99
- Investments in Preference Shares	38.83	-
Unquoted Investments		
- Investments in Equity Shares	151.80	-
- Investments in Preference Shares	-	37.50
	366.76	**324.49**
Other Investments - Amortised Cost		
Unquoted Investments		
- Share in Co-operative Society	0.05	0.05
	0.05	0.05
Total Other Investments (non-current)	**366.81**	**324.54**

	March 31, 2023		March 31, 2022	
	No of Shares	Amount	No of Shares	Amount
I. Investments carried at fair value through OCI:				
Investments in Equity Shares (Quoted)				
- Aarti Industries Limited (FV ₹5)	30,000	176.13	30,000	286.99
Investments in Preference Shares (Quoted)				
- Aarti Surfactant - 4% redeemable preference shares	20,500	38.83		
		214.96		**286.99**
Investments in Equity Shares (Unquoted)				
- Renew Green (GJ Six) Private Limited (FV ₹10)	15,18,000	151.80	-	-
Investments in Preference Shares (Unquoted)				
- Aarti Surfactant - 4% redeemable preference shares			20,500	37.50
		151.80		**37.50**
II. Investments carried at amortised cost:				
Unquoted				
- Share in Co-operative Society	50	0.05	50	0.05
		0.05		**0.05**
Total		**366.81**		**324.54**

Footnotes:

1. Aggregate value of quoted investments and its market value is ₹214.96 lakhs (PY 286.99 lakhs).
2. Aggregate value of unquoted investments is ₹151.85 lakhs ((PY 37.55 lakhs).

7C Investments (Current)

(₹ in Lakhs)

Current Investment	March 31, 2023	March 31, 2022
Quoted Investments		
Investment in Equity Shares (Quoted) - Measured at FVOCI	20.23	13.82
Total	**20.23**	**13.82**

Notes to the Financial Statements for the year ended 31st March 2023

7C Investments (Current) *(Contd.)*

(₹ in Lakhs)

Particulars	No of Shares/ Units of Mutual Funds	March 31, 2023	No of Shares/ Units of Mutual Funds	March 31, 2022
Investments - in Equity Shares (Quoted)				
Other Companies - measured at FVOCI				
Elantas Beck India (FV ₹10)	400	20.15	400	13.76
Orchid Pharma Limited (FV ₹10)	22	0.08	22	0.06
Total	**422**	**20.23**	**422**	**13.82**

8 Other Financial Assets

8A Non-current (at amortised cost)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Security Deposits		
Unsecured, Considered Good	551.89	521.64
Total Other Financial Assets (non-current)	**551.89**	**521.64**

8B Current (at amortised cost)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Unsecured, Considered Good		
Security Deposits	-	25.45
Interest Receivable	10.77	6.75
Insurance Receivable	280.69	-
Total Other Financial Assets (current)	**291.46**	**32.20**

9 Other Assets

9A Non-current

(Unsecured, unless otherwise stated)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Capital Advances	427.41	113.71
Total Other Assets (non-current)	**427.41**	**113.71**

9B Current

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Balance with Statutory / Government Authorities	1,164.27	1,325.32
Advances to Suppliers	778.18	673.52
Prepaid Expenses	40.04	40.05
Export Benefits Receivable	-	126.51
Total Other Assets (current)	**1,982.49**	**2,165.40**

Notes to the Financial Statements for the year ended 31st March 2023

10 Inventories

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Raw Material (incl In-transit stock)	5,703.67	4,549.79
Fuel	134.06	137.21
Stores & Spares	467.93	423.48
Packing Materials	48.12	84.23
Work-in-Progress	1,047.03	1,374.32
Finished Goods	3,967.02	3,165.35
Total	**11,367.82**	**9,734.37**

10.1 Inventories

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Raw Material (In Transit Stock)	690.75	15.17
Total	**690.75**	**15.17**

11 Trade Receivables (current) (at amortised cost)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Trade Receivables	21,398.07	25,551.69
Less - Impairment Allowance	(220.13)	(235.42)
Trade Receivables (Net)	21,177.95	25,316.27
Break up of Security Details		
(i) Unsecured, Considered good	21,177.95	25,316.27
(ii) Unsecured, Credit impaired	220.13	235.42
	21,398.07	25,551.69
Less - Impairment Allowance	(220.13)	(235.42)
	21,177.95	25,316.27

a. Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables. The Company follows the simplified approach for recognition of impairment allowance on trade receivables. The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) recognised during the period is recognised in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

TRADE RECEIVABLES

As at 31 March, 2023

(₹ in Lakhs)

Particulars	Not Due	Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	TOTAL
(i) Undisputed Trade Receivable - Considered Good	19,286.64	623.57	1,041.66	167.66	1.03	5.69	21,126.23
(ii) Undisputed Trade Receivables – credit impaired						-	-
(iii) Disputed Trade Receivables– considered good							-
(iv) Disputed Trade Receivables – credit impaired						119.89	119.89
Sub 'Total Trade Receivable	**19,286.64**	**623.57**	**1,041.66**	**167.66**	**1.03**	**125.58**	**21,246.13**
Unbilled Trade Receivables							151.95
Less: Impairment Allowance							(220.13)
Total Trade Receivable							**21,177.95**

Notes to the Financial Statements for the year ended 31st March 2023

11 Trade Receivables (current) (at amortised cost) *(Contd.)*

As at 31 March, 2022

(₹ in Lakhs)

Particulars	Not Due	Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	TOTAL
(i) Undisputed Trade Receivables - considered good	19,564.43	5,529.72	27.78	6.31	0.12	59.79	25,188.15
(ii) Undisputed Trade Receivables – credit impaired		-	-	-	-	-	-
(iii) Disputed Trade Receivables– considered good		-	-	-	-	-	-
(iv) Disputed Trade Receivables – credit impaired		-	-	-	-	119.89	119.89
Sub 'Total Trade Receivable	**19,564.43**	**5,529.72**	**27.78**	**6.31**	**0.12**	**179.69**	**25,308.04**
Unbilled Trade Receivables							243.65
Less: Impairment Allowance							(235.42)
Total Trade Receivable							**25,316.27**

(d) Movement in expected credit loss allowance of trade receivables

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	235.42	214.42
Allowances / (write back) during the year	-	21.00
Written off against past provision	(15.29)	-
Balance at the end of the year	**220.13**	**235.42**

12 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Cash & Cash Equivalents		
Cash on hand	3.29	3.78
Balances with Banks	623.15	2,292.80
Total	**626.45**	**2,296.58**

13 Bank Balances Other than Cash & Cash Equivalents

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Fixed Deposits	31.95	33.55
Total	**31.95**	**33.55**

14 Current Financial Assets - Loans

Particulars	March 31, 2023	March 31, 2022
Current Financial Assets - Loans		
Loan to Employees	71.33	46.45
Total	**71.33**	**46.45**

15 Current Tax Assets (Net)

Particulars	March 31, 2023	March 31, 2022
Advance Tax and Tax Deducted at Source (Net of Provision)	769.99	775.01
Total	**769.99**	**775.01**

16 Equity Share Capital

A. Authorised Share Capital

Particulars	March 31, 2023	March 31, 2022
Authorised:		
3,71,00,000 Equity Shares of ₹10/- each (March 31, 2022 - 3,71,00,000)	3,710.00	3,710.00
5,00,000 Redeemable Preference Shares of 10 each.(March 31, 2022 - 5,00,000)	50.00	50.00
20,00,000 Optionally Convertible Preference Shares of ₹10 each (March 31, 2022 - 20,00,000)	200.00	200.00
40,000 Redeemable Non-Cumulative Preference Shares of ₹100 each (March 31, 2022 - 40,000)	40.00	40.00
Total	**4,000.00**	**4,000.00**

B. Issued, Subscribed & Paid Up:

Particulars	March 31, 2023	March 31, 2022
Equity Share Capital	**2,715.35**	**2,715.35**
Add: Equity Shares allotted to the investors of Amarjyot Chemical Limited	-	-
Add: Issue of Bonus Shares	-	-
2,71,53,488 Equity Shares of ₹10 each (PY - 2,71,53,488). [A]	**2,715.35**	**2,715.35**
Optionally Convertible Preference Shares	40.56	40.56
Add: Optionally Convertible Preference Shares allotted to the investors of Amarjyot Chemical Limited	-	-
Less : Converted to Equity Shares during the year	-	-
4,05,561 Optionally Convertible Preference Shares of ₹10 each (PY - 4,05,561). [B]	**40.56**	**40.56**
Total (A+B)	**2,755.90**	**2,755.90**

Rights, preferences and restrictions attached to equity shares

Ordinary Equity Shares

The Company has only one class of Shares referred to as Equity Shares having par value of ₹10. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Optionally Convertible Preference Shares (OCPS)

Convertible at the option of the holder within 18 months from the date of receipt of trading approval from BSE Limited.

Equity Shares issued and allotted, pursuant to Conversion will be listed on the Stock Exchange.

The Equity shares issued and allotted, upon conversion shall rank pari passu in all respects including dividend with the existing Equity shares of the Company.

Notes to the Financial Statements for the year ended 31st March 2023

16 Equity Share Capital *(Contd.)*

Pursuant to the scheme of arrangement with Amarjyot Chemical Limited, OCPS was supposed to be converted into equity shares or into Redeemable Preference Shares (RPS) before February 2022. However, on obtaining consent from OCPS shareholders for conversion into equity shares, the Company filed a Settlement Application with SEBI on December 19, 2022. Pending Settlement Application with SEBI, the Board of Directors has approved extension in timeline until Company gets directives from SEBI for such conversion in its meeting held on January 31, 2023. Under these circumstances, the Company has continued to disclose 4,05,561 OCPS under equity at par value as on 31 March 2023.

C. Reconciliation of Equity Shares Outstanding

(a) Reconciliation of number of ordinary equity shares outstanding

Ordinary Equity Shares Outstanding	March 31, 2023		March 31, 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,71,53,488	2,715.35	2,71,53,488	2,715.35
Add: Conversion of Optionally Convertible Preference Shares	-	-	-	-
Shares outstanding at the end of the year	**2,71,53,488**	**2,715.35**	**2,71,53,488**	**2,715.35**

(b) Reconciliation of number of optionally convertible preference shares outstanding (Instruments entirely equity in nature)

Optionally Convertible Preference Shares Outstanding	March 31, 2023		March 31, 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	4,05,561	40.56	4,05,561	40.56
Less: Conversion in to ordinary Equity Shares during the year	-	-	-	-
Shares outstanding at the end of the year	**4,05,561**	**40.56**	**4,05,561**	**40.56**

D. Details of Shares held by each shareholder holding more than 5% shares

(a) Ordinary Equity Shares

	March 31, 2023		March 31, 2022	
	Number	% of Holding	Number	Amount
Jaya Chandrakant Gogri	23,09,644	8.51	23,09,644	8.51
Arti Rajendra Gogri	19,77,814	7.28	19,77,814	7.28
Manisha Rashesh Gogri	15,89,114	5.85	15,89,114	5.85
Nikhil Parimal Desai	24,55,869	9.04	24,55,869	9.04

(b) Optionally Convertible Preference Shares (Instruments entirely equity in nature)

	March 31, 2023		March 31, 2022	
	Number	% of Holding	Number	Amount
Bhavesh B.Mehta	23,814	5.87	23,814	5.87
Dilesh Roadline Pvt. Ltd	1,82,404	44.98	1,82,404	44.98
Nikhil Parimal Desai	55,742	13.74	55,742	13.74

16 Equity Share Capital *(Contd.)*

E. Details of Shares held by each Promoters and Promoter Group

(a) Ordinary Equity Shares

	March 31, 2023		March 31, 2022		% change during the year
	Number	% of Holding	Number	% of Holding	
Chandrakant Vallabhaji Gogri	82,954	0.31	82,954	0.31	-
Jaya Chandrakant Gogri	23,09,644	8.51	23,09,644	8.51	-
Arti Rajendra Gogri	19,77,814	7.28	19,77,814	7.28	-
Manisha Rashesh Gogri	15,89,114	5.85	15,89,114	5.85	-
Mirik Rajendra Gogri	6,69,334	2.47	6,69,334	2.47	-
Vicky Hemchand Gala	4,76,016	1.75	5,73,860	2.11	0.36
Arvind Kanji Chheda	4,33,476	1.60	4,33,476	1.60	-
Hiral Arvind Chheda	4,05,100	1.49	4,05,100	1.49	-
Hetal Gogri Gala	2,50,000	0.92	2,50,000	0.92	-
Hemchand Lalji Gala	1,17,079	0.43	1,27,079	0.47	0.04
Dhanvanti Hemchand Gala	50,858	0.19	1,00,100	0.37	0.18
Dilesh Roadlines Private Limited	4,33,722	1.60	4,33,722	1.60	-
Aarti Corporate Services Limited	99,412	0.37	99,412	0.37	-
Alchemie Financial Services Limited	54,396	0.20	54,396	0.20	-
Alchemie Finserv Private Limited	34,568	0.13	34,568	0.13	-
Aakansha Pharmachem LLP	5,080	0.02	5,080	0.02	-
Drl Cargo Carriers Private Limited	1,952	0.01	1,952	0.01	-
Tulip Family Trust	6,12,000	2.25	6,12,000	2.25	-
Ujjwal Business Trust	6,00,000	2.21	6,00,000	2.21	-
Paridhi Business Trust	1,29,924	0.48	1,29,924	0.48	-
Pooja Renil Gogri	57,334	0.21	57,334	0.21	-
Indira Madan Dedhia	36,000	0.13	40,500	0.15	0.02
Vijayanka Chhotalal Shah	1,000	0.00	1,000	0.00	-
Devang Shah	750	0.00	750	0.00	-
Rashesh Chandrakant Gogri	600	0.00	600	0.00	-
Heena Jatin Chheda	-	-	540	0.00	0.00
Neelam Hemang Shah	335	0.00	335	0.00	-
Forum Devang Shah	250	0.00	250	0.00	-
Hemang Chhotalal Shah	205	0.00	205	0.00	-
Pooja Hitendra Gala	-	-	75	0.00	0.00
Kirti L Gangar	20	0.00	20	0.00	-
Damayanti Laxmichand Shah	4	0.00	4	0.00	-
Nehal K Gangar	1	0.00	1	0.00	-
Total	**1,04,28,942**	**38.41**	**1,05,91,143**	**39.00**	**0.59**

Notes to the Financial Statements for the year ended 31st March 2023

16 Equity Share Capital *(Contd.)*

(b) Details of Shares held by each Promoters

Optionally Convertible Preference Shares (Instruments entirely equity in nature)

	March 31, 2023		March 31, 2022		% change during the year
	Number	% of Holding	Number	% of Holding	
Alchemie Finserv Pvt. Ltd.	909	0.22	909	0.22	-
Alchemie Financial Service Limited	1,430	0.35	1,430	0.35	-
Aarti Corporate Services Limited	2,614	0.64	2,614	0.64	-
Aakansha Pharmachem LLP	134	0.03	134	0.03	-
Dilesh Roadlines Pvt. Ltd.	1,82,404	44.98	1,82,404	44.98	-
DRL Cargo Carrier Pvt. Ltd.	14,868	3.67	14,868	3.67	-
Total	**2,02,359**	**49.90**	**2,02,359**	**49.90**	**-**

F. Distribution Made and Proposed

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Cash Dividends on Equity Shares declared and/or paid:		
Final Dividend for the year ended March 31, 20222: ₹3.50 per share	950.37	-
Interim Dividend for the year ended March 31, 2023: ₹1 (March 31, 2022 - NIL)	271.53	-
	1,221.91	**-**
Proposed Dividend on Equity Shares:		
Dividend for the year ended March 31, 2023: ₹ : Nil (March 31, 2022: ₹3.50 per share)	-	950.37
	-	**950.37**

Footnote: The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is in place and available on the website of the Company (https://www.valiantorganics.com/assets/investors/dividend-distribution-policy.pdf).

17 Other Equity

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
a. Capital Reserve	7,846.30	7,846.30
b. Capital Redemption Reserve	38.40	38.40
c. General Reserve	3,910.88	3,910.88
d. Retained Earning	51,786.41	45,469.12
e. Equity instruments through Other Comprehensive Income	199.80	292.46
f. Employee Stock Option Plan	66.06	-
Total Other Equity	**63,847.85**	**57,557.15**

Nature and Purpose of Reserves

Capital Reserve

During amalgamation/merger/acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

Capital Redemption Reserve

17 Other Equity *(Contd.)*

Transferred to Capital Redemption Reserve on redemption of Redeemable Preference Shares during the year.

General Reserve

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Retained Earning

Retained earning are the profits that the Company has earned till date, less any transfers to general reserve, any transfers from or to other comprehensive income, dividends or other distributions paid to shareholders.

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

Employee Stock Option Plan

The share options outstanding account is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium, upon exercise of stock options, and transferred to general reserve on account of stock options not exercised by employees.

MOVEMENT IN OTHER EQUITY DURING THE YEAR

a. Capital Reserve

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	7,846.30	7,846.30
Movement during the year	-	-
Closing Balance	**7,846.30**	**7,846.30**

b. Capital Redemption Reserve

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	38.40	-
Movement during the year	-	38.40
Closing Balance	**38.40**	**38.40**

c. General Reserve

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	3,910.88	3,910.88
Add : Transfer from Retained Earning	-	-
Closing Balance	**3,910.88**	**3,910.88**

d. Retained Earning

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Retained Earning		
Opening Balance (Surplus in Profit & Loss)	45,469.12	35,503.26
Add: Net Profit for the year	7,557.99	10,293.82
Less: Remeasurement (Loss) on defined benefit plan (net off tax)	(18.78)	(7.06)

Notes to the Financial Statements for the year ended 31st March 2023

17 Other Equity *(Contd.)*

Particulars	March 31, 2023	March 31, 2022
Amount available for appropriation	**53,008.32**	**45,790.02**
Appropriation:		
Interim Dividend	(1,221.91)	-
Stamp Duty paid on Equity share	-	(282.51)
Transferred to Capital Redemption Reserve on redemption of Redeemable Preference Shares during the year	-	(38.40)
Closing Balance	**51,786.41**	**45,469.12**

Retained Earnings include Remeasurement Loss (net of tax) on Defined Benefit Plans to the extent of ₹51.03 Lakhs (PY ₹69.81 Lakhs).

e. Equity instruments through Other Comprehensive Income

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	292.46	213.52
Add: Fair value changes of various Financial intruments (net off tax)	(92.66)	78.94
Closing Balance	**199.80**	**292.46**

f. Employee Stock Option Plan

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	-	-
Add: ESOPs Recognised during the year	66.06	-
Closing Balance	**66.06**	**-**

18 Borrowings

18A Non-curren

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Secured		
Term Loan from Banks		
- Foreign currency loan	1,446.18	3,537.55
- Indian currency loan	4,410.03	5,829.80
	5,856.20	**9,367.35**
(b) Unsecured		
From Others		
- Indian currency loan	30.00	30.00
	30.00	**30.00**
Total Borrowings (non-current)	**5,886.20**	**9,397.35**

18B Current

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Repayable on demand from Banks (secured)		
- Cash Credit Facility	122.89	27.64
- Working Capital Demand Loan	11,517.51	17,600.19
- Packing Credit in foreign currency	-	-
	11,640.40	**17,627.82**
(b) Current Maturity of Long Term Debt (secured)		
- Foreign currency loan	2,285.10	2,191.46
- Indian currency loan	2,094.88	1,277.74
	4,379.98	**3,469.20**
Total Borrowings (Current)	**16,020.38**	**21,097.02**

Footnotes:

1 As at March 31, 2023, ₹21,876.58 lakhs (March 31, 2022: ₹30,464.37 lakhs) of the total outstanding borrowings were secured by a charge on property, plant and equipment, inventories, receivables and other current assets.

2 The security details of major borrowings as at March 31, 2023 is as below:

(i) Foreign currency term loans as on 31 March 2023, amounting to ₹3,731.28 lakhs (non-current + current) were secured by a charge on immovable & movable properties including movable machinery, spares, tools & accessories, ranking pari passu inter-se. The term loans were drawn in different tranches over the period and were originally payable across 16 equal quarterly instalments starting from May 2020 till February 2025 as mentioned in the table below:

Particulars	Interest Rate	Quarterly Instalment (Principal)	Repayment Start Date	Repayment End Date
(a) Term Loan of USD 5,568,704	L + 160bps	USD 348,044	May 2021	February 2025
(b) Term Loan of USD 1,500,000	L + 200bps	USD 93,750	May 2020	February 2024
(c) Term Loan of USD 1,000,000		USD 62,500	July 2020	February 2024
(d) Term Loan of USD 1,700,000		USD 106,250	December 2020	September 2024
(e) Term Loan of USD 1,700,000		USD 106,250	December 2020	September 2024

During the year ended 31 March 2023, the Company has repaid these loans.

(ii) Rupee term loans as on 31 March 2023, amounting to ₹6,504.91 lakhs were secured by a charge on immovable & movable properties including movable machinery, spares, tools & accessories, ranking pari passu inter-se. The term loan was originally payable across 16 equal quarterly instalments starting from January 2022 till September 2026 as mentioned in the table below:

Particulars	Interest Rate	Quarterly Instalment (Principal)	Repayment Start Date	Repayment End Date
(a) Term Loan of ₹19,99,97,345/-	Repo + 225bps	₹1,24,99,834/-	September 2022	June 2026
(b) Term Loan of ₹59,97,26,282/-	T-Bill + 185-225bps	₹3,74,82,893/-	January 2022	September 2026

Notes to the Financial Statements for the year ended 31st March 2023

(iii) Working capital facilities from banks as at March 31, 2023 amounting to ₹11640.40 lakhs (March 31, 2022 of ₹17,627.82 lakhs) were secured by a first pari passu charge on the stock of raw materials, finished goods, stock in process, consumable stores and book debts of the Company. These credit facilities carry average interest rates in the range of 5.60% to 9.25% (31 March, 2022: 5.50% to 9.25%).

3 The company do not have any charges which are yet to be registered with ROC beyond the statutory period. Satisfaction of charges to the extent of ₹4,998 lakhs are pending to be registered.

4 There are no material differences between the quarterly statements of stock filed by the company with banks and the books of accounts.

5 The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

6 Currency and interest exposure of borrowings including current maturities is as below:

(₹ in lakhs)

	As at 31st March 2023			As at 31st March 2022		
	Fixed Rate	Floating Rate	Total	Fixed Rate	Floating Rate	Total
(a) Indian National Rupee (INR) - Total	-	18,175.31	18,175.31		24,765.36	24,765.36
(b) United States Dollar (USD) - Total	-	3,731.28	3,731.28	-	5,729.01	5,729.01
	-	**21,906.58**	**21,906.58**	**-**	**30,494.37**	**30,494.37**
(a) Indian National Rupee (INR) - Hedged (interest rate swaps)	-	-	-	-	-	-
(b) United States Dollar (USD) - Hedged (interest rate swaps)		(3,731.28)	(3,731.28)	-	(5,729.01)	(5,729.01)
	-	**(3,731.28)**	**(3,731.28)**	**-**	**(5,729.01)**	**(5,729.01)**
(a) Indian National Rupee (INR) - Unhedged	-	18,175.31	18,175.31		24,765.36	24,765.36
(b) United States Dollar (USD) - Unhedged	-	-	-	-	-	-
	-	**18,175.31**	**18,175.31**	**-**	**24,765.36**	**24,765.36**
% of Total Borrowings	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%

7 All the floating rate borrowings are bank borrowings bearing interest rates based on Marginal Cost of Lending Rate (MCLR), Repo rate, T-Bill and LIBOR. Of the total floating rate borrowings as at March 31, 2023, ₹3,731.28 lakhs (March 31, 2022: ₹5,729.01 lakhs) has been hedged using interest rate swaps with contracts covering period of more than one year.

8 Of the total floating rate borrowings as at March 31, 2023, ₹2,683.01 lakhs (March 31, 2022: ₹934.50 lakhs) has been hedged using currency swaps with contracts covering period of more than one year.

9 Maturity profile of borrowings including current maturities is as below:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Not later than one year or on demand	16,020.38	21,097.02
(b) Later than one year but not two years	3,445.49	4,883.51
(c) Later than two years but not three years	1,778.74	2,730.09
(d) Later than three years but not four years	624.66	1,305.48
(e) Later than four years but not five years	37.32	478.27
	21,906.58	**30,494.37**

19 lease Liabilities

19A Non-current

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Long term maturities of finance lease obligations	23.76	21.83
Total lease liabilities (non-current)	**23.76**	**21.83**

19A current

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Long term maturities of finance lease obligations	19.81	19.15
Total lease liabilities (non-current)	**19.81**	**19.15**

Footnotes:

(i) The Company has lease contracts for its office premises and godowns with lease term between 1 year to 3 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of office premises and godowns with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

(a) The movement in lease liabilities during the year ended 31 March, 2023 and 31 March, 2022 is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	40.97	46.07
Additions	25.35	25.38
Accretion of interest	4.90	4.14
Payment of lease liabilities	(27.65)	(34.60)
Balance at the end	**43.57**	**40.97**
Non-current	23.76	21.83
Current	19.81	19.15

(b) The following are the amounts recognised in profit or loss:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation on right-of-use assets	24.37	30.52
Interest expense on lease liabilities	4.90	4.14
Expense relating to short-term leases	84.80	47.99
Total amount recognised in statement of profit and loss	**114.07**	**82.64**

(c) Details of carrying amount of right-of-use assets and movement during the period is disclosed under Note 5.

(i) The maturity analysis of lease liabilities are disclosed in Note 39C (ii) 'Liquidity Risk Management'.

(ii) The effective interest rate for lease liabilities is 9%, with maturity between 2022-2024.

(iii) Expense relating to short-term leases are disclosed under the head Miscellaneous Expenses in other expenses (Refer Note 33).

Notes to the Financial Statements for the year ended 31st March 2023

20 Provisions

20A Non Current Provisions

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision For Employees Benefit		
Provision for Leave Salary (Refer note no. 30)	153.04	97.62
Total Provisions - Non Current	**153.04**	**97.62**

20B Current Provisions

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision For Employees Benefits		
- Provision for Gratuity (Refer Note No - 30)	71.49	28.12
- Provision for Leave Salary (Refer Note No - 30)	24.61	25.06
- Provision for Bonus	182.25	198.97
Total Current Provisions	**278.35**	**252.14**

Footnotes:

(i) The Company presents provision for gratuity and leave salaries as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employees, etc.

(ii) Detailed disclosure in respect of post-retirement defined benefit scheme is provided in note 30.

21 Deferred Tax Liabilities (net)

A. The major components of deferred tax liabilities / assets on account of temporary differences:

(₹ in Lakhs)

Particulars	As on dated 1st April 2022	Charge / (Credit) to Statement of Profit and Loss	Charge /(Credit) to Other Comprehensive Income	As on dated March 31, 2023
Deferred tax liabilities, on account of				
Difference between WDV of depreciable fixed assets as per the books of accounts and Income Tax Act, 1961	2,736.97	663.20	-	3,400.18
Deferred tax assets, on account of				
Provision for expenses allowed for tax purpose on payment basis (Net)	(137.63)	(13.63)		(151.25)
Remeasurement of the defined benefit plans through OCI	(9.65)		(6.32)	(15.97)
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	37.84		(11.79)	26.05
Difference in Right-of-use asset and lease liabilities	(0.96)	(0.16)		(1.12)
Deferred tax expense/(benefit) for the year	-	649.42	(18.11)	
Total	**2,626.57**			**3,257.89**

21 Deferred Tax Liabilities (net) *(Contd.)*

(₹ in Lakhs)

Particulars	As on dated 1st April 2021	Charge / (Credit) to Statement of Profit and Loss	Charge /(Credit) to Other Comprehensive Income	As on dated March 31, 2022
Deferred tax liabilities, on account of				
Difference between WDV of depreciable fixed assets as per the books of accounts and Income Tax Act, 1961	2,108.25	628.72	-	2,736.97
Deferred tax assets, on account of				
Provision for expenses allowed for tax purpose on payment basis (Net)	(148.33)	10.70	-	(137.63)
Remeasurement of the defined benefit plans through OCI	(11.59)	-	1.94	(9.65)
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	27.47	-	10.37	37.84
Difference in Right-of-use asset and lease liabilities	(1.29)	0.33	-	(0.96)
Deferred tax expense/(benefit) for the year	-	639.75	12.31	
Net Deferred tax liabilities	**1,974.51**			**2,626.57**

B. Reconciliation of tax expense and accounting profit for the year:

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Profit before tax	9,964.49	13,694.97
Income tax expense calculated at 25.168%	2,507.86	3,446.75
Tax effect on non-deductible expenses	793.86	843.34
Effect of concessions (depreciation under income tax act)	(1,515.54)	(1,385.79)
Effect of Income which is taxed at special rates	(63.07)	(0.27)
Effect of Income which is exempted from tax	29.57	(56.71)
Others	4.39	(7.31)
Total	**1,757.07**	**2,840.00**
Adjustment of tax relating to earlier periods	0.01	(78.60)
Tax expense as per Statement of Profit and Loss	**1,757.08**	**2,761.40**

Deferred tax assets/ liabilities are the amounts of income taxes recoverable/ payable in future periods in respect of taxable temporary differences, respectively.

22 Trade payables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade & Non-Trade Payables		
A) Total Outstanding Dues of Micro enterprises and Small Enterprises; and	1,675.04	85.11
B) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	14,754.35	12,620.80
Total Trade Payables	**16,429.38**	**12,705.91**

Notes to the Financial Statements for the year ended 31st March 2023

22 Trade payables *(Contd.)*

Footnotes:

(i) Trade payables ageing:

As at 31st March, 2023

(₹ in Lakhs)

Particulars	Outstanding for the following periods from due date of payment						
	Unbilled	Not Due	< 1 year	1 Year - 2 Years	2-3 Years	> 3 Years	TOTAL
(i) MSME	-	1,076.19	544.42	54.20	-	0.24	1,675.04
(ii) Others	-	5,327.22	8,700.51	42.57	80.95	4.25	14,754.35
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
	-	**7,002.26**	**9,244.92**	**96.76**	**80.95**	**4.49**	**16,429.38**

As at 31st March, 2022

(₹ in Lakhs)

Particulars	Outstanding for the following periods from due date of payment						
	Unbilled	Not Due	< 1 year	1 Year - 2 Years	2-3 Years	> 3 Years	TOTAL
(i) MSME	-	85.11	-	-	-	-	85.11
(ii) Others	-	8,321.35	4,206.99	84.76	4.74	2.96	12,620.80
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
	-	**8,406.46**	**4,206.99**	**84.76**	**4.74**	**2.96**	**12,705.91**

(ii) Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (as amended)

(₹ in Lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
(i)	(a) Principal amount remaining unpaid to any supplier	1,675.04	85.11
	(b) Interest on (i)(a) above	-	-
(ii)	The amount of interest paid along with the principal payment made to the supplier	-	-
(iii)	Amount of interest due and payable on delayed payments	-	-
(iv)	Amount of further interest remaining due and payable for the earlier years	-	-
(v)	Total outstanding dues of Micro and Small Enterprises	-	-
	- Principal	1,675.04	85.11
	- Interest	-	-

23 Other Current Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Creditors for Capital Goods	1,291.80	1,058.91
(b) Unclaimed Dividends	3.76	3.39
(c) Salaries and Wages Payable	182.14	189.53
(d) Outstanding Expenses	316.16	285.61
Total Other Current Financial Liabilities	**1,793.85**	**1,537.45**

Footnote:

There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2023.

24 Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Statutory Dues	110.62	122.72
(b) Revenue Received in Advance	2.28	97.18
Total Other Current Liabilities	**112.91**	**219.90**

25 Revenue from operations

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(a) Sale of Manufactured Products	82,904.71	86,681.46
(b) Sale of Traded Products	1,506.46	1,878.14
(c) Sale of Services	6,750.64	6,285.13
Total revenue from operations	**91,161.80**	**94,844.73**

Footnotes:

(a) Disaggregate revenue information

Refer Note 37 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".

(b) In case of Domestic Sales, payment terms range from 60 days to 100 days based on geography and customers. In case of Export Sales these are either against documents at sight, documents against acceptance or letters of credit - 60 days to 90 days. There is no significant financing component in any transaction with the customers.

(c) The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.

(d) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

26 Other Income

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(a) Interest Income		
Investments in debt instruments measured at fair value through OCI	1.32	1.33
Other financial assets carried at amortised cost	9.60	10.86
	10.92	**12.20**
(b) Dividend Income		
Dividends from quoted equity investments measured at fair value through OCI	0.89	1.08
	0.89	**1.08**
(c) Other Non-operating Income		
Export Benefits	30.07	141.32
Sale of Scrap	207.60	160.03
Miscellaneous Income	42.77	12.72
	280.44	**314.07**
(d) Other Gains and Losses		
Net gain on sale of property, plant and equipment	(1.59)	3.45
	(1.59)	**3.45**
Total other income	**290.65**	**330.79**

Notes to the Financial Statements for the year ended 31st March 2023

27 Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(a) Raw Materials Consumed		
Opening Stock (including goods-in-transit)	4,687.00	3,784.65
Add: Purchases	59,560.96	62,481.66
	64,247.97	**66,266.31**
Less: Closing Stock (including goods-in-transit)	5,837.73	4,687.00
	58,410.24	**61,579.31**
(b) Packing Materials Consumed		
Opening Stock	84.23	48.38
Add: Purchases	912.70	1,308.01
	996.93	**1,356.39**
Less: Closing Stock	48.12	84.23
	948.82	**1,272.15**
Total cost of materials consumed	**59,359.05**	**62,851.47**

28 Purchase of Stock in Trade

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Purchases of stock-in-trade	1,385.22	1,708.65
Total Purchases of Stock-in-Trade	**1,385.22**	**1,708.65**

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

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Stock at the beginning of the year		
Finished Goods (including goods-in-transit)	3,165.35	2,172.29
Work-in-Progress	1,374.32	325.50
Total	**4,539.66**	**2,497.79**
Stock at the end of the year		
Finished Goods (including goods-in-transit)	3,967.02	3,165.35
Work-in-Progress	1,047.03	1,374.32
Total	**5,014.05**	**4,539.66**
(Increase)/decrease in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	**(474.39)**	**(2,041.88)**

30 Employee Benefits Expenses

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(a) Salaries and wages	3,379.09	2,827.43
(b) Contribution to provident and other funds	332.31	238.61
(c) Staff welfare expenses	404.01	341.26
(d) Employee Stock Option Plan	66.06	-
Total employee benefits expenses	**4,181.48**	**3,407.30**

30 Employee Benefits Expenses *(Contd.)*

A. Post-employment benefits

(i) Provident Fund (defined contribution plan)

The company has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan are ₹174.36 lakhs (PY ₹155.42 lakhs).

(ii) Retirement Gratuity (defined benefit plans)

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, salary risk and longevity risk.

(i) Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit.

(ii) Interest risk: A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the value of plan's debt investments.

(iii) Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

(iv) Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Details of defined benefit obligations and plan assets (Gratuity)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Change in defined benefit obligations:		
Obligation at the beginning of the year	364.64	298.01
Current service cost	47.46	35.47
Past Service Cost	-	17.26
Interest costs	26.66	20.65
Remeasurement (gain)/loss	48.35	7.16
Benefits paid	(72.71)	(13.91)
Obligation at the end of the year	**414.40**	**364.64**

Notes to the Financial Statements for the year ended 31st March 2023

30 Employee Benefits Expenses *(Contd.)*

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Change in plan assets:		
Fair value of plan assets at the beginning of the year	336.52	127.07
Interest income	24.60	8.81
Return on Plan Assets, Excluding Interest Income	23.25	2.04
Employers' contribution	31.25	210.00
Benefits paid	(72.71)	(11.39)
Fair value of plan assets at the end of the year	**342.91**	**336.52**

Amounts recognised in the balance sheet consist of:

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Present Value of Obligation	414.40	364.64
Fair Value of Plan Assets	(342.91)	(336.52)
	71.49	**28.12**
Recognised as:		
Provision for Gratuity (non-current)	-	-
Provision for Gratuity (current)	71.49	28.12

Expense/(gain) recognised in the statement of profit and loss consists of:

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Employee benefits expenses:		
Current service cost	47.46	35.47
Past Service Cost	-	17.26
Net interest expense	2.06	11.85
	49.52	**64.57**
Other comprehensive income		
Return on Plan Assets, Excluding Interest Income	(23.25)	(2.04)
Actuarial (Gains)/Losses on Obligation For the Period	48.35	7.16
	25.10	**5.12**
Expense/(gain) recognised in the statement of profit and loss	**74.62**	**69.68**

The major categories of plans assets are as follows:

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Asset category		
Insurance fund	342.91	336.52
Total	**342.91**	**336.52**

30 Employee Benefits Expenses *(Contd.)*

Key assumptions used in the measurement of retiring gratuity is as below:

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Financial Assumptions:		
Discount Rate	7.49%	7.31%
Rate of escalation in Salary	7.49%	5.50%
Demographic Assumptions:		
Rate of Employee Turnover	5.50%	3.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Maturity profile of defined benefit obligation

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
1st following year	77.00	77.39
2nd following year	15.19	10.82
3rd following year	26.69	14.71
4th following year	35.43	45.80
5th following year	33.36	25.03
Sum of year 6 To 10	133.48	115.38
Sum of years 11 and above	706.70	563.68

Sensitivity analysis for significant assumptions:

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Defined Benefit Obligation on Current Assumptions	414.40	364.64
Delta Effect of +1% Change in Rate of Discounting	(32.79)	(27.42)
Delta Effect of -1% Change in Rate of Discounting	39.00	32.58
Delta Effect of +1% Change in Rate of Salary Increase	39.40	32.85
Delta Effect of -1% Change in Rate of Salary Increase	(33.65)	(28.10)
Delta Effect of +1% Change in Rate of Employee Turnover	5.42	3.83
Delta Effect of -1% Change in Rate of Employee Turnover	(6.50)	(4.63)

Footnotes:

(i) The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(ii) The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(iii) Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

(iv) There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes to the Financial Statements for the year ended 31st March 2023

30 Employee Benefits Expenses *(Contd.)*

(v) The Company is expected to contribute ₹126.10 lakhs to defined benefit plan obligations funds for the year ended March 31, 2024.

(vi) Expected return on assets is determined by multiplying the opening fair value of the plan assets by the expected rate of return determined at the start of the annual reporting period, taking account of expected contributions & expected settlements during the reporting period.

(vii) The Weighted Average Duration of the Plan works out to 10 years.

(viii) Asset Liability matching strategy:

The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance Company. The insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy. There is no compulsion on the part of the Company to fully prefund the liability of the Plan.

B. Other long-term employee benefits

Annual Leave and Sick Leave

The liability towards compensated absences (annual leave and sick leave) for the year ended 31st March, 2023 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹54.97 lakhs. (FY 2021-22: increased by ₹26.65 lakhs).

(a) Financial Assumptions

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Discount Rate	7.49%	7.31%
Salary increases allowing for Price inflation	5.50%	5.50%

(b) Demographic Assumptions

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Employee Turnover	3.00%	3.00%
Leave Availment Ratio	2.00%	2.00%

31 Finance Costs

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Interest expense:		
(a) on borrowings from banks and others	1,048.99	631.25
(b) on lease obligations	4.90	4.14
Total finance costs	**1,053.89**	**635.38**

Footnotes:

(a) Finance costs incurred on various projects being qualifying assets is capitalised in accordance with Ind AS 23.

(b) On adoption of Ind AS 116 Leases, the Company has recognised Right-of-use assets and created lease obligation representing present value of future minimum lease payments. Unwinding of such obligation is recognised as interest expense.

32 Depreciation, Amortisation and Impairment Expenses

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(a) Depreciation/Impairment on Property, Plant and Equipment	2,738.25	2,698.92
(b) Depreciation on Right-of-use assets	24.37	30.52
Total depreciation, amortisation and impairment expenses	**2,762.62**	**2,729.44**

33 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(a) Consumption of stores and spare parts	845.76	907.10
(b) Consumption of Power & Steam	2,829.06	2,379.65
(c) Freight and handling charges	970.81	974.07
(d) Freight & Forwarding Charges	649.99	694.94
(e) Loading & Unloading charges	608.97	487.29
(f) Repairs to Plant & Machinery	1,994.95	1,775.07
(g) Boiler Operating charges	438.69	711.29
(h) Environmental health and safety expenses	1,623.33	1,357.39
(i) Labour Charges	1,505.92	1,302.20
(j) Safety & Security Charges	99.59	94.41
(k) Legal & Professional Fees	446.66	296.82
(l) Auditor's Remuneration (footnote (a) below)	12.05	10.15
(m) Laboratory charges	53.97	42.45
(n) Foreign Exchange Loss (net)	79.12	121.31
(o) Export Expenses	106.62	84.74
(p) Water & Drainage Charges	189.97	152.06
(q) Insurance Charges	223.43	214.77
(r) Provision for Bad and Doubtful Debts	-	21.00
(s) Commission and Incentives on sales	62.74	72.51
(t) Director Sitting Fees	4.25	5.07
(u) Loss/(gain) on Investment in Subsidiaries	117.49	(225.34)
(v) - Corporate Social Responsibility (footnote (b) below)	310.00	337.15
(w) Miscellaneous Expenses	536.49	374.10
Total other expenses	**13,709.86**	**12,190.19**

Footnotes:

(a) Details of payments to Auditors (excluding GST)

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Payment to Auditors		
(a) for Statutory Audit	11.00	9.50
(b for Other Services - Certification	0.30	0.51
(c) for Out of Pocket Exps	0.75	0.14
Total payment to auditors	**12.05**	**10.15**

Notes to the Financial Statements for the year ended 31st March 2023

33 OTHER EXPENSES *(Contd.)*

(b) Corporate Social Responsibility

(₹ in Lakhs)

Particulars		For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(A)	**Gross amount required to be spent by the Company during the year**	302.35	324.95
(B)	**Amount approved by the Board to be spent during the year**		
	Construction / acquisition of any asset	-	-
	On purposes other than above	310.00	337.15
	Total		
(C)	**Amount spent during the year**		
	Construction / acquisition of any asset	-	-
	On purposes other than above	310.00	337.15
	Total		
(D)	**Details of ongoing project and other than ongoing project**		
	(i) In case of Section 135(6) (ongoing project)		
	Opening Balance - With Company	-	-
	- In Separate CSR Unspent A/c	-	-
	Amount required to be spent during the year	-	-
	Amount spent during the year - From Company's bank A/c'	-	-
	- From Separate CSR Unspent A/c	-	-
	Closing Balance - With Company	-	-
	- In Separate CSR Unspent A/c	-	-
	(ii) In case of Section 135(5) (other than ongoing project)		
	Opening Balance	(52.17)	(39.97)
	Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
	Amount required to be spent during the year	302.35	324.95
	Amount spent during the year	310.00	337.15
	Closing balance (Excess spent)	(59.82)	(52.17)
(E)	**Details related to spent / unspent obligations :**		
	(i) Education and skill Development	202.85	123.66
	(ii) Covid-19 Relief	-	92.36
	(iii) Livestock Development	20.00	14.15
	(iv) Medical Grants, Healthcare Facilities	-	37.45
	(v) Rural and socially backward society Development	8.00	0.98
	(vi) Tribal Welfare	20.00	50.00
	(vii) Water Manage ment- Conservation	-	1.72
	(viii) Women Empower ment And Livelihood	-	15.00
	(ix) Green Environment Project	-	0.83
	(ix) Health Care	52.15	1.00
	(x) Disaster Relief	7.00	-
	(xi) General Welfare Activities	-	-
	(xii) Unspent amount in relation to:	-	
	- Ongoing projects	-	-
	- Other than ongoing projects	-	-

34 EARNING PER SHARE (EPS):

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(a) Net Profit available for Equity Shareholders	7,557.99	10,293.82
(b) No. of Equity Shares as per financial statement	2,71,53,488	2,71,53,488
(c) Weighted average number of Equity Shares for Basic Earnings Per Share* (nos.) (Previous year numbers include Bonus Shares issued during current year)	2,71,53,488	2,71,53,488
(d) Weighted average number of Equity Shares for Diluted Earnings Per Share** (nos.) (Previous year numbers include Bonus Shares issued during current year)	2,79,73,340	2,79,64,610
(e) Basic Earnings Per Share (in ₹)	27.83	37.91
(f) Diluted Earnings Per Share (in ₹)	27.02	36.81

Footnotes:

(a) Basic EPS is calculated by dividing profit for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

(b) Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(c) Number of Shares for Computation of EPS

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Basic EPS (in Nos)		
Existing number of equity shares	2,71,53,488.00	2,71,53,488.00
Weighted average number of Equity Shares	**2,71,53,488.00**	**2,71,53,488.00**
Diluted Earnings Per Share (in Nos)		
Existing number of equity shares	2,71,53,488.00	2,71,53,488.00
OCPS (Pending for Conversion to equity) **	8,11,122.00	8,11,122.00
ESOP (with effect from 4th August 2022)	8,730.0	-
Weighted average number of Equity Shares	**2,79,73,340.00**	**2,79,64,610.00**

** Pursuant to the scheme of arrangement with Amarjyot Chemical Limited, OCPS was supposed to be converted into equity shares or into Redeemable Preference Shares (RPS) before February 2022. However, on obtaining consent from OCPS shareholders for conversion into equity shares, the Company filed a Settlement Application with SEBI on December 19, 2022. Pending Settlement Application with SEBI, the Board of Directors has approved extension in timeline until Company gets directives from SEBI for such conversion in its meeting held on January 31, 2023. Under these circumstances, the Company has continued to disclose 4,05,561 OCPS under equity at par value as on 31 March 2023. Considering this, for purpose of diluted EPS it is assumed that OCPS shares will be converted into equity shares. Diluted EPS figures have been calculated after assuming remaining 4,05,561 OCPS being converted into equity shares and eligible to receive Bonus equity shares in the ratio of 1:1.

Notes to the Financial Statements for the year ended 31st March 2023

35 Stock option schemes

i) Terms:

The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options are vested over a period of 1 year, subject to the discretion of the management and fulfillment of certain conditions.

Options can be exercised anytime within a period of 3 years from the date of vesting and would be settled by way of issue of equity shares

ii) The details of the grants under the aforesaid schemes under various series are summarised below:

Sr No	Particulars	2022-23
1	Grant price - (R)	₹10 Per option
2	Grant dates	04-08-2022
3	Vesting commences on	04-08-2023
4	Options granted and outstanding at the beginning of the year	-
5	Options lapsed	-
6	Options granted	16,000
7	Options exercised	-
8	Options granted and outstanding at the end of the year, of which	16,000
9	Options vested	-
10	Options yet to vest	16,000
11	Weighted average remaining contractual life of options (in years)	0.3452

Expense on Employee Stock Option Schemes debited to the Statement of Profit and Loss during 2022-23 is ₹66.06 Lakhs (previous year: Nil), pursuant to the employee stock option schemes . The entire amount pertains to equity-settled employee share-based payment plans.

The fair value of the options granted during the year has been calculated as per the Black-Scholes Option Pricing Model using the following significant assumptions and inputs:

(₹ in Lakhs)

Sr No	Particulars	2022-23
1	Risk-free interest rate	6.68%
2	Expected life of options	2.5 year
3	Expected volatility	0.4851
4	Expected dividends over the life of the option	0.39%
5	Share price as on grant date	645.25 per share
6	Exercise price	10 per option
7	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.

36 Contingent Liabilities and Commitments (to the extent not provided for)

(a) Contingent Liabilities

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Claims against the Company not acknowledged as debts		
(i) GST matters	111.98	131.33
(ii) Income tax matters	2,875.37	2,551.94
(iii) Labour laws related matters (ESIC)	-	3.46
(iv) Stamp Duty	199.87	199.87
(v) Bank Guarantees issued against the notices received from Statutory Authorities.	9.02	3.50
Total	**3,196.25**	**2,890.11**

(b) Commitments

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,558.34	1,285.82
Total	**1,558.34**	**1,285.82**

37 Segment Information

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the Chief Operating Decision Makers (CODM). The board responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. Chemicals.

(a) Revenue from Type of Product and Services

There is only one operating segment of the Company which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

(b) Geographical Information

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Segment Revenue - External Turnover		
Within India (include Deemed Export)	84,738.80	89,468.45
Outside India	6,423.00	5,376.28
Total	**91,161.80**	**94,844.73**
Non-Current Assets*		
Within India	68,428.01	62,017.73
Outside India	-	-
Total	**68,428.01**	**62,017.73**

* includes property plant and equipment, intangible assets, capital work-in-progress and other non-financial non-current assets.

(c) Information about major customers

Ind As 108 Segment Reporting Requires Disclosure of its major customers if revenue from transactions with single external customer amounts to 10 per cent or more of company's total revenue. Company's total Revenue of ₹91,161.80 Lakhs (FY 2021-22: ₹94,844.73 Lakhs) include sales of 32,118.96 lakhs (FY 2021-22: ₹21,333.62 Lakhs) to two large customers with whom the company is having long standing Relationship.

Notes to the Financial Statements for the year ended 31st March 2023

38 Related Party Transactions

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below:

(a) Subsidiaries (where control exists):

(₹ in Lakhs)

Particulars	Country of Incorporation	% of Holding as at 31.03.2023	% of Holding as at 31.03.2022
(i) Valiant Speciality Chemical Limited	India	100.00%	100%
(ii) Dhanvallabh Ventures LLP	India	73.15%	73.15%
(iii) Valiant laboratories limited (Through Dhanvallabh Ventures LLP)	India	62.50%	68.50%
(iii) Valiant Advanced Sceinces Private Limited (Through Valiant laboratories limited, Through Dhanvallabh Ventures LLP)	India	62.50%	NA

(b) Key Managerial Personnel:

Name	Designation
Mr. Arvind K. Chheda	Managing Director
Mr. Vishnu J. Sawant	Whole Time Director
Mr. Mahek M. Chheda	Whole Time Director & Chief Financial Officer
Mr. Mahesh M. Savadia	Whole Time Director (upto April 30, 2022)
Mr. Dinesh S. Shah	Whole Time Director (upto May 30, 2022)
Mr. Bijal D. Modi	Whole Time Director (upto April 10, 2022)
Mr. Nemin M. Savadia	Whole Time Director (w.e.f. May 01, 2022)
Mr. Siddharth D. Shah	Whole Time Director (w.e.f. June 01, 2022)
Mr. Sathiababu Krishnan Kallada	Non-Executive Director (upto April 30, 2022) & Whole Time Director (w.e.f. May 01, 2022)
Mr. Kirit H. Desai	Non-Executive Director
Mr Santosh Shantilal Vora	Non- Executive Director (w.e.f. May 01, 2022)
Mr Navin Chapshi Shah	Independent Director (w.e.f. August 04, 2022)
Mr. Velji K. Gogri	Independent Director
Mr. Mulesh M. Savla	Independent Director
Mr. Dhirajlal D. Gala	Independent Director (upto June 30, 2022)
Mrs. Jeenal K. Savla	Independent Director (upto June 30, 2022)
Mrs. Sonal Vira	Independent Director (w.e.f. August 04, 2022)
Ms. Avani Lakhani	Company Secretary

(c) Close family members of Key Managerial Personnel who are under the employment of the Company:

(i) Mr. Pankaj S. Shah (w.e.f. June 01, 2022)

(ii) Mr. Siddharth D. Shah (upto May 30, 2022)

(iii) Mr. Shevantilal P. Shah (upto May 30, 2022)

(iv) Mr. Nemin M. Savadia (upto April 30, 2022)

(v) Mr. Mahesh M. Savadia (w.e.f. May 01, 2022)

(vi) Mr. Dinesh S. Shah (w.e.f. June 01,2022)

38 Related Party Transactions *(Contd.)*

(d) Other entities/persons where significant influence exist:

(i) Post employment-benefit plan entity:

- Abhilasha Tex Chem P. Ltd. Gratuity Trust
- Valiant Organics Limited Gratuity Trust
- Amarjyot Chemicals P. Limited Gratuity Trust

(ii) Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promotors/ Group of Promotoers

- Aarti Industries Limited
- Aarti Pharmalabs Limited
- Aarti Drugs Limited
- Alchemie Speciality Chemicals Pvt. Ltd
- Ganesh Polychem Limited
- Dilesh Logistics India Private Limited
- Shanti Intermediates Pvt. Ltd.
- Dinesh Dyestuff Industries
- Ganesh Polychem Limited
- Mr. Hemchand Gala

Compensation of key management personnel of the Company:

(₹ in Lakhs)

	Particulars	March 31, 2023	March 31, 2022
(i)	Short-term employee benefits	205.98	207.90
(ii)	Post-employment benefits	29.07	-
(ii)	Director Sitting fees	4.25	4.95
Total compensation paid to key management personnel		**239.29**	**212.85**

Details of transactions with and balances outstanding of subsidiaries:

Name of related party	Nature of transaction	March 31, 2023		March 31, 2022	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Valiant Speciality Chemical Limited	Equity Investment	-	25.00	-	25.00
	Unsecured Loan Given	-	-	(2.47)	-
Dhanvallabh Ventures LLP	Investment (Partner's Fix Capital)	-	0.37	-	0.37
	Investment (Partner's Current Capital)	-	4,985.07	835.94	4,985.07
	Share in Gain/(Loss) of Subsidiary	(117.49)	N.A.	225.34	N.A.
Valiant Laboratories Limited	Revenue from Sale of Products	22,646.83	4,604.92	9,175.50	4,445.98
Valiant Advanced Sciences Private Limited	Sale of Land	1,811.01	-	-	-

Notes to the Financial Statements for the year ended 31st March 2023

38 Related Party Transactions *(Contd.)*

Details of transactions with and balances outstanding of Key Managerial Personnel (KMP) / Close Family Members of Key Managerial Personnel:

Name of related party	Nature of transaction	March 31, 2023		March 31, 2022	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Mr. Arvind K. Chheda	Remuneration	32.50	-	29.70	2.50
	Commission on Profit	47.45	30.45	68.46	33.46
Mr. Vishnu J. Sawant	Remuneration	22.00	-	20.40	1.53
Mr. Mahek M. Chheda	Remuneration	22.00	-	19.80	1.00
Mr. Mahesh M. Savadia	Remuneration	11.50	-	14.73	0.74
Mr. Dinesh S. Shah	Remuneration	8.47	-	13.38	0.43
Mr. Bijal D. Modi	Remuneration	18.55	-	27.50	1.38
Mr. Sathiababu Krishnan Kallada	Remuneration	27.50	-	-	-
Mr. Sathiababu Krishnan Kallada	Director Sitting fees	0.10	-	0.40	-
Mr. D S Galpalli	Director Sitting fees	-	-	0.20	-
Mr. Velji K. Gogri	Director Sitting fees	1.00	-	1.15	-
Mr. Mulesh M. Savla	Director Sitting fees	0.90	-	1.05	-
Mr. Dhirajlal D. Gala	Director Sitting fees	0.25	-	0.85	-
Mrs. Jeenal K. Savla	Director Sitting fees	0.30	-	1.00	-
Mrs. Sonal Vira	Director Sitting fees	0.20	-	-	-
Mr. Kirit H. Desai	Director Sitting fees	0.50	-	0.30	-
Mr Santosh Shantilal Vora	Director Sitting fees	0.45	-	-	-
Mr Navin Chapshi Shah	Director Sitting fees	0.55	-	-	-
Mr. Piyush Lakhani	Remuneration	-	-	6.00	-
Mrs. Vyoma Vyas	Remuneration	-	-	3.56	-
Ms. Avani Lakhani	Remuneration	12.00	-	4.38	-
Mr. Siddharth D. Shah	Remuneration	20.23	-	16.13	0.43
Mr. Nemin M. Savadia	Remuneration	12.84	-	6.23	0.30
Mr. Mahesh M. Savadia	Professional Fees	13.50	1.10	-	-
Mr. Dinesh S. Shah	Professional Fees	12.50	-	-	-
Mr. Pankaj S. Shah	Remuneration	1.25	-	14.88	0.43

38 Related Party Transactions *(Contd.)*

Details of transactions with and balances outstanding of Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promotors/ Group of Promotoers

Name of related party	Nature of transaction	March 31, 2023		March 31, 2022	
		Transaction value	Balance as on 31.03.2023	Transaction value	Balance as on 31.03.2022
Abhilasha Tex Chem P. Ltd. Gratuity Trust	Contribution to the Gratuity Funds	-	61.18	-	53.05
Valiant Organics Limited Gratuity Trust	Contribution to the Gratuity Funds	25.17	226.38	210.00	236.65
Amarjyot Chemicals P. Limited Gratuity Trust	Contribution to the Gratuity Funds	6.08	55.36	-	46.83
Shanti Intermediates Pvt. Ltd.	Revenue from Sale of Products	590.76	20.16	643.15	70.46
Dinesh Dyestuff Industries	Rent Paid	8.48	-	6.53	-
Alchemie Speciality Chemicals Pvt. Ltd.	Purchase of Goods	100.08	-	1,362.57	-
Alchemie Speciality Chemicals Pvt. Ltd.	Rent Received	14.16	-	12.00	-
Alchemie Speciality Chemicals Pvt. Ltd.	Revenue from Sale of Products	3,076.28	2,687.67	4,646.54	2,140.33
Aarti Industries Limited	Revenue from Sale of Products	15,390.43	-	14,227.50	
Aarti Industries Limited	Purchase of Goods	37,097.60	9,316.24	40,148.33	8,139.77
Aarti Drugs Limited	Revenue from Sale of Products	1,647.17	269.13	1,722.50	303.66
Aarti Drugs Limited	Purchase of Goods	195.04	-	290.24	
Aarti Pharmalabs Limited	Revenue from Sale of Products	453.30	-	-	-
Aarti Pharmalabs Limited	Purchase of Goods	971.60	686.10	-	-
Ganesh Polychem Limited	Purchase of Goods	1,475.21	65.99	1,432.14	127.48
Ganesh Polychem Limited	Revenue from Sale of Products	29.50	-	92.33	-
Dilesh Logistics India Private Limited	Purchase of Goods	220.69	20.86	213.11	15.84
Mr Hemchand Gala	Gratuity Payment	44.56	-	-	-

Notes to the Financial Statements for the year ended 31st March 2023

39 Financial Instruments - Accounting Classification and Fair values

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Category-wise classification for applicable financial assets:

(Amount in Lakhs)

	Current/ Non-Current	As at 31st March'2023				As at 31st March'2022			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets									
Financial assets measured at cost									
Investment in Subsidiaries	Non-Current	4,892.94	N.A	N.A	N.A	5,010.44	N.A	N.A	N.A
Financial assets measured at amortised cost									
Security Deposits	Non-Current	551.89	N.A	N.A	N.A	521.64	N.A	N.A	N.A
Trade Receivables	Current	21,177.95	N.A	N.A	N.A	25,316.27	N.A	N.A	N.A
Cash on hand	Current	3.29	N.A	N.A	N.A	3.78	N.A	N.A	N.A
Balance with Banks	Current	623.15	N.A	N.A	N.A	2,292.80	N.A	N.A	N.A
Other Fixed Deposits	Current	31.95	N.A	N.A	N.A	33.55	N.A	N.A	N.A
Security Deposits	Current	-	N.A	N.A	N.A	25.45	N.A	N.A	N.A
Loans to employees	Current	71.33	N.A	N.A	N.A	46.45	N.A	N.A	N.A
Interest Receivable	Current	10.77	N.A	N.A	N.A	6.75	N.A	N.A	N.A
Other Receivables	Current	280.69	N.A	N.A	N.A	-	N.A	N.A	N.A
		27,643.97				**33,257.13**	**-**	**-**	**-**
Financial assets measured at fair value through other comprehensive income (FVTOCI)									
Investments in Equity Shares and Preference Shares	Non-Current	366.81	176.13	151.80	38.88	324.54	286.99	-	37.55
Investments in Equity Shares	Current	20.23	20.23	-	-	13.82	13.82		
		387.04	**196.36**	**151.80**	**38.88**	**338.36**	**300.81**	**-**	**37.55**
Total Financial Assets		**28,031.02**	**196.36**	**151.80**	**38.88**	**33,595.49**	**300.81**	**-**	**37.55**

Notes to the Financial Statements for the year ended 31st March 2023

39 Financial Instruments - Accounting Classification and Fair values *(Contd.)*

(Amount in Lakhs)

	Current/ Non-Current	As at 31st March'2023				As at 31st March'2022			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Liabilities									
Financial liabilities measured at amortised cost									
Long term borrowings - Term Loans from Banks	Non-Current	5,856.20	N.A	N.A	N.A	9,367.35	N.A	N.A	N.A
Unsecured Loans	Non-Current	30.00	N.A	N.A	N.A	30.00	N.A	N.A	N.A
Long-term maturities of lease obligations	Non-Current	23.76	N.A	N.A	N.A	21.83	N.A	N.A	N.A
Short term borrowings - Working capital loans from Banks	Current	16,020.38	N.A	N.A	N.A	21,097.02	N.A	N.A	N.A
Trade Payables									
- Due to Micro, Small and Medium Enterprises	Current	1,675.04	N.A	N.A	N.A	85.11	N.A	N.A	N.A
- Due to Others	Current	14,754.35	N.A	N.A	N.A	12,620.80	N.A	N.A	N.A
Creditors for Capital Goods	Current	1,291.80	N.A	N.A	N.A	1,058.91	N.A	N.A	N.A
Unclaimed Dividends	Current	3.76	N.A	N.A	N.A	3.39	N.A	N.A	N.A
Current maturities of finance lease obligations	Current	19.81	N.A	N.A	N.A	19.15	N.A	N.A	N.A
Other Current Liabilities	Current	498.30	N.A	N.A	N.A	475.15	N.A	N.A	N.A
Total Financial Liabilities		**40,173.39**	-	-	-	**44,778.71**	-	-	-

Fair value hierarchy

Level 1 : Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

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.

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, listed redeemable preference shares for which sufficient observable market data was not available during the year, etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level followed is given in the table above.

Notes to the Financial Statements for the year ended 31st March 2023

40 Financial risk management objectives and policies

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's Risk Management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables and other payables.

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments, such as cross currency swaps and interest rate swaps to hedge foreign currency risk and interest rate risk exposure . Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

A. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in market interest rates. Company's interest rate risk arises from borrowings.

The following table demonstrates the sensitivity on the Company's profit before tax, to a reasonably possible change in interest rates of variable rate borrowings on that portion of loans and borrowings affected, with all other variables held constant:

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
50 BPS increase would (decrease) the Profit before Tax by	90.88	113.68
50 BPS decrease would increase the Profit before Tax by	(90.88)	(113.68)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts in several currencies and consequently the Company is exposed to foreign exchange risk through its sales outside India, and purchases from overseas suppliers in various foreign currencies. The company also has borrowings in foregin currency. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates / depreciates against these currencies. Foreign currency exchange rate exposure is partly balanced by purchase of raw materials and services in the respective currencies.

40 Financial risk management objectives and policies *(Contd.)*

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

	As at March 2023		As at March 2022	
	Amount in foreign currency - USD	Amount inRupees-INR	Amount in foreign currency - USD	Amount inRupees-INR
Liabilities				
United States Dollar (USD)	(80.27)	(6,428.32)	(97.49)	(7,324.51)
	(80.27)	**(6,428.32)**	**(97.49)**	**(7,324.51)**
Assets				
United States Dollar (USD)	18.90	1,554.24	27.55	2,087.33
CNY	14.38	172.07		
	33.28	**1,726.30**	**27.55**	**2,087.33**
Net foreign currency denominated monetory liability/(asset) (total)				
United States Dollar (USD)	(61.37)	(4,874.09)	(69.94)	(5,236.58)
CNY	14.38	172.07	-	-
Foreign exchange derivatives				
USD (Hedged) - Currency swaps against foreign currency borrowings	(34.72)	(2,683.01)	(13.97)	(994.74)
Net foreign currency denominated monetory liability/(asset) (unhedged)				
United States Dollar (USD)	(26.66)	(2,191.08)	(55.97)	(4,241.84)

Foreign Currency Risk Sensitivity

The following tables demonstrate foreign currency sensitivity on unhedged exposure (1% increase / decrease in foreign exchange rates will have the following impact on profit before tax).

	FY 2022-23		FY 2021-22	
	+ 100 BPS	- 100 BPS	+ 100 BPS	- 100 BPS
United States Dollar (USD)	(21.91)	21.91	(42.42)	42.42

(iii) Equity Price Risk

The Company's investments in listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's Board of Directors reviews and approves all equity investment decisions.

The following table summarises the sensitivity to change in the price of equity securities held by the Company on the Company's Equity and OCI. These changes would not have an effect on profit or loss.

	Impact on other components of equity (OCI)	
	As at 31st March 2023	As at 31st March 2022
5% increase	9.82	15.04
5% decrease	(9.82)	(15.04)

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily for trade receivables and deposits with banks and other financial assets. The Company ensures that sales of products are made

Notes to the Financial Statements for the year ended 31st March 2023

40 Financial risk management objectives and policies *(Contd.)*

to customers with appropriate creditworthiness. Outstanding customer receivables are regularly monitored by the management. An impairment analysis is performed at each reporting date on an individual basis for major customers. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks.

Refer footnotes (c) and (d) below note no. 12 for ageing of trade receivables and movement in credit loss allowance.

C. Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations without incurring unacceptable losses. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company have access to undrawn lines of committed borrowing/facilities. The Company invests its surplus funds in bank fixed deposits and in mutual funds, which carry no or low market risk. The company consistently generates sufficient cash flows from operations or from cash and cash equivalents to meet its financial obligations including lease liabilities as and when they fall due.

(i) Financing arrangements

Particulars	March 31, 2023	March 31, 2022
Secured borrowing facilities		
- Amount used	28,423.01	33,065.55
- Amount unused	11,251.99	4,876.58
Total	**39,675.00**	**37,942.13**

(ii) Maturity profile of financial liabilities

Particulars	March 31, 2023		
	Less than 1 year	Between 1 to 5 years	Over 5 years
As on 31st March, 2023			
Borrowings	16,020.38	5,886.20	-
Lease Liabilities	19.81	23.76	-
Trade Payables	16,429.38	-	-
Other Financial Liabilities	1,793.85	-	-
	34,263.43	**5,909.96**	**-**

Particulars	March 31, 2022		
	Less than 1 year	Between 1 to 5 years	Over 5 years
As on 31st March, 2022			
Borrowings	21,097.02	9,397.35	-
Lease Liabilities	19.15	21.83	-
Trade Payables	12,705.91	-	-
Other Financial Liabilities	1,537.45	-	-
	35,359.54	**9,419.18**	**-**

D. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value, safeguard business continuity and support the growth of the Company. The Company manages its capital structure and makes suitable adjustments in light of changes in economic conditions.

40 Financial risk management objectives and policies *(Contd.)*

Particulars	March 31, 2023	March 31, 2022
Borrowings - Current and Non-Current	21,906.58	30,494.37
Long-term maturities of Lease obligations	23.76	21.83
Current maturities of Lease obligations	19.81	19.15
Less: cash and cash equivalent	(626.45)	(2,296.58)
Less: other balances with banks	(31.95)	(33.55)
Less: current investments	(20.23)	(13.82)
Net Debts	**21,271.53**	**28,191.40**
Total Equity	66,603.76	60,313.05
% Net debt to equity ratio	**31.94%**	**46.74%**

41 Additional regulatory information required by schedule III to the Companies Act, 2013

(a) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(b) The Company does not have any transactions or relationships with any companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(c) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

(d) Utilisation of borrowed funds and share premium:

(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

- Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

- provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(e) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

(f) The Company has not traded or invested in crypto currency or virtual currency during the year.

Notes to the Financial Statements for the year ended 31st March 2023

42 Recent Pronouncements

A. Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" - Interest rate Benchmark Reform Phase 2

The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:

(a) Changes to contractual cash flows - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform will not result in an immediate gain or loss in the profit and loss statement.

(b) Hedge accounting - The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

The Company does not expect the amendment to have any significant impact on its financial statements.

B. Amendment to Ind AS 103 "Business Combination" – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103 – Business Combinations. The Company does not expect the amendment to have any significant impact on its financial statements.

C. Amendment to Ind AS 16 "Property, Plant and Equipment" – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

D. Code on Social Security, 2020 - Employee benefits during employment and post-employment

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Notes to the Financial Statements for the year ended 31st March 2023

43 Ratio Analysis

Sr. No.	Ratio	Numerator	Denominator	As at 31st March 2023	As at 31st March 2022	% Change	Reason for variance
1	Current ratio	Current Assets	Current Liabilities = Total current liabilities - Current maturities of non-current borrowings and lease obligations	1.20	1.25	-3.88%	Current Assets decreased more than Current Liabilities. Current Assets decreased on account of Trade Receivables & Cash & Equivalents while Current Liabilities decreased on account of short term borrowings
2	Net Debt-Equity ratio	Net debt = Non-current borrowings + Current borrowings + Non-current and current lease liabilities - Current investments - Cash and cash equivalents - Other balances with banks (including non-current earmarked balances)	Equity [Equity = Equity share capital + Other equity]	0.32	0.47	-31.67%	Borrowings decreased on account of repayments and dependency on short term funding
3	Debt Service Coverage ratio	Earnings before interest, tax, Depreciation & Amortisation	Total debt service [Total debt service = Finance Cost + Long Term Borrowings + Current Portion of Long Term Borrowings + Lease Liabilities]	1.17	1.26	-7.11%	EBITDA decreased more than the total debt service. Decrease in Long Term Borrowing was compensated by increase in Finance cost and current maturities of LTB
4	Return on Equity ratio	Profit after tax	Average total equity [Equity = Equity share capital + Other equity]	11.91%	18.62%	-36.05%	Profits decreased mainly due to subdued demand in dyes & pigments industry, price correction across products and the fire incident; while Average Total Equity increased compared to the previous year
5	Inventory Turnover ratio	Cost of goods sold	Average Inventory	5.71	7.65	-25.37%	While Raw Material Consumption decreased; average inventory increased significantly due to market conditions
6	Trade Receivable Turnover ratio	Revenue from Sale of Products and Services	Average Trade Receivable	3.92	5.13	-23.56%	Revenue from operations decreased while average trade receivables increased. Au contraire, trade receivables for FY'23 decreased from FY'22 resulting in turnover ratio of 4.30 and 3.75 respectively

Notes to the Financial Statements for the year ended 31st March 2023

43 Ratio Analysis *(Contd.)*

Sr. No.	Ratio	Numerator	Denominator	As at 31st March 2023	As at 31st March 2022	% Change	Reason for variance
7	Trade Payable Turnover ratio	Adjusted Expenses [Adjusted Expenses = Total Expenses - Finance Cost - Depreciation and Amortisation Expense – Employee Benefit Expenses – Other expenses with respect to Rates & Taxes, Provision for Doubtful Debts, Sundry Balances Written-off, CSR and Foreign Exchange Gain/Loss]	Average Trade Payables	5.04	6.41	-21.41%	Adjusted expenses remained almost constant while average trade payables increased
8	Net Capital Turnover ratio	Revenue from Operations	Average Working capital = Current assets – Current liabilities	29.09	29.44	-1.19%	Revenue from operations decreased more compared to average working capital
9	Net Profit ratio	Profit after tax	Revenue from operations	8.29%	10.85%	-23.61%	Profits decreased mainly on account of increase in Employee Expenses, Finance Cost and Other Expenses.
10	Return on Capital Employed	Earnings before interest and tax	Average Capital Employed [Capital Employed = Total Assets - Current Liabilities]	14.19%	21.66%	-34.49%	Profits decreased due to reduction in the revenue while average capital exployed increased
11	Return on Investment	Income generated from Investments	Average Investments	-3.91%	6.43%	-160.89%	This is mainly due to loss in the subsidiary company with reference to Note 33 (u)

Consolidated Financial Statements

Independent Auditor's Report

To
the Members of
Valiant Organics Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated Financial Statements of Valiant Organics Limited ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity, for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information (herein after referred as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, and their consolidated profit, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity for the year ended on that date.

BASIS OF OPINION

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

EMPHASIS OF MATTERS

Pursuant to the scheme of arrangement with Amarjyot Chemical Limited, Optionally Convertible Preference Shares (OCPS) were supposed to be converted into equity shares or into Redeemable Preference Shares (RPS) before February 2022. However, on obtaining consent from OCPS shareholders for conversion into equity shares, the Holding Company filed a Settlement Application with SEBI on 19 December 2022. Pending Settlement Application with SEBI, the Board of Directors of Holding Company has approved extension in timeline until Holding Company gets directives from SEBI for such conversion in its meeting held on 31 January 2023. Under these circumstances, the Company has continued to disclose 4,05,561 OCPS under equity at par value as on 31 March 2023 (Refer Note No. 16 and 35 to consolidated financial statements).

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
Accuracy, Completeness, and disclosure with reference to Ind AS-16 of Property, Plant and Equipment (including Capital Work-in-Progress) The carrying value of property, plant and equipment (including capital work-in-progress) as on 31 March 2023 of ₹72,734.78 lakhs (as on 31 March 2022 ₹64,186.97 lakhs) include ₹10,424.52 lakhs as on 31 March 2022 capitalised /transferred from capital work in progress during the year. (FY 2022 ₹1,881.32 lakhs) Capital expenditure involves management's technical estimates and judgement about capitalisation, estimated useful life, impairment which has material impact on balance sheet and operating results of the Company. Refer Note no. 4 to the Consolidated Financial Statements.	**Our audit procedures, amongst others, include the following –** • Obtained an understanding of operating effectiveness of management's internal controls over capital expenditure. • We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including Capital Work in Progress with reference to Indian Accounting Standard 16 - Property, Plant and Equipment. • We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment. • We have verified the capitalisation of borrowing cost incurred on qualifying assets in accordance with the Indian Accounting Standard 23 - Borrowing Costs. • Confirmed adequacy of disclosures in the Consolidated Financial Statements

INFORMATION OTHER THAN FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including Other Comprehensive Income), Consolidated Cash Flows and Consolidated Changes in Equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors and Management of the companies and other entities included in the Group are responsible for maintenance of adequate accounting records in

accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate

accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors and Management of the companies and other entities included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors and Management either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors and Management of the Companies included in the Group are also responsible for overseeing the financial reporting process of their respective entities.

AUDITORS' RESPONSIBILITY FOR THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies, which are companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of use of the going concern basis of accounting by the Management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a matter that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for direction, supervision, and performance of the audit of the Financial Statements or business activities of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statement, which have been audited by other Auditors, such other Auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's

Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the Financial Statements/financial information of 3 subsidiaries, whose Financial Statements reflect total assets of ₹32,289.25 lakhs as at 31 March 2023, total revenue from operations for the year ended of ₹33,390.95 lakhs, total net profit for the year of ₹2,739.21 lakhs and net cash inflows amounting to ₹113.02 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other Auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors. One of the subsidiaries is a non-corporate entity, whose primary financial statements have been prepared under Indian GAAP but the management of Holding Company has passed necessary adjustments entries to align the same with accounting policies of Holding Company, which has been audited by us.

Our opinion on the consolidated financial statements above and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other Auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. With respect to matters specified in paragraph 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order" or "CARO"), issued by the Central Government of India in terms of sub- section (11) of section 143 of the Act, there are no qualifications or adverse remarks in the Companies (Auditor's Report) Order of the subsidiaries which is required to be included in the consolidated financial statements.

2. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements.

   b. In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Changes in Equity dealt with by this report are in agreement with the relevant books of accounts.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors who are appointed under section 139 of the Act of its subsidiary companies, none of the directors of the Group's companies, is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements.

   g. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended 31 March 2023 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act.

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

      (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group

(Refer Note no 43 to the Consolidated Financial Statements).

(ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended 31 March 2023.

(iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note no 43 (d) (i) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its Subsidiaries incorporated in India to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its Subsidiaries incorporated in India ("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, as disclosed in Note no. 43 (d) (ii) to the consolidated financial statements, no funds have been received by the Holding Company or its Subsidiaries incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its Subsidiaries incorporated in India 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 performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Holding Company has paid final dividend proposed in the previous year and interim dividend during the year which is in accordance with section 123 of the Act. The Board of Directors of the Holding Company and subsidiaries companies has not proposed any final dividend for the FY 2022-23.

(vi) In respect of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, since 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 for the Holding Company and its subsidiaries incorporated in India, only w.e.f. 1 April 2023, reporting under this clause is not applicable.

For Gokhale & Sathe
Chartered Accountants
Firm Registration Number: 103264W

Tejas Parikh
Partner
Membership Number: 123215
UDIN: - : 23123215BGQLCS6907

Place: Mumbai
Date: 19 May 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

Opinion

We have audited the internal financial controls over financial reporting of the Valiant Organics Limited as on 31 March 2023 in conjunction with our audit of the Consolidated Financial Statements of Valiant Organics Limited (hereinafter referred to as "the Holding Company") and its subsidiaries for the year ended that date.

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2023, based on the criteria for internal financial control over financial reporting established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 the respective policies of the Company, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the judgement of the Auditor, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

The internal financial control over financial reporting of the Company 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. The internal financial control over financial reporting of the Company includes those policies and procedures that

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of assets of the Company 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the subsidiary companies to the extent applicable, is based on the corresponding report of the auditor of such company. Our opinion is not qualified in respect of this matter.

For Gokhale & Sathe
Chartered Accountants
Firm Registration Number: 103264W

Tejas Parikh
Partner
Membership Number: 123215
UDIN: - 23123215BGQLCR8538

Place: Mumbai
Date: 19 May 2023

Consolidated Balance Sheet as at March 31, 2023

(₹ In Lakhs)

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I.	**ASSETS**			
	Non-current assets			
	(a) Property, Plant and Equipment	4	65,646.30	53,026.24
	(b) Capital work-in-progress	4	7,088.49	11,160.73
	(c) Right to Use assets	5	124.31	84.02
	(d) Other Intangible Assets	6	21.31	0.18
	(e) Goodwill on consolidation		1,232.76	1,232.76
	(f) Financial Assets			
	(i) Investments	7A	366.81	324.54
	(ii) Other Financial Assets	8A	675.35	580.40
	(g) Other non-current assets	9A	1,662.85	113.71
	Total Non-Current Assets		**76,818.17**	**66,522.60**
	Current assets			
	(a) Inventories	10	12,622.18	11,363.72
	(b) Financial Assets			
	(i) Investments	7B	3,752.09	456.49
	(ii) Trade Receivables	11	25,429.87	32,093.68
	(iii) Cash and Cash Equivalents	12	775.08	2,504.68
	(iv) Other Balances with Banks	13	39.95	2,033.55
	(v) Loans	14	78.38	46.59
	(v) Other Financial Assets	8B	363.69	106.69
	(c) Other Current Assets	9B	3,083.71	2,994.53
	(d) Current Tax Assets (Net)	15	959.51	1,092.75
	Total Current Assets		**47,104.45**	**52,692.69**
	TOTAL ASSETS		**1,23,922.62**	**1,19,215.29**
II.	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	16	2,715.35	2,715.35
	(b) Optionally Convertible Preference Shares	16	40.56	40.56
	(c) Other Equity	17	66,161.81	58,559.05
	(d) Non Controlling Interests	18	5,088.50	3,575.41
	Total Equity		**74,006.22**	**64,890.37**
	LIABILITIES			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	- Borrowings	19A	7,060.72	10,576.85
	- Lease Liabilities	20A	107.81	54.06
	(b) Provisions	21A	153.04	105.19
	(c) Deferred Tax Liabilities (net)	22	3,324.50	2,661.05
	Total non-current liabilities		**10,646.08**	**13,397.15**
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19B	20,179.21	25,680.66
	(ii) Lease Liabilities	20B	17.52	31.46
	(iii) Trade Payables	23		
	A) Total Outstanding Dues of Micro enterprises and Small Enterprises; and		1,678.81	86.90
	B) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises		14,880.88	13,032.59
	(iii) Other Financial Liabilities	24	1,998.86	1,614.91
	(b) Other Current Liabilities	25	217.09	237.47
	(c) Provisions	21B	297.95	243.78
	Total Current Liabilities		**39,270.32**	**40,927.78**
	TOTAL EQUITY AND LIABILITIES		**1,23,922.62**	**1,19,215.29**
	Notes forming part of the financial statements	1-44		

The accompanying notes are an integral part of the Ind AS financial statements.
Previous year figures have been recasted/restated wherever necessary.

As per our report of even date attached

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

For and on behalf of the Board of Directors

Tejas Parikh
Partner
M. No. 123215
Place : Mumbai
Date - 19th May, 2023

Mr. Arvind Chheda
Managing Director
DIN: 00299741

Mr. Mahek Chheda
Executive Director & CFO
DIN: 06763870

Ms. Avani D. Lakhani
Company Secretary
ICSI M. No. A47118

Statement of Consolidated Profit and Loss for the year ended March 31, 2023

(₹ In Lakhs except EPS)

	Particulars	Note No.	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
I	Revenue from operations	26	1,05,180.48	1,15,327.11
II	Other income	27	803.26	741.75
III	**Total Revenue (I + II)**		**1,05,983.74**	**1,16,068.86**
IV	**Expenses**			
	Cost of materials consumed	28	67,960.92	78,088.75
	Purchase of stock-in-trade	29	1,385.22	1,708.65
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(498.52)	(2,255.66)
	Employee benefits expense	31	4,633.16	3,715.99
	Finance costs	32	1,079.27	647.93
	Depreciation, Amortization and Impairment Expenses	33	2,918.93	2,961.89
	Other expenses	34	15,276.52	13,584.29
IV	**Total Expenses**		**92,755.50**	**98,451.84**
V	**Profit before exceptional items and tax (III - IV)**		**13,228.24**	**17,617.02**
VI	Exceptional Items		489.78	-
VII	**Profit before tax (V - VI)**		**13,718.02**	**17,617.02**
VIII	Tax expense:			
	Current tax		2,637.07	4,286.21
	(Excess) / Short Provision of earlier year		160.15	(78.60)
	Deferred tax charge / (credit)		664.33	618.12
	Total tax Expense		**3,461.55**	**4,825.74**
IX	**Profit for the year (VII - VIII)**		**10,256.47**	**12,791.28**
X	Other comprehensive income:			
	Items that will not be reclassified to profit or loss in subsequent year			
	Re-measurement of the net defined benefit plan (net of taxes)		-15.59	-22.05
	Fair value changes of various Financial intruments (net of taxes)		30.81	81.63
	Total other comprehensive income / (loss) for the year, net of tax		**15.23**	**59.57**
XI	**Total comprehensive income for the year (IX+X)** **(Total of profit and other comprehensive income for the year)**		**10,271.70**	**12,850.85**
	Profit for the year			
	Attributable to:			
	Non-controlling interests		1,444.33	1,462.90
	Owners of the Parent		8,812.14	11,328.38
	Total other comprehensive income for the year			
	Attributable to:			
	Non-controlling interests		1,513.09	1,456.22
	Owners of the Parent		8,758.61	11,394.63
			-	-
	Earnings per equity share of ₹10/- each (Previous Year: ₹10/- each)	35		
	(1) Basic		32.45	41.72
	(2) Diluted		31.50	40.50
	Notes forming part of the financial statements	1-45		

The accompanying notes are an integral part of the Ind AS financial statements.

Previous year figures have been recasted/restated wherever necessary.

As per our report of even date attached.

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

For and on behalf of the Board of Directors

Tejas Parikh
Partner
M. No. 123215
Place : Mumbai
Date - 19th May, 2023

Mr. Arvind Chheda
Managing Director
DIN: 00299741

Mr. Mahek Chheda
Executive Director & CFO
DIN: 06763870

Ms. Avani D. Lakhani
Company Secretary
ICSI M. No. A47118

Consolidation Statement of Changes in Equity for the year ended on March 31, 2023

A. Equity Share Capital

Current Reporting Period

(₹ in Lakhs)

Particulars	Balance as on April 1, 2022	Changes in equity share capital during the period	Balance as on March 31 , 2023
Ordinary Equity Shares	2,715.35	-	2,715.35
Optionally Convertible Equity Shares (Instruments entirely equity in nature)	40.56	-	40.56
Total	**2,755.90**	**-**	**2,755.90**

Previous Reporting Period

(₹ in Lakhs)

Particulars	Balance as on April 1, 2021	Changes in equity share capital during the period	Balance as on 31-03-2022
Ordinary Equity Shares	2,715.35	-	2,715.35
Optionally Convertible Equity Shares (Instruments entirely equity in nature)	40.56	-	40.56
Total	**2,755.90**	**-**	**2,755.90**

Footnote: Pursuant to the scheme of arrangement with Amarjyot Chemical Limited, OCPS was supposed to be converted into equity shares or into Redeemable Preference Shares (RPS) before February 2022. However, on obtaining consent from OCPS shareholders for conversion into equity shares, the Company filed a Settlement Application with SEBI on December 19, 2022. Pending Settlement Application with SEBI, the Board of Directors has approved extension in timeline until Company gets directives from SEBI for such conversion in its meeting held on January 31, 2023. Under these circumstances, the Company has continued to disclose 4,05,561 OCPS under equity at par value as on 31 March 2023.

B. Other Equity

(₹ in Lakhs)

Particulars	Reserve and surplus				Equity instruments through Other Comprehensive Income	Employee Stock Option Plan	Total other equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained earnings			
Opening Balance as at 01st April 2021	7,846.30		3,910.88	35,500.48	213.52		47,471.18
Net profit for the year				11,328.38			11,328.38
Fair value changes of various Financial intruments (net off tax)					**81.63**		**81.63**
Remeasurement Gain/(Loss) on defined benefit plan (net of tax)				(22.05)			(22.05)
Stamp Duty paid on Equity share				(300.09)			(300.09)
Transfer from Retained Earning to Capital Redemption Reserve		38.40		(38.40)	-		-
Balance as at 31st March 2022	**7,846.30**	**38.40**	**3,910.88**	**46,468.32**	**295.14**	**-**	**58,559.05**

Statement of Changes in Equity for the period March 31, 2023

B. Other Equity *(Contd.)*

(₹ in Lakhs)

Particulars	Reserve and surplus				Equity instruments through Other Comprehensive Income	Employee Stock Option Plan	Total other equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained earnings			
Net profit for the year				8,812.14			8,812.14
Fair value changes of various Financial intruments (net off tax)					(36.21)		(36.21)
Remeasurement Gain / (Loss) on defined benefit plan (net off tax)				(17.32)			(17.32)
Amount utilized for Dividend and Dividend Distribution Tax				(1,221.91)			(1,221.91)
ESOPs Recognised during the period						66.06	66.06
Balance as at March 31, 2023	**7,846.30**	**38.40**	**3,910.88**	**54,041.23**	**258.93**	**66.06**	**66,161.81**

1. The accompanying notes are an integral part of the Ind AS financial statements.
2. Previous year figures have been recasted/restated wherever necessary.
3. Retained Earnings include Remeasurement Loss (net of tax) on Defined Benefit Plans to the extent of ₹37.50 Lakhs (PY ₹54.82 Lakhs).

C. Notes forming part of the financial statements [Note No. 1 - 45]

As per our report of even date.

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

For and on behalf of the Board of Directors

Tejas Parikh
Partner
M. No. 123215
Place : Mumbai
Date - 19th May, 2023

Mr. Arvind Chheda
Managing Director
DIN: 00299741

Mr. Mahek Chheda
Executive Director & CFO
DIN: 06763870

Ms. Avani D. Lakhani
Company Secretary
ICSI M. No. A47118

Consolidated Cash Flow Statemen As on March 31, 2023

(₹ in Lakhs)

	Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(A)	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	13,718.02	17,617.02
	Adjustments		
	Add : -		
	Finance Cost	1,079.27	647.93
	Foreign Exchange Loss	53.57	92.27
	Depreciation and Amortization and Impairment Expense	2,918.93	2,961.89
	Less : -		
	Interest Income	39.38	85.18
	Gain/(Loss) on disposal of Property, Plant and Equipment (PPE)	6.41	-
	Dividend Income	0.89	1.08
	Operating Profit Before Working Capital Changes	**17,723.11**	**21,232.85**
	Adjustments		
	Add/(Less):		
	(Increase) / Decrease in Trade Receivables	6,663.81	(16,346.54)
	(Increase) / Decrease in Inventories	(1,258.46)	(4,146.69)
	(Increase) / Decrease Loans	(383.73)	(9.08)
	(Increase) / Decrease other Current Assets	(18.37)	442.92
	(Increase) / Decrease other non-Current Assets	(42.27)	(511.75)
	Increase / (Decrease) in Trade Payable	3,440.19	1,831.52
	Increase / (Decrease) in Provisions	102.02	(66.83)
	Increase / (Decrease) in Other Current Liabilities	(20.37)	31.69
	Increase / (Decrease) in Financial Liabilities	383.95	(1,325.20)
	Cash Generated from Operation	**26,589.87**	**1,132.87**
	Direct Taxes Paid	(2,797.22)	(4,207.62)
	Net Cash From Operating Activities (A)	**23,792.65**	**(3,074.74)**
(B)	**Cash Flow From Investing Activities**		
	Acquisition of Property, Plant and Equipment and CWIP (net)	(13,621.59)	(12,093.96)
	Gain/(Loss) on disposal of Property, Plant and Equipment (PPE)	6.41	-
	Sales Proceeds of Property, Plant and Equipment (PPE)	2,151.81	3.45
	Bank Balances not considered as Cash and Cash Equivalents	1,993.60	(218.46)
	Investment in mutual fund	(3,295.60)	-
	Capital Goods	(1,549.13)	(172.53)
	Interest Income	39.38	85.18
	Dividend Income	0.89	1.08
	Net Cash from Investing Activities (B)	**(14,274.23)**	**(12,395.23)**
(C)	**Cash Flow From Financing Activities**		
	Proceeds / (Repayment) from Short Term Borrowings	(5,501.45)	8,933.28
	Proceeds / (Repayment) from Long Term Borrowings	(3,516.13)	6,347.88
	Proceeds from Issue of Share Capital to Non-Controlling Interest	-	2,344.07
	Payment for Short Term Lease Liability	54.21	14.10
	Payment of Dividend & Tax thereon	(1,221.91)	-
	Interest Paid	(1,062.75)	(647.93)
	Stamp Duty paid on Equirty	-	(300.09)
	Net Cash from /(Used) in Financing Activities (C)	**(11,248.02)**	**16,691.32**
	Net Increase / (Decrease): in Cash and Cash Equivalents (A+B+C)	(1,729.60)	1,221.34
	Opening Balance of Cash and Cash Equivalents	2,504.68	1,283.34
	Closing Balance of Cash and Cash Equivalents	**775.08**	**2,504.68**
	Notes forming part of the financial statements [Note No. 1 - 45]		

Statement of Cash Flows for the Period of March 31, 2023

1. The accompanying notes are an integral part of the Ind AS financial statements.
2. Previous year figures have been recasted/restated wherever necessary
3. Figures in brackets indicate cash outgo.
4. The above Cash Flow Statement has been prepared under “Indirect Method” set out in Ind AS 7 Statement of Cash Flow.
5. Cash flows from operating activities include ₹372.91 Lakhs (March 31, 2022: ₹337.15 lakhs) being expenses towards Corporate Social Responsibility initiatives.

6. Cash and Cash Equivalents comprises of:

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
a. Cash on Hand	10.74	16.02
b. Balances with Banks	764.34	2,488.66
Total	**775.08**	**2,504.68**

7. Changes in liabilities arising from financing activities

FY 2022-23

Particulars	As at 1st April 2022	Net Cash Flow	Non-Cash Flow Changes			As at March 31, 2023
			Net Addition/ Accrued Interest	Forex Loss/ (Gain)	Other Changes	
Non-current Financial Liabilities						
- Borrowings	10,576.85	770.32		93.53	(4,379.98)	7,060.72
- Lease Liabilities	54.06	-	69.35	-	(15.60)	107.81
Current Financial Liabilities						
- Borrowings	25,680.66	(9,881.43)		-	4,379.98	20,179.21
- Lease Liabilities	31.46	(39.66)	10.12		15.60	17.52

FY 2021-22

Particulars	As at 1st April 2021	Net Cash Flow	Non-Cash Flow Changes			As at March 31, 2022
			Net Addition/ Accrued Interest	Forex Loss/ (Gain)	Other Changes	
Non-current Financial Liabilities						
- Borrowings	7,506.53	6,347.88		173.21	(3,450.77)	10,576.85
- Lease Liabilities	23.67		64.60		(34.21)	54.06
Current Financial Liabilities						
- Borrowings	13,296.61	8,933.28			3,450.77	25,680.66
- Lease Liabilities	47.75	(54.63)	4.14		34.21	31.46

The accompanying notes are an integral part of the Ind AS financial statements.
Previous year figures have been recasted/restated wherever necessary.

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

Tejas Parikh
Partner
M. No. 123215
Place : Mumbai
Date - 19th May, 2023

For and on behalf of the Board of Directors

Mr. Arvind Chheda
Managing Director
DIN: 00299741

Mr. Mahek Chheda
Executive Director & CFO
DIN: 06763870

Ms. Avani D. Lakhani
Company Secretary
ICSI M. No. A47118

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

Valiant Organics Limited ("VOL" or "the Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the Bombay Stock Exchange ('BSE'). The registered office of the company is located 109, Udyog Kshetra, 1st Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai.

The Company and its subsidiaries are referred to as the Group here under. The Group is engaged in manufacturing and dealing in specialty chemicals and pharma intermediates in India and abroad.

Details of Subsidiaries

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest
Valiant Speciality Chemical Limited	India	100%
Dhanvallabh Venture LLP	India	73.15%
Valiant Laboratories Limited (Through Dhanvallabh Ventures LLP)	India	62.50%
Valiant Advanced Sceinces Private Limited (Through Valiant laboratories limited, Through Dhanvallabh Ventures LLP)	India	62.50%

2. SUMMARY OF BASIS OF COMPLIANCE, BASIS OF PREPARATION AND PRESENTATION, AND CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

2.1 Basis of Compliance

The company's consolidated financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of Section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except if compliance with other statutory promulgations require a different treatment.

These Consolidated financial statements have been approved by the Board of Directors at their meeting held on 19th May, 2023.

2.2 Basis of Preparation and Presentation of Financials Statements

The Consolidated Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows".

The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Ind AS and in accordance with guidelines issued by the Securities and Exchange Board of India ("SEBI").

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

(i) Certain financial instruments measured at fair value (refer accounting policy regarding financial instruments); and

(ii) Employee's Defined Benefit Plan as per actuarial valuation.

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

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 under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.

Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries as at the reporting date.

Subsidiaries

Subsidiaries include all the entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns through its involvement in the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date control commences until the date control ceases.

The Consolidated Financial Statements have been prepared on the following basis:

The financial statements of the Company and its Subsidiaries have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transactions and resulting unrealised profit or losses, unless cost cannot be recovered, as per the applicable Indian Accounting Standards. Accounting Policies of the respective subsidiaries are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

In case of subsidiaries which are non-corporate entities, whose primary financial statements have been prepared under Indian GAAP, the management of Holding Company has passes necessary adjustment entries to align the same with accounting policies of Holding Company.

The results of subsidiaries acquired or disposed during the year are included in the Consolidated Financial Statements from the effective date of acquisition and up to the effective of disposal, as appropriate.

The Consolidated Financial Statements are presented, to the extent applicable, in accordance with the requirements of Schedule III of the Companies Act, 2013 as applicable to the Company's Standalone Financial Statements.

Non-Controlling Interest ('NCI') in the net assets of the subsidiaries that are consolidated consists of the amount of equity attributable to non-controlling investors at the reporting date.

Goodwill on Consolidation is measured as the excess of the sum of the consideration transferred, the amount of NCI in the subsidiary and any previous interest held by the holding company over the net of acquisition date fair value of identifiable assets acquired and liabilities assumed.

Profit and Loss and each component of OCI are attributed to the equity holders of the holding company and to the NCI, even if this results in the NCI having a deficit balance.

Changes in Ownership Interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiaries. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate because of loss of control, any retained interest in the entity is remeasured to its fair value with the change of subsequent accounting for the retained interest as an associate, joint venture, or financial asset, as appropriate.

Functional & Presentation Currency:

The consolidated financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values in the financial statements are rounded off to the nearest rupees in lakhs except otherwise indicated.

2.3 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of the consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented along with the accompanying disclosures.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected.

The following are the critical estimates, assumptions and judgments that the management has made in the process of applying the Group's accounting policies and that have a significant effect on the amounts recognized in the financial statements:

2.3.i. Provision for Income Tax and Deferred Tax Assets:

The management uses estimates and judgements based on the relevant rulings in the areas of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the management exercises its judgement to reassess the carrying amount of deferred tax at the end of each reporting period.

2.3.ii. Useful Lives of Property, Plant and Equipment ("PPE"):

Property, plant and equipment represents a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the Management at the time the asset is acquired and reviewed periodically at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

2.3.iii. Defined Benefit Plans (Gratuity):

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets and is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.3.iv. Provisions and Contingent Liabilities:

The management estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The management uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the management or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.3.v. Provision against Obsolete and Slow-Moving Inventories:

The management reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use at each balance sheet date. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions.

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

2.3.vi. Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as market risk, liquidity risk and credit risk.

2.3.vii. Allowance for Credit Losses on Receivables

The management determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The management considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates.

2.3.viii. Impairment of Non-Financial Assets

The management assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the management estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by other available fair value indicators.

2.3.ix. Leases:

The management evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The management uses significant judgment in assessing the lease term and the applicable discount rate.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The management makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the management considers factors such as any significant improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the management has concluded that no changes are required to lease period relating to the existing lease contracts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Classification of Current versus Non-Current:

All assets and liabilities in the consolidated financial statements have been classified as current or non-current as per the normal operating cycle of the entities included in the Group up to twelve months.

For the purpose of Consolidated Balance Sheet, an asset is classified as current if:

(i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or

(ii) It is held primarily for the purpose of trading; or

(iii) It is expected to realise the asset within twelve months after the reporting period; or

(iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

(i) It is expected to be settled in the normal operating cycle; or

(ii) It is held primarily for the purpose of trading; or

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The management does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

3.2 Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use less accumulated depreciation and accumulated impairment losses, if any. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs is capitalised in accordance with the Group's accounting policy.

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

Long term lease arrangements of land are treated as PPE, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected with the carrying amount of any component accounted for as a separate asset is derecognised when replaced. Gains or losses arising from de-recognition of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Depreciation methods, estimated useful lives and residual value:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided using straight line method, so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation on additions/ disposals is provided on a pro-rata basis i.e. from/ upto the date on which asset is ready for use/ disposed.

The management uses different useful lives than those prescribed in Schedule II to the Act for some of the assets. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

assets. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

The management has used the following useful lives to provide depreciation on the following assets:

Particulars	DEPRECIATION
Factory Building	Over a period of 30 years
Plant & Machinery	Over its useful life as technically assessed, i.e over a period of 19 years
Vehicle	Over a period of 10 years
Computers	Over a period of 3 years
Furniture and Fixtures	Over a period of 10 years
Office Equipment	Over a period of 5 years
Leasehold Land	Over the tenure of lease

3.3 Capital Work-in-Progress

Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. The same is carried at cost, comprising of direct costs, related incidental expenses and attributable borrowing costs. Project expenses pending allocation are apportioned to the PPE of the project proportionately on capitalisation.

3.4 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and cost of the assets can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are carried at cost less any accumulated amortisation and cumulative impairment losses. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is charged to the statement of profit or loss in the period in which the expenditure is incurred.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the management can demonstrate technical and commercial feasibility of making the asset available for use or sale.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation:

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as change in accounting estimates. Amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another assets.

Intangible Assets without finite life are tested for impairment at each Balance sheet date and impairment provision, if any are debited to profit and loss.

The estimated useful lives of the amortisable intangible assets are as follows:

PARTICULARS	AMORTISATION
computer software	3year

3.5 Business Combinations and Goodwill:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the management elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. The consideration transferred does not include amount related to the settlement of pre-existing relationships with the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in statement of profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the relevant Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and any difference subsequent to its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the fair value of identifiable assets acquired net of fair value of liabilities assumed. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence, of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise, the gain is recognised directly in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units belonging to the Group that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than it's carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

3.6 Impairment of Non-Financial Assets:

The management assesses at each reporting date, whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for such asset is required, the management estimates the asset's recoverable amount in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the management estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

Impairment loss is recognised when the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount which is higher of asset's (or cash generating unit's) net selling price or the value in use. The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset (or cash generating unit) and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the entities included in the Group suitably adjusted for risks specified to the estimated cash flows of the asset (or cash generating units).

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit). A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

3.7 Inventories:

Inventories are valued, after providing for obsolescence as given below:

Raw Materials, Packing Materials and Stores and Spares:

Raw materials, packing materials and stores and spares are valued at lower of Cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on First in First out method.

Work-in-process:

Work-in-process is valued at the lower of cost and net realizable value. The cost is computed on First in First out method.

Finished Goods, Semi-Finished Goods and Traded Goods:

Finished goods, Semi-finished goods and traded goods are valued at lower of cost and net realisable value. The cost is computed on First in First out method.

Cost is determined on First in First out basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit), cost of conversion and other costs incurred in acquiring the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.8 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid financial instruments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value with an original maturity of three months or less.

3.9 Employee Benefits:

(a) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, expected cost of bonus, etc. are recognised in the period in which the employee renders the related services.

(b) Post-employment benefits:

(i) Defined Contribution Plan:

The Group makes defined contribution to Employee Provident Fund, Employee Pension Fund, Employee Deposit Linked Insurance, and Superannuation Schemes. The contribution paid/payable under these schemes is recognised during the period in which the employee renders the related service which are recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services.

(ii) Defined Benefit Plan

The gratuity liability of the Group is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. The Group's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

(c) Long term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, actuarial valuations being carried out at each Balance Sheet date.

(d) Employee Stock Option Plan:

The Company recognizes compensation expense relating to share-based payments in net profit based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding accounts

3.10 Provisions, Contingent Liabilities and Contingent Assets

Provisions

The Group recognizes a provision when it has a present legal or constructive obligation as a result of past events, it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reasonably estimated. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

Contingent Liabilities

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

Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefit will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Onerous Contracts:

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Group recognizes impairment on the assets with the contract.

3.11 Taxes:

The tax expenses comprise of current tax and deferred income tax charge or credit. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity, in which case, the tax is also recognised in Other Comprehensive Income or Equity.

Current Tax:

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

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

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

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the management expects, at the end of reporting period, to recover or settle the carrying amount of the assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded in other comprehensive income or in equity along with the tax as applicable.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

3.12 Revenue Recognition:

Revenue from Operations:

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services.

To recognise revenues, the Group applies the following five step approach in accordance with Ind AS 115:

(a) identify the contract with a customer

(b) identify the performance obligations in the contract

(c) determine the transaction price

(d) allocate the transaction price to the performance obligations in the contract and

(e) recognise revenues when a performance obligation is satisfied.

Sale of Goods:

The Group recognises revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Sale of Services:

Revenue from services is recognised when the performance obligation is met and the right to receive income is established.

Interest Income:

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the management estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example prepayment, extension and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividend Income:

Dividend income is recognized when the right to receive the payment is established, which is generally when shareholders approve the dividend.

Export Incentives:

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

Other Income:

Revenue with respect to Other Operating Income and Other Income including insurance and other claims are recognised when a reasonable certainty as to its realisation exists.

3.14 Leases:

The management evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

As a Lessee:

The management assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

(a) control the use of an identified asset,

(b) obtain substantially all the economic benefits from use of the identified asset, and

(c) direct the use of the identified asset

The management determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the entity is reasonably certain to exercise that option.

The Group at the commencement of the lease contract, recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, 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 asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-of-Use asset or the end of the lease term. The estimated useful lives of Right-of-Use assets are determined on the same basis as those of property, plant and equipment. In addition, the Right-of-Use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

For lease liabilities at the commencement of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

lease, if that rate can be readily determined. If that rate is not readily determinable, the lease payments are discounted using the incremental borrowing rate that the relevant entities in the Group would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease payments included in the measurement of the lease liability comprises fixed payments, including amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the relevant entity in the Group are reasonably certain to exercise, lease payments in an optional renewal period if the relevant entities in the Group are reasonably certain to exercise an extension option. The lease liability is subsequently measured at amortised cost using the effective interest method.

Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Finance charges are recognised as finance costs in the statement of profit and loss.

As a lessor:

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the concerned entity to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the concerned entity's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.15 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred. Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

In determining the amount of borrowing costs eligible for capitalization, any income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.16 Foreign Currency Transactions:

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.17 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders of the holding company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

3.18 Exceptional items:

When items of income or expense within the statement of profit & loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such material items are disclosed separately as exceptional items

3.19 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity. The management determines the classification of the financial assets and liabilities at initial recognition.

Initial Recognition:

Financial assets and/or financial liabilities are recognised when any of the Group Entities becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the transaction values, at fair values. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from as the case may be, from the fair value on initial recognition.

Classification and Subsequent Measurement of Financial Assets:

The Group classifies financial assets, subsequently at amortised cost, Fair Value through Other Comprehensive Income ("FVTOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following

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

(a) Financial Assets measured at Amortised Cost:

A Financial Asset is measured at amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

(b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

(c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Classification and Subsequent Measurement of Financial Liabilities:

(a) Financial liabilities measured at Fair Value Through Profit or Loss (FVTPL):

Financial liabilities are classified as FVTPL when the financial liability is held for trading or is a derivative (except for effective hedge) or are designated upon initial recognition as FVTPL. Gains or Losses, including any interest expense on liabilities held for trading are recognised in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

(b) Other Financial liabilities:

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

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

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Debt and Equity Instruments:

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Group Entities are recognised at the proceeds received, net of direct issue costs.

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the management may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The management makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the management decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the cumulative gain or loss may be transferred within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition of Financial Instruments:

The Group derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

A Financial liability (or a part of a financial liability) is derecognised from the Balance Sheet when the obligation specified in the contract 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 derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Impairment of Financial Assets:

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of all Financial Assets subsequent to initial recognition other than financial assets measured at fair valued through profit and loss (FVTPL). For Trade Receivables and all lease receivables resulting from transactions within the scope of Ind AS 116 the Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The management uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. For other financial assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk since its initial recognition. If there is significant increase in credit risk since its initial recognition full lifetime ECL is used. The impairment losses and reversals are recognised in Statement of Profit and Loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the entity in accordance with the contract and all the cash flows that it expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and it is intended to either settle them on net basis or to realise the asset and settle the liability simultaneously.

Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Financial instruments by category are separately disclosed indicating carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative Financial Instruments:

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

4 Property, Plant and Equipment (PPE)

(₹ in Lakhs)

Particulars	Land	Factory Building	Plant & Machinery	Electrical Installation	Furniture & Fixture	Vehicle	Computer	Office Equipment	Total	Capital Work in Progress (CWIP)
Year ended March 31, 2022 Gross carrying amount										
Opening gross carrying amount as at April 1, 2021	4,230.09	13,202.69	40,183.23	239.00	403.50	396.87	146.94	143.27	58,945.60	4,589.10
Addition during the year	443.51	767.66	3,070.28	3.64	52.86	63.24	21.61	31.55	4,454.35	8,452.95
Assets capitalised during the year from CWIP			1,881.32						1,881.32	(1,881.32)
Disposals during the year	-	(17.98)	(1,039.30)	(4.65)	-	(22.52)	-	-	(1,084.44)	
Closing gross carrying amount	**4,673.61**	**13,952.38**	**44,095.53**	**237.99**	**456.36**	**437.59**	**168.55**	**174.82**	**64,196.83**	**11,160.73**
Accumulated depreciation										
Opening accumulated depreciation	65.36	912.21	7,769.93	53.01	77.54	207.62	117.12	73.01	9,275.80	-
Depreciation charge during the year	132.29	440.77	2,043.10	23.59	38.99	32.53	24.45	23.44	2,759.15	
Disposals during the year	-	(6.13)	(839.41)	0.00	(0.01)	(18.25)	(0.03)	(0.53)	(864.37)	
Closing accumulated depreciation	**197.64**	**1,346.86**	**8,973.62**	**76.59**	**116.51**	**221.89**	**141.54**	**95.92**	**11,170.58**	**-**
Net carrying amount year ended March 31, 2022	**4,475.97**	**12,605.52**	**35,121.91**	**161.40**	**339.85**	**215.70**	**27.01**	**78.90**	**53,026.25**	**11,160.73**

(₹ in Lakhs)

Particulars	Land	Factory Building	Plant & Machinery	Electrical Installation	Furniture & Fixture	Vehicle	Computer	Office Equipment	Total	Capital Work in Progress (CWIP)
March 31, 2023 Gross carrying amount										
Opening gross carrying amount as at April 1, 2022	4,673.61	13,952.38	44,095.53	237.99	456.36	437.59	168.55	174.82	64,196.83	11,160.73
Addition during the year	2,874.15	758.40	3,564.16	14.53	73.13	10.17	27.94	44.04	7,366.51	6,352.28
Assets capitalised during the year from CWIP		399.11	10,025.41						10,424.52	(10,424.52)
Disposals during the year	(1,331.78)	(80.16)	(660.05)	-	-	(7.54)	-	0	(2,079.53)	
Closing gross carrying amount	**6,215.97**	**15,029.72**	**57,025.05**	**252.52**	**529.49**	**440.22**	**196.49**	**218.86**	**79,908.33**	**7,088.49**
Accumulated depreciation										
Opening accumulated depreciation	197.64	1,346.86	8,973.62	76.59	116.51	221.89	141.54	95.92	11,170.58	-
Depreciation charge during the year	51.95	440.85	2,231.75	24.01	44.71	29.71	22.46	27.94	2,873.37	
Disposals during the year	(21.56)	(40.68)	(111.25)	-	-	(7.54)	-	0	(181.03)	
Closing accumulated depreciation	**228.03**	**1,747.03**	**11,094.11**	**100.60**	**161.23**	**244.07**	**164.00**	**123.85**	**13,862.92**	**-**
Net carrying amount year ended March 31, 2023	**5,987.94**	**13,282.69**	**45,930.94**	**151.92**	**368.27**	**196.15**	**32.49**	**95.01**	**66,045.41**	**7,088.49**

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

4 Property, Plant and Equipment (PPE) *(Contd.)*

Footnotes:

(a) Borrowing cost of ₹709.61 Lakhs have been capitalised during the year (March 31, 2022 - ₹377.52 Lakhs).

(b) Title deeds of Immovable Property not held in the name of the Company

Relevant line item in Balance Sheet	Description of item of property	Gross Carrying Value		Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
		As at 31st March, 2023	As at 31st March, 2022				
Land	Land Plot No. 228 to 233 & 235 to 239, Vatva, Ahmedabad, Gujarat.	16.84	16.84	Dispo Dyechem Private Limited	No	October 2018	Property was acquired through amalgamation/merger, the name change in the name of the Company is pending.
Land	Land (Sayakha) Plot No. DP/90/21	320.50	320.50	Amarjyot Chemical Limited	No	October 2018	Property was acquired through amalgamation/merger, the name change in the name of the Company is pending.
Land	Plot No C-1 + 2/B, GIDC Estate, DAHEJ, Tal. Vagra, Dist. Bharuch, Gujarat.	300.00	300.00	Aarti Industries Limited	No	August 2019	Property in the name of Aarti industries limited
Land	Land - Plot No. A1/322-11, Vapi Industrial Area.	57.44	57.44	Amarjyot Chemical Limited	No	October 2018	Property was acquired through amalgamation/merger, the name change in the name of the Company is pending.

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

(c) Capital Work-In-Progress (CWIP) Ageing Schedule

As at 31st March 2023

	< 1 Year	1- 2 Years	2- 3 Years	> 3 Years	Total
Projects in progress	2,433.70	1,244.88	3,409.91	-	7,088.49
Projects temporarily suspended	-	-	-	-	-
Total	**2,433.70**	**1,244.88**	**3,409.91**	**-**	**7,088.49**

As at 31st March 2022

	< 1 Year	1- 2 Years	2- 3 Years	> 3 Years	Total
Projects in progress	7,635.73	3,503.75	21.24	-	11,160.72
Projects temporarily suspended	-	-	-	-	-
Total	**7,635.73**	**3,503.75**	**21.24**	**-**	**11,160.72**

(d) There are no material projects whose completion is overdue as compared to its original plan as at 31st March 2023.

(e) There were no material projects which have exceeded their original plan cost as at 31st March, 2023.

5 Right-of-Use Asset-

(₹ in Lakhs)

Particulars	Right-of-Use Asset Building
Year ended March 31, 2022 Gross carrying amount	
As at 1st April, 2021	139.57
Addition during the year	67.31
Disposals during the year	-
Closing gross carrying amount	**206.88**
Accumulated depreciation	
Opening accumulated depreciation	74.65
Depreciation charge during the year	48.20
Disposals during the year	-
Closing accumulated depreciation	**122.85**
Net carrying amount as at 31st March 2022	**84.02**
Year ended March 31, 2023 Gross carrying amount	-
As at 1st April, 2022	206.88
Addition during the year	81.43
Disposals during the year	-
Closing gross carrying amount	**288.31**
Accumulated depreciation	
Opening accumulated depreciation	122.85
Depreciation charge during the year	41.15
Disposals during the year	-
Closing accumulated depreciation	**164.00**
Net carrying amount as at March 31, 2023	**124.31**

6 Intangible Assets

(₹ in Lakhs)

Particulars	Computer Software	Total
Year ended March 31, 2022 Gross carrying amount		
As at April 1, 2021	4.12	4.12
Addition during the year	-	-
Disposals during the year	-	-
Closing gross carrying amount	**4.12**	**4.12**
Accumulated depreciation		
As at April 1, 2021	2.64	2.64
Amortisation charge for the year	1.31	1.31
Disposals		-
Closing accumulated depreciation	**3.95**	**3.95**
Net carrying amount as at March 31, 2022	**0.18**	**0.18**
Year ended March 31, 2023 Gross carrying amount		
As at April 1, 2022	4.12	4.12
Addition	25.54	25.54
Disposals		-
Closing gross carrying amount	**29.66**	**29.66**
Accumulated depreciation		
As at April 1, 2022	3.95	3.95
Amortisation charge for the year	4.41	4.41
Disposals		-
Closing accumulated depreciation	**8.34**	**8.34**
Net carrying amount as at March 31, 2023	**21.32**	**21.32**

7 Investments

7A Investments (non-current)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Quoted Investments - FVTOCI		
Quoted Investments		
- Investments in Equity Shares	176.13	286.99
- Investments in Preference Shares	38.83	-
Unquoted Investments		
- Investments in Equity Shares	151.80	-
- Investments in Preference Shares	-	37.50
	366.76	**324.49**
Other Investments - Amortised Cost		
Unquoted Investments		
- Share in Co-operative Society	0.05	0.05
	0.05	**0.05**
Total	**366.81**	**324.54**

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

7 Investments *(Contd.)*

	March 31, 2023		March 31, 2022	
	No of Shares	Amount	No of Shares	Amount
I. Investments carried at fair value through OCI:				
Investments in Equity Shares (Quoted)				
- Aarti Industries Limited (FV ₹5)	30,000	176.13	15,000	286.99
Investments in Preference Shares (Quoted)				
- Aarti Surfactant - 4% redeemable preference shares	20,500	38.83		
		214.96		**286.99**
Investments in Equity Shares (Unquoted)				
- Renew Green (GJ Six) Private Limited (FV ₹10)	15,18,000	151.80	-	-
		151.80		**-**
Investments in Preference Shares (Unquoted)				
- Aarti Surfactant - 4% redeemable preference shares			20,500	37.50
		-		**37.50**
II. Investments carried at amortised cost:				
Unquoted				
- Share in Co-operative Society	50	0.05	50	0.05
		0.05		0.05
Total		**366.81**		**324.54**

Footnotes:

1. Aggregate value of quoted investments and its market value is ₹214.96 lakhs (PY 286.99 lakhs)
2. Aggregate value of unquoted investments is ₹151.85 lakhs (PY 37.55 lakhs).

7B Investments (current)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Quoted Investments		
- Investments in Equity Shares	20.23	13.82
- Investments in Mutual Funds	3,731.86	442.67
Total	**3,752.09**	**456.49**

(₹ in Lakhs)

Particulars	No of Shares/ Units of Mutual Funds	March 31, 2023	No of Shares/ Units of Mutual Funds	March 31, 2022
Investments - in Equity Shares (Quoted)				
Other Companies - measured at FVOCI				
Elantas Beck India (FV ₹10)	400	20.15	400	13.76
Orchid Pharma Limited (FV ₹10)	22	0.08	22	0.06
Bank Bee (FV ₹10)			10,000	40.21
Investments - in Mutual fund (Quoted)				
Mutual Fund - measured at FVTPL				
- Axis Mutual Fund	18,402	330.00	18,402	402.47
- Kotak Liquid Fund Regular Growth Fund	35,441	1,659.46	-	-
- SBI Liquid Fund Regular Growth Fund	48,236	1,742.40	-	-
Total	**1,02,501.03**	**3,752.09**	**28,824.15**	**456.49**

8 Other Financial Assets

8A Non-current (at amortised cost)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Security Deposits		
Unsecured, Considered Good	675.35	580.40
Total	**675.35**	**580.40**

8B Current (at amortised cost)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Unsecured, Considered Good		
- Security Deposits	-	27.71
- Interest Receivable	10.77	6.75
- Insurance Receivable	352.92	72.23
Total Other Financial Assets (current)	**363.69**	**106.69**

9 Other Assets

9A Non-current

(Unsecured, unless otherwise stated)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Capital Advances	1,662.85	113.71
Total Other Assets (non-current)	**1,662.85**	**113.71**

9B Current

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Other Current Assets		
Balance with Statutory / Government Authorities	1,802.58	1,389.57
Advances to Suppliers	1,188.92	1,423.18
Prepaid Expenses	-	126.51
Export Benefits Receivable	92.21	55.27
Total Other Assets (current)	**3,083.71**	**2,994.53**

10 Inventories

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Raw Material	6,441.18	5,619.56
Fuel	134.06	137.21
Stores & Spares	473.72	492.59
Packing Materials	50.54	90.19
Work-in-Progress	1,047.03	1,374.32
Finished Goods	4,475.66	3,649.85
Total	**12,622.18**	**11,363.72**

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

10 Inventories (at lower of cost and net realisable value) *(Contd.)*

Inventories

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Included above, goods-in-transit:		
Raw Material	739.48	231.57
	739.48	**231.57**

11 Trade Receivables (current) (at amortised cost)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Trade Receivables	25,674.40	32,329.09
Less - Impairment Allowance	(244.54)	(235.42)
Trade Receivables (Net)	**25,429.87**	**32,093.68**
Break up of Security Details		
(i) Unsecured, Considered good	25,429.87	32,093.68
(ii) Unsecured, Credit impaired	244.54	235.42
	25,674.40	**32,329.09**
Less - Impairment Allowance	(244.54)	(235.42)
	25,429.87	**32,093.68**

(a) Due to the short nature of credit period given to customers, there is no financing component in the contract.

(b) The Group applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables. The Company follows the simplified approach for recognition of impairment allowance on trade receivables. The application of the simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) recognised during the period is recognised in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

(c) Trade receivables (current) ageing :

As at 31 March, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	TOTAL
(i) Undisputed Trade Receivables - considered good	23,485.23	669.58	1,051.65	167.66	1.03	27.42	25,402.56
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	119.89	119.89
	23,485.23	**669.58**	**1,051.65**	**167.66**	**1.03**	**147.31**	**25,522.46**
Unbilled Trade Receivables							151.95
Less: Impairment Allowance							(244.54)
Total Trade Receivables							**25,429.87**

As at 31 March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	TOTAL
(i) Undisputed Trade Receivables - considered good	29,452.14	2,196.69	204.93	6.31	0.12	105.36	31,965.55
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	119.89	119.89
	29,452.14	**2,196.69**	**204.93**	**6.31**	**0.12**	**225.26**	**32,085.45**
Unbilled Trade Receivables							243.65
Less: Impairment Allowance							(235.42)
Total Trade Receivables							**32,093.68**

(d) Movement in expected credit loss allowance of trade receivables

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	235.41	214.41
Allowances / (write back) during the year	24.41	21.00
Written off against past provision	(15.29)	-
Balance at the end of the year	**244.53**	**235.41**

12 Current Financial Assets - Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Cash & Cash Equivalents		
Cash on hand	10.74	16.02
Balances with Banks	764.34	2,488.66
Total	**775.08**	**2,504.68**

13 Other Balances with Banks

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Fixed Deposits	39.95	2,033.55
Total	**39.95**	**2,033.55**

14 Loans (current) (at amortised cost)

Particulars	March 31, 2023	March 31, 2022
Unsecured, Considered Good		
Loan to Employees	78.38	46.59
Total Loans (current)	**78.38**	**46.59**

15 Current Tax Assets (Net)

Particulars	March 31, 2023	March 31, 2022
Advance Tax and Tax Deducted at Source (Net of Provision)	959.51	1,092.75
Total	**959.51**	**1,092.75**

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

16 Equity Share Capital

A. Authorised Share Capital

Particulars	March 31, 2023	March 31, 2022
Authorized:		
3,71,00,000 Equity Shares of ₹10/- each (March 31, 2022 - 3,71,00,000)	3,710.00	3,710.00
5,00,000 Redeemable Preference Shares of 10 each.(March 31, 2022 - 5,00,000)	50.00	50.00
20,00,000 Optionally Convertible Preference Shares of ₹10 each (March 31, 2022 - 20,00,000) 31.3.23 31.3.22	200	200
40,000 Redeemable Non-Cumulative Preference Shares of ₹100 each (March 31, 2022 - 40,000)	40.00	40.00
Total	**4,000.00**	**4,000.00**

B. Issued, Subscribed & Paid Up:

Particulars	March 31, 2023	March 31, 2022
Equity Share Capital	**2,715.35**	**2,715.35**
Add: Conversion of Optionally Convertible Preference Shares	-	-
Add: Issue of Bonus Shares	-	-
Closing Balance of Equity Share Capital at the year end (A)	**2,715.35**	**2,715.35**
Optionally Convertible Preference Shares	**40.56**	**40.56**
Less : Converted to Equity Shares during the year	-	-
Closing Balance of Optionally Convertible Preference Shares at the year end (B)	**40.56**	**40.56**
Total (A+B)	**2,755.90**	**2,755.90**

Rights, preferences and restrictions attached to equity shares

Ordinary Equity Shares

The Company has only one class of Shares referred to as Equity Shares having par value of ` 10. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Optionally Convertible Preference Shares (OCPS)

Convertible at the option of the holder within 18 months from the date of receipt of trading approval from BSE Limited.

Equity Shares issued and allotted, pursuant to Conversion will be listed on the Stock Exchange.

The Equity shares issued and allotted, upon conversion shall rank pari passu in all respects including dividend with the existing Equity shares of the Company.

Pursuant to the scheme of arrangement with Amarjyot Chemical Limited, OCPS was supposed to be converted into equity shares or into Redeemable Preference Shares (RPS) before February 2022. However, on obtaining consent from OCPS shareholders for conversion into equity shares, the Company filed a Settlement Application with SEBI on December 19, 2022. Pending Settlement Application with SEBI, the Board of Directors has approved extension in timeline until Company gets directives from SEBI for such conversion in its meeting held on January 31, 2023. Under these circumstances, the Company has continued to disclose 4,05,561 OCPS under equity at par value as on 31 March 2023

16 Equity Share Capital *(Contd.)*

C. Reconciliation of Equity Shares Outstanding

(a) Reconciliation of number of ordinary equity shares outstanding

Ordinary Equity Shares Outstanding	March 31, 2023		March 31, 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,71,53,488	2,715.35	1,21,49,218	1,214.92
Add: Conversion of Optionally Convertible Preference Shares	-	-	14,27,526	142.75
Add: Issue of Bonus shares (1:1)	-	-	1,35,76,744	1,357.67
Shares outstanding at the end of the year	**2,71,53,488**	**2,715.35**	**2,71,53,488**	**2,715.35**

(b) Reconciliation of number of optionally convertible preference shares outstanding (Instruments entirely equity in nature)

Optionally Convertible Preference Shares Outstanding	March 31, 2023		March 31, 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	4,05,561.00	40.56	18,33,087	183.31
Less: Conversion in to ordinary Equity Shares during the year	-	-	(14,27,526)	(142.75)
Shares outstanding at the end of the year	**4,05,561**	**40.56**	**4,05,561**	**40.56**

D. Details of Shares held by each shareholder holding more than 5% shares

(a) Ordinary Equity Shares

	March 31, 2023		March 31, 2022	
	Number	% of Holding	Number	Amount
Jaya Chandrakant Gogri	23,09,644	8.51	23,09,644	8.51
Arti Rajendra Gogri	19,77,814	7.28	19,77,814	7.28
Manisha Rashesh Gogri	15,89,114	5.85	15,89,114	5.85
Nikhil Parimal Desai	24,55,869	9.04	24,55,869	9.04

(b) Optionally convertible preference shares outstanding (Instruments entirely equity in nature)

	March 31, 2023		March 31, 2022	
	Number	% of Holding	Number	Amount
Bhavesh B.Mehta	23,814	5.87	23,814	5.87
Dilesh Roadline Pvt. Ltd	1,82,404	44.98	1,82,404	44.98
Nikhil Parimal Desai	55,742	13.74	55,742	13.74

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

16 Equity Share Capital *(Contd.)*

E. Details of Shares held by each Promoters and Promoter Group

(a) Ordinary Equity Shares

	March 31, 2023		March 31, 2022		% change during the year
	Number	% of Holding	Number	% of Holding	
Chandrakant Vallabhaji Gogri	82,954	0.31	82,954	0.31	-
Jaya Chandrakant Gogri	23,09,644	8.51	23,09,644	8.51	-
Arti Rajendra Gogri	19,77,814	7.28	19,77,814	7.28	-
Manisha Rashesh Gogri	15,89,114	5.85	15,89,114	5.85	-
Mirik Rajendra Gogri	6,69,334	2.47	6,69,334	2.47	-
Vicky Hemchand Gala	4,76,016	1.75	5,73,860	2.11	(0.36)
Arvind Kanji Chheda	4,33,476	1.60	4,33,476	1.60	-
Hiral Arvind Chheda	4,05,100	1.49	4,05,100	1.49	-
Hetal Gogri Gala	2,50,000	0.92	2,50,000	0.92	-
Hemchand Lalji Gala	1,17,079	0.43	1,27,079	0.47	(0.04)
Dhanvanti Hemchand Gala	50,858	0.19	1,00,100	0.37	(0.18)
Dilesh Roadlines Private Limited	4,33,722	1.60	4,33,722	1.60	-
Aarti Corporate Services Limited	99,412	0.37	99,412	0.37	-
Alchemie Financial Services Limited	54,396	0.20	54,396	0.20	-
Alchemie Finserv Private Limited	34,568	0.13	34,568	0.13	-
Aakansha Pharmachem LLP	5,080	0.02	5,080	0.02	-
Drl Cargo Carriers Private Limited	1,952	0.01	1,952	0.01	-
Tulip Family Trust	6,12,000	2.25	6,12,000	2.25	-
Ujjwal Business Trust	6,00,000	2.21	6,00,000	2.21	-
Paridhi Business Trust	1,29,924	0.48	1,29,924	0.48	-
Pooja Renil Gogri	57,334	0.21	57,334	0.21	-
Indira Madan Dedhia	36,000	0.13	40,500	0.15	(0.02)
Vijayanka Chhotalal Shah	1,000	0.00	1,000	0.00	-
Devang Shah	750	0.00	750	0.00	-
Rashesh Chandrakant Gogri	600	0.00	600	0.00	-
Heena Jatin Chheda		-	540	0.00	(0.00)
Neelam Hemang Shah	335	0.00	335	0.00	-
Forum Devang Shah	250	0.00	250	0.00	-
Hemang Chhotalal Shah	205	0.00	205	0.00	-
Pooja Hitendra Gala		-	75	0.00	(0.00)
Kirti L Gangar	20	0.00	20	0.00	-
Damayanti Laxmichand Shah	4	0.00	4	0.00	-
Nehal K Gangar	1	0.00	1	0.00	-
Total	**1,04,28,942**	**38.41**	**1,05,91,143**	**39.00**	**(0.59)**

16 Equity Share Capital *(Contd.)*

(b) Optionally Convertible Preference Shares (Instruments entirely equity in nature)

	March 31, 2023		March 31, 2022		% change during the year
	Number	% of Holding	Number	% of Holding	
Alchemie Finserv Pvt. Ltd.	909	0.22	909	0.22	-
Alchemie Financial Service Limited	1,430	0.35	1,430	0.35	-
Aarti Corporate Services Limited	2,614	0.64	2,614	0.64	-
Aakansha Pharmachem LLP	134	0.03	134	0.03	-
Dilesh Roadlines Pvt. Ltd.	1,82,404	44.98	1,82,404	44.98	-
DRL Cargo Carrier Pvt. Ltd.	14,868	3.67	14,868	3.67	-
Total	**2,02,359**	**49.90**	**2,02,359**	**49.90**	**-**

F. Distribution Made and Proposed

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Cash Dividends on Equity Shares declared and/or paid:		
Final Dividend for the year ended March 31, 20222: ₹3.50 per share	950.37	-
Interim Dividend for the year ended March 31, 2023: ₹1 (March 31, 2022 - NIL)	271.53	-
	1,221.91	**-**
Proposed Dividend on Equity Shares:		
Dividend for the year ended March 31, 2023: ₹: Nil (March 31, 2022: ₹3.50 per share)	-	950.37
	-	**950.37**

Footnote: 1- The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is in place and available on the website of the Company https://www.valiantorganics.com/investors.php?action=showSubcat&id=3.

2- The Board of Directors of the Holding Company and subsidiary companies has not proposed any final dividend for the FY 2022-23.

17 Other Equity

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
a. Capital Reserve	7,846.30	7,846.30
b. Capital Redemption Reserve	38.40	38.40
c. General Reserve	3,910.88	3,910.88
d. Retained Earning	54,041.23	46,468.32
e. Equity instruments through Other Comprehensive Income	258.93	295.14
f. Employee Stock Option Plan	66.06	-
Total Other Equity	**66,161.81**	**58,559.05**

Nature and Purpose of Reserves

Capital Reserve

During amalgamation/merger/acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

Capital Redemption Reserve

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

17 Other Equity *(Contd.)*

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Retained Earning

Retained earning are the profits that the Company has earned till date, less any transfers to general reserve, any transfers from or to other comprehensive income, dividends or other distributions paid to shareholders.

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

Employee Stock Option Plan

The share options outstanding account is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium, upon exercise of stock options, and transferred to general reserve on account of stock options not exercised by employees.

MOVEMENT IN OTHER EQUITY DURING THE YEAR

a. Capital Reserve

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	7,846.30	7,846.30
Movement during the year	-	-
Closing Balance	**7,846.30**	**7,846.30**

b. Capital Redemption Reserve

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	38.40	-
Add- Transfer from Retained Earning	-	38.40
Closing Balance	**38.40**	**38.40**

c. General Reserve

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	3,910.88	3,910.88
Add : Transfer from Retained Earning	-	-
Closing Balance	**3,910.88**	**3,910.88**

d. Retained Earning

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Retained Earning		
Opening Balance (Surplus in Profit & Loss)	**46,468.32**	**35,500.48**
Add: Net Profit for the year	8,812.14	11,328.38
Less: Remeasurement (Loss) on defined benefit plan (net off tax)	(17.32)	(22.05)
Less: Transfer from Retained Earning to Capital Redemption Reserve		(38.40)
Amount available for appropriation	**55,263.14**	**46,768.41**

17 Other Equity *(Contd.)*

Particulars	March 31, 2023	March 31, 2022
Appropriation:		
Interim Dividend	(1,221.91)	-
Stamp Duty paid on Equity share	-	(300.09)
Closing Balance	**54,041.23**	**46,468.32**

Retained Earnings include Remeasurement Loss (net of tax) on Defined Benefit Plans to the extent of ₹37.50 Lakhs (PY ₹54.82 Lakhs).

e. Equity instruments through Other Comprehensive Income

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	295.14	213.52
Add: Fair value changes of various Financial intruments (net off tax)	(36.21)	81.63
Less : Transfer to retained earnings on disposal of FVOCI equity instruments	-	-
Closing Balance	**258.93**	**295.14**

f. Employee Stock Option Plan

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	-	-
Add: ESOPs Recognised during the year	66.06	-
Closing Balance	**66.06**	**-**

18 Non - Controlling Interest

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
(a) Dhanvallabh Venture LLP	0.13	0.13
(b) Valiant laboratories limited	5,088.37	3,575.28
	5,088.50	**3,575.41**

19 Non-current borrowings

19A Non-current borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Secured		
Term Loan from Banks		
- Foreign currency loan	1,446.18	3,537.55
- Indian currency loan	4,410.03	5,829.80
	5,856.20	**9,367.35**
(b) Unsecured		
From Others		
- Indian currency loan	1,204.52	1,209.50
	1,204.52	**1,209.50**
Total Borrowings (non-current)	**7,060.72**	**10,576.85**

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

19 Non-current borrowings *(Contd.)*

19B Current

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Repayable on demand from Banks (secured)		
- Cash Credit Facility	122.89	327.70
- Working Capital Demand Loan	11,517.51	17,618.61
	11,640.40	**17,946.32**
(b) Current Maturity of Long Term Debt (secured)		
- Foreign currency loan	2,285.10	2,173.03
- Indian currency loan	2,094.88	1,277.74
	4,379.98	**3,450.77**
(c) Unsecured		
From Others		
- Indian currency loan	4,158.83	4,283.57
	4,158.83	**4,283.57**
Total Borrowings (current)	**20,179.21**	**25,680.66**

Footnotes:

1 As at March 31, 2022, ₹21,876.58 lakhs (March 31, 2022: ₹30,764.44 lakhs) of the total outstanding borrowings were secured by a charge on property, plant and equipment, inventories, receivables and other current assets.

2 The security details of major borrowings as at March 31, 2023 is as below:

(i) Foreign currency term loans as on 31 March 2023, amounting to ₹3,731.28 lakhs (non-current + current) were secured by a charge on immovable & movable properties including movable machinery, spares, tools & accessories, ranking pari passu inter-se. The term loans were drawn in different tranches over the period and were originally payable across 16 equal quarterly instalments starting from May 2020 till February 2025 as mentioned in the table below:

Particulars	Interest Rate	Quarterly Instalment (Principal)	Repayment Start Date	Repayment End Date
(a) Term Loan of USD 5,568,704	L + 160bps	USD 348,044	May 2021	February 2025
(b) Term Loan of USD 1,500,000	L + 200bps	USD 93,750	May 2020	February 2024
(c) Term Loan of USD 1,000,000		USD 62,500	July 2020	February 2024
(d) Term Loan of USD 1,700,000		USD 106,250	December 2020	December 2024
(e) Term Loan of USD 1,700,000		USD 106,250	December 2020	December 2024

(ii) Rupee term loans as on 31 March 2023, amounting to ₹6,504.91 lakhs were secured by a charge on immovable & movable properties including movable machinery, spares, tools & accessories, ranking pari passu inter-se. The term loan was originally payable across 16 equal quarterly instalments starting from January 2022 till September 2026 as mentioned in the table below

Particulars	Interest Rate	Quarterly Instalment (Principal)	Repayment Start Date	Repayment End Date
(a) Term Loan of ₹19,99,97,345/-	Repo + 225bp	₹1,24,99,834/-	September 2022	June 2026
(b) Term Loan of ₹59,97,26,282/-	T-Bill + 185-225bps	₹3,74,82,893/-	January 2022	September 2026

(iii) Working capital facilities from banks as at March 31, 2023 amounting to ₹11640.40 lakhs (March 31, 2022 of ₹17,627.82 lakhs) were secured by a first pari passu charge on the stock of raw materials, finished goods, stock in process, consumable stores and book debts of the Company. These credit facilities carry average interest rates in the range of 5.60% to 9.25% (31 March, 2022: 5.50% to 9.25%).

(iii) The holding company do not have any charges which are yet to be registered with ROC beyond the statutory period. Charges to the extent of ₹4,998 lakhs, satisfaction for which is yet to be registered.

(iv) There are no material differences between the quarterly statements of stock filed by the Holding Company with banks and the books of accounts.

(v) The Holding Company and Subsidiaries have not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(vi) Currency and interest exposure of borrowings including current maturities is as below:

(₹ in lakhs)

	As at 31st March 2023			As at 31st March 2022		
	Fixed Rate	Floating Rate	Total	Fixed Rate	Floating Rate	Total
(a) Indian National Rupee (INR) - Total		23,508.65	23,508.65	-	30,546.92	30,546.92
(b) United States Dollar (USD) - Total		3,731.28	3,731.28	-	5,710.59	5,710.59
	-	**27,239.93**	**27,239.93**	**-**	**36,257.51**	**36,257.51**
(a) Indian National Rupee (INR) - Hedged (interest rate swaps)			-	-		-
(b) United States Dollar (USD) - Hedged (interest rate swaps)		(3,731.28)	(3,731.28)	-	(5,710.59)	(5,710.59)
	-	**(3,731.28)**	**(3,731.28)**	**-**	**(5,710.59)**	**(5,710.59)**
(a) Indian National Rupee (INR) - Unhedged	-	23,508.65	23,508.65	-	30,546.92	30,546.92
(b) United States Dollar (USD) - Unhedged	-	-	-	-	-	-
	-	**23,508.65**	**23,508.65**	**-**	**30,546.92**	**30,546.92**
% of Total Borrowings	0.00%	100.00%	100.00%	0.00%	100%	100.00%

(vii) All the floating rate borrowings are bank borrowings bearing interest rates based on Marginal Cost of Lending Rate (MCLR), Repo rate, T-Bill and LIBOR. Of the total floating rate borrowings as at March 31, 2023, ₹3,731.28 lakhs (March 31, 2022: ₹5,729.01 lakhs) has been hedged using interest rate swaps with contracts covering period of more than one year."

(viii) Maturity profile of borrowings including current maturities is as below

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Not later than one year or on demand	20,179.21	25,699.09
(b) Later than one year but not two years	3,445.49	4,883.51
(c) Later than two years but not three years	1,778.74	2,730.09
(d) Later than three years but not four years	624.66	1,305.48
(e) Later than four years but not five years	1,211.84	1,639.34
	27,239.93	**36,257.51**

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

20 lease Liabilities

20A Lease Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Long term maturities of finance lease obligations	107.81	54.06
Total lease liabilities (non-current)	**107.81**	**54.06**

20B Current

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Long term maturities of finance lease obligations	17.52	31.46
Total lease liabilities (non-current)	**17.52**	**31.46**

Footnotes:

(i) The Group has lease contracts for its office premises and godowns with lease term between 1 year to 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. The Group also has certain leases of office premises and godowns with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

(a) The movement in lease liabilities during the year ended 31 March, 2023 and 31 March, 2022 is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	85.52	71.42
Additions	69.35	64.60
Accretion of interest	10.12	4.14
Payment of lease liabilities	(39.66)	(54.63)
Balance at the end	**125.33**	**85.52**
Non-current	107.81	54.06
Current	17.52	31.46

(b) The following are the amounts recognised in profit or loss:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation on right-of-use assets	41.15	48.20
Interest expense on lease liabilities	10.12	6.00
Expense relating to short-term leases	96.80	47.99
Total amount recognised in statement of profit and loss	**148.08**	**102.19**

(c) Details of carrying amount of right-of-use assets and movement during the period is disclosed under Note 5.

(ii) The maturity analysis of lease liabilities are disclosed in Note 41C (ii) 'Liquidity Risk Management'.

(iii) The effective interest rate for lease liabilities is 9%, with maturity between 2022-2024.

(iv) Expense relating to short-term leases are disclosed under the head Miscellaneous Expenses in other expenses (Refer Note 34).

21 Provisions

21A Non Current Provisions

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision For Employees Benefit		
- Provision for Leave Salary (Refer note no 31)	153.04	105.19
Total Provisions - Non Current	**153.04**	**105.19**

21B Current

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision For Employees Benefits		
- Provision for Gratuity (Refer note no 31)	66.84	27.33
- Provision for Leave Salary (Refer note no 31)	32.95	17.49
- Provision for Bonus	198.15	198.97
Total Provisions (current)	**297.95**	**243.78**

Footnotes:

(i) Current Provision for Gratuity includes advance gratuity paid by step-down subsidiary.

(ii) Detailed disclosure in respect of post-retirement defined benefit schemes is provided in note 31.

22 Deferred Tax Liabilities (net)

A. The major components of deferred tax liabilities / assets on account of temporary differences are as follows:

(₹ in Lakhs)

Particulars	As on dated 1st April 2022	Charge / (Credit) to Statement of Profit and Loss	Charge /(Credit) to Other Comprehensive Income	As on dated March 31, 2023
Deferred tax liabilities, on account of				
On Depreciation and amortisation	2,769.89	708.37		3,478.26
Deferred tax assets, on account of	-			-
Provision for expense allowed for tax purpose on payment basis (Net)	(136.97)	-63.83		(200.80)
Remeasurement of the defined benefit plans through OCI	(11.59)	-3.92	(3.11)	(18.63)
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	40.68	19.21	7.11	66.99
Difference in Right-of-use asset and lease liabilities	(0.96)	-0.36		(1.33)
Deferred tax expense/(benefit) for the year	-	**664.33**	**3.99**	
Total	**2,661.05**			**3,324.50**

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

22 Deferred Tax Liabilities (net) *(Contd.)*

(₹ in Lakhs)

Particulars	As on dated 1st April 2021	Charge / (Credit) to Statement of Profit and Loss	Charge /(Credit) to Other Comprehensive Income	As on dated March 31, 2022
Deferred tax liabilities, on account of				
On Depreciation and amortisation	2,163.23	607.09	-	2,769.89
Deferred tax assets, on account of	-			-
Provision for expense allowed for tax purpose on payment basis (Net)	(147.67)	10.70		(136.97)
Remeasurement of the defined benefit plans through OCI	(11.59)	-	-	(11.59)
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	27.47	-	13.20	40.68
Difference in Right-of-use asset and lease liabilities	(1.29)	0.33		(0.96)
Deferred tax expense/(benefit) for the year	-	617.70	13.20	
Total	**2,030.15**			**2,661.05**

B. Reconciliation of tax expense and accounting profit for the year:

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Profit before tax	**13,718.02**	**17,617.02**
Income tax expense calculated at 25.168%	3,467.68	4,433.85
Tax effect on non-deductible expenses	848.89	873.94
Effect of concessions (depreciation under income tax act)	(1,487.24)	(1,460.10)
Effect of Income which is taxed at special rates	(136.43)	445.83
Effect of Income which is exempted from tax	(60.36)	-
Others	4.54	(7.31)
Total	**2,637.07**	**4,286.21**
Adjustment of tax relating to earlier periods	160.15	(78.60)
Tax expense as per Statement of Profit and Loss	**2,797.22**	**4,207.62**

Deferred tax assets/ liabilities are the amounts of income taxes recoverable/ payable in future periods in respect of taxable temporary differences, respectively.

23 Trade payables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade & Non-Trade Payables		
A) Total Outstanding Dues of Micro enterprises and Small Enterprises; and	1,678.81	86.90
B) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	14,880.88	13,032.59
Total Trade Payables	**16,559.69**	**13,119.50**

23 Trade payables *(Contd.)*

Footnotes:

(i) Trade payables ageing:

As at 31st March, 2023

(₹ in Lakhs)

Particulars	Outstanding for the following periods from due date of payment						
	Unbilled	Not Due	< 1 year	1 Year - 2 Years	2-3 Years	> 3 Years	TOTAL
(i) MSME	-	1,079.96	544.42	54.20	-	0.24	1,678.81
(ii) Others	-	6,041.28	8,707.23	45.17	82.95	4.25	14,880.88
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
	-	**7,121.24**	**9,251.64**	**99.36**	**82.95**	**4.49**	**16,559.69**

As at 31st March, 2022

(₹ in Lakhs)

Particulars	Outstanding for the following periods from due date of payment						
	Unbilled	Not Due	< 1 year	1 Year - 2 Years	2-3 Years	> 3 Years	TOTAL
(i) MSME	-	86.90		-	-	-	86.90
(ii) Others	-	8,716.96	4,219.17	88.03	5.08	3.35	13,032.59
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-		-	-	-	-	-
	-	**8,803.87**	**4,219.17**	**88.03**	**5.08**	**3.35**	**13,119.50**

(ii) Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (as amended)

(₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	(a) Principal amount remaining unpaid to any supplier	1,678.81	86.90
	(b) Interest on (i)(a) above	-	-
(ii)	The amount of interest paid along with the principal payment made to the supplier	-	-
(iii)	Amount of interest due and payable on delayed payments	-	-
(iv)	Amount of further interest remaining due and payable for the earlier years	-	-
(v)	Total outstanding dues of Micro and Small Enterprises	-	-
	- Principal	1,678.81	86.90
	- Interest	-	-

24 Other Current Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Creditors for Capital Goods	1,337.01	1,058.91
(b) Unclaimed Dividends	3.76	3.39
(c) Salaries and Wages Payable	242.03	189.53
(d) Outstanding Expenses	416.06	363.07
Total Other Current Financial Liabilities	**1,998.86**	**1,614.91**

a. There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2023.

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

25 Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Statutory Dues	130.68	140.28
(b) Revenue Received in Advance	86.42	97.18
Total Other Current Liabilities	**217.09**	**237.47**

26 Revenue from operations

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(a) Sale of Manufactured Products	96,923.38	1,07,163.84
(b) Sale of Traded Products	1,506.46	1,878.14
(c) Sale of Services	6,750.64	6,285.13
Total revenue from operations	**1,05,180.48**	**1,15,327.11**

Footnotes:

(a) Disaggregate revenue information

Refer Note 36 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".

(b) In case of Domestic Sales, payment terms range from 60 days to 100 days based on geography and customers. In case of Export Sales these are either against documents at sight, documents against acceptance or letters of credit - 60 days to 90 days. There is no significant financing component in any transaction with the customers.

(c) The Group does not provide performance warranty for products, therefore there is no liability towards performance warranty.

(d) The Group does not have remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

27 Other Income

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(a) Interest Income		
Investments in debt instruments measured at fair value through OCI		
Other financial assets carried at amortised cost	39.38	85.18
	39.38	**85.18**
(b) Dividend Income		
Dividends from quoted equity investments measured at fair value through OCI	0.89	1.08
	0.89	**1.08**
(c) Other Non-operating Income		
Export Benefits	30.07	141.32
Sale of Scrap	217.81	160.02
Miscellaneous Income	267.36	350.69
	515.24	**652.04**
(d) Other Gains and Losses		
Net gain on sale of property, plant and equipment	6.41	3.45
Net gains (Losses) on fair value changes through FVTPL	241.34	-
	247.75	**3.45**
Total other income	**803.26**	**741.75**

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

28 Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(a) Raw Materials Consumed		
Opening Stock (including goods-in-transit)	5,763.93	4,098.49
Add: Purchases	67,743.41	78,422.25
	73,507.34	**82,520.74**
Less: Closing Stock (including goods-in-transit)	6,575.23	5,763.93
	66,932.11	**76,756.81**
(b) Packing Materials Consumed		
Opening Stock	90.19	60.68
Add: Purchases	989.17	1,361.44
	1,079.35	**1,422.12**
Less: Closing Stock	50.54	90.19
	1,028.81	**1,331.94**
Total cost of materials consumed	**67,960.92**	**78,088.75**

29 Purchase of Stock in Trade

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Purchases of stock-in-trade	1,385.22	1,708.65
Total Purchases of Stock-in-Trade	**1,385.22**	**1,708.65**

30 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Stock at the beginning of the year		
Finished Goods (including goods-in-transit)	3,649.85	2,443.01
Work-in-Progress	1,374.32	325.50
Total	**5,024.17**	**2,768.51**
Stock at the end of the year		
Finished Goods (including goods-in-transit)	4,475.66	3,382.10
Work-in-Progress	1,047.03	1,642.07
Total	**5,522.70**	**5,024.17**
(Increase)/decrease in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	**(498.52)**	**(2,255.66)**

31 Employee Benefits Expenses

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(a) Salaries and wages	3,812.73	3,071.63
(b) Contribution to provident and other funds	334.17	296.94
(c) Staff welfare expenses	420.20	347.42
(d) Employee Stock Option Plan	66.06	-
Total employee benefits expenses	**4,633.16**	**3,715.99**

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

31 Employee Benefits Expenses *(Contd.)*

A. Post-employment benefits

(i) Provident Fund (defined contribution plan)

The company has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan are ₹191.20 lakhs (PY ₹162.32 lakhs).

(ii) Retirement Gratuity (defined benefit plans)

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, salary risk and longevity risk.

(i) Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit.

(ii) Interest risk: A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the value of plan's debt investments.

(iii) Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

(iv) Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Details of defined benefit obligations and plan assets (Gratuity)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Change in defined benefit obligations:		
Obligation at the beginning of the year	455.86	376.65
Current service cost	51.98	53.24
Past Service Cost	-	17.26
Interest costs	33.25	26.05
Remeasurement (gain)/loss	41.83	7.16
Benefits paid	(86.75)	(24.49)
Obligation at the end of the year	**496.18**	**455.86**

31 Employee Benefits Expenses *(Contd.)*

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Change in plan assets:		
Fair value of plan assets at the beginning of the year	428.54	204.73
Interest income	31.25	14.13
Return on Plan Assets, Excluding Interest Income	23.13	21.65
Employers' contribution	33.17	210.00
Benefits paid	(86.75)	(21.98)
Fair value of plan assets at the end of the year	**429.35**	**428.54**

Amounts recognised in the balance sheet consist of:

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Present Value of Obligation	496.18	455.86
Fair Value of Plan Assets	(429.35)	(428.54)
	66.83	27.32
Recognised as:		
Provision for Gratuity (non-current)	-	-
Provision for Gratuity (current)	66.84	27.32

Expense/(gain) recognised in the statement of profit and loss consists of:

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Employee benefits expenses:		
Current service cost	51.98	38.66
Past Service Cost	-	17.26
Net interest expense	2.00	11.91
	53.98	**67.83**
Other comprehensive income		
Return on Plan Assets, Excluding Interest Income	(23.13)	(2.17)
Actuarial (Gains)/Losses on Obligation For the Period	41.83	21.74
	18.70	**19.57**
Expense/(gain) recognised in the statement of profit and loss	**72.68**	**87.40**

The major categories of plans assets are as follows:

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Asset category		
Insurance fund	429.35	428.54
Total	**429.35**	**428.54**

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

31 Employee Benefits Expenses *(Contd.)*

Key assumptions used in the measurement of retiring gratuity is as below:

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Financial Assumptions:		
Discount Rate	7.49%	7.31%
Rate of escalation in Salary	7.49%	5.50%
Demographic Assumptions:		
Rate of Employee Turnover	5.50%	3.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Maturity profile of defined benefit obligation

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
1st following year	82.31	93.46
2nd following year	25.89	17.38
3rd following year	32.99	25.18
4th following year	42.58	51.63
5th following year	40.94	31.73
Sum of year 6 To 10	173.46	157.10
Sum of years 11 and above	776.71	629.98

Sensitivity analysis for significant assumptions:

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Defined Benefit Obligation on Current Assumptions	**496.19**	**455.86**
Delta Effect of +1% Change in Rate of Discounting	(37.62)	(32.38)
Delta Effect of -1% Change in Rate of Discounting	44.41	38.13
Delta Effect of +1% Change in Rate of Salary Increase	44.86	38.44
Delta Effect of -1% Change in Rate of Salary Increase	(38.61)	(33.18)
Delta Effect of +1% Change in Rate of Employee Turnover	6.00	4.36
Delta Effect of -1% Change in Rate of Employee Turnover	(7.15)	(5.22)

Footnotes:

(i) The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(ii) The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(iii) Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

31 Employee Benefits Expenses *(Contd.)*

(iv) There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(v) The Company is expected to contribute ₹126.70 lakhs to defined benefit plan obligations funds for the year ended March 31, 2024.

(vi) Expected return on assets is determined by multiplying the opening fair value of the plan assets by the expected rate of return determined at the start of the annual reporting period, taking account of expected contributions & expected settlements during the reporting period.

(vii) The Weighted Average Duration of the Plan works out to 10 years.

(viii) Asset Liability matching strategy:

The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance Company. The insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy. There is no compulsion on the part of the Company to fully prefund the liability of the Plan.

B. Other long-term employee benefits

Annual Leave and Sick Leave

The liability towards compensated absences (annual leave and sick leave) for the year ended 31st March, 2023 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability ₹54.97 lakhs. (FY 2021-22: increased by ₹ 26.65 lakhs).

(a) Financial Assumptions

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Discount Rate	7.49%	7.31%
Salary increases allowing for Price inflation	5.50%	5.50%

(b) Demographic Assumptions

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Employee Turnover	3.00%	3.00%
Leave Availment Ratio	2.00%	2.00%

32 Finance Costs

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Interest expense:		
(a) on borrowings from banks and others	1,069.15	641.93
(b) on lease obligations	10.12	6.00
Total finance costs	**1,079.27**	**647.93**

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

32 Finance Costs

Footnotes:

(a) Finance costs incurred on various projects being qualifying assets is capitalised in accordance with Ind AS 23.

(b) On adoption of Ind AS 116 Leases, the Company has recognised Right-of-use assets and created lease obligation representing present value of future minimum lease payments. Unwinding of such obligation is recognised as interest expense.

33 Depreciation, Amortisation and Impairment Expenses

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(a) Depreciation/Impairment on Property, Plant and Equipment	2,876.45	2,913.69
(b) Depreciation on Right-of-use assets	42.48	48.20
Total depreciation, amortisation and impairment expenses	**2,918.93**	**2,961.89**

34 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Consumption of Store & Spare	858.50	913.26
Consumption of Power & Steam	3,555.06	2,808.90
Freight and handling charges	975.64	972.97
Repairs to Plant & Machinery	2,136.50	1,900.45
Insurance Charges	238.15	229.33
Water & Drainage Charges	205.79	160.47
Environmental health and safety expenses	1,637.64	1,377.71
Boiler Operating charges	438.69	711.29
Labour Charges	1,723.92	1,454.81
Loading & Unloading charges	608.97	487.29
Laboratory charges	74.67	50.22
Legal & Professional Fees	489.70	327.73
Auditor’s Remuneration (footnote (a) below)	16.61	15.01
Foreign Exchange Loss (net)	53.57	92.27
Freight & Forwarding Charges	756.92	884.83
Export Expenses	106.62	81.22
Corporate Social Responsibility (footnote (b) below)	372.91	337.15
Director Sitting Fees	5.95	5.07
Miscellaneous Expenses	1,020.71	774.31
Total	**15,276.52**	**13,584.29**

Footnotes:

(a) Details of payments to Auditors (excluding GST)

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Payment to Auditors		
(a) for Statutory Audit	12.54	11.69
(b for Other Services - Certification	3.32	3.17
(c) for Out of Pocket Exps	0.75	0.14
Total payment to auditors	**16.61**	**15.01**

34 OTHER EXPENSES *(Contd.)*

(b) Corporate Social Responsibility

(₹ in Lakhs)

Particulars		For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(A)	**Gross amount required to be spent by the Company during the year**	362.46	324.95
(B)	**Amount approved by the Board to be spent during the year**		
	Construction / acquisition of any asset	-	-
	On purposes other than above	372.91	337.15
	Total		
(C)	**Amount spent during the year**		
	Construction / acquisition of any asset	-	-
	On purposes other than above	372.91	337.15
	Total		
(D)	**Details of ongoing project and other than ongoing project**		
	(i) In case of Section 135(6) (ongoing project)		
	Opening Balance - With Company	-	-
	- In Separate CSR Unspent A/c	-	-
	Amount required to be spent during the year	-	-
	Amount spent during the year - From Company's bank A/c'	-	-
	- From Separate CSR Unspent A/c	-	-
	Closing Balance - With Company	-	-
	- In Separate CSR Unspent A/c	-	-
	(ii) In case of Section 135(5) (other than ongoing project)		
	Opening Balance	(52.17)	(39.97)
	Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
	Amount required to be spent during the year	362.46	324.95
	Amount spent during the year	372.91	337.15
	Closing balance (Excess spent)	(62.62)	(52.17)
(E)	**Details related to spent / unspent obligations :**		
	(i) Education and skill Development	202.85	123.66
	(ii) Covid-19 Relief	-	92.36
	(iii) Livestock Development	20.00	14.15
	(iv) Medical Grants, Healthcare Facilities	-	37.45
	(v) Rural and socially backward society Development	8.00	0.98
	(vi) Tribal Welfare	20.00	50.00
	(vii) Water Manage ment- Conservation	-	1.72
	(viii) Women Empower ment And Livelihood	-	15.00
	(ix) Green Environment Project	-	0.83
	(ix) Health Care	52.15	1.00
	(x) Disaster Relief	7.00	-
	(xi) General Welfare Activities	62.91	-
	(xii) Unspent amount in relation to:	-	-
	- Ongoing projects	-	-
	- Other than ongoing projects	-	-

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

35 EARNING PER SHARE (EPS):

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Net Profit available for Equity Shareholders	8,812.14	11,328.38
No. of Equity Shares as per financial statement	2,71,53,488	2,71,53,488
Weighted average number of Equity Shares for Basic Earnings Per Share* (nos.) (Previous year numbers include Bonus Shares issued during current year)	2,71,53,488	2,71,53,488
Weighted average number of Equity Shares for Diluted Earnings Per Share** (nos.) (Previous year numbers include Bonus Shares issued during current year)	2,79,73,337	2,79,64,610
Basic Earnings Per Share (in ₹)	32.45	41.72
Diluted Earnings Per Share (in ₹)	31.50	40.51

Footnotes:

(a) Basic EPS is calculated by dividing profit for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

(b) Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Basic EPS (in Nos)		
Existing number of equity shares	2,71,53,488.00	2,71,53,488.00
Total Number of shares after conversion	**2,71,53,488.00**	**2,71,53,488.00**
Diluted Earnings Per Share (in Nos)		
Existing number of equity shares	2,71,53,488.00	2,71,53,488.00
OCPS (Pending for Conversion to equity) **	8,11,122.00	8,11,122.00
ESOP	8,727.27	-
Total Number of share after Bonus issue	**2,79,73,337.27**	**2,79,64,610.00**

* Holders of 14,27,526 Optionally Convertible Preference Share opted to convert their holding into equity shares and accordingly were allotted equity shares on 11.10.2020. The Basic EPS for the year ended 31-03-2023 has been accordingly arrived at by dividing the Profit by the weighted average number of equity shares.

** Pursuant to the scheme of arrangement with Amarjyot Chemical Limited, OCPS was supposed to be converte into equity shares or into Redeemable Preference Shares (RPS) before February 2022. However, on obtaining consent from OCPS shareholders for conversion into equity shares, the Company filed a Settlement Application with SEBI on December 19, 2022. Pending Settlement Application with SEBI, the Board of Directors has approved extension in timeline until Company gets directives from SEBI for such conversion in its meeting held on January 31, 2023. Under these circumstances, the Company has continued to disclose 4,05,561 OCPS under equity at par value as on 31 March 2023. Considering this, for purpose of diluted EPS it is assumed that OCPS shares will be converted into equity shares.

Diluted EPS figures have been calculated after assuming remaining 4,05,561 OCPS being converted into equity shares and eligible to receive Bonus equity shares in the ratio of 1:1.

36 Stock option schemes

i) The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options are vested over a period of 1 years, subject to the discretion of the management and fulfillment of certain conditions.

Options can be exercised any time within a period of 3 year from the date of vesting and would be settled by way of issue of equity shares.

ii) The details of the grants under the aforesaid schemes under various series are summarised below:

Sr No	Particulars	2022-23
1	Grant price - (R)	₹10 Per option
2	Grant dates	04-08-2022
3	Vesting commences on	04-08-2023
4	Options granted and outstanding at the beginning of the year	-
5	Options lapsed	-
6	Options granted	16,000
7	Options exercised	-
8	Options granted and outstanding at the end of the year, of which	16,000
9	Options vested	-
10	Options yet to vest	16,000
11	Weighted average remaining contractual life of options (in years)	0.3452

Expense on Employee Stock Option Schemes debited to the Statement of Profit and Loss during 2022-23 is ₹66.06 Lakhs (previous year: Nil), pursuant to the employee stock option schemes . The entire amount pertains to equity-settled employee share-based payment plans.

The fair value of the options granted during the year has been calculated as per the Black-Scholes Option Pricing Model using the following significant assumptions and inputs:

Sr No	Particulars	2022-23
1	Risk-free interest rate	6.68%
2	Expected life of options	2.5 year
3	Expected volatility	0.4851
4	Expected dividends over the life of the option	0.39%
5	Share price as on grant date	645.25 per share
6	Exercise price	10 per option
7	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Holding Company's share price applicable to the total expected life of each option.

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

37 Contingent Liabilities and Commitments (to the extent not provided for)

(a) Contingent Liabilities

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Claims against the Company not acknowledged as debts		
(i) GST matters	111.98	131.33
(ii) Income tax matters	2,875.37	2,551.94
(iii) Labour laws related matters (ESIC)	-	3.46
(iv) Stamp Duty	199.87	199.87
(v) Bank Guarantees issued against the notices received from Statutory Authorities.	12.02	3.50
Total	**3,199.25**	**2,890.11**

(b) Commitments

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,597.77	1,373.19
Total	**1,597.77**	**1,373.19**

38 Segment Information

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the Chief Operating Decision Makers (CODM). The board responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. Chemicals.

(a) Revenue from Type of Product and Services

There is only one operating segment of the Company which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

(b) Geographical Information

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Segment Revenue - External Turnover		
Within India (include Deemed Export)	98,627.13	1,09,813.19
Outside India	6,553.35	5,513.93
Total	**1,05,180.48**	**1,15,327.11**
Non-Current Assets*		
Within India	75,776.00	65,617.65
Outside India	-	-
Total	**75,776.00**	**65,617.65**

* includes property plant and equipment, intangible assets, capital work-in-progress and other non-financial non-current assets.

(c) Information about major customers

Ind As 108 Segment Reporting Requires Disclosure of its major customers if revenue from transactions with single external customer amounts to 10 per cent or more of Group's total revenue. Group's total Revenue of ₹105,180.48 Lakhs (FY 2021-22: ₹115,327.11 Lakhs) include sales of ₹12,929.69 Lakhs (FY 2021-22: ₹14,227.50. Lakhs) to one large customer with whom the company is having long standing Relationship.

39 Related Party Transactions

Related Party Transactions (details of related parties and RPT of subsidiaries shall also be disclosed).

(a) Key Managerial Personnel:

Name	Designation
Mr. Arvind K. Chheda	Managing Director
Mr. Vishnu J. Sawant	Whole Time Director
Mr. Mahek M. Chheda	Whole Time Director & Chief Financial Officer
Mr. Mahesh M. Savadia	Whole Time Director (upto April 30, 2022)
Mr. Dinesh S. Shah	Whole Time Director (upto May 30, 2022)
Mr. Bijal D. Modi	Whole Time Director (upto April 10, 2022)
Mr. Nemin M. Savadia	Whole Time Director (w.e.f. May 01, 2022)
Mr. Siddharth D. Shah	Whole Time Director (w.e.f. June 01, 2022)
Mr. Sathiababu Krishnan Kallada	Non-Executive Director (upto April 30, 2022) & Whole Time Director (w.e.f. May 01, 2022)
Mr. Kirit H. Desai	Non-Executive Director
Mr Santosh Shantilal Vora	Non- Executive Director (w.e.f. May 01, 2022)
Mr Navin Chapshi Shah	Independent Director (w.e.f. August 04, 2022)
Mr. Velji K. Gogri	Independent Director
Mr. Mulesh M. Savla	Independent Director
Mr. Dhirajlal D. Gala	Independent Director (upto June 30, 2022)
Mrs. Jeenal K. Savla	Independent Director (upto June 30, 2022)
Mrs. Sonal Vira	Independent Director (w.e.f. August 04, 2022)
Ms. Avani Lakhani	Company Secretary

(b) Close family members of Key Managerial Personnel who are under the employment of the Company:

(i) Mr. Pankaj S. Shah (upto May 30, 2022)

(ii) Mr. Siddharth D. Shah (upto May 30, 2022)

(iii) Mr. Shevantilal P. Shah (upto May 30, 2022)

(iv) Mr. Nemin M. Savadia (upto April 30, 2022)

(v) Mr. Mahesh M. Savadia (w.e.f. May 01, 2022)

(vi) Mr. Dinesh S. Shah (w.e.f. June 01,2022)

(c) Other entities/persons where significant influence exist:

(i) Post employment-benefit plan entity:

- Abhilasha Tex Chem P. Ltd. Gratuity Trust
- Valiant Organics Limited Gratuity Trust
- Amarjyot Chemicals P. Limited Gratuity Trust
- The Trust Valiant Laboratories Limited

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

39 Related Party Transactions *(Contd.)*

(ii) Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promotors/ Group of Promotoers

- Aarti Industries Limited
- Aarti Pharmalabs Limited
- Aarti Drugs Limited
- Alchemie Speciality Chemicals Pvt. Ltd
- Ganesh Polychem Limited
- Dilesh Logistics India Private Limited
- Shanti Intermediates Pvt. Ltd.
- Dinesh Dyestuff Industries
- Ganesh Polychem Limited
- Mr Hemchand Gala

Compensation of key management personnel of the Company:

(₹ in Lakhs)

Particulars		March 31, 2023	March 31, 2022
(i)	Short-term employee benefits	205.98	207.90
(ii)	Post-employment benefits	29.07	-
(ii)	Director Sitting fees	4.25	4.95
Total compensation paid to key management personnel		**239.29**	**212.85**

Details of transactions with and balances outstanding of Key Managerial Personnel (KMP) / Close Family Member of Key Managerial Personnel:

Name of related party	Nature of transaction	March 31, 2023		March 31, 2022	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Mr. Arvind K. Chheda	Remuneration	32.50	-	29.70	2.50
	Commission on Profit	47.45	30.45	68.46	33.46
Mr. Vishnu J. Sawant	Remuneration	22.00	-	20.40	1.53
Mr. Mahek M. Chheda	Remuneration	22.00	-	19.80	1.00
Mr. Mahesh M. Savadia	Remuneration	11.50	-	14.73	0.74
Mr. Dinesh S. Shah	Remuneration	8.47	-	13.38	0.43
Mr. Bijal D. Modi	Remuneration	18.55	-	27.50	1.38
Mr. Sathiababu Krishnan Kallada	Remuneration	27.50	-	-	-

39 Related Party Transactions *(Contd.)*

Name of related party	Nature of transaction	March 31, 2023		March 31, 2022	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Mr. Sathiababu Krishnan Kallada	Director Sitting fees	0.10	-	0.40	-
Mr. D S Galpalli	Director Sitting fees	-	-	0.20	-
Mr. Velji K. Gogri	Director Sitting fees	1.00	-	1.15	-
Mr. Mulesh M. Savla	Director Sitting fees	0.90	-	1.05	-
Mr. Dhirajlal D. Gala	Director Sitting fees	0.25	-	0.85	-
Mrs. Jeenal K. Savla	Director Sitting fees	0.30	-	1.00	-
Mrs. Sonal Vira	Director Sitting fees	0.20	-	-	-
Mr. Kirit H. Desai	Director Sitting fees	0.50	-	0.30	-
Mr Santosh Shantilal Vora	Director Sitting fees	0.45	-	-	-
Mr Navin Chapshi Shah	Director Sitting fees	0.55	-	-	-
Mr. Piyush Lakhani	Remuneration	-	-	6.00	-
Mrs. Vyoma Vyas	Remuneration	-	-	3.56	-
Ms. Avani Lakhani	Remuneration	12.00	-	4.38	-
Mr. Siddharth D. Shah	Remuneration	20.23	-	16.13	0.43
Mr. Nemin M. Savadia	Remuneration	12.84	-	6.23	0.30
Mr. Mahesh M. Savadia	Professional Fees	13.50	1.10	-	-
Mr. Dinesh S. Shah	Professional Fees	12.50	-	-	-
Mr. Pankaj S. Shah	Remuneration	1.25	-	14.88	0.43

Details of transactions With holding company and balances outstanding of Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promotors/ Group of Promotoers.

Name of related party	Nature of transaction	March 31, 2023		March 31, 2022	
		Transaction value	Balance as on 31.03.2023	Transaction value	Balance as on 31.03.2022
Abhilasha Tex Chem P. Ltd. Gratuity Trust	Contribution to the Gratuity Funds	-	61.18	-	53.05
Valiant Organics Limited Gratuity Trust	Contribution to the Gratuity Funds	25.17	226.38	210.00	236.65
Amarjyot Chemicals P. Limited Gratuity Trust	Contribution to the Gratuity Funds	6.08	55.36	-	46.83
Shanti Intermediates Pvt. Ltd.	Revenue from Sale of Products	590.76	20.16	643.15	70.46
Dinesh Dyestuff Industries	Rent Paid	8.48	-	6.53	-
Alchemie Speciality Chemicals Pvt. Ltd.	Purchase of Goods	100.08	-	1,362.57	-

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

39 Related Party Transactions *(Contd.)*

Name of related party	Nature of transaction	March 31, 2023		March 31, 2022	
		Transaction value	Balance as on 31.03.2023	Transaction value	Balance as on 31.03.2022
Alchemie Speciality Chemicals Pvt. Ltd.	Rent Received	14.16	-	12.00	-
Alchemie Speciality Chemicals Pvt. Ltd.	Revenue from Sale of Products	3,076.28	2,687.67	4,646.54	2,140.33
Aarti Industries Limited	Revenue from Sale of Products	15,390.43	-	14,227.50	
Aarti Industries Limited	Purchase of Goods	37,097.60	9,316.24	40,148.33	8,139.77
Aarti Drugs Limited	Revenue from Sale of Products	1,647.17	269.13	1,722.50	303.66
Aarti Drugs Limited	Purchase of Goods	195.04	-	290.24	
Aarti Pharmalabs Limited	Revenue from Sale of Products	453.30	-	-	-
Aarti Pharmalabs Limited	Purchase of Goods	971.60	686.10	-	-
Ganesh Polychem Limited	Purchase of Goods	1,475.21	65.99	1,432.14	127.48
Ganesh Polychem Limited	Revenue from Sale of Products	29.50	-	92.33	-
Dilesh Logistics India Private Limited	Purchase of Goods	220.69	20.86	213.11	15.84
Mr Hemchand Gala	Gratuity Payment	44.56	-	-	-
The Trust Valiant Laboratories Limited	Contribution to the Gratuity Funds	1.92	86.43	19.48	92.01

Details of transactions with subsidiary companies and balances outstanding of Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promotors/ Group of Promotoers.

Name of related party	Nature of transaction	March 31, 2023		March 31, 2022	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Aarti Industries Limited	Rent Received	106.20	-	212.40	
	Sale of Goods	24.39	-	53.10	
	Purchase of Goods	42.03	-	259.40	15.90
	Deposit	-	-		96.10
	Others - Reimbursement	36.74	-	272.50	
Aarti Pharma Lab Limited	Rent Received	106.20	65.18	-	-
	Sale of Goods	-	-	-	-
	Purchase of Goods	213.97			
	Deposit	-	96.10		
	Others - Reimbursement	19.20		-	-

Notes to the Financial Statements for the year ended 31st March 2023

40 Financial Instruments - Accounting Classification and Fair values

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Category-wise classification for applicable financial assets:

(Amount in Lakhs)

	Current/ Non-Current	As at 31st March'2023				As at 31st March'2022			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets									
Financial assets measured at cost									
Investment in Subsidiaries	Non-Current	-	N.A	N.A	N.A	-	N.A	N.A	N.A
Financial assets measured at amortised cost									
Loans to others	Non-Current		N.A	N.A	N.A		N.A	N.A	N.A
Security Deposits	Non-Current	675.35	N.A	N.A	N.A	580.40	N.A	N.A	N.A
Trade Receivables	Current	25,429.87	N.A	N.A	N.A	32,093.68	N.A	N.A	N.A
Cash on hand	Current	10.74	N.A	N.A	N.A	16.02	N.A	N.A	N.A
Balance with Banks	Current	764.34	N.A	N.A	N.A	2,488.66	N.A	N.A	N.A
Other Fixed Deposits	Current	39.95	N.A	N.A	N.A	2,033.55	N.A	N.A	N.A
Security Deposits	Current	-	N.A	N.A	N.A	27.71	N.A	N.A	N.A
Loans to employees	Current	78.38	N.A	N.A	N.A	46.59	N.A	N.A	N.A
Interest Receivable	Current	10.77	N.A	N.A	N.A	6.75	N.A	N.A	N.A
Other Receivables	Current	352.92	N.A	N.A	N.A	72.23	N.A	N.A	N.A
		27,362.31				**37,365.60**	**-**	**-**	**-**
Financial assets measured at fair value through profit or loss (FVTPL)									
Investment in Mutual Funds (Quoted)	Current	3,731.86	3,731.86	-	-	402.47	402.47	-	-
Financial assets measured at fair value through other comprehensive income (FVTOCI)									
Investments in Equity Shares and Preference Shares	Non-Current	366.76	176.13	151.80	38.83	324.49	286.99		37.50
Investments in Equity Shares	Current	20.23	20.23			54.03	54.03		
		386.99	**196.36**	**151.80**	**38.83**	**378.52**	**341.02**	**-**	**37.50**
Total Financial Assets		**31,481.16**	**3,928.22**	**151.80**	**38.83**	**38,146.58**	**743.49**	**-**	**37.50**
Financial Liabilities									
Financial liabilities measured at amortised cost									

40 Financial Instruments - Accounting Classification and Fair values *(Contd.)*

(Amount in Lakhs)

	Current/ Non-Current	As at 31st March'2023				As at 31st March'2022			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Long term borrowings - Term Loans from Banks	Non-Current	5,856.20	N.A	N.A	N.A	9,367.35	N.A	N.A	N.A
Unsecured Loans	Non-Current	1,204.52	N.A	N.A	N.A	1,209.50	N.A	N.A	N.A
Long-term maturities of lease obligations	Non-Current	107.81	N.A	N.A	N.A	54.06	N.A	N.A	N.A
Short term borrowings - Working capital loans from Banks	Current	16,020.38	N.A	N.A	N.A	21,397.09	N.A	N.A	N.A
Unsecured Loans	Current	4,158.83				4,283.57			
Trade Payables									
- Due to Micro, Small and Medium Enterprises	Current	1,678.81	N.A	N.A	N.A	86.90	N.A	N.A	N.A
- Due to Others	Current	14,880.88	N.A	N.A	N.A	13,032.59	N.A	N.A	N.A
Creditors for Capital Goods	Current	1,337.01	N.A	N.A	N.A	1,058.91	N.A	N.A	N.A
Unclaimed Dividends	Current	3.76	N.A	N.A	N.A	3.39	N.A	N.A	N.A
Current maturities of finance lease obligations	Current	17.52	N.A	N.A	N.A	31.46	N.A	N.A	N.A
Other Current Liabilities	Current	658.09	N.A	N.A	N.A	552.60	N.A	N.A	N.A
Total Financial Liabilities		**45,923.81**	-	-	-	**51,077.44**	-	-	-

Fair value hierarchy

Level 1 : Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

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.

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 etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level followed is given in the table above.

41 Financial risk management objectives and policies

The Holding Company's Board of Directors and the management of respective subsidiaries have overall responsibility for the establishment and oversight of the Group's Risk Management framework. The Board of Directors of the Holding Company has established the Risk Management Committee, which is responsible for developing and monitoring the Risk Management policies. The Committee reports regularly to the Board of Directors on its activities.

The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables and other payables.

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments, such as cross currency swaps and interest rate swaps to hedge foreign currency risk and interest rate risk exposure . Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

A. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in market interest rates. Group's interest rate risk arises from borrowings.

The following table demonstrates the sensitivity on the Group's profit before tax, to a reasonably possible change in interest rates of variable rate borrowings on that portion of loans and borrowings affected, with all other variables held constant:

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax.

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
50 BPS increase would (decrease) the Profit before Tax by	90.88	113.68
50 BPS decrease would increase the Profit before Tax by	(90.88)	(113.68)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts in several currencies and consequently the Group is exposed to foreign exchange risk through its sales outside India, and purchases from overseas suppliers in various foreign currencies. The Group also has borrowings in foregin currency. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are affected as the rupee appreciates / depreciates against these currencies. Foreign currency exchange rate exposure is partly balanced by purchase of raw materials and services in the respective currencies.

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

41 Financial risk management objectives and policies *(Contd.)*

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

	As at March 2023		As at March 2022	
	Amount in foreign currency - USD	Amount inRupees-INR	Amount in foreign currency - USD	Amount inRupees-INR
Liabilities				
United States Dollar (USD)	(80.27)	(6,428.32)	(97.49)	(7,324.51)
	(80.27)	**(6,428.32)**	**(97.49)**	**(7,324.51)**
Assets				
United States Dollar (USD)	23.65	1,944.90	36.08	2,734.57
CNY	14.43	172.67		
	38.08	**2,117.57**	**36.08**	**2,734.57**
Net foreign currency denominated monetory liability/(asset) (total)				
United States Dollar (USD)	(56.62)	(4,483.42)	(61.41)	(4,589.95)
CNY	14.43	172.67		
Foreign exchange derivatives				
USD (Hedged) - Currency swaps against foreign currency borrowings	(34.72)	(2,683.01)	(13.97)	(994.74)
Net foreign currency denominated monetory liability/(asset) (unhedged)				
United States Dollar (USD)	(21.90)	(623.30)	(47.44)	(3,595.20)

Foreign Currency Risk Sensitivity

The following tables demonstrate foreign currency sensitivity on unhedged exposure (1% increase / decrease in foreign exchange rates will have the following impact on profit before tax).

	FY 2022-23		FY 2021-22	
	+ 100 BPS	- 100 BPS	+ 100 BPS	- 100 BPS
United States Dollar (USD)	6.23	(6.23)	35.95	(35.95)

(iii) Equity Price Risk

The Group's investments in listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Holding Company's Board of Directors and the management of the respective subsidiaries reviews and approves all equity investment decisions.

41 Financial risk management objectives and policies *(Contd.)*

The following table summarises the sensitivity to change in the price of equity securities held by the Group on the Group's Equity and OCI. These changes would not have an effect on profit or loss.

	Impact on other components of equity (OCI)	
	As at 31st March 2023	As at 31st March 2022
5% increase	196.41	37.17
5% decrease	(196.41)	(37.17)

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily for trade receivables and deposits with banks and other financial assets. It is ensured that sales of products are made to customers with appropriate creditworthiness. Outstanding customer receivables are regularly monitored by the respective management of the Group Companies. An impairment analysis is performed at each reporting date on an individual basis for major customers. Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks.

Refer footnotes (d) and (e) below note no. 12 for ageing of trade receivables and movement in credit loss allowance.

C. Liquidity Risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations without incurring unacceptable losses. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generates sufficient cash flows from operations or from cash and cash equivalents to meet its financial obligations including lease liabilities as and when they fall due.

(i) Financing arrangements

Particulars	March 31, 2023	March 31, 2022
Secured borrowing facilities		
- Amount used	28,423.01	33,193.61
- Amount unused	16,451.99	6,724.39
Total	**44,875.00**	**39,918.00**

(ii) Maturity profile of financial liabilities

Particulars	March 31, 2023		
	Less than 1 year	Between 1 to 5 years	Over 5 years
As on 31st March, 2023			
Borrowings	20,179.21	7,060.72	-
Lease Liabilities	17.52	107.81	-
Trade Payables	16,559.69	-	-
Other Financial Liabilities	1,998.86	-	-
	38,755.28	**7,168.53**	**-**

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

41 Financial risk management objectives and policies *(Contd.)*

Particulars	March 31, 2022		
	Less than 1 year	Between 1 to 5 years	Over 5 years
As on 31st March, 2022			
Borrowings	25,699.09	10,558.42	-
Lease Liabilities	31.46	54.06	-
Trade Payables	13,119.50	-	
Other Financial Liabilities	1,614.91	-	-
	40,464.95	**10,612.48**	**-**

D. Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital of the Holding Company, and all other equity reserves attributable to the equity shareholders of the Holding Company. The primary objective of the Group's capital management is to maximise the shareholder value, safeguard business continuity and support the growth of the Group as a whole. The Group manages its capital structure and makes suitable adjustments in light of changes in economic conditions.

The Holding Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Holding Company includes within net debt outstanding liabilities towards Borrowings, obligations towards lease less cash and cash equivalents, other unrestricted balances with banks and current investments.

Particulars	March 31, 2023	March 31, 2022
Borrowings - Current and Non-Current	27,239.93	36,257.51
Long-term maturities of Lease obligations	107.81	54.06
Current maturities of Lease obligations	17.52	31.46
Less: cash and cash equivalent	775.08	2,504.68
Less: other balances with banks	39.95	2,033.55
Less: current investments	3,752.09	456.49
Net Debts	**31,932.38**	**41,337.76**
Total Equity	74,006.22	64,890.37
% Net debt to equity ratio	**43.15%**	**63.70%**

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

42 Disclosure of additional information pertaining to the parent, subsidiary and joint venture companies as per Schedule III of the Companies Act, 2013

(₹ In Lakhs)

Name of Entities	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)	As % of consolidated other comprehensive income	Amount (₹ in Lakhs)	As % of consolidated total comprehensive income	Amount (₹ in Lakhs)
Holding Company								
Valiant Organics Limited	95.31%	66,605.76	74.32%	7,559.99	-731.83%	(111.44)	73.12%	7,448.55
Indian Subsidiaries			-		-		-	-
1. Dhanvallabh Venture LLP*	0.00%	0.50	-1.58%	(160.62)	0.00%	-	-1.58%	(160.62)
2. Valiant laboratories limited (Through Dhanvallabh Ventures LLP as a partner)*	4.66%	3,256.00	27.26%	2,773.16	831.83%	126.67	28.47%	2,899.83
3. Valiant Speciality Chemical Limited	0.03%	21.19	-0.01%	(0.72)	0.00%	-	-0.01%	(0.72)
Total [A]		**69,883.45**		**10,171.81**		**15.23**		**10,187.04**
(a) Adjustments arising out of consolidation		(965.73)		84.66		68.76		84.66
(b) Non-controlling Interest		5,088.50		(1,444.33)		(68.76)		(1,513.09)
Total [B]		4,122.77		(1,359.67)		-		(1,428.43)
Consolidated [A + B]		**74,006.22**		**8,812.14**		**15.23**		**8,758.61**

Notes:

1. Net Assets of Partnership firms represents total fixed capital of partners. Current account of partners are reflected in short-term borrowings in consolidated financial statements.
2. Profit attributable to minority interest is reflected in current account of partners as subsidiary entities are partnership firms.
3. Holding Company being partner, its share of profits in subsidiary entities is reflected in its standalone financial statements.

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

43 Additional regulatory information required by schedule III to the Companies Act, 2013

(a) The parent and indian subsidiaries do not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(b) The parent and indian subsidiaries do not have any transactions or relationships with any companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(c) The parent and indian subsidiaries have complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

(d) Utilisation of borrowed funds and share premium:

(i) The parent and indian subsidiaries have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(ii) The parent and indian subsidiaries have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(e) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

(f) The Company has not traded or invested in crypto currency or virtual currency during the year.

44 Recent Pronouncements

A. Amendment to Ind AS 109 “Financial Instruments” and Ind AS 107 “Financial Instruments: Disclosures” - Interest rate Benchmark Reform Phase 2 The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:

(a) Changes to contractual cash flows - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform will not result in an immediate gain or loss in the profit and loss statement.

(b) Hedge accounting - The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded. The Company does not expect the amendment to have any significant impact on its financial statements.

B. Amendment to Ind AS 103 “Business Combination” – Reference to Conceptual Framework The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103

– Business Combinations. The Company does not expect the amendment to have any significant impact on its financial statements.

C. Amendment to Ind AS 16 “Property, Plant and Equipment” – Proceeds before intended use The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

D. Code on Social Security, 2020 - Employee benefits during employment and post-employment The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders’ suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

45 Ratio Analysis

Sr. No.	Ratio	Numerator	Denominator	As at 31st March 2023	As at 31st March 2022	% Change	Reason for variance
1	Current ratio	Current Assets	Current Liabilities = Total current liabilities - Current maturities of non-current borrowings and lease obligations	1.35	1.41	-3.98%	Current Assets decreased more than Current Liabilities. Current Assets decreased on account of Trade Receivables & Cash & Equivalents while Current Liabilities decreased on account of short term borrowings
2	Net Debt-Equity ratio	Net debt = Non-current borrowings + Current borrowings + Non-current and current lease liabilities - Current investments - Cash and cash equivalents - Other balances with banks (including non-current earmarked balances)	Equity [Equity = Equity share capital + Other equity]	0.31	0.48	-36.23%	Borrowings decreased on account of repayments and dependency on short term funding
3	Debt Service Coverage ratio	Earnings before interest, tax, Depreciation & Amortisation	Total debt service [Total debt service = Finance Cost + Long Term Borrowings + Current Portion of Long Term Borrowings + Lease Liabilities]"	1.51	1.57	-3.87%	EBITDA decreased more than the total debt service. Decrease in Long Term Borrowing was compensated by increase in Finance cost and current maturities of LTB
4	Return on Equity ratio	Profit after tax	Average total equity [Equity = Equity share capital + Other equity]	14.77%	22.10%	-33.18%	Profits decreased mainly due to subdued demand in dyes & pigments industry, price correction across products and the fire incident; while Average Total Equity increased compared to the previous year
5	Inventory Turnover ratio	Cost of goods sold	Average Inventory	5.74	8.35	-31.22%	While Raw Material Consumption decreased; average inventory increased significantly due to market conditions
6	Trade Receivable Turnover ratio	Revenue from Sale of Products and Services	Average Trade Receivable	3.66	4.83	-24.26%	Revenue from operations decreased while average trade receivables increased. Au contraire, trade receivables for FY'23 decreased from FY'22 resulting in turnover ratio of 4.14 and 3.59 respectively

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

45 Ratio Analysis *(Contd.)*

Sr. No.	Ratio	Numerator	Denominator	As at 31st March 2023	As at 31st March 2022	% Change	Reason for variance
7	Trade Payable Turnover ratio	Adjusted Expenses [Adjusted Expenses = Total Expenses - Finance Cost - Depreciation and Amortisation Expense – Employee Benefit Expenses – Other expenses with respect to Rates & Taxes, Provision for Doubtful Debts, Sundry Balances Written-off, CSR and Foreign Exchange Gain/ Loss]	Average Trade Payables	5.63	7.59	-25.90%	Adjusted expenses decreased while average trade payables increased
8	Net Capital Turnover ratio	Revenue from Operations	Average Working capital = Current assets – Current liabilities	10.73	15.35	-30.07%	Revenue from operations decreased while average working capital increased
9	Net Profit ratio	Profit after tax	Revenue from operations	9.75%	11.09%	-12.08%	Profits decreased mainly on account of increase in Employee Expenses, Finance Cost and Other Expenses.
10	Return on Capital Employed	Earnings before interest and tax	Average Capital Employed [Capital Employed = Total Assets - Current Liabilities]	17.56%	26.31%	-33.24%	Profits decreased due to reduction in the revenue while average capital employed increased
11	Return on Investment	Income generated from Investments	Average Investments	8.41%	3.48%	141.60%	The increase is mainly on account of gains in the subsidiary company's investment

Notice of Annual General Meeting

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of VALIANT ORGANICS LIMITED will be held on Friday, September 15, 2023 at 11:00 a.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1) To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2023 together with the Reports of the Board of Directors' and the Auditors' thereon.

2) To appoint a Director in place of Dr. Kiritkumar H. Desai (DIN: 08610595), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

3) To appoint a Director in place of Shri Sathiababu K. Kallada (DIN: 02107652), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

4) **To re-appoint the Statutory Auditors of the Company:**

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

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, M/s Gokhale & Sathe, Chartered Accountants, having Firm Registration No. 103264W be and are hereby reappointed as the Statutory Auditors of the Company for the second term of five (5) consecutive years, to hold office from the conclusion of this 18th Annual General Meeting until the conclusion of the 23rd Annual General Meeting to be held in the year 2028 on such remuneration plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the audit, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time."

SPECIAL BUSINESS:

5) **To approve revision in terms & conditions of appointment of Shri Arvind K. Chheda (DIN: 00299741), Managing Director of the Company:**

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

   "RESOLVED THAT pursuant to provisions of sections 196, 197, 198 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with the recommendation of Nomination and Remuneration Committee of the Board and subject to other approvals, if any, the consent of the members of the Company be and is hereby accorded for revision in the terms of appointment pertaining to Remuneration of Managing Director Shri Arvind K. Chheda (DIN: 00299741) from ₹32.5 Lakhs to ₹36 Lakhs for the Financial Year 2023-24.

   RESOLVED FURTHER THAT the Nomination and Remuneration Committee of the Board of Directors of the Company be and is hereby authorised to determine the manner and the extent to which the Commission shall be paid to Shri Arvind K. Chheda, from the overall limit up to 1% of the Net Profit as calculated in accordance with the provisions of section 198 of the Companies Act, 2013, that can be paid cumulatively to all the Executive Directors in addition to Salary payable to them.

   RESOLVED FURTHER THAT except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

   RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as may be considered necessary, usual or expedient as may be necessary to give effect to the aforesaid resolution."

6) **To approve revision in terms & conditions of appointment of Shri Mahek M. Chheda (DIN: 06763870), Executive Director of the Company:**

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

"RESOLVED THAT pursuant to provisions of sections 197, 198 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with the recommendation of Nomination and Remuneration Committee of the Board and subject to other approvals, if any, the consent of the members of the Company be and is hereby accorded for revision in the terms of appointment pertaining to Remuneration of Executive Director Shri Mahek M. Chheda (DIN: 06763870) from ₹22 Lakhs to ₹24 Lakhs for the Financial Year 2023-24.

RESOLVED FURTHER THAT except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members, and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as may be considered necessary, usual or expedient as may be necessary to give effect to the aforesaid resolution."

7) **To approve revision in terms & conditions of appointment of Shri Nemin M. Savadia (DIN: 00128256), Executive Director of the Company:**

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

"**RESOLVED THAT** pursuant to provisions of sections 197, 198 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with the recommendation of Nomination and Remuneration Committee of the Board and subject to other approvals, if any, the consent of the members of the Company be and is hereby accorded for revision in the terms of appointment pertaining to Remuneration of Executive Director Shri Nemin M. Savadia (DIN: 00128256) from ₹15 Lakhs to ₹24 Lakhs for the Financial Year 2023-24.

RESOLVED FURTHER THAT except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members, and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as may be considered necessary, usual or expedient as may be necessary to give effect to the aforesaid resolution."

8) **To approve revision in terms & conditions of appointment of Shri Sathiababu K. Kallada (DIN: 02107652), Executive Director of the Company:**

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

"RESOLVED THAT pursuant to provisions of sections 197, 198 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with the recommendation of Nomination and Remuneration Committee of the Board and subject to other approvals, if any, the consent of the members of the Company be and is hereby accorded for revision in the terms of appointment pertaining to Remuneration of Executive Director Shri Sathiababu K. Kallada (DIN: 02107652) for the Financial Year 2023-24 from ₹30 Lakhs to ₹33 Lakhs, in addition to, options granted and to be granted from time to time under Valiant- Employees Stock Option Plan-2022 as approved by the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as may be considered necessary, usual or expedient as may be necessary to give effect to the aforesaid resolution."

9) **To approve revision in terms & conditions of appointment of Shri Siddharth D. Shah (DIN: 07263018), Executive Director of the Company:**

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

"RESOLVED THAT pursuant to provisions of sections 197, 198 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014 and in accordance with the recommendation of Nomination and Remuneration Committee of the Board and subject to other approvals, if any, the consent of the members of the Company be and is hereby accorded for revision in the terms of appointment pertaining to Remuneration of Executive Director Shri Siddharth D. Shah (DIN: 07263018) from ₹22 Lakhs to ₹24 Lakhs for the Financial Year 2023-24.

RESOLVED FURTHER THAT except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members, and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as may be considered necessary, usual or expedient as may be necessary to give effect to the aforesaid resolution."

10) To approve revision in terms & conditions of appointment of Shri Vishnu J. Sawant (DIN: 03477593), Executive Director of the Company:

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

"RESOLVED THAT pursuant to provisions of sections 197, 198 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with the recommendation of Nomination and Remuneration Committee of the Board and subject to other approvals, if any, the consent of the members of the Company be and is hereby accorded for revision in the terms of appointment pertaining to Remuneration of Executive Director Shri Vishnu J. Sawant (DIN: 03477593) from ₹22 Lakhs to ₹24 Lakhs for the Financial Year 2023-24.

RESOLVED FURTHER THAT except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members, and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as may be considered necessary, usual or expedient as may be necessary to give effect to the aforesaid resolution. "

11) To approve the remuneration of Cost Auditor for Financial Year 2023–24.

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

"RESOLVED THAT pursuant to Section 148 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any Statutory modifications(s) or re-enactment(s) thereof, for the time being in force, the remuneration of ₹ 1,75,000/- (Rupees One lakh seventy-five thousand only) plus Tax as applicable and reimbursement for out of pocket expenses to be paid to Ms. Ketki D. Visariya, Cost Accountant (Membership Number 16028), appointed by the Board of Directors based on the recommendation of the Audit Committee, as Cost Auditors of the Company to conduct the audit of cost records of the Company for the financial year 2023-24, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Executive Directors & Key Managerial Personnel be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution. "

Registered Office:
109, Udyog Kshetra, First Floor,
Mulund Goregaon Link Road,
Mulund (W), Mumbai-400080

Place: Mumbai
Date: May 19, 2023

By order of the Board

Avani D. Lakhani
Company Secretary
ICSI M. No. A47118

NOTES:

1. In terms of General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs ('MCA') and Circular no. SEBI/HO/CFD/PoD2/P/CIR/2023/4 dated January 05, 2023 issued by SEBI (collectively referred to as 'Circulars'), the Annual General Meeting ('AGM') is being held through Video Conferencing ('VC') facility / Other Audio Visual Means ('OAVM') without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Circulars, the 18th AGM of the Company is being held through VC/OAVM on Friday, September 15, 2023 at 11:00 a.m.(IST). The deemed venue for the 18th AGM shall be the Registered Office of the Company.

2. In accordance with the provisions of the Act, read with the Rules made thereunder and pursuant to Circulars, since the AGM of the Company is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

4. In compliance with the MCA &SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company's Registrar and Share Transfer Agent/ Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website at www.valiantorganics.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also on the website of NSDL (agency for providing the Remote e-Voting facility) at www.evoting.nsdl.com.

5. Members holding shares of the Company as on Friday, September 08, 2023, shall be entitled to vote. A person who is not a member as on the cut-off date should treat this notice for information purposes only.

6. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote through e-voting.

7. The Explanatory Statement pursuant to Section 102 of the Act in respect of the Special Business item nos. 5 to 11 is annexed hereto and forms part of the Notice.

8. Statement giving details of the Directors seeking appointment and re-appointment is also annexed with this Notice pursuant to the requirement of Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meeting ("SS-2").

9. All the relevant documents referred to in this AGM Notice and Explanatory Statement etc., Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 and other documents shall be available electronically for inspection by the members at the AGM. Members seeking to inspect such documents can send an e-mail to investor@valiantorganics.com from their registered e-mail address.

10. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send the scan copy of the relevant Resolution/ Authorisation letter to the Scrutiniser by email through its registered email address to sunil@sunildedhia.com with a copy marked to evoting@nsdl.co.in authorising its representative to attend the AGM through VC / OAVM.

11. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP).

12. The Company is concerned about the environment. We request you to update your email address with your Depository Participants to enable us to send you communications via email. The Members who have not registered their e-mail addresses, so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.

13. As per the provisions of Section 72 of the Act, the facility for making nominations is available for the Members in respect of the shares held by them. Members who have

not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.valiantorganics.com. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form. Further, if Members desire to opt out/ cancel the nomination and to record a fresh nomination, are requested to submit to their DP Form SH-14 in case of shares held in electronic mode.

14. Members seeking any information with regards to Financial Statements or any matters to be placed at the AGM, are requested to write to the Company on or before September 14, 2023 through email at investor@valiantorganics.com. The same will be replied by the Company suitably.

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

Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations, (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has availed services of National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using a remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.

The remote e-voting period begins on Tuesday, September 12, 2023 at 9:00 A.M. and ends on Thursday, September 14, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Friday, September 08, 2023, may cast their vote electronically. The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

The details of the process and manner for remote e-voting are explained herein below:

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

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

Step 1: Access to NSDL e-Voting system

I) Login method for remote e-voting and joining virtual meetings for Individual shareholders holding securities in demat mode

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in the e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility individual Shareholders holding securities in demat mode with NSDL.

Type of members	Login Method
Individual Members holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Type of members	Login Method
	2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number hold with NSDL), Password/OTP and a Verifi cation Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Members holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/ myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/ myeasi/Registration/EasiRegistration. 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where e-Voting is in progress.
Individual Members (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-24997000
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33

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

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

1. Visit the e-Voting website of NSDL. Open a web browser by typing the following URL: https://www.evoting.nsdl. com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

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

   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   c) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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

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

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

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

How to cast your vote electronically and join General Meeting NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of Valiant Organics Limited 125403.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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

1. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor@valiantorganics.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual members holding securities in demat mode.
2. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. members are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The instructions for members for e-voting on the day of the AGM are as under:

1. The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free No. 022-48867000 or 022-24997000 or send a request to Mr. Amit Vishal, Asst. Vice President - NSDL at evoting@nsdl. co.in.

GENERAL GUIDELINES FOR MEMBERS

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

Other Instructions:

1. The Company has appointed CS. Sunil M. Dedhia, Practising Company Secretary (Membership No.F3483 and Certificate of Practice No.2031), Proprietor of Sunil M. Dedhia and Co. Company Secretaries, as scrutiniser (the 'Scrutiniser') for conducting the e-voting and remote e-voting process for the AGM in a fair and transparent manner.
2. The Scrutiniser shall within 2 working days of conclusion of the meeting submit a consolidated scrutiniser report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
3. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company www.valiantorganics.com and on the website of NSDL www.evoting.nsdl.com.The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

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

1. Members will be able to attend the AGM through VC / OAVM at www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of the Company will be displayed.
2. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
3. Members are encouraged to join the AGM through Laptops for better experience. Further Members will be required to allow Camera and use the Internet with a good speed to avoid any disturbance during the meeting.
4. Members connecting from mobile devices or tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on a first come first served basis. This will not include Large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. Members who need assistance before or during the AGM, can contact NSDL on evoting.nsdl.com/ 1800-222-990.
7. Members who would like to express their views or ask questions during the meeting may register themselves as a speaker by sending their request from their registered email ID mentioning their name, demat account number/ folio number, PAN, mobile number at investor@valiantorganics.com at least 5 days before the date of AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. Members can raise questions at the AGM through a chat box and they are requested to frame their questions precisely. Once the Member clicks the link for VC/ OAVM in shareholder/members login where the EVEN of Company will be displayed, Members will be able to view AGM VC/OAVM proceedings along with the chat box. The questions raised by the Members will be replied to by the Company suitably.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

The following Explanatory sets out all the material facts relating to the items of special business mentioned in the Notice.

Item No. 5

Shri Arvind K. Chheda has been the Managing Director since April 20, 2019. Pursuant to provisions of sections 197, 198 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with the recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on May 19, 2023 approved and recommended for consideration by the members, a revision in the remuneration of Managing Director Shri Arvind K. Chheda for the Financial Year 2023- 24 from ₹32.5 Lakhs to ₹36 Lakhs.

In addition to salary, he shall also be entitled to commission if any, based on recommendation of the Nomination and Remuneration Committee and subject to applicable laws in this regard, as mentioned in the Resolution.

Except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members, and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

Except Shri Arvind K. Chheda and/or his relatives, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 5 of this Notice as an Ordinary Resolution.

Item No. 6

Shri Mahek M. Chheda has been Director of the Company since July 06, 2017. He is B.Sc. in Business from college affiliated with University of London having more than 8 years of work experience in the field of Finance, Marketing and Business Development.

Pursuant to provisions of sections 197, 198 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and in accordance with the recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on May 19, 2023 recommended for consideration by the members, a revision in the remuneration of Shri Mahek M. Chheda for the Financial Year 2023-24 from ₹22 Lakhs to ₹₹24 Lakhs.

Except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members, and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

Except Shri Mahek M. Chheda and/or his relatives, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 6 of this Notice as an Ordinary Resolution.

Item No. 7

Shri Nemin M. Savadia has been Director of the Company since May 01, 2022. He has been in the chemical industry for 16 years and manages the business administration of the Tarapur plant.

Pursuant to provisions of sections 197, 198 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and in accordance with the recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on May 19, 2023 recommended for consideration by the members, a revision in the remuneration of Shri Nemin M. Savadia for the Financial Year 2023-24 from ₹15 Lakhs to ₹24 Lakhs.

Except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members, and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

Except Shri Nemin M. Savadia and/or his relatives, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 7 of this Notice as an Ordinary Resolution.

Item No. 8

Shri Sathiababu K. Kallada has been Director of the Company since November 23, 2020. He has been acting as the Executive Director since May 01,2022. He has an experience of more than 37 years in the field of chemical industry.

Pursuant to provisions of sections 197, 198 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and in accordance with the recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on May 19, 2023 recommended for consideration by the members, a revision in the remuneration of Shri Sathiababu Krishnan Kallada for the Financial Year 2023-24 from ₹30 Lakhs to ₹33 Lakhs, in addition to, options granted and to be granted from time to time under Valiant-Employees Stock Option Plan- 2022 as approved by the Nomination and Remuneration Committee.

Except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members, and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

Except Shri Sathiababu K. Kallada and/or his relatives, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the said resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 8 of this Notice as an Ordinary Resolution.

Item No. 9

Shri Siddharth D. Shah has been Director of the Company since June 01, 2022. He is a bachelor in chemical engineering and completed his MBA in Global Business from Scotland, Heriott Watt University. He has a vast experience of 16 years in the field of chemicals, including production, factory administration, project management, operations and process development in the chemical industry.

Pursuant to provisions of sections 197, 198 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and in accordance with the recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on May 19, 2023 recommended for consideration by the members, a revision in the remuneration of Shri Siddharth Dinesh Shah for the Financial Year 2023-24 from ₹22 Lakhs to ₹24 Lakhs.

Except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members, and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

Except Shri Siddharth D. Shah and/or his relatives, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 9 of this Notice as an Ordinary Resolution.

Item No. 10

Shri Vishnu J. Sawant has been Director of the Company since April 06, 2011. He has more than 3 decades of experience in chemical manufacturing industry. He is currently responsible for running the entire operations of the Company at the factory level.

Pursuant to provisions of sections 197, 198 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and in accordance with the recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on May 19, 2023 recommended for consideration by the members, a revision in the remuneration of Shri Vishnu J. Sawant for the Financial Year 2023-24 from ₹22 Lakhs to ₹24 Lakhs.

Except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members, and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

Except Shri Vishnu J. Sawant and/or his relatives, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 10 of this Notice as an Ordinary Resolution.

Item No. 11

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Board on the recommendation of the Audit Committee, in its meeting held on May 19, 2023 has approved the re-appointment Ms. Ketki D. Visariya (Membership No. 16028), Cost Accountant at the Board Meeting as the Cost Auditor at a remuneration of ₹1,75,000/- per annum plus taxes as applicable; to conduct the audit of cost records of the Company for the financial year 2023-24. Ms. Ketki D. Visariya has confirmed her eligibility for appointment as Cost Auditor.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year 2023-24 by passing an Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relatives is, in any way concerned or interested, financially or otherwise, in the said resolution.

Your Directors recommend the resolution for your approval as an Ordinary Resolution as set out as Item No. 11 of the Notice.

Registered Office:
109, Udyog Kshetra, First Floor,
Mulund Goregaon Link Road,
Mulund (W), Mumbai-400080

Place: Mumbai
Date: May 19, 2023

By order of the Board

Avani D. Lakhani
Company Secretary
ICSI M. No. A47118

Annexure-A

DETAILS OF DIRECTORS OF RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING:

Name of the Director	Dr. Kiritkumar H. Desai	Shri Sathiababu K. Kallada
Director Identification Number (DIN)	08610595	02107652
Date of Birth	September 13, 1960	February 11, 1962
Age	63 Years	61 Years
Date of appointment on the Board	August 14, 2021	November 23, 2020
Qualifications	M.Sc. , Ph. D in Chemistry	B. Sc.
Experience and expertise in specific functional areas	Dr. Kiritkumar H. Desai is a Sr. Vice President at Aarti Industries Limited, heading product development and quality. He has in-depth experience in R&D and the quality control function for more than 32 years in chemical and pharma industries. In his career, he developed more than 200 products.	Shri Sathiababu K. Kallada is having an experience of more than 36 years in the field of chemical industry and has acted at responsible positions in Aarti Industries Limited
Remuneration last drawn (including sitting fees, if any)	Refer to Directors' Report and Corporate Governance Report forming part of the Annual Report.	
Remuneration proposed to be paid	Dr. Kiritkumar H. Desai being a Non-Executive Director shall be paid sitting fees, reimbursement of Expenses for attending Board Meetings and Employee Stock Options, if any, as may be decided by Nomination and Remuneration Committee, as approved by the Members of the Company.	₹33 Lakhs, in addition to, options granted and to be granted from time to time under Valiant- Employees Stock Option Plan- 2022 as approved by the Nomination and Remuneration Committee.
Terms and Conditions of appointment/ reappointment	Re-appointment as a Non-Executive, Non-Independent Director pursuant section 152(6) of Companies Act, 2013	Re-appointment as a Director pursuant section 152(6) of Companies Act, 2013
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None
Number of meetings of the Board attended during the year	5	5
Directorships held in other companies	Alchemie Speciality Chemicals Private Limited Shanti Intermediates Private Limited	Valiant Speciality Chemical Limited Shanti Intermediates Private Limited Innovative Envirocare Jhagadia Limited
Memberships/Chairmanships of committees of other companies	NIL	NIL
Names of Listed Companies from which the Director has resigned in the past three years	None	None
No. of shares held in the Company	600	1600

Valiant Organics
Limited