PRIVI SPECIALITY CHEMICALS LIMITED

(Formerly known as Fairchem Speciality Limited)

Annual Report 2021-22

Emerging Stronger

With Strength. Resilience. Fortitude

In This Report

To view this report online or to know more about us, please visit: **www.privi.com**

Forward-looking statement

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

The impact of the unprecedented COVID-19 crisis has been severe and far-reaching on almost every economy and business worldwide; however, it has also created opportunities for organizations to thrive by embracing the evolving trends.

In these testing times, what has kept us in good stead is our agility and responsiveness to a constantly evolving business environment. We have navigated the volatile environment by adopting a sustainable and responsible framework and continue to stay on the growth path, driven by the commitment to emerge stronger.

We are aggressively focused on capacity expansion, efficiency improvement, and product development to meet the varied customer demands worldwide. Our strategic investments in enhancing technical capabilities, sustainable manufacturing, and constant innovation focus make us well-positioned to make the most of the emerging opportunities and leap into the next phase of growth.

About Us

Privi Speciality Chemicals Limited (formerly known as Fairchem Speciality Limited) is India's leading manufacturer, supplier, and exporter of aroma and fragrance chemicals and a globally trusted partner and supplier of bulk chemicals.

We started our journey in 1992 with only two products and have now expanded our portfolio to over 50 products with a production capacity of 36,000 MT of Finished Goods (FG) Production, 37,000 MT of CST backward integration plant for manufacturing raw material for Pine-based products and more than 65 different FG products per annum. We have traversed a long way to establish ourselves as one of the most dependent and preferred suppliers in terms of product quality, competitive pricing, meeting regulatory compliance, and timely delivery by customers around the globe. We cater to the world's 10 largest fragrance companies and have a significant presence in Europe and the USA.

Vision

To emerge as a leading global manufacturer of Aroma Chemicals.

Privi intends to become the leading sustainable aroma chemicals brand across the globe with its wide range of innovative products, reliable quality along with exemplary services to fulfill the ever-growing demands of our customers. Apart from our conventional product range, we have an inherent capability and capacity to custom-design, develop and manufacture aroma chemical molecules, as per the needs of our customers. With this customer-need-based capability, Privi will be able to further strengthen bonds with customers for a long time to come.

Mission

To be the best by giving only the best! At any given moment, we are self-assured and prepared to provide quality products by adopting safe, sustainable and healthy practices in procuring, preparing, and presenting our products.

We shall continue to be a leader in the local aroma chemicals industry and keep on thriving and innovating for the international market, thereby portraying India's potential as a market leader in Aroma Chemicals. Our mission shall always be to fulfill customers' needs first!

Manufacturing and R&D Infrastructure

Our in-house, fully equipped synthetic R&D center facilitates production of innovative, customised products as per specific customer requirements. Our manufacturing infrastructure includes two state-of-the-art manufacturing facilities at Mahad in Maharashtra & Jhagadia in Gujarat with knowledge, expertise, and capacity to perform critical processes and applications.

Quality Certifications

Quality, safety, efficacy, and sustainability form the bedrock of our manufacturing and research operations. Our operations and products are certified with the following accreditations:

EU / EEA - Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)

We have registered 22 products under EU REACH Regulation, through our Sweden-based representative. This will allow our EU/EEA Customers and Netherlands office to import the products into EU/EEA.

Turkey REACH

So far, we have pre-registered 24 products under KKDIK (acronym in Turkish for REACH), as a result of which we have got extension of registration deadline up to December 2023.

Globally Harmonized System (GHS) Compliance

All our products are GHS-compliant. We also provide country-specific GHS SDS and labeling support to our customers.

IFRA Standards Compliance

The IFRA Standards form the basis for the globally accepted and recognized risk management system for the safe use of fragrance ingredients and are part of the IFRA Code of Practice. Our supporting membership with IFRA further backs up commitment to continuously comply with IFRA standards and also ensure the quality and credibility of our products.

Other Product and Management System Certifications

Most of our manufacturing facilities are ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 certified, Kosher and Halal certified. The ISO certifications have been issued by a globally renowned certification body 'Bureau Veritas' which involves stringent audits.

Our Growth Enablers

- Comprehensive product portfolio
- Manufacturing advantage
- R&D competence
- Cost and quality consciousness
- Skilled workforce
- Highly efficient operations

Chairman and Managing Director's Message

"I strongly believe that, over the next ten years and even more, India has an unprecedented opportunity to grow to attain and surpass the target of a $ 5 Trillion economy, lifting many of my compatriots out of poverty."

Greetings!

Dear Shareholders,

I hope and trust that you and your family members are safe and doing well during these challenging times.

The world at large is passing through a tumultuous phase – the Russia-Ukraine war and its impact on the globe including the impending food shortages, imminent hike in the borrowing rates by the US Federal Reserve and the proposed Quantitative Tightening – the opposite of Quantitative Easing (QE), and the resultant fears of a US recession, albeit a short term, slowdown in China due to the zero COVID policy and most of all the escalating commodity prices – particularly coal and crude oil. These factors have direct adverse impact on performance of your Company and the overall process industry.

Amidst these disheartening events, it was inspiring to note that under the able and exemplary leadership of our honourable Prime Minister Shri Narendra Modi, India is the fastest growing major economy in the world, with Gross Domestic Product (GDP) growth of 8.7% in FY 2021-22.

I strongly believe that, over the next ten years and even more, India has an unprecedented opportunity to grow to attain and surpass the target of a $ 5 Trillion economy, lifting many of my compatriots out of poverty. A significant part of this growth will come from exports. Stability of Indian democracy, its rapidly improving infrastructure – from roads to ports to electricity, availability of skilled workforce, are all making India an attractive manufacturing hub. For speciality chemicals industry, it is indeed an excellent opportunity to grow.

Growth in speciality chemicals industry must be accompanied by the responsibility of attaining holistic sustainability, particularly on the treatment of effluents, and usage of renewable feedstocks. Your Company has always been committed to superior plants for treatment of effluents and have been working on Zero Liquid Discharge (ZLD). In fact, majority of our manufacturing sites have a Zero Liquid Discharge policy. Further, 2/3rd of our revenues is generated from feedstocks which are renewable. In fact, about ½ of our feedstocks are waste generated in the pulp industry, which your Company converts into Wealth!

Foreseeing these opportunities and based on its internal strengths, your Company embarked on expansion projects for Galaxmusk (a musk fragrance), Camphor and Prionyl –

an excellent fixative that adds great depth and substance to almost any fragrance. These projects were launched during the pandemic times. As if the challenges thrown by the pandemic were not enough, there were unprecedented – once in a century – floods in Mahad and nearby areas completely disrupting our operations in Mahad for a month. Operations team, ably supported by commercial team worked round the clock to restart the manufacturing plants which were inundated by the flood waters. The operations of your Company were impacted by these disruptions which are reflected in our financial results. Further, the completion of the expansion projects was delayed by over two quarters.

During the financial year that ended on March 31, 2022, your Company achieved total Income of ₹ 1,436.11 Crores registering a growth of 10.8% p.a., however, due to higher operating cost – driven by high coal prices, significantly higher freight charges, the Net Profit was ₹ 97.38 Crores 16.6% lower than in the previous financial year. As a result of the delay in the completion of projects, your Company could not achieve higher revenues and profit.

On the positive side, these projects will start generating revenues and profits from the end of second quarter of this financial year.

Your Company continues to work on creating additional growth opportunities well balanced by focus on holistic sustainability. Indeed, Safety, Sustainability and the Sense of Urgency are the three pivots which will ensure long-term growth and prosperity for all our stakeholders.

I want to thank all members of the Board of Directors, my colleagues, my business partners, our bankers and most of all the members of my shareholder family for the support and faith reposed in us.

With warm regards,

Mahesh P. Babani
Chairman and Managing Director

Your Company continues to work on creating additional growth opportunities well balanced by focus on holistic sustainability.

Financial Highlights (Consolidated)

Net Sales (₹ in Lakhs)

FY 2019-20	130,381
FY 2020-21	126,810
FY 2021-22	**140,238**

EBITDA Margin (%)

FY 2019-20	21.74%
FY 2020-21	19.76%
FY 2021-22	**16.51%**

EBITDA (₹ in Lakhs)

FY 2019-20	28,351
FY 2020-21	25,063
FY 2021-22	**23,152**

PBT (₹ in Lakhs)

FY 2019-20	19,263
FY 2020-21	15,822
FY 2021-22	**13,275**

PAT (₹ in Lakhs)

FY 2019-20	14,603
FY 2020-21	11,690
FY 2021-22	**9,738**

ROE Margin (%)

FY 2019-20	23.86%
FY 2020-21	16.18%
FY 2021-22	**11.98%**

Net Worth (₹ in Lakhs)

FY 2019-20	61,205
FY 2020-21	72,252
FY 2021-22	**81,226**

Creating Value

Our Corporate Social Responsibility (CSR) policy is aimed at fostering a meaningful impact in the communities we operate. Through our wide-ranging initiatives, we endeavor to achieve sustainable and holistic development of the marginalized and economically backward sections of the society. Education, Environment Sustainability, and Health & Hygiene are our key focus areas.

Education

Our initiative is on providing learning aids, access to quality education, value building, vocational and livelihood guidance and empowering young children for continuous learning and capability-building.

Key activities

- Facilitating education and livelihood of underprivileged children
- Distribution of scientific lab equipment in schools
- Empowering children through education scholarships

Healthcare

Under Healthcare, we aim to build healthier and stronger communities. Our initiatives are centered around providing basic health care facilities through active intervention, hygiene and health camps, sanitization facilities, etc. During the year, we also supported our communities in combating the COVID-19 pandemic by providing medical equipment and other essential kits.

Key activities

- COVID-19 screening camp, health check-up camps, blood donation camps
- Welfare fund for COVID-affected families
- Safe drinking water for children and communities

Environment Sustainability

Environment Sustainability initiatives are focused on conserving the environment and providing environmentally sustainable facilities to communities. We partner with the communities for creating clean and green surrounding.

Key activities

- Plantation of Trees / Green zone development
- Cleanliness and sanitization drive under 'Clean Mahad Green Mahad' initiative
- Promoting sustainable development

Embedding Sustainability in Business

Sustainability is an integral part of our business. Our commitment to safety, environment, and community shapes how we manage our business and execute our strategy to deliver sustainable growth. We are working towards becoming a Zero Liquid Discharge company to minimize our water footprints. We have prioritized eight Sustainable Development Goals (SDGs) to ensure that our business is environmentally, socially, and economically sustainable.

We have committed to SBTi (Science Based Target Initiative) for Net-Zero by 2050 ahead of Indian governments goal to be Net-Zero by 2070 and supporting the target of 1.5 deg C for global warming.

We contribute to 8 of the 17 UN Sustainability Development Goals (UN SDGs) in the following manner:

1 NO POVERTY

We contribute towards the skill development of the people in the surrounding villages so that they can obtain employment to secure their source of income.

4 QUALITY EDUCATION

Augmenting the education system with focus on digital education, we focus on digital education, at Zila Parishad Schools by providing them the requisite software.

11 SUSTAINABLE CITIES AND COMMUNITIES

We believe in remaining one step ahead in the efforts of conserving natural resources, recycle & reuse of materials, and creating waste to wealth.

15 LIFE ON LAND

We have been planting a large number of trees in our vicinity as well as on land taken on lease specifically for creating natural habitat for the growth of flora and fauna and maintenance of ecological balance.

3 GOOD HEALTH AND WELL-BEING

We focus on improving the health care facilities in the nearby areas by arranging health check-up camps, distributing free medicines, building gymnasiums, spreading health awareness, as well as providing safe drinking water, etc.

6 CLEAN WATER AND SANITATION

We provide assistance in the construction and repair of toilets in the surrounding areas and works to create awareness about hygiene.

13 CLIMATE ACTION

We ensure that all our operations, effluents, discharges are properly treated, controlled, and meeting legal norms. We also work on implementing advanced technologies to reduce the emissions.

14 LIFE BELOW WATER

We are supporting the crocodile conservation project of the Government near Mahad in Savitri river.

Carbon Disclosure Project (CDP)

We disclose our carbon emissions data to CDP annually and strive to reduce carbon emissions from our operations. We have implemented policies, actions, and strategies to address environment or climate change issues in relation to our business. We have started encouraging our suppliers to opt for sustainable development practices and also initiated buying forest-based raw materials from FSC (Forest Stewardship Council) certified pulp and paper mills.

Water Security Disclosure

CDP's work with water security motivates companies to disclose and reduce their environmental impacts. The Company participates and discloses information related to the current state of a company's water management, the implications of that state for the business, and how the company develops and implements strategic responses. We believe in reducing the water-related risks, capitalize on opportunities and drive action towards a more sustainable world.

ECOVADIS

EcoVadis provides holistic sustainability ratings service of companies. The EcoVadis Rating covers a broad range of non-financial management systems including Environmental, Labor & Human Rights, Ethics and Sustainable Procurement impacts

2020

2021

Privi's Unit – II, Mahad, Maharashtra

Privi Biotechnologies P Limited (R&D, Pilot Plant), Nerul, Navi Mumbai

Corporate Information

BOARD OF DIRECTORS

Mr. Mahesh P Babani
Chairman & Managing Director

Mr. Bhaktavatsala Rao Doppalapudi
Executive Director

Mr. Padmanabh R Barpande
Non-Executive Independent Director

Mr. Rajesh Budhrani
Non-Executive Independent Director

Mr. Anurag Surana
Non-Executive Independent Director

Mr. Dwarko Topandas Khilnani
Non-Executive Independent Director

Mrs. Anuradha Thakur
Non-Executive Independent Director

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Mr. P R Barpande
Mrs. Anuradha Thakur
Mr. D T Khilnani

NOMINATION AND REMUNERATION COMMITTEE

Mr. D T Khilnani
Mr. Rajesh Budhrani
Mr. Anurag Surana

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mrs. Anuradha Thakur
Mr. Anurag Surana
Mr. Rajesh Budhrani
Mr. D B Rao

STAKEHOLDERS AND RELATIONSHIP COMMITTEE

Mr. D T Khilnani
Mr. P R Barpande
Mr. D B Rao

RISK MANAGEMENT COMMITTEE

Mr. D T Khilnani
Mr. P R Barpande
Mr. Anurag Surana
Mr. D B Rao
Mr. Mahesh Babani

PRESIDENT

Mr. R.S. Rajan

CHIEF FINANCIAL OFFICER

Mr. Narayan S Iyer

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ramesh Kathuria

STATUTORY AUDITORS

M/s. B S R & Co. LLP
Chartered Accountants

SECRETARIAL AUDITORS

M/s. Rathi & Associates,
Company Secretaries

COST AUDITORS

M/s. Kishore Bhatia & Associates
Cost Accountants

INTERNAL AUDITORS

M/s. Aneja & Associates
Chartered Accountants

REGISTERED OFFICE & KNOWLEDGE CENTRE

Privi House, A-71, TTC,
Thane Belapur Road,
Kopar Khairane, Navi Mumbai - 400710
Website: www.privi.com
CIN: L15140MH1985PLC286828

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400083.
Phone Nos.: (022) 4918 6000 / 4918 6270

BANKERS

Kotak Mahindra Bank Limited
HDFC Bank Limited
Citibank N.A.
ICICI Bank Limited
IDFC First Bank Limited
RBL Bank Limited
Standard Chartered Bank

MANUFACTURING UNITS:

Unit-I:
A-7, MIDC Mahad, Dist. Raigad - 402301

Unit II & IV (EOU):
C- 3,4,5,6,6/1,7,8,9,10, 11/1,33/1; X- 9,10,11 and B-8 MIDC, Mahad, District Raigad

Unit-III:
A-3, MIDC Mahad, Dist. Raigad - 402301

Unit-VI:
Plot No. 765, Road No. 2, Near UPL,
GIDC, Jhagadia - 393110,
Dist. Bharuch, Gujarat

RESEARCH AND DEVELOPMENT CENTERS

D-122 TTC Industrial Area, MIDC Shirvane,
Nerul, Navi Mumbai, Maharashtra

C-8, MIDC Mahad, District
Raigad, Maharashtra

Director's Report

Your Directors' are pleased to present the Thirty Seventh Annual Report along with audited financial statements – both Standalone and Consolidated of the Company for the financial year ended March 31, 2022. These financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as required under the Companies Act, 2013 ("the Act"). This report states compliance as per the requirements of the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other rules and regulations as applicable to the Company.

FINANCIAL RESULT

(₹ In Million)

	Standalone for the year ended on		Consolidated for the year ended on	
Particulars	**31-03-2022**	**31-03-2021**	**31-03-2022**	**31-03-2021**
Total Income	1,42,406.49	1,27,511.08	1,43,611.48	1,29,652.22
Profit before Exceptional Item Interest & Depreciation & Taxation	22,818.50	22,488.03	22,623.55	22,653.96
Less: Interest	2,377.64	2,123.57	2,411.28	2,141.02
Profit before Exceptional Item, Depreciation and Taxation	20,440.86	20,364.46	20,212.27	20,512.94
Less: Depreciation	7,304.39	6,920.27	7,466.15	7,099.96
Profit before Exceptional Item and Taxation	13,136.47	13,444.19	12,746.12	13,512.98
Add: Exceptional Item	529.24	2,309.26	529.24	2,309.26
Profit before Tax for the year	**13,665.71**	**15,753.44**	**13,275.36**	**15,822.24**
Less: Provision for Taxation:				
a) Current Tax	3,395.97	4,011.18	3,521.57	4,146.97
b) Deferred Tax	103.26	40.12	15.81	-14.79
Sub-Total	**3,499.23**	**4,051.30**	**3,537.38**	**4,132.18**
Profit after Tax for the year	**10,166.48**	**11,702.15**	**9,737.98**	**11,690.06**
Add: Other Comprehensive Income	(43.65)	(6.98)	17.52	(57.56)
Total Comprehensive Income for the year	**10,122.83**	**11,695.16**	**9,755.50**	**11,632.50**
Earnings Per Share (EPS) of ₹ 10/- each	26.03	29.96	24.93	29.93

OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS (CONSOLIDATED):

During the year under review, the consolidated revenue from operations and other income was ₹ 1,43,611.48 Lakhs (Previous year ₹ 1,29,652.22 Lakhs). The Company achieved consolidated profit before tax of ₹ 13,275.36 Lakhs (Previous year ₹ 15,822.24 Lakhs) and profit after tax & Other Compressive Income of ₹ 9,755.50 Lakhs (Previous year ₹ 11,632.50 Lakhs). The EPS on Consolidated financial statements for the year ended March 31, 2022, was ₹ 24.93 (Previous year ₹ 29.93) on diluted basis.

CAPITAL STRUCTURE

During the year, there was no change in the Capital structure i.e. Authorised, Issued and Paid-up Equity Share Capital of the Company.

DIVIDEND:

Your Directors are pleased to recommend a dividend of ₹ 2 (20%) per equity share [Previous Year ₹ 2.00 (20%) per equity share] for the financial year ended March 31, 2022, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. Dividend will be paid to those shareholders whose names appear in the Register of Members on the Record date i.e. Wednesday, September 21, 2022.

MANGEMENT DISCUSSION AND ANALYSIS:

Management discussion and Analysis, as required in terms of Listing Regulations forms part of this report.

SUBSIDIARY COMPANIES:

Your Company has three Subsidiaries out of which two are wholly owned subsidiaries namely Privi Biotechnologies Private

Limited and Privi Speciality USA Corporation (formerly known as Privi Organics USA Corporation).

Your Company entered into a Joint Venture Agreement with Givaudan SA, a Company incorporated in Switzerland, for manufacturing highly specialized aroma Chemicals for Givaudan and a new Subsidiary Company Prigiv Specialties Private Limited was incorporated on September 01, 2021, wherein your Company controls 51% of total voting power and also controls the composition of Board of Directors.

The Consolidated Financial Statements presented by the Company includes financial results of its subsidiary companies. Further, as provided in Section 136 of the Act, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Financial Statements of the Company. The Company will make available free of cost the Audited Financial Statements of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Financial Statements of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

As provided in Section 129[3] of the Act and Rules made thereunder a statement containing the salient features of the financial statements of its subsidiaries in the format AOC 1 is attached to the financial statements as Annexure - 1.

TRANSFER TO RESERVES:

The Board of Directors have decided to retain the entire amount of Profits for Financial year 2021-22 in the Retained Earnings.

MATERIAL CHANGES AND COMMITMENTS:

Your Directors' wish to inform the Members about the material event being inter-se transfer of shares between the Promoter/ Promoter Group, which took place on April 29, 2021, April 30, 2021 and May 04, 2021. The said inter-se transfer was pursuant to a Share Purchase Agreement dated May 22, 2019 (Amended on April 22, 2021). TheCompany had submitted application to BSE Limited ("BSE") & National Stock Exchange of India Limited ("NSE") for reclassification of below mentioned Promoters/ Promoter Group to Public:

1. Mr. Nahoosh Jayvadhan Jariwala
2. Nahoosh Tradelink LLP
3. Jariwala Tradelink LLP
4. Mr. Utkarsh Shah
5. FIH Mauritius Investments Limited
6. FIH Private Investments Limited

The Company has received the letter of approval for reclassification of the above Promoters/Promoters group to Public from BSE & NSE on April 28, 2022.

The aggregate holding of Promoter / Promoter Group before and after the inter-se transactions remains the same.

UNPRECEDENTED IMPACT OF COVID-19 PANDEMIC:

The Company continued in its endeavor to fight against waves of COVID-19 Pandemic, our priorities remain the safety and well-being of our employees, and business continuity for our clients. We at Privi continue to strictly follow the COVID Safety protocol across locations. The Company Sponsored vaccination drives for our employees and their family Members. The Company, however, remains cautious even though there has been a decline in the number of COVID-19 cases. The business of the Company was not affected much for the year ended March 31, 2022, and the impact is insignificant.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

Your Company has a culture and belief of sustainable development encompassing sustainable manufacturing, product safety, economy analysis, sustainability-oriented supply chain management and social and community based sustainable requirement. Pursuant to Regulation 34(2)(f) of Listing Regulations, 2015 and in line with the SEBI Circulars dated May 05, 2021 and May 10, 2021, inter alia, provides that the Annual Report of the Top 1000 listed entities based on Market Capitalization, should include a Business Responsibility and Sustainability Report ("BRSR").

The BRSR initiatives taken from an Environmental, Social and Governance perspective in the prescribed format is available as a Separate Section of this Report.

DEPOSITS FROM PUBLIC:

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

DIVIDEND DISTRIBUTION POLICY

In accordance with Regulation 43A of the Listing Regulations, the Board of Directors of the Company has adopted a Dividend Distribution Policy ('Policy') which endeavor for fairness, consistency and sustainability while distributing profits to the shareholders. The Policy is available on the Company's website at http://www.privi.com/Downloads/Policies-PSCL/PSCL-Dividend-Distribution-Policy.pdf

CREDIT RATING:

Despite global disruptions due to COVID-19 Pandemic, the Company's credit rating were reaffirmed during the year under review. CRISIL Ratings Limited vide its letter dated April 28, 2022 have reaffirmed the rating as follows:

1. For Long-term Bank facilities: CRISILA+ / Stable (Reaffirmed)
2. For Short term Bank facilities: CRISIL A1 / (Reaffirmed)

INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

In accordance with the applicable provisions of the Act, read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority. The details relating to amount of dividend transferred to the IEPF and corresponding shares on which dividends were unclaimed for seven (7) consecutive years, are provided in the General Shareholders Information Section of this Annual Report. During the year, an amount of ₹ 2,33,523/-, being unclaimed dividend for F.Y. 2013-14 was transferred to IEPF.

TECHNICAL ACHIEVEMENT:

The Company keeps on exploring the possibility of technical improvement and process optimization for better yields / product mix / energy efficiency.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR ETC.:

Pursuant to the provisions of Section 178 and other applicable provisions, if any, of the Act, read with the Rules made thereunder and Regulation 19 read with Part D of Schedule II of the Listing Regulations the Board of Directors at their Meeting held on November 05, 2020, approved the Nomination and Remuneration Policy as recommended by the Nomination and Remuneration Committee. The salient features of the said policy covering the policy on appointment and remuneration and other matters have been provided in the Corporate Governance Report.

BOARD EVALUATION:

The Evaluation of Board, its Committees, Individual Directors (Independent and Non-Independent Directors), Executive Director and Chairman & Managing Director was carried out as per the process and criteria laid down by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee. The evaluation report criteria for Independent Directors includes participation and contribution by a director in Board / Committee Meetings, commitment, expertise, integrity, maintenance of confidentiality and independent behavior. The feedback on evaluation of the Board and its Committees was discussed at the meeting of the Independent Directors and co-ordinated by the Chairperson of the Nomination & Remuneration Committee. The Independent Directors met on March 28, 2022 with respect to the above process.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013 and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby make the following statements:

(i) that in the preparation of the financial statements for the year ended March 31, 2022, the applicable accounting standards read with requirements set out under Schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;

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

(iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(iv) that the Directors have prepared the annual accounts on a 'Going Concern' basis.

(v) that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and

(vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIRECTORS:

During the year under review Mr. Sumit Maheshwari (DIN: 06920646) has resigned from the post of Nominee Director w.e.f. April 29, 2021. His resignation was effective on and from Completion date as defined in the Share Purchase Agreement dated April 22, 2021, entered into by FIH Mauritius Investments Limited and subject to Completion having occurred,

Apart from the above, there is no change in the composition of the Board of Directors.

KEY MANAGEMENT PERSONNEL (KMP):

In terms of Provisions of Section 251 and Section 203 of the Act, the followings are the KMP's of the Company:

1. Mr. Narayan S. Iyer – Chief Financial Officer

2. Mr. Ramesh Kathuria – Company Secretary

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors of the Company, inter alia, confirming that they meet the criteria of Independence as prescribed under Section 149 of the Act and Regulation 16(1)(b) of Listing Regulations, as amended from Independent Directors confirming that they are not disqualified for continuing as an Independent Director.

PARTICULARS OF EMPLOYEES:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report.

The Statement containing particulars of employees as required under Section 197 (12) of the Act read with Rule 5(20) and 5(3) of the Rules forms part of this Report.

LISTING:

The Company's securities are listed with BSE and NSE. The Company has paid the listing fees for F.Y. 2022-23 on the Paid-up equity share capital.

RELATED PARTY TRANSACTIONS:

The Company has formulated a Policy on Related Party Transactions, in line with the requirements of the Act, and Listing Regulations, as amended from time to time. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at https://www.privi.com/Downloads/Policies-PSCL/PSCL-Policy-on-Related-Party-Transactions.pdf

All related party transactions entered into during FY 2021-22 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. An omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on arm's length basis. A statement giving details of all related party transactions entered pursuant to omnibus approval so granted is placed before the Audit Committee on a quarterly basis for its review.

The Company has not entered into any contracts or arrangements with related parties in terms of Section 188(1) of the Act and there were no material significant related party transactions entered into by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form No. AOC-2 is not applicable to the Company for FY 2021-22 and hence does not form part of this Report.

Pursuant to Regulation 23 of the Listing Regulations, the Company submits details of related party transactions on a consolidated basis to the stock exchanges as per the specified format on half yearly basis.

INTERNAL CONTROL AND ITS ADEQUACY:

Adequate internal control systems commensurate with the nature of the Company's business, size and complexity of its operations are in place and have been operating effectively. The Directors have laid down policies and procedures which are adopted by the company 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;

Apart from this your Company has also engaged a full-fledged professional Internal Audit firm to test and check the Internal Controls of all systems and suggest corrective and remedial measures.

The Audit Committee deliberated with the members of the Management, considered the systems as laid down and met the internal audit team and statutory auditors to ascertain their views on the internal financial control systems. The Audit Committee satisfied itself as to the adequacy and effectiveness of the internal financial control systems as laid down and kept the Board of Directors informed. However, the Company recognises that no matter how the internal control framework is, it has inherent limitations and accordingly, periodic audits and reviews ensure that such systems are updated on regular intervals. The Statutory Auditors have also issued a report on review of Internal Financial Controls (ICFR) and have expressed that the Internal Controls over Financial Reporting are adequate and operating effectively.

GOVERNANCE AND COMPLIANCE:

The Secretarial and Legal functions of the Company ensure maintenance of good governance at all levels. They assist the Company by being compliant in all areas including legislative expertise, corporate structuring, regulatory changes and governance. The Compliances across various locations are monitored through a Legal Risk Management System.

RISK MANAGEMENT POLICY:

The Company has put in place a Risk Management Plan as detailed in the Risk Management Policy, which is approved by the Board of Directors and adopted by the Company. The Risk Management Policy is available on the Company's website at http://www.privi.com/Downloads/Policies-PSCL/PSCL-Risk-Mgmt-Policy.pdf

The Policy provides a framework for identification, evaluation, management, continuous monitoring of risks and implementation of mitigation strategies. The risk management strategy is integrated with the overall business strategies of the organization and its mission statement to ensure that its risk management capabilities aids in establishing competitive advantage and allow management to develop reasonable assurance regarding the achievement of the Company's objectives.

The Risk Management Committee (RMC) oversees the risk management process in the Company. The RMC is chaired by an Independent Director and the Chairperson of Audit Committee is also a member of RMC.

A sub-committee consisting of the Head of the Department / Senior Leadership Team of the Company has been formed which meets on monthly basis. Each sub-committee member ensures the effectiveness of the risk monitoring process across his work area and the sub-committee makes assessment of long term, strategic, macro risks and implementation of mitigation strategies across business units.

REPORTING OF FRAUD:

During the year, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers and employees under Section 143(12) of the Act details of which needs to be mentioned in this Report.

CORPORATE SOCIAL RESPONSIBILITY:

The Corporate Social Responsibility Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy which has been approved by the Board. The other details of the CSR activities as required under Section 135 of the Act are given in the CSR Report as Annexure to this Report.

VIGIL MECHANISM AND WHISTLEBLOWER POLICY:

As required under the Act and Listing Regulations, the Company has devised an effective Whistleblower mechanism enabling stakeholders, including individual employees and their representative bodies to communicate their concerns about illegal or unethical practices freely. The Company has adopted a Vigil Mechanism and Whistleblower Policy ('the Policy') for stakeholders to report concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Protected disclosures can be made by a whistleblower through several channels. The Policy provides for adequate safeguards against victimisation of employees. No personnel of the Company has been denied access to the Chairperson of the Audit Committee. The Policy also facilitates all employees of the Company to report any instance of leakage of unpublished price sensitive information.

Vigil Mechanism and Whistle Blower Policy is available on the Company's Website at https://www.privi.com/Downloads/Policies-PSCL/PSCL-Vigil-Mechanism-Policy.pdf

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

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Company has also constituted Internal Complaints Committee (ICC) for its workplaces to address complaints pertaining to sexual harassment in accordance with the POSH Act.

No complaints were pending at the beginning of the financial year. No complaint was pending as at the end of the financial year.

To build awareness, the Company has been conducting awareness sessions during induction of new employees and also periodically for permanent employees, third-party employees and contract workmen through online modules and webinars.

MEETINGS OF THE BOARD:

During the Financial Year 2021-22, 4 (Four) meetings of the Board of Directors took place. For further details, please refer to the Corporate Governance Report annexed hereto.

PARTICULARS OF LOANS GUARANTEES AND INVESTMENTS:

Particulars of loans, guarantees and investments made by the Company as required under Section 186 (4) of the Act are contained in Note No. __ and__ to the Standalone Financial Statements.

CORPORATE GOVERNANCE REPORT:

A Report on the Corporate Governance along with a certificate from a Practicing Company Secretary regarding the compliance of conditions of Corporate Governance as stipulated in Regulation 34 of Listing Regulations, 2015 as also the Management Discussion and Analysis Report are annexed to this Report.

AUDITORS

I. STATUTORY AUDITORS AND THEIR REPORT:

The auditors M/s. BSR & Co. LLP, Chartered Accountants were appointed as Statutory Auditors at the 35th Annual General Meeting (AGM) held on November 02, 2020, for a term of five years, from the conclusion of 35th AGM till the conclusion of 40th AGM to be held in the year 2024-25. They have furnished a declaration confirming their independence as well as their arm's length relationship with the Company and that they have not taken up any prohibited non-audit assignments for the Company. The Board has duly reviewed the Statutory Auditor's Report for the Financial Year ended on March 31, 2022, and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board in their Report as provided under Section 134 of the Act.

II. SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT:

As required by Section 204 of the Act, read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Rathi & Associates, Company Secretaries, a firm of Company Secretaries in Practice to conduct Secretarial Audit for the Financial Year 2021-22. The Report of the Secretarial Audit for the financial year ended on March 31, 2022, is annexed to this Report.

The Board has reviewed the Secretarial Auditor's Report and is of the opinion that the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board in its Report as provided under Section 134 of the Act.

III. COST AUDITORS:

As per the Companies (Cost Records and Audit) Rules, 2014 as amended by Companies (Cost Records and Audit) Amendment Rules, 2014, issued by the Central Government, the Company is required to get its cost records maintained by it for the products covered under Chapters 2902, 2903, 2905, 2906, 2907, 2909, 2912, 2914, 2915, 2918, 2926 and 2932 of Sr. No. 18 of table mentioned under Rule 3 (B) – Non-regulated Sectors audited by a Cost Auditor.

The Board of Directors has on the recommendation of the Audit Committee appointed M/s Kishore Bhatia & Associates, Cost Accountants as the Cost Auditors of the Company for the financial year 2022-23. Pursuant to the provisions of Section 148 of the Act read with The Companies (Audit and Auditors) Rules 2014, Members are requested to consider the ratification of the remuneration payable to M/s. Kishore Bhatia & Associates.

CONFIRMATION OF COMPLIANCE OF SECRETARIAL STANDARDS:

During the year under review, the Company has complied with the applicable Secretarial Standards i.e. SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively, issued by The Institute of Company Secretaries of India (ICSI).

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUT GO:

A. CONSERVATION OF ENERGY

I. IMPACT ON ENERGY CONSERVATION IN 2021-22:

- Dry vac pumps (Ital vac) installed to save steam consumption.
- Condensate recovery system to Boiler feed water (Recycle & Reuse).
- Replacement of low efficiency motors by High efficiency Motors.
- Automation of Oil cum Gas Burner modulation system in New Incinerator Plant for better combustion of residues.
- 2815 MWH power from 500 KW steam Turbine.
- VFDs are provided on the vacuum pumps & reactor agitators for optimising the power consumption.
- Commissioned Vapour Absorption Machines (VAMs) which works on available unused flash steam and hot water for Chilled Water generation. Thus, reducing power consumption on chilling plants.
- By recycling Treated effluent water (ZLD ~ 300 KLD), specific consumption of water has been brought down significantly to almost zero in some of the plants.
- Rainwater harvesting done and same is used for process applications & gardening.

II. ENERGY CONSERVATION PLANNING FOR 2022-23/ CAPITAL INVESTMENT:

- Waste Heat recovery from Pyrolysers Flue gases and generate 100 TR Brine chilling at sub-zero temperature (-) 27 Deg.C.
- 100 TR Hybrid chiller at U-1 at (-) 15 deg.C with steam + Power and save Power.
- Heat recovery from blowdown water of 55 TPH and 20 TPH boilers in Unit-04 and Unit-03 respectively.
- Dry vac pumps installation at U-3 in place of Ejectors.
- 1.0 MW Captive power plant proposed to be installed in Unit -4.
- ZLD plants with further increase treated water recycle 300 to 600 KLD.
- Install new ZLD Plants with increased capacity for treating wasted water recycle 300 to 600 KLD.
- Usage of Solar Power.

III. NEW PROCESS DEVELOPMENTS :

- Alfa-Pinene to Camphene yield improvement.
- Batch Process to Continuous Reaction and distillation (TNL to TNL Epoxide and Camphene distillation).
- Value added products derivation from the side stream of various production processes with purification.
- Green Technology development at pilot scale from intermediates of Products.
- New technology for separation/dehydration (pervaporation Process) to eliminate conventional distillation for solvent dehydration.
- ZLD plant to recycle treated effluent water and hence reduction in overall water consumption.

B. TECHNOLOGY ABSORPTION

The expenditure on Research and Development: Yes

Sr. No.	Particulars	Amount (₹ in Lakhs)
a.	Capital	590.16
b.	Revenue	651.70
	Total (a+b)	**1241.86**
	Total Research & Development Expenses as % age of Turnover	0.89%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Amount (₹ in Lakhs)
Foreign Exchange Earnings	98,869.81
Foreign Exchange Outgo	71,050.61

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Act read with Section 134(3)(a) of the Companies Act and the applicable Rules, the extract of Annual Return in Form MGT-9 is annexed herewith as Annexure to this Report.

ACKNOWLEDGEMENTS:

Your Directors wish to thank the Customers, Suppliers, Bankers, Business Associates and Government Agencies and Shareholders for their continued support and co-operation. The Directors appreciate the contribution made by the Employees and the Workmen for their dedication, hard work and support during these challenging times.

For and on behalf of the Board of Directors

Mahesh P Babani

Place: Navi Mumbai
Chairman & Managing Director

Date: May 05, 2022
DIN – 0051162

Annexure - 1

Form No. MGT-9
Extract of Annual Return

as on financial year ended on 31.03.2022

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

I	CIN	L15140MH1985PLC286828
II	Registration Date	25.05.1985
III	Name of the Company	PRIVI SPECIALITY CHEMICALS LIMITED (Formerly known as Fairchem Speciality Limited)
IV	Category/Sub-category of the Company	Public Company/Limited by Shares
V	Address of the Registered office	Plot No. A-71, TTC Thane Belapur Road, Kopar Khairane, Navi Mumbai, Thane - 400710. Maharashtra.
	Contact details	**Works and Office:** **UNIT-I:** A-7, MIDC Mahad, Dist. Raigad - 402 301. **UNIT-II & IV (EOU):** C- 3,4,5,6,6/1,7,8,9,10, 11/1,33/1; X- 9,10,11 and B-8 MIDC Mahad, Dist. Raigad - 402 301. **UNIT-III:** A-3 MIDC Mahad, Dist. Raigad - 402 301. **UNIT-VI:** Plot No. 765, Road No. 2, Near UPL, GIDC, Jhagadia - 393110, Dist. Bharuch, Gujarat.
VI	Whether listed company	Yes
VII	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Phone Nos: (022) 4918 6000/ 4918 6270

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name & Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Dihydromyrcenol	29052290	24.35%
2	Amber Fleur	29142990	18.26%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Privi Biotechnologies Private Limited	"Privi House", A-71 TTC, Thane Belapur Road, Near Kopar Khairane Railway Station, Navi Mumbai - 400709	U74220MH1985PTC037534	Subsidiary	100%	2(87)(ii)
2	Privi Speciality Chemicals USA Corporation (Formerly known as Privi Organics USA Corporation)	645, Howard Avenue, Somerset, NJ 08873, USA	–	Subsidiary	100%	2(87)(ii)
3	Prigiv Specialties Private Limited	Privi House", A-71 TTC, Thane Belapur Road, Near Kopar Khairane Railway Station, Navi Mumbai - 400709	U24290MH2021PTC366682	Subsidiary	51%	2(87)(i) & (ii)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS % TO TOTAL EQUITY):

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	**Promoter & Promoter Group**									
(1)	**Indian**									
	a Individuals / Hindu Undivided Family	84,06,385	-	84,06,385	21.52	99,38,153	-	99,38,153	25.44	3.92
	b Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
	c Financial Institutions / Banks	-	-	-	-	-	-	-	0	0
	d Any Other (Specify)	14,76,388	-	14,76,388	3.78	1,89,87,448	-	1,89,87,448	48.61	44.83
	Sub-total (A)(1):	**98,82,773**	**-**	**98,82,773**	**25.30**	**2,89,25,601**	**-**	**2,89,25,601**	**74.05**	
(2)	**Foreign**									
	a Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
	b Government	-	-	-	-	-	-	-	-	-
	c Institutions	-	-	-	-	-	-	-	-	-
	d Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
	e Any Other (Specify) - Bodies Corporate	1,90,46,078	-	1,90,46,078	48.76	-	-	-	-	(48.76)
	Sub-total (A)(2):	**1,90,46,078**	**-**	**1,90,46,078**	**48.76**	**-**	**-**	**-**	**-**	**(48.76)**
	Total Shareholding of Promoter & Promoter [(A)(1)+(A)(2)]	**2,89,28,851**	**-**	**2,89,28,851**	**74.06**	**2,89,25,601**	**-**	**2,89,25,601**	**74.05**	**(0.01)**
B	**PUBLIC SHAREHOLDING**									
(1)	**Institutions**									
	a Mutual Fund	7,08,947	-	7,08,947	1.81	12,26,735	-	12,26,735	3.14	1.33
	b Venture Capital Funds	-	-	-	-	-	-	-	-	-
	c Alternate Investment Funds	1,77,466	-	1,77,466	0.45	2,01,327	-	2,01,327	0.52	0.06
	d Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	e Foreign Portfolio Investor	1,15,761	-	1,15,761	0.3	1,97,990	-	1,97,990	0.51	0.21
	f Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
	g Insurance Companies	-	-	-	-	-	-	-	-	-
	h Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
	i Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	**10,02,174**	**-**	**10,02,174**	**2.57**	**16,26,052**	**-**	**16,26,052**	**4.16**	**1.6**
(2)	**Central Government/ State Government(s)/ President of India**	-	-	-	-	-	-	-	-	-
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-
(3)	**Non-Institutions**									
	a Individuals	48,53,715	1,61,616	50,15,331	12.84	43,72,374	1,32,245	45,04,619	11.53	(1.31)
	i. Individual shareholders holding nominal share capital up to ₹ 2 Lakhs.	26,22,504	1,61,616	27,84,120	7.13	26,89,504	1,32,245	28,21,749	7.22	0.1
	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs.	22,31,211	-	22,31,211	5.71	16,82,870	-	16,82,870	4.31	(1.4)
	b NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
	c Trust Employee	-	-	-	-	-	-	-	-	-
	d Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
	e Any Other (Specify)	41,16,350	-	41,16,350	10.54	40,06,434	-	40,06,434	10.26	(0.28)
	i. IEPF	41,750	-	41,750	0.11	62,184	-	62,184	0.16	0.05
	ii. Trusts	300	-	300	-	5,558	-	5,558	0.01	0.01
	iii. Foreign Nationals	877	-	877	-	183	-	183	-	-
	iv. Hindu Undivided Family	2,24,289	-	2,24,289	0.57	1,97,188	-	1,97,188	0.5	(0.07)
	v. Non Resident Indians (Non Repat)	1,50,169	-	1,50,169	0.38	1,57,752	-	1,57,752	0.40	0.02
	vi. Other Directors / Relatives	7,34,980	-	7,34,980	1.88	7,34,980	-	7,34,980	1.88	-
	vii. Non Resident Indians (Repat)	1,34,504	-	1,34,504	0.34	1,10,054	-	1,10,054	0.28	(0.06)
	viii. Body Corp-Ltd Liability Partnership	-	-	-	-	35,053	-	35,053	0.09	0.09
	ix. Overseas Bodies Corporates	24,61,914	-	24,61,914	6.3	22,99,455	-	22,99,455	5.89	(0.42)
	x. Clearing Member	47,038	-	47,038	0.12	1,22,571	-	1,22,571	0.31	0.19
	xi. Bodies Corporate	3,20,529	-	3,20,529	0.82	2,81,456	-	2,81,456	0.72	(0.10)
	Sub Total (B)(3)	**89,70,065**	**1,61,616**	**91,31,681**	**23.38**	**83,78,808**	**1,32,245**	**85,11,053**	**21.79**	**(1.59)**
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	**99,72,239**	**1,61,616**	**1,01,33,855**	**25.94**	**1,00,04,860**	**1,32,245**	**1,01,37,105**	**25.95**	**0.01**
	TOTAL (A+B)	**3,89,01,090**	**1,61,616**	**3,90,62,706**	**100.00**	**3,89,30,461**	**1,32,245**	**3,90,62,706**	**100.00**	-

(II) SHAREHOLDING OF PROMOTERS/PROMOTERS GROUP:

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	No. of shares	% of total Shares of the Company	% of shares Pledged/ encumbered to total shares	
1	FIH Mauritius Investments Limited	1,90,42,828	48.75%	–	–	–	–	-48.75%
2	Utkarsh Bhikhoobhai Shah	25,000	0.06%	–	–	–	–	-0.06%
3	Mahesh P Babani	25,86,348	6.62%	–	25,86,348	6.62%	–	–1.63%
4	Mahesh Purshottam Babani HUF	17,91,720	4.59%	–	17,91,720	4.59%	–	0.00%
5	Seema Babani	3,90,000	1.00%	–	3,90,000	1.00%	–	0.76%
6	Snehal M Babani	3,90,000	1.00%	–	3,90,000	1.00%	–	0.22%
7	Jyoti Mahesh Babani	3,90,000	1.00%	–	3,90,000	1.00%	–	0.65%
8	Doppalapudi Bhaktavatsala Rao	7,23,060	1.85%	–	11,20,346	2.87%	–	1.02%
9	Vinaykumar Doppalapudi Rao	4,78,278	1.22%	–	7,41,068	1.90%	–	0.68%
10	Vijaykumar Doppalapudi	4,55,004	1.16%	–	7,05,006	1.80%	–	0.64%
11	Grace Vinaykumar	1,49,850	0.38%	–	2,32,285	0.59%	–	0.21%
12	Sharon Doppalapudi	1,58,544	0.41%	–	2,45,656	0.63%	–	0.22%
13	Premaleela Doppalapudi	1,77,174	0.45%	–	2,74,522	0.70%	–	0.25%
14	Rajkumar Doppalapudi	4,45,824	1.14%	–	6,90,782	1.77%	–	0.63%
15	Prasanna Raj	1,85,274	0.47%	–	2,87,074	0.73%	–	0.26%
16	Rameshbabu Gokarneswararao Guduru	60,309	0.15%	–	93,446	0.24%	–	0.09%
17	Nahoosh Tradelink LLP	6,63,019	1.70%	–	-	-	–	-1.70%
18	Jariwala Tradelink LLP	3,36,981	0.86%	–	-	-	–	-0.86%
19	Moneymart Securities Private Limited	2,06,712	0.53%	–	34,12,502	8.74%	–	8.21%
20	Vivira Investment and Trading Private Limited	1,89,918	0.49%	–	1,54,95,188	39.67%	–	39.18%
21	Vivira Chemicals Private Limited	79,758	0.20%	–	79,758	0.20%	–	0.00%
22	FIH Private Investments Limited	3,250	0.01%	–	-	-	–	-0.01%
	Total	**2,89,28,851**	**74.06%**	**–**	**2,89,25,601**	**74.05%**	**–**	**0.01%**

(III) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	2,89,28,851	74.06%	2,89,25,601	74.05%
Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus / sweat equity etc.)				
FIH Mauritius Investments Limited*	1,90,42,828	48.75%	-	-
Utkarsh Bhikhoobhai Shah*	25,000	0.06%	-	-
Doppalapudi Bhaktavatsala Rao*	7,23,060	1.85%	11,20,346	2.87%

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Vinaykumar Doppalapudi Rao*	4,78,278	1.22%	7,41,068	1.90%
Vijaykumar Doppalapudi*	4,55,004	1.16%	7,05,006	1.80%
Grace Vinaykumar*	1,49,850	0.38%	2,32,185	0.59%
Sharon Doppalapudi*	1,58,544	0.41%	2,45,656	0.63%
Premaleela Doppalapudi*	1,77,174	0.45%	2,74,522	0.70%
Rajkumar Doppalapudi*	4,45,824	1.14%	6,90,782	1.77%
Prasanna Raj*	1,85,274	0.47%	2,87,074	0.73%
Rameshbabu Gokarneswararao Guduru*	60,309	0.15%	93,446	0.24%
Nahoosh Tradelink LLP*	6,63,019	1.70%	-	-
Jariwala Tradelink LLP*	3,36,981	0.86%	-	-
Moneymart Securities Private Limited*	2,06,712	0.53%	34,12,502	8.74%
Vivira Investment and Trading Private Limited*	1,89,918	0.49%	1,54,95,188	39.67%
FIH Private Investments Limited $	3,250	0.01%	-	-
At the end of the year	**2,89,28,851**	**74.06%**	**2,89,25,601**	**74.05%**

Note:

** Inter-se promoter transfer pursuant to Share Purchase agreement dated May 22, 2019 (Amended on April 22, 2021).*

$ Sale of shares in market

(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS)

Sl. No.	Name of Shareholder(s)	Shareholding at the beginning of the year		Change in Shareholding (No. of shares)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	Increase	Decrease	No. of Shares	% of total Shares of the Company
1	Banbridge Limited	24,61,914	6.30	-	(1,62,459)	22,99,455	5.89
2	SBI Large & Midcap Fund	3,40,000	0.87	1,29,612	-	4,69,612	1.20
3	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Growth Opportunities Fund	25,086	0.06	3,33,917	-	3,59,003	0.92
4	Bimalbhai D. Parikh	3,39,621	0.87	-	(49,835)	2,89,786	0.74
5	Dhirendra B. Shah	1,17,470	0.30	480	-	1,17,950	0.30
6	Gouresh Sinnari	3,192	0.01	1,13,734	-	1,16,926	0.30
7	Trustline Deep Alpha Aif	1,04,100	0.27	-	-	1,04,100	0.27
8	Smc Global Securities Limited	10	0.00	1,02,657	-	1,02,667	0.26
9	Bhartula Vjk Sharma	84,500	0.22	16,729	-	1,01,229	0.26
10	Abhijit Yashawant Gore	1,05,310	0.27	-	(4,086)	1,01,224	0.26

Note: Top ten shareholders of the Company as on March 31, 2022, has been considered for the above disclosure.

V. SHAREHOLDING OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

Sl. No.	Name of Shareholder(s)	Shareholding at the beginning of the year		Date	Incease / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% Shareholding				No. of Shares	% Shareholding
1	Mr. Mahesh Babani	25,86,348	6.62	–	–	–	25,86,348	6.62
2	Mr. Mahesh Babani – HUF	17,91,720	4.59	–	–	–	17,91,720	4.59
3	Mr. Doppalapudi Bhaktavatsala Rao	7,23,060	1.85	–	–	–	11,20,346	2.87
4	Mr. Rajesh Budhrani	7,12,480	1.82	–	–	–	7,12,480	1.82
5	Mr. Anurag Surana	22,500	0.06	–	–	–	22,500	0.06
6	Mr. Utkarsh B. Shah	25,000	0.06	–	–	–	25,000	0.06
	Key Managerial Personnel (KMP)							
1	Mr. Narayan S. Iyer	–	–				–	–
2	Mr. Ramesh Kathuria	–	–				–	–

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	36,621.67	–	–	36,621.67
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	99.42	–	–	99.42
Total (i+ii+iii)	**36,721.09**	**–**	**–**	**36,721.09**
Change in Indebtedness during the financial year				
Additions	11,000.00	–	–	11,000.00
Reduction	3,555.45	–	–	3,555.45
Net Change	**7,444.55**	**–**	**–**	**7,444.55**
Indebtedness at the end of the financial year				
i) Principal Amount	44,165.64	–	–	44,165.64
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	197.13	–	–	197.13
Total (i+ii+iii)	**44,362.77**	**–**	**–**	**44,362.77**

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Director and/or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Mahesh P. Babani Chairman & Managing Director	Bhaktvatsala Doppalapudi Rao Executive Director	Total
1	Gross salary	6,00,00,000	56,00,000	6,56,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–	–
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	- as % of profit	–	–	–
	- others (specify)	–	–	–
5	Others, please specify	–	–	–
	Total (A)	**6,00,00,000**	**56,00,000**	**6,56,00,000**

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of the Directors					Total Amount (in ₹)
		Mr. Padmnabh Ramchandra Barpande	Mr. Rajesh Budhrani	Mr. Dwarko Topandas Khilnani	Mrs. Anuradha Thakur	Mr. Anurag Surana	
1	Independent Directors						
	a) Sitting Fee for attending Board / Committee meetings	5,00,000	4,00,000	5,00,000	5,00,000	5,00,000	24,00,000
	b) Commission	–	–	–	–	–	–
	c) Others	–	–	–	–	–	–
	Total (1)	**5,00,000**	**4,00,000**	**5,00,000**	**5,00,000**	**5,00,000**	**24,00,000**
2	Other Non-Executive Directors						
	a) Sitting Fee for attending Board / Committee meetings	–	–	–	–	–	–
	b) Commission	–	–	–	–	–	–
	c) Others	–	–	–	–	–	–
	Total (2)	**–**	**–**	**–**	**–**	**-**	**–**
	Total (B)=(1+2)	**5,00,000**	**4,00,000**	**5,00,000**	**5,00,000**	**5,00,000**	**24,00,000**
	Total Managerial Remuneration (A+B)						**6,80,00,000 #**

 # Total remuneration to Managing Director, and other Directors (being the total of A & B)

C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
1	Gross salary	90,37,900	30,06,660	1,20,44,560
	Salary as per provisions contained in section 17(1) of the Income Tax,1961.	–	–	–
	Value of perquisites u/s 17(2)	–	–	–
	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	- as % of profit	–	–	–
	- others (specify)	–	–	–
5	Others, please specify	–		–
	Total	**90,37,900**	**30,06,660**	**1,20,44,560**

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

	Type	Section of the Companies Act/ SEBI Regulations	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A.	**COMPANY**					
	Penalty	Reg 17(1A)	Appointment of Independent Director above 75 years of age.	₹ 2000 per day from August 13, 2020, to November 02, 2020	SEBI	–
	Punishment	–	–	–	–	–
	Compounding	–	–	–	–	–
B.	**DIRECTORS**					
	Penalty	–	–	–	–	–
	Punishment	–	–	–	–	–
	Compounding	–	–	–	–	–
C.	**OTHER OFFICERS IN DEFAULT**					
	Penalty	–	–	–	–	–
	Punishment	–	–	–	–	–
	Compounding	–	–	–	–	–

Annexure - 2

FORM NO. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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,
PRIVI SPECIALITY CHEMICALS LIMITED
(Formerly known as Fairchem Speciality Limited)
Privi House, Plot No A-71, TTC,
Thane Belapur Road, Kopar Khairane, Navi Mumbai,
Thane - 400710

We have conducted online verification and examination of records, as facilitated by the Company, due to COVID-19 and subsequent lockdown situation for the purpose of the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **Privi Speciality Chemicals Limited** (hereinafter called "**the Company**") and for issuing this Report. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1) We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2022, according to the provisions of:

    (i) The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable;

    (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 securities issued Foreign Direct Investments Regulation.

    (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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

2) Provisions of the following Regulations and Guidelines, including those prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:

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

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

    iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

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

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

3) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof,

on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company as per the list given in **Annexure I**.

We have also examined compliance with the applicable clauses of (i) the Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013, and (ii) the Listing Agreements entered into by the Company with BSE Limited and The National Stock Exchange of India Limited.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

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

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

None of the members have communicated dissenting views, in the matters / agenda proposed from time to time for consideration of the Board and its Committees, during the year under report, hence were not required to be captured and recorded part of the minutes.

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

We further report that the Company has entered into a Joint Venture Agreement with Givaudan SA for manufacturing highly specialised aroma chemicals for Givaudan SA for which a Joint Venture Company, Prigiv Specialties Private Limited, was formed in India. Privi Speciality Chemicals Limited holds 51% shareholding and Givaudan SA holds 49% shareholding in the said JV Company.

Except above, there were no events/actions which had a major bearing on the affairs of the Company.

For RATHI & ASSOCIATES
COMPANY SECRETARIES

HIMANSHU S. KAMDAR
PARTNER
MEM No. FCS No. 5171
COP. No. 3030
UDIN: F005171C000310146

Date:05/05/2022
Place: Mumbai

Note: This report should be read with our letter of even date which is annexed as Annexure- II and forms an integral part of this report.

ANNEXURE - I

List of applicable laws to the Company

1. The Narcotic Drugs and Psychotropic Substances Act, 1985 (As amended) & NDPS (Regulation of controlled substance) Order 1993.
2. Maharashtra Poisons (Amendment Rule, 2011 under Poison Act, 1919).
3. The Bio Medical Waste (Management and Handling) Rules, 1998 (As amended).
4. The Chemical Weapons Convention (CWC) Act, 2000.
5. The Air (Prevention and Control of Pollution) Act, 1981.
6. The Environment (Protection) Act, 1986.
7. Noise Pollution (Regulation and Control) Rules, 2000.
8. E-Waste (Management & Handling) Rules, 2011.
9. The Water (Prevention and Control of Pollution) Act, 1974/ The Water Prevention and Control of Pollution Cess.
10. The Hazardous Waste (Management & Handling) Rule, 1989 (As amended).
11. Maharashtra Non Bio Degradable (Garbage Control) Act, 2006.
12. Petroleum Act, 1934, Amendment Act, 1977, Read with Petroleum Rules, 2002, Amendment Rules, 2011 conditions of Petroleum License.

ANNEXURE - II

To
The Members
PRIVI SPECIALITY CHEMICALS LIMITED
Privi House, Plot No A-71, TTC, Thane Belapur Road,
Kopar Khairane, Navi Mumbai,
Thane 400710

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

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

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

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

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

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

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

For RATHI & ASSOCIATES
COMPANY SECRETARIES

HIMANSHU S. KAMDAR
PARTNER
MEM No. FCS No. 5171
COP. No. 3030
UDIN: F005171C000310146

Date:05/05/2022
Place: Mumbai

Annexure - 3

ANNUAL REPORT ON CSR ACTIVITIES

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

1. **Brief outline on CSR Policy of the Company:** Privi Speciality Chemicals Limited (formerly known as Fairchem Speciality Limited) is dedicated to the cause of social development. Through our Corporate Social Responsibility (CSR) initiatives, Privi is committed to bring positive and sustainable change in the lives of people living in the vicinity of our manufacturing facilities and administrative offices. We strive to attain sustainable development of society by active engagement with community and capability development of people. We attain this by providing direct benefit to the concerned, making people self-reliant, focus on grass-root issues of community, empowerment, training and guidance, and facilitative support.

   All projects are identified as per the prevalent needs of the society. Primarily we focus on areas such as Education, Health & Hygiene and Environment Sustainability.

2. **Composition of CSR Committee**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Anuradha Thakur	Independent Director	5	5
2.	Mr. Anurag Surana	Independent Director	5	5
3.	Mr. Rajesh Budhrani	Independent Director	5	4
4.	Mr. Doppalapudi Bhaktavatsala Rao	Executive Director	5	5
5.	Mr. Sumit Maheshwari*	Nominee Director	5	NA

**Mr. Sumit Maheshwari ceased to be a Director/Member of Corporate Social Responsibility Committee w.e.f. April 29, 2021.*

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:

   http://www.privi.com/investor-relations/corporate-governance/company-policies

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).

   Impact Assessment of CSR projects is not applicable to the Company as the CSR expense is less than ₹ 10 Crores.

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹ Lakhs)
1	2021-2022	NIL	NIL
	TOTAL		

6. Average net profit of the Company as per Section 135(5): ₹ 12,534.04 Lakhs

7. (a) Two percent of average net profit of the company as per Section 135 (5): ₹ 250.68 Lakhs

   (b) Surplus arising out of the CSR projects or programmers or activities of the previous financial years: Nil

   (c) Amount required to be set off for the financial year, if any: Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 250.68 Lakhs

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 254.15 Lakhs	NA	NA	NA	NA	NA

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

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

Sr. No.	Name of the Product	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the project (in ₹ Lakhs)	Mode of Implementation Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration Number
1	• Support to under privileged students for education • Scientific Equipment Tools for School	Education	Yes	Maharashtra	Raigad	5.04	Yes	NA	NA
2	Corpus Fund to Hirwal Education Trust at Mahad for new campus construction and infrastructure of Senior College	Education	Yes	Maharashtra	Raigad	12.83	No	Hirwal Education Trust	E-432
3	Green Zone- Development, Plantation and Maintenance at Deshmukh Kamble/, Karanjkhol Village, MIDC Fire Station to Max Stores	Environmental Sustainability	Yes	Maharashtra	Raigad	67.00	Yes	NA	NA
4	Purchase of cleaning vehicle (Truck) and operating cost to clean the road for Mahad city and MIDC area	Environmental Sustainability	Yes	Maharashtra	Raigad	59.20	Yes	NA	NA
5	Nadgaon, Birwadi Water Scheme Project & RO at Jhagadia Villages	Health & Hygiene	Yes	Maharashtra	Raigad	32.18	Yes	NA	NA
6	Blood Donation Camp in Mahad and Financial Help to MMA Vithai Dialysis center at Mahad	Health & Hygiene	Yes	Maharashtra, Gujarat	Raigad, Jhagadia	1.40	Yes	NA	NA
7	Combating Covid at Mahad, Navi Mumbai, Jhagadia and Police Welfare Fund for Covid affected families	Disaster Management	Yes	Maharashtra, Gujarat	Raigad, Jhagadia	76.50	Yes	NA	NA

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment: NIL

(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 254.15 Lakhs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹ Lakhs)
1	Two percent of Average Net Profit of the Company as per Section 135(5) of the Act	250.68
2	Total amount spent for the Financial Year	254.15
3	Excess amount spent for the financial year [(ii)-(i)]	3.47
4	Surplus arising out of the CSR projects or program or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	3.47*

** Board has decided not to take set off for next year i.e. FY 2022-23, for excess amount spent in FY 2021-22*

9. (a) Details of unspent CSR amount for the preceding three financial year: NIL

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details): Not Applicable (“N.A”)

    (a) Date of creation or acquisition of the capital asset(s): N.A.

    (b) Amount of CSR spent for creation or acquisition of capital asset: N.A.

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: N.A.

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset: N.A.

11. Specify the reasons, if any, the company has failed to spent two percent of the average net profits as per section 135(5): N.A.

Mahesh P Babani
Chairman & Managing Director
DIN: 0051162

Anuradha Thakur
Chairperson, CSR Committee
DIN: 06702919

Place: Navi Mumbai
Date: May 05, 2022

ANNEXURE - 4

A. DETAILS OF THE RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Sr. No.	Name of the Director	Designation	Ratio of remuneration to the median remuneration of the employees
1	Mr. Mahesh P Babani	Chairman and Managing Director	105.07:1
2	Mr. Bhaktavatasala Doppalapudi Rao	Executive Director	35.60:1
3	Mr. P R Barpande	Non-Executive – Independent Director	0.88:1
4	Mr. D T Khilnani	Non-Executive – Independent Director	0.88:1
5	Mrs. Anuradha Thakur	Non-Executive – Independent Director	0.88:1
6	Mr. Anurag Surana	Non-Executive – Independent Director	0.88:1
7	Mr. Rajesh Budhrani	Non-Executive – Independent Director	0.88:1
8	Mr. Sumit Maheshwari	Nominee Director	Nil

(ii) The percentage increase in remuneration of each Director, CFO, CEO, Company Secretary or Manager, if any, in the financial year

Sr. No.	Name of the Directors / KMP	% Increase over last F.Y.
1	Mr. Mahesh P Babani	20.00%
2	Mr. Bhaktavatasala Doppalapudi Rao	-76.19%
3	Mr. Narayan S. Iyer	10.00%
4	Mr. Ramesh Kathuria	10.00%

(iii)	The percentage increase in the median remuneration of employees in the financial year	1%
(iv)	The number of permanent employees on the rolls of the Company	725 as on March 31, 2022.
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentiles increase of 2%

We hereby confirm that the remuneration is as per the remuneration policy recommended by Nomination and Remuneration Committee of the Company and adopted by the Company.

Mahesh P Babani
Chairman & Managing Director
DIN: 00051162

Dwarko Topandas Khilnani
Chairman, Nomination & Remuneration Committee
DIN: 01824655

Place: Navi Mumbai
Date: May 05, 2022

B. PARTICULARS OF TOP 10 EMPLOYEES WHOSE REMUNERATION EXCEEDED ₹ 1.02 CRORE PER ANNUM OR ₹ 8.50 LAKHS PER MONTH DURING THE FY 2021-22.

1. Employed throughout the year and in receipt of remuneration aggregating ₹ 1.02 Crore or more per annum.

Name of Employee	Designation	Remuneration Received	Date of Commencement of Employment
Mr. Mahesh P Babani	Chairman & Managing Director	6,00,00,000	May 11, 2017
Mr. R. S. Rajan	President	2,03,28,020	August 12, 2020*

** the date of employment is post amalgamation as per NCLT order dated June 30, 2020.*

2. Employed part of the year and in receipt of remuneration aggregating ₹ 8.5 Lakhs or more per month - NIL

Mahesh P Babani
Chairman & managing Director
DIN: 00051162

Dwarko Topandas Khilnani
Chairman of Nomination &
Remuneration Committee
DIN: 01824655

Place: Navi Mumbai
Date: May 05, 2022

Management Discussion and Analysis

GLOBAL ECONOMIC OUTLOOK

The global economy entered 2022 on a weaker note than previously expected. As the new Omicron variant spread worldwide, countries reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

Global growth is expected to moderate from 6.1% in 2021 to 3.6% in 2022 and 2023. In China, the pandemic-induced disruptions related to the zero-tolerance CO VID-19 policy and protracted financial stress among property developers have induced a severe downgrade.

Risks to the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high.

Elevated inflation is expected to persist for a longer period, with ongoing supply chain disruptions and high energy prices continuing in 2022. Assuming inflation expectations stay well anchored, inflation should gradually decrease as supply-demand imbalances wane in 2022 and monetary policy in major economies responds.

As advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions—especially with debt levels having increased significantly in the past two years.

Other global risks may crystallize as geopolitical tensions remain high, and the ongoing climate emergency means that the probability of major natural disasters remains elevated.

DOWNSIDE SURPRISES IN THE SECOND HALF OF 2021:

Supply disruptions continued into the second half of 2021, hindering global manufacturing—especially in Europe and the United States. A resurgence in COVID-19 cases (particularly in Europe) also held back a broader recovery. In China, disruptions from the virus outbreaks, interruptions to industrial production from power outages, declining real estate investment, and a faster-than-expected withdrawal of public investment- all contributed to the economic slowdown. Although there were signs of a global turnaround in November—with a pickup in international trade and upside surprises for services activity and industrial production data—this only partially offset earlier declines.

BROADENING PRICE PRESSURES:

Inflation continued to rise throughout the second half of 2021, driven by several factors of varying importance across regions. Fossil fuel prices have almost doubled in the past year, driving up energy costs, prominently in Europe. Rising food prices have contributed to higher inflation, for example in sub-Saharan Africa. Meanwhile, ongoing supply chain disruptions, clogged ports, land-side constraints, and high demand for goods have also led to broadening price pressures, especially in the United States. Higher imported goods prices have contributed to inflation in Latin America and the Caribbean region.

(SOURCE IMF)

INDIAN ECONOMY :

As per IMF, India's Gross Domestic Product (GDP) is estimated to have grown by 8.9% in FY 2021-22, and growth is expected at 8.2% in FY 2022-23, making India the fastest-growing major economy in the world. Following the second wave of the COVID-19 pandemic, India's economy was well on its way to recovery, with both the manufacturing and service sectors exhibiting consistent growth. However, the emergence of new COVID variants, supply-chain disruptions arising out of the Russia-Ukraine crisis, and, more recently, weaker consumer demand owing to higher oil and food prices have been posing fresh challenges to economic development.

With most remaining restrictions now being lifted due to the improvement in the COVID-19 situation, including the reopening of schools and colleges across various states, the country is on its way to normalcy.

Sales tax collection, retail activity, and Purchasing Managers' Index (PMIs) suggest solid momentum.

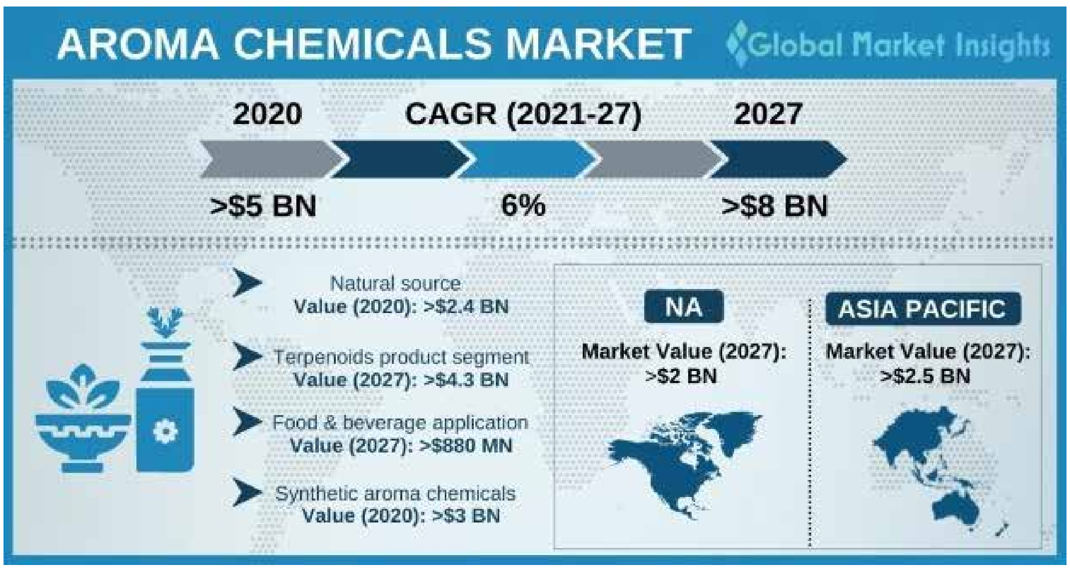
India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook will be marginal. The results of growth-enhancing policies and schemes (such as production-linked incentives and government's push toward self-reliance) and increased infrastructure spending will start kicking in from 2023, leading to a stronger multiplier effect on jobs and income, higher productivity, and more efficiency—all leading to accelerated economic growth. Furthermore, the emphasis on manufacturing in India,various government incentives such as lower taxes, and rising services exports on the back of stronger digitization and technology transformation drive across the world will aid in growth.

Also, several spillover effects of geopolitical conflicts will enhance India's status as a preferred alternate investment destination. Global in-house centers and multinationals, for instance may prefer India over Eastern European markets to shift their current operations or open new facilities. On the health front, a large vaccinated population will likely help contain the impact of subsequent infection waves, if any.

INDUSTRY OVERVIEW:

The global aroma chemicals market size exceeded USD 5 Billion in 2020 and is estimated to grow at a CAGR of 6% between 2021 and 2027. Rapid growth in packaged food consumption in developing economies and the proliferation of personal care products in emerging countries are anticipated to drive business growth.

Aroma chemicals are used to impart a distinct smell or fragrance to various products including personal care, food, and cosmetic products. These chemicals are made using synthetic and natural ingredients and are widely utilized owing to their various attributes including volatility, polarity, surface activity, and stability.



The aroma chemicals include terpenoids, musk chemicals, and benzenoids. These chemical substances are predominantly used in fine fragrances, cosmetics & toiletries, food & beverages, soaps & detergents, and household products to provide them with distinct fragrance and enhance the user experience.

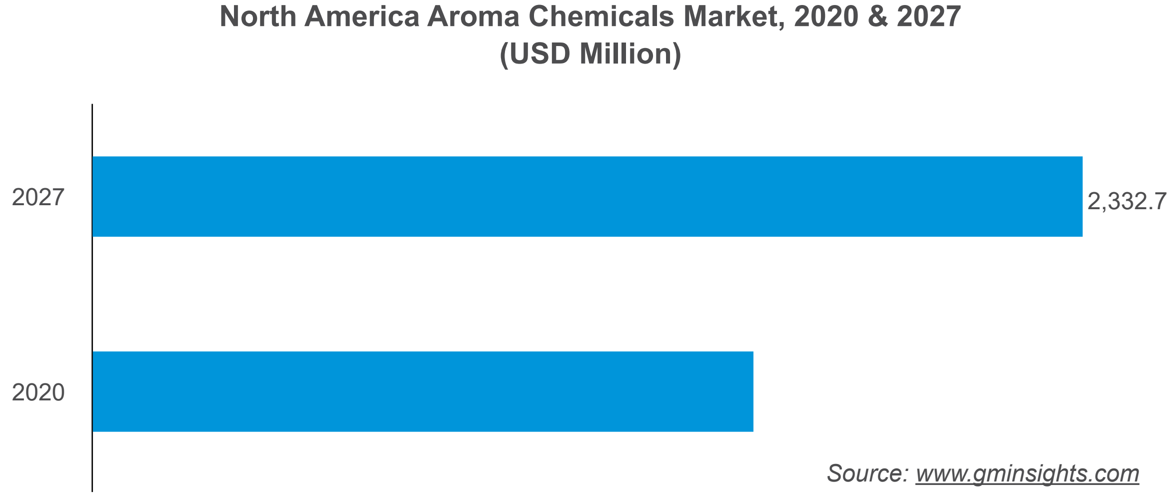
These fragrance chemicals are predominantly used in household products such as cleaners, hand & dishwash liquids, laundry care & fabric softeners, wipes, and aqueous dyes. After the COVID-19 outbreak, consumers are showing interest in healthy and hygienic lifestyles and adopting various healthy & hygienic habits, such as repetitively washing hands, washing vegetables & fruits, regular sanitization and cleaning of floors due to the fear of viruses and diseases.

The natural aroma chemicals market surpassed USD 2.4 Billion in 2020 and is anticipated to witness a CAGR of around 6.5% from 2021 to 2027. Consumers are demanding greater transparency in the products they purchase including knowing where their products come from and what their ingredients are. Additionally, growing environmental concerns and awareness among the young population, use of environment-safe products, and greater knowledge about wellness will drive the demand for natural products..

Growing consumer awareness regarding the harmful effects of chemicals on human health has proliferated the demand for natural aroma chemicals extracted from organic sources such as plants and animals. Changing consumer preferences toward natural sources and organic products are trending among food & beverages, personal care, and pharmaceutical industries. Also, increasing demand for herbal and natural products in different industries is anticipated to fuel the demand for terpenoids in the global market.

The manufacturers are focusing on producing eco-friendly products and reducing the use of chemicals, propelling the natural aroma chemicals market growth.

Region-wise growth



The North America aroma chemicals market is poised to surpass USD 2 Billion by the end of 2027. Growing use of laundry detergents due to the presence of the large textile industry will boost market growth in North America. The rising demand for fabric softeners is likely to stimulate the utilization of aroma chemicals in fabric softeners. Manufacturers use aroma chemicals in soaps and detergents for offering pleasant odor to bathing soaps and detergents. Rising population has been driving the demand for bath soaps, dishwashing detergents, and laundry detergents in household as well as commercial applications.

Growing cleanliness awareness among individuals along with the rise in the demand for soaps and detergents for commercial applications is anticipated to trigger the use of fragrances for providing uniqueness to products. Also, the growing regional textile industry due to continuous investments in the domestic textile market along with the high demand for textile materials in the U.S. is driving the regional demand for soaps & detergents in the coming year.

ASIA PACIFIC HAS THE LARGEST MARKET REVENUE:

With increasing disposable incomes, more local consumers pursue quality products, especially young consumers, who are increasingly crucial for improved consumption. This shows a shift from mass to premium fragrances. Perfumes and fragrances play an increasingly important role in the growth of luxury brands, especially in China, driven by emerging middle-class consumers and millennials who pursue high-end lifestyles. Premium women fragrances remains as the most important type, within fragrances and perfume in India With the introduction of perfumes with synthetic ingredients, other products such as attars are facing tough competition. The synthetic perfumes segment accounts for a majority of the market share.

GLOBAL MARKET GROWTH :

Growing demand from the fragrance industries is expected to be a major factor driving the market. Rapid urbanization, coupled with increased consumer spending, has led to augmented demand with fragrance being a prominent factor.

The aroma chemicals market is growing as the demand for perfumes and body deodorants have increased substantially in recent years. The practice of using aroma chemicals in cosmetics and new product line-ups with toiletries have fueled the market growth. Medical products and treatments using aromatic ingredients will spur the growth of the industry.

End-users are actively interested in synthetic perfume ingredients, labels that specify ingredients, perfume ingredients by brand and perfume chemical ingredients among others which have been influencing market growth. Leading players in the market have been investing substantially in the research & development of these chemicals.

Synthetic aroma chemicals are still preferred over natural chemicals by cosmetics and personal care formulators as the use of synthetic ingredients can produce a strong scent without hampering the characteristics of other chemicals used in cosmetic formulations.

(Source: Grand view research)

AROMA CHEMICAL INSIGHTS BY CATEGORIES

Terpenes & Terpenoids emerged as the largest chemical segment with a volume share of over 30%. Terpenes & Terpenoids possess effective medicinal properties, such as antiseptic, anti-carcinogen, and anti-microbial properties. Continuous usage of terpene for pharmaceutical and nutraceutical applications is estimated to propel the growth of the segment.

Musk chemicals are a special type of aroma chemical that are extracted naturally as well as synthetically. Natural musk is obtained from animals and plants, which include roots as well as seeds as well as the rump gland of the musk deer, muskrat, and civet cat. Musk chemicals find scope in different applications, such as soap, detergents, cosmetics and personal care, food, and household products.

Growth drivers for the musk chemicals market are the increasing number of working professionals, the growing middle-class population, and increasing awareness. The rising popularity of different types of personal care items and fine fragrances is expected to trigger the demand for musk chemicals. New product innovation and the increasing popularity of various types of perfumes and cosmetic items are anticipated to fuel the demand for musk chemicals.

FRAGRANCES AND PERFUMES MARKET : (SOURCE : RESEARCH AND MARKET REPORT)

The fragrances and perfumes market was valued at USD 52.7 Billion in 2018 and is expected to reach USD 72.3 Billion by 2027, registering a CAGR of 5.5% during 2019 to 2027. Key players in the market are focusing on developing natural fragrances, primarily due to the rising concerns regarding synthetic fragrances, such as allergies and toxins.

Increasing consumer expenditure on personal care products and rising awareness regarding the therapeutic benefits associated with fragrance are driving the market growth. The growing popularity of perfumes and increasing demand for higher fragrance concentrations are driving the sales of parfums (pure perfume) with 15%-40% fragrance concentration.

Fragrances and perfumes have improved the grooming habits of individuals and have become important products of day-to-day lives. Perfume and fragrance products are used to relieve unpleasant body smell produced due to sweating. Further, key market players are also investing in advertising and promotion in order to influence the consumer purchase decisions.

REGULATIONS :

Stricter regulations continue to propel companies to adhere to the guidelines which could affect the market's growth trajectory.

For instance, wastewater discharge during the production of various synthetic aroma chemicals consists of many effluents, which need to meet applicable regulations for such discharge. As regulations are getting more stringent on emissions such as wastewater, air emissions, etc., producers are required to comply with these norms.

Currently, to keep air pollution in check, only ESP (Electrostatic precipitators) were recommended by the regulators at the boiler discharge vents, however, now regulators are asking for the installation of water scrubbers at the discharge of ESP as an additional measure. This indicates that the regulations are going to be more stringent in the coming years for environment protection.

GROWTH DRIVERS :

Market expansion and penetration of new-generation lifestyle products like body deodorants has provided new opportunities for the growth of this sector. The use of aroma chemicals is not just limited to the personal and household care sector. Owing to rise in the disposable income and improved awareness regarding personal hygiene, consumers are not hesitating to splurge on fragrance products. Shifting consumer preferences can create lucrative prospects for the aroma chemicals market.

Increasing market penetration and investment in product development will also help the aroma chemicals market to register strong growth in the forthcoming years. Demand for aroma chemicals is expected to rise, especially in emerging economies such as India, China, Brazil and the African continent.

With companies focusing on product diversification, consumers will have wider options to choose from. Spurred by these factors, the global aroma chemicals market will continue moving along a positive growth trajectory.

COMPANY OVERVIEW :

Privi Speciality Chemicals Limited (formerly known as Fairchem Speciality Limited) is India's leading manufacturer, supplier, and exporter of aroma and fragrance chemicals and a globally trusted partner and supplier of bulk aroma chemicals. Privi started manufacturing aroma chemicals in the year 1992 with only two products, which it gradually expanded to a range of over 50 products today, having a capacity of over 32,500 tons per annum. Privi also develops and produces custom-made aroma chemicals as per specific requirement of the customers. The research specialists at in-house R&D center continuously thrive to develop new products and processes.

Privi has state-of- the-art integrated manufacturing facilities situated at Mahad in Maharashtra and Jhagadia in Gujarat with knowledge, expertise and capacity to perform critical reactions like Hydrogenation, Condensation, Grignard reactions, as well as unit operations like Pyrolysis, Reactive Distillation, High Vacuum Distillation, Continuous Distillation to deliver consistency in odor and prescribed key parameters in an industry driven by stringent olfaction standards. Privi enjoys a competitive edge and economies of scale in its product segments.

A total production capacity of – 36,000 TPA spread across Amber fleur, Acetates, Dihydromyrcenol, Ionones, Nitriles, Sandal wood derivatives and Specialty chemicals and a Crude Sulphate Turpentine (CST) / Gum Turpentine Oil (GTO) capacity of - 37,000 TPA (Backward integration for captive α & β Pinenes).

Privi is ISO 9001:2015 certified and also ISO 14001:2015 certified for its Environmental Management System (EMS) and has a ISO 45001:2018 standard Certification Accredited by Bureau Veritas (Occupational Health & Safety Management System (OHSMS) for all its manufacturing units in Mahad from Bureau Veritas.

BUILDING BARRIERS TO ENTRY / COMPETITION RISK :

Your Company is engaged in supplying aroma chemicals to global companies since over two decades and has significant in-house expertise and knowledge of the olfactive requirements of various global and regional customers.

Further, your Company has applied backward integration to use waste generated from pulp mills – CST as it has significant visibility of pricing and availability of raw materials. These factors provide distinct competitive advantage to your Company, against the new entrants or existing aroma chemical manufacturers. Your Company has done research on various components of the CST & is working on making value-added products from these inputs which can be supplied to the Flavour & Fragrance industry.

RISK MANAGEMENT :

Foreign exchange rate risk :

Fluctuations in exchange rates including the exchange rate between the Indian Rupee and the U.S. Dollar due to adverse global developments may impact the operations of your Company.

While your Company depends on over 70% of the raw materials by imports, it also exports over 70% of the finished goods. Therefore, your Company continues to have a natural hedge against the depreciation of the Indian Rupee against the US dollar, after accounting for some of the borrowings which are denominated in dollars.

Pricing and availability of raw materials:

The pricing of key raw materials also varies considerably during the year, and, moreover, the recent uncertainties pose further challenges.

Your Company, as a strategy, continues to enter into half yearly or annual contracts for raw materials and finished products to mitigate the risks.

Market risk :

Your Company has enhanced capacities of key products as well as installed new capacities for certain niche specialty aroma chemicals to stay ahead of competition.

Your Company continues to be a leading producer globally in three flagship products: Dihydromyrcenol, Amber Fleur, and Pine Oil. All these products are developed in fully integrated manufacturing facilities of your Company, starting from the CST to the finished products and are essential ingredients in the manufacture of fragrances.

Your Company continues to be the largest single CST processing site in Asia, which has enabled it to mitigate the volatility in prices and availability of raw materials. CST also allows it to be self-sufficient in key raw materials.

Your Company is in the process of installing two new plants to manufacture Galaxmusk (Galaxoalide) and Camphor at an overall investment of ₹ 375 Crores. Both these plants shall commence commercial production by the end of September 2022 and will increase theoverall revenue. Along with this, your Company has started after putting in almost 6 years and has eventually started the commercial production of Prionyl (Evernyl), which is the first solid product produced by your Company.

In additional to the above-mentioned large volume flagship products, your Company also manufactures a number of specialty aroma chemicals – some of which are made from the side streams generated during manufacturing. Your Company believes in promoting a "Waste to Wealth" philosophy.

Thus, apart from consolidating the market share in the large volume products, your Company is also working on increasing customer share by supplying other aroma chemicals.

Technology initiatives:

Your Company continues to invest in modern and sustainable technologies such as implementing biotechnology in order to facilitate its expansion into other industry segments.

Through the implementation of biotechnology, products that are churned from this business vertical through biodegradable and renewable sources will pose a challenge to the industry which largely uses conventional technology.

Your Company continues to engage in research and development in respect of technology & process improvement. This will result in improved, cleaner processes for existing as well as new products. The following initiatives were implemented during the year under review:

- Green chemistry & effluent free process developed till plant scale for several products.
- Continuous reaction process for the intermediate related to the production of Amber fleur.
- Implemented sustainable solutions at plant scale for units 1, 2 and 3 for Zero Liquid Discharge (ZLD).
- Green technology for purification of product Prionyl using resins by adsorption/desorption technique along with membrane filtration for solute concentration.
- Continuous process established for the epoxidation of Terpinolene at pilot scale for the product Terpinen-4-ol.
- Enzymatic Cracking of non-edible oils developed at RND scale.

Your Company is a member of the Carbon Disclosure Project (CDP). It not only discloses its carbon emission data but also works on specific projects to lower the carbon emissions from its operational activities. Your Company has now started encouraging its suppliers to opt for sustainable development practices and has also initiated buying the forest-based raw materials from FSC (Forest Stewardship Council) certified Pulp & Paper mills.

Your Company scores for CDP stands at C grade and for Ecovadis stands at Silver which is considered to be very effective according to world standards. However, your Company strives to work towards getting better each day and moving one notch up.

QUALITY :

Your Company continues to maintain the industry best standards with respect to the quality of its products and has received appreciation from its customers for supplying quality products, timely response to queries on regulatory and other specific requirements. All the units of your Company are certified under the latest ISO-9001-2015 standard.

Your Company enjoys a 100% quality index with all the major customers and continues to be the leading supplier to the top 10 flavours & fragrance houses in the world due to its consistent quality standards.

STATUS OF YOUR COMPANY TOWARDS INTERNATIONAL CHEMICAL REGULATIONS:

EU / EEA - Registration, Evaluation, Authorization and Restriction of Chemicals (REACH):

Requirements: To place any product in European Economic Area in qty ≥ 1 MTPA, the product is required to be registered within REACH Regulation (EC Regulation 1907/2006).

Your Company's status: So far, your Company has registered 23 products under EU REACH Regulation, through its Sweden-based representative. This will allow your Company's EU/EEA customers and its Netherlands office to import the products into EU/EEA.

Key Post-Registration Obligations: After the European Chemical Agency (ECHA) evaluates the registration dossier, additional animal or product test data to be provided or corrections to make if ECHA finds any information missing or incorrect.

TURKEY REACH:

Requirements: To place any product in Turkey in qty ≥ 1 MTPA after calendar year 2020, the product is required to be pre-registered under Turkey REACH Regulation (KKDIK regulation) by December 2020. The product is required to be registered by December 2023.

Your Company's Status: So far, your Company has pre-registered 24 products under KKDIK, as a result of which it has got extension of the registration deadline up to December 2023. This will allow your Company's turkish customers to import the products into Turkey without any registration until December 2023.

IFRA STANDARDS COMPLIANCE

The International Fragrance Association (IFRA) is the global representative body of the fragrance industry. The IFRA Standards form the basis for the globally accepted and recognized risk management system for the safe use of fragrance ingredients and are part of the IFRA Code of Practice. This is the self-regulating system of the industry, based on risk assessments carried out by an independent expert panel. Your Company ensures that the products it supplies to its customers adhere to IFRA standards. Your Company's supporting membership with IFRA further underpins its commitment to continuously comply with IFRA standards and adds a seal of quality and credibility to its products.

OTHER PRODUCT AND MANAGEMENT SYSTEM CERTIFICATIONS

Most of your Company's manufacturing facilities are ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 certified, Kosher and Halal certified. The ISO certifications have been issued by a globally renowned certification body Bureau Veritas whose certification process involves stringent audits.

OUTLOOK

Your Company is expected to capture the huge demand opportunities in aroma chemicals and drive significant growth in the future. Your Company plans to expand its product range and is working on aggressive plans to offer a much larger bouquet of materials to its valued customers globally.

Your Company has made further inroads into the developing markets (Nigeria, Egypt, UAE, South Africa) by seeking more customers as well as additional market share through existing customers.

HIGHLIGHTS :

Your Company has achieved negligible growth mainly on account of loss of production due to floods effecting all our manufacturing units at Mahad, Raigad, State Maharashtra. This entailed a production loss of 25 days.

With the existence of your Company's 100% subsidiary in the USA, its market share continues to grow year on year. The USA business is witnessing a positive growth momentum.

Your Company has a global presence with an office in the Netherlands. This is important from a strategic point of view to drive market share.

Your Company continues to see growth coming from key accounts in emerging and developing countries, supported by its ability to provide a wide range of products.

Your Company continues to sell value-added products from backward integrated feedstocks which is contributing to its revenue.

Your Company continues to establish strategic long-term business relations with global leading companies in the F&F industry such as Givaudan, Firmenich, IFF, Symrise, MANE, Robertet, Takasago etc. and with global leading FMCG producers such as P&G, Henkel, Reckitt Benckiser.

CAUTIONARY STATEMENT :

Statements in the Management Discussion and Analysis may be ‘forward-looking statements’ within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include, among others, economic conditions affecting demand/supply, price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors such as Force Majeure Contributors.

Report on Corporate Governance

[Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 under Uniform Listing Agreement]

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures transparency, responsibility and accountability. The Company believes in upholding highest standard of ethics, integrity, transparency and accountability in conducting the affairs of the Company so as to disseminate the information to the stakeholders in transparent manner. We have, therefore, designed our systems and action plans to enhance performance and stakeholders' value in the long run. To create a culture of good governance, your Company has adopted practices that comprise of performance accountability, effective management control, constitution of Board Committees as a part of the internal control system, fair representation of professionally qualified, non-executive and Independent Directors on the Board, adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues.

The Company is proud of the values with which it conducts business. It has and will continue to uphold the highest levels of business ethics and personal integrity in all types of transactions and interactions. The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) and (t) of Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as applicable. The Company's Corporate Governance philosophy has been further strengthened through the Code of Conduct for Prevention of Insider Trading, Anti-Bribery/ Anti-Corruption/Anti-Money Laundering, Anti-discrimination and Equal Opportunity, Grievance redressal Policy etc.

The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of Listing Regulations. We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation.

POLICIES

In compliance with the requirements of Listing Regulations, and The Companies Act, 2013 ('the Act'), the Board of Directors of the Company have approved various policies, as detailed herein:

Vigil Mechanism & Whistle Blower Policy

As per Section 177 of the Act, and Regulation 22 of Listing Regulation, a comprehensive Vigil Mechanism & Whistle Blower Policy has been approved and implemented within the organization. The Policy has been formulated with a view to provide a mechanism for directors, employees as well as other stakeholders of the Company to approach the Chairman of the Audit Committee of the Company to report instances of any unethical act or suspected incidents of fraud or violation of Companies Code of Conduct. This mechanism/ Policy provides adequate safeguards to whistle blowers against reprisals or victimization. The copy of the Policy has been uploaded on the Company's Website viz. http://www.privi.com/investor-relations/corporate-governance/company-policies

Code of Conduct

The Company has in place Code of Conduct for all the Directors and the Senior Management Personnel. It seeks to achieve, among others, highest standards of personal and professional integrity. A copy of the code has been placed on the Company's website http://www.privi.com/Downloads/Policies-PSCL/PSCL-Code-of-Conduct.pdf. The code has been circulated to all the Directors and Senior Management Personnel and they affirm its compliance every year.

The Company has also in place a Code of Conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015 ('SEBI PIT Regulations'). This code is applicable to all Designated Persons / insiders defined under the Code of Conduct for Prevention of Insider Trading adopted by the Company. The code ensures prevention of dealing in shares by persons having access to the unpublished price sensitive information.

The Company has availed the special/ additional service of the Registrar and Share Transfer Agent of the Company M/s. Link Intime (India) Private Limited (RTA) to monitor the trading in the equity shares of the Company mainly during the trading window closure and the reverse transactions, by the Designated Persons. The necessary information with regard to designated employees and their relatives have been forwarded to the RTA in order to enable them to provide the service. The Company has also installed an in-house, software "Trackin", which enables the Company in maintaining structural digital database, preserve the data, monitor and ensure compliance to SEBI PIT Regulations.

The said software is installed on the Company's server and access is given only to the Company Secretary and other designated officials of the Company, who monitor the transactions.

Annual Disclosure

A declaration affirming compliance with the Code of Conduct by the Members of the Board and Senior Management personnel is given below:

Declaration:

I, Mahesh P Babani, Chairman and Managing Director of the Company, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the Listing Regulations for the year ended March 31, 2022.

Mahesh P Babani
Chairman & Managing Director
DIN: 00051162

Navi Mumbai, April 01, 2022

Related Party Transaction Policy

In compliance with the requirements of Regulation 23 of Listing Regulations, the Board of Directors of the Company has approved a Related Party Transaction Policy, to facilitate management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. The said Related Party Transaction Policy can be viewed on http://www.privi.com/investor-relations/corporate-governance/company-policies

Familiarization Program for Independent Directors

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programs at the time of their appointment as Directors and on regular basis by providing detailed presentations on the businesses/operations of the Company at each of the Board Meeting. The review and approval of quarterly and annual financial statements of the Company as well as detailed presentation covering inter alia economy and industry overview, key regulatory developments, strategy, CAPEX Plans and performance of Company is made to the Board.

Apart from the above policies, the Board has in accordance with the requirements of the Act and Listing Regulations approved and adopted a Policy for determining Material Subsidiary, Nomination and Remuneration Policy, Policy on Determination of Materiality of Events/Information and Policy for Preservation of Documents and Archival of Records.

2. BOARD OF DIRECTORS

- **Composition of Board of Directors**

  The composition of the Board of Directors of the Company is in conformity with the requirement of Regulation 17 of Listing Regulations as amended from time to time. In compliance with the Corporate Governance norms in terms of constitution of the Board, the Board is headed by Chairman and Managing Director and consist of One Executive Director, Five Non-Executive Independent Directors including one woman Director, representing optimum combination of professionalism, knowledge and experience to ensure the independence of the Board and to separate the Board functions of governance and management. Non-Executive and Independent Directors have expert knowledge in the fields of finance, taxation, legal and industry. Thus, the Board represents a balanced mix of professionals, who bring the benefits of their knowledge and expertise.

- **Board Skills, Expertise and Competencies**

  The Board of Directors collectively have the skills, knowledge and experience to effectively govern and direct the organization. The present size of the Board is appropriate for effective decision making. The mapping of the skills, expertise and competence among the Directors is identified by the Company and evaluated every year.

  The eligibility of a person to be appointed as a Director of the Company is dependent on possession of the requisite skills, as identified by the Nomination and Remuneration Committee of the Board and based on the criteria specified in the Nomination and Remuneration Policy.

- **Director's Particulars**

Attendance of each Director at the Board Meetings, last Annual General Meeting (AGM) and the number of other Directorship(s) and Chairmanship(s) / Membership(s) of Committees in various Companies is as follows:

Name of Directors	Category and Position	Attendance at meetings during 2021-22		No. of Directorship in listed entities including this listed entity (as per Reg 17A of Listing Regulations)	No. of Membership/ Chairmanship(s) in Committees held in listed entities including this listed entity (as per Reg 26(1) of Listing Regulations)	
		Board Meeting	Last AGM dated August 27, 2022		Member	Chairman
Mr. Mahesh Purshottam Babani	Chairman and Managing Director	4	Yes	1	Nil	Nil
Mr. Sumit Maheshwari*	Non-Executive - Nominee Director	-	NA	NA	NA	NA
Mr. Bhaktavatsala Doppalapudi Rao	Executive Director	4	Yes	1	NIL	Nil
Mr. Padmanabh Ramchandra Barpande	Non-Executive - Independent Director	4	Yes	2	6	4
Mr. Rajesh Harichandra Budhrani	Non-Executive - Independent Director	4	Yes	1	Nil	Nil
Mrs. Anuradha Eknath Thakur	Non-Executive - Independent Director	4	Yes	1	5	2
Mr. Dwarko Topandas Khilnani	Non-Executive - Independent Director	4	Yes	1	4	2
Mr. Anurag Surana	Non-Executive - Independent Director	4	Yes	3	1	Nil

**Ceased to be the Director of the Company w.e.f. April 29, 2021.*

Video / tele-conferencing facility is offered to facilitate the Directors to participate in the meetings.

The number of Directorship(s) and Committee Membership(s) / Chairmanship(s) of all Directors is / are within the respective limits prescribed under the Act and Listing Regulations.

Given below is the list of Directors of the Company and their Directorships of Other Listed Company(s)

Sr. No.	Name of the Directors of the Company	Name of the listed entities in which the Director of the Company is a Director	Category of Directorship in the listed Companies
1.	Mr. Mahesh Babani	NIL	NIL
2.	Mr. Sumit Maheshwari*	NA	NA
3.	Mr. Bhaktavatsala Doppalapudi Rao	NIL	NIL
4.	Mr. Padmanabh Ramchandra Barpande	a) Westlife Development Ltd	a) Independent, Non-Executive
5.	Mr. Rajesh Budhrani	NIL	NIL
6.	Mrs. Anuradha Eknath Thakur	NIL	NIL
7.	Mr. Dwarko Topandas Khilnani	NIL	NIL
8.	Mr. Anurag Surana	a) Neogen Chemicals Limited b) Yasho Industries Limited	a) Independent, Non-Executive b) Independent, Non-Executive

**Ceased to be a Director of the Company w.e.f. April 29, 2021.*

During the year, there have been no materially significant related party transactions, pecuniary relationships or transactions between the Company and its Non-Executive Directors that may have potential conflict with the interests of the Company at large. None of the Directors are related to each other.

Shareholding of Non- Executive Directors as on March 31, 2022, is as under:

Sr. No.	Name of Director	No. of Equity Shares held	% of total Equity Shares of the Company
1.	Mr. Rajesh Budhrani	7,12,480	1.82%
2.	Mr. Anurag Surana	22,500	0.05%

Apart from the above mentioned Non-Executive Directors, no other Non-Executive Director holds any shares in the Company.

- **Board Meetings and Attendance**

  The Board meets at least once in a quarter inter-alia to review the performance of the Company and for consideration and approval/adoption of quarterly/ annual financial results. The Company Secretary, in consultation with the Chairman, prepares detailed agenda for the meetings. Four Board meetings were held in the year 2021-22 and the gap between two Board meetings have not exceeded 120 days. The dates on which meetings were held are as follows:

Sr. No.	Date of Meeting	No. of Directors Present
1.	May 14, 2021	7
2.	July 29, 2021	6
3.	November 01, 2021	7
4.	January 27, 2022	7

- **Appointment of Independent Directors**

  The Nomination and Remuneration Committee, based on Company's policy for such position identifies suitable person having expert knowledge and skill in his / her profession / area of business and who can effectively participate in Board proceedings and recommends the same to the Board. The Board after evaluating the said Committee's recommendation, takes the decision which according to the Board is in the best interest of the Company.

- **Confirmation regarding Independence**

  With respect to the declaration given by the Independent Directors of the Company during the year under review, the Board hereby confirms that all the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

- **Meeting of Independent Directors**

  The Independent Directors meet at least once in a financial year without the presence of Promoter Directors and management personnel. They discuss the matters pertaining to the business and other related affairs of the Company. The views expressed at such meeting are brought to the knowledge of the Chairman of the Board. During the year, one meeting of Independent Directors was held on March 28, 2022

3. AUDIT COMMITTEE COMPOSITION:

The composition of Audit Committee is in line with provisions of Section 177 of the Act and is in compliance with Regulation 18 of Listing Regulations.

For the period upto April 29, 2021, the Audit Committee comprises of Three Independent Directors and One Nominee Director. With the resignation of Mr. Sumit Maheshwari w,e,f. April 29, 2021, the Audit Committee now consists of three Independent Directors with Mr. P. R. Barpande, Non-Executive Independent Director as Chairman of the Committee and Mrs. Anuradha Thakur and Mr. D. T. Khilnani as the members of the Committee. All the members of the existing Audit Committee possess required skills, knowledge and experience to be the members of the Audit Committee.

The Audit Committee met 4 (four) times during the financial year 2021-22 i.e. on May 14, 2021, July 28, 2021 (Adjourned Meeting dtd July 29, 2021), November 01, 2021, and January 27, 2022.

The details of composition of the Committee and attendance at Meetings during the FY 2021-22 are as follows:

Name of the Member	Designation / Category	No. of Committee Meeting(s) attended
Mr. P. R. Barpande (Chairman)	Non-Executive Independent Director	4
Mr. Sumit Maheshwari *	Non-Executive Nominee Director	NA
Mrs. Anuradha Thakur	Non-Executive Independent Director	4
Mr. Dwarko Khilnani	Non-Executive Independent Director	4

** ceased to be Director/ Member of Audit Committee of the Company w.e.f. April 29, 2021.*

The terms of reference of the Audit Committee are:

a) recommendation for appointment, remuneration and terms of appointment of auditors of the Company

b) approval of payment to statutory auditors for any other services rendered by them;

c) review and monitor the auditors' independence and performance, and effectiveness of audit process.

d) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

e) 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

f) discussion with internal auditors of any significant findings and follow up there on

g) 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.

h) 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.

i) call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

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

- 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;
- changes, if any, in accounting policies and practices and reasons for the same;
- major accounting entries involving estimates based on the exercise of judgment by management;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements
- disclosure of any related party transactions
- modified opinion(s) in the draft audit report;

k) review with the Management, the quarterly financial Statements before submission to the Board for approval.

l) review the statement of Related Party Transactions, submitted by Management.

m) approval or any subsequent modification of transactions of the Company with related parties.

n) scrutiny of inter-corporate loans and investments.

o) valuation of undertakings or assets of the company, wherever it is necessary.

p) evaluation of internal financial controls and risk management systems.

q) power to obtain professional advice from external sources for the items specified in sub section 4 of Section 177 of the Act.

r) to oversee the vigil mechanism wherein the directors and employees can report their genuine concerns or grievances.

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

t) review the Management Discussion and Analysis of financial condition and results of operations.

u) periodic review of Policies.

v) such other matters as mentioned in the terms of references or as may be required to be carried out by the Audit Committee pursuant to amendments under any law, from time to time.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in accordance with the provisions of Section 178 of the Act, and Regulation 19 of Listing Regulations.

For the period upto April 29, 2021, the Composition of Nomination and Remuneration Committee was, two Non-Executive Independent Directors, one Nominee Director with Mr. Dwarko Khilnani, Non-Executive Independent Director as Chairman of the Committee and Mr. Rajesh Budhrani, Non-Executive Independent Director and Mr. Sumit Maheshwari, Nominee Director as members. Post resignation of Mr. Sumit Maheshwari i.e. w.e.f. April 29, 2021 Committee comprises of three Non-Executive Independent Directors with the inclusion of Mr Anurag Surana w.e.f. May 06, 2021 as a Member of the Committee and the Chairman remains the same.

During the year 3 (three) meetings of Nomination and Remuneration Committee were held i.e. on May 14, 2021, July 28, 2021 and March 28, 2022. The details of composition of the Nomination and Remuneration Committee and attendance at the Meetings during the financial year 2021-22 are as follows:

Name of Member	Designation	No. of Committee Meeting(s) attended
Mr. Dwarko Topandas Khilnani (Chairman)	Non-Executive Independent Director	3
Mr. Rajesh Budhrani	Non-Executive Independent Director	3
Mr. Anurag Surana **	Non-Executive Independent Director	3
Mr. Sumit Maheshwari	Non-Executive Independent Director	-

**Ceased to be Director/Member of Nomination & Remuneration Committee of the Company w.e.f. April 29, 2021*

*** Appointed as Member of Nomination & Remuneration Committee w.e.f. May 06, 2021*

The term of references of Nomination and Remuneration Committee includes:

a) recommend to the Board, Appointment & Re-appointment of Directors.

b) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in the Nomination & Remuneration Policy, recommend to the Board their appointment and removal.

c) recommend to the Board the appointment of Key Managerial Personnel ("KMP") as defined under the Act)

d) recommend to the Board a policy, relating to the remuneration for the directors including Whole Time Directors, KMP and other employees.

e) recommend to the board, all remuneration, in whatever form, payable to senior management.

f) specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

g) formulation of criteria for evaluation of performance of independent directors and the board of Directors

h) formulate the criteria for determining qualifications, positive attributes and independence of a Director.

i) devising a policy on diversity of board of Directors.

j) oversee familiarisation programmes of Directors.

k) to determine 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.

Board and Director Evaluation:

As required under the provisions of the Act and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, performance of the Chairman and Managing Director, Executive Director and other Directors as well as the evaluation of the working of its Committees.

The performance evaluation criteria for Independent Directors includes participation and contribution by a director in Board / Committee Meetings, commitment, expertise, integrity, maintenance of confidentiality and independent behavior.

Remuneration Policy:

The remuneration policy is recommended by the Nomination & Remuneration Committee and approved by the Board. The key objective of the remuneration policy is to ensure that it is aligned to the overall performance of the Company. The policy ensures that it is fair and reasonable and is linked to financial performance. For Director in Executive category, it mainly comprises of fixed component. The remuneration policy is placed on the website of the Company http://www.privi.com/investor-relations/corporate-governance/company-policies. The remuneration paid to the Directors is in line with the remuneration policy of the Company.

Remuneration to Non-Executive Directors

The remuneration for Non-Executive (Independent) Directors consists of sitting fees for attending meeting of the Board and its Committees. No other payment is made to the Non-Executive Independent Directors except as recommended by the Nomination and Remuneration Committee and the Board and approved by the Members of the Company.

Details of the remuneration paid to and shareholding of Non-Executive Directors is provided in MGT-9 which forms part of Directors' Report.

Remuneration to Executive Directors

Mr. Mahesh P. Babani, Chairman & Managing Director, was re-appointed as Chairman & Managing Director of the Company at the 36th Annual General Meeting of the Company held on August 27, 2021 for the period of 3 (three) years effective from April 01, 2022, to March 31, 2025. Mr. Babani is liable to retire by rotation.

Further, Mr. Bhaktavatsala Doppalapudi Rao was redesignated as the Executive Director of the Company w.e.f. opening hours of August 13, 2020, for a term of three years i.e upto August 12, 2023. Mr. Rao is liable to retire by rotation.

The re-appointment of Mr. Mahesh P Babani as Chairman & Managing Director and the remuneration package comprising of salary and perquisites of Mr. Mahesh P Babani, Chairman and Managing Director as well as Mr. Bhaktavatsala Doppalapudi Rao were approved by the members at the 36th Annual General Meeting held on August 27, 2021. Further the Board/Committee has been empowered to decide the Annual increments which will be effective from April 1 each year and will be merit based and take into account the Company's performance as well subject to the overall ceilings laid down under Section 197 read with Section 198, Schedule V and other applicable provisions of the Act.

Details of the remuneration paid to and shareholding of Executive Directors is provided in MGT-9 which forms part of Directors' Report.

Details of Remuneration:

As required under Regulation 34 of Listing Regulations, details of remuneration paid to Directors during the financial year 2021-22 are as follows:

(in ₹)

Directors	Salary	Perquisites	Sitting Fees	Total
Mr. Mahesh P Babani (Chairman & Managing Director)	6,00,00,000			6,00,00,000
Mr. Sumit Maheshwari (Nominee Director)*	NA	NA	NA	NA
Mr. Bhaktavatsala Doppalapudi Rao (Executive Director)	56,00,000			56,00,000
Mr. Padmanabh Ramchandra Barpande (Non-Executive Independent Director)	Nil	Nil	5,00,000	5,00,000
Mr. Rajesh Budhrani (Non-Executive Independent Director)	Nil	Nil	4,00,000	4,00,000
Mrs. Anuradha Eknath Thakur (Non-Executive Independent Directo	Nil	Nil	5,00,000	5,00,000
Mr. Dwarko Topandas Khilnani (Non-Executive Independent Director)	Nil	Nil	5,00,000	5,00,000
Mr. Anurag Surana (Non-Executive Independent Director)	Nil	Nil	5,00,000	5,00,000

** Ceased to be Director of the Company w.e.f. April 29, 2021*

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of Two Independent Directors, one Executive Director and One Nominee Director. Mr. Sumit Maheshwari, Nominee Director who was a member of the Stakeholders Relationship Committee resigned w,e,f. April 29, 2021. Committee now includes three Independent Directors with Mr. D. T. Khilnani, Non-Executive Independent Director as Chairman of the Committee, Mr. D B Rao, Executive Director and Mr. P R Barpande, Non-Executive Independent Director as the members of the Committee.

During the year Stakeholders Relationship Committee meeting was held on May 14, 2021. The details of composition of the Stakeholders Relationship Committee and attendance at Meetings during the financial year 2021-22 were as follows:

Name of Member	Designation	No. of Committee Meeting(s) attended
Mr. Dwarko Topandas Khilnani (Chairman)	Non-Executive Independent Director	1
Mr. P R Barpande	Non-Executive Independent Director	1
Mr. D B Rao	Non-Executive Independent Director	1
Mr. Sumit Maheshwari*	Non-Executive Nominee Director	1

Details of number of requests/complaints received and resolved during the year ended March 31, 2022, are as under:

Nature of Correspondence	Received	Replied / Resolved	Pending
Non-receipt of Dividend	0	0	–
Non-receipt of Annual Report	0	0	–
Non-receipt of Shares	0	0	–
Letter from Stock Exchange/ROC/SEBI	1	1	–
Others	0	0	–
Total	**1**	**1**	**–**

The terms of references of the Stakeholder's Relationship Committee are:

1. resolving the grievances of the security holders of the listed entity 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 listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent

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

5. consider and approve issue of Share Certificates (including issue of renewed or duplicate Share Certificates), transfer and transmission of securities, etc.

6. oversee the implementation of the above mentioned guidelines/policies.

7. review the policies, processes and system periodically and recommend measures for improvements from time to time.

8. look into various aspects of interest of shareholders / security holders.

9. such other matters as may be required to be carried out by the Stakeholders' Relationship Committee pursuant to amendments under any law, from time to time.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee comprises of Three Independent Directors, one Executive Director and one Nominee Director. Mr. Sumit Maheshwari resigned w.e.f. April 29, 2021. Committee now consists of Mrs. Anuradha Thakur, Non-Executive Independent Director as the Chairperson of the Committee, Mr. Rajesh Budhrani, Non-Executive Independent Director, Mr. Anurag Surana, Non-Executive Independent Director and Mr. Bhakatavatsala Doppalapudi Rao, Executive Director as the members of the Committee.

During the year under review 5 (five) meetings of the Corporate Social Relationship Committee were held on May 14, 2021, July 28, 2021, November 01, 2021, January 27, 2022, and March 28, 2022. The details of composition of the Corporate Social Responsibility Committee and attendance at Meetings during the financial year 2021-22 are as under:

Name of Member	Designation	No. of Committee Meeting(s) attended
Mrs. Anuradha Thakur (Chairperson)	Non-Executive Independent Director	5
Mr. Anurag Surana	Non-Executive Independent Director	5
Mr. Bhaktavatsala Doppalapudi Rao	Executive Director	5
Mr. Rajesh Budhrani	Non-Executive Independent Director	4
Mr. Sumit Maheshwari *	Non-Executive Independent Director	NA

** Ceased to be Director/Member of Corporate Social Responsibility Committee of the Company w.e.f. April 26, 2021.*

The terms of references of the Corporate Social Responsibility Committee are:

a) to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall also indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Act.

b) recommend the amount of expenditure to be incurred on the activities referred as per the Corporate Social Responsibility Policy

c) monitor the Corporate Social Responsibility Policy of the company from time to time.

d) institute transparent monitoring mechanism for implementation of the CSR Projects or programs or activities undertaken by the Company.

e) do such other acts, deeds, things and matters as are necessary or expedient in complying with the provisions of Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014

The Company has formulated a Corporate Social Responsibility Policy and the same is available on the website of the Company at http://www.privi.com/Downloads/Policies-PSCL/PSCL-Corporate-Social-Responsibility-Policy.pdf.

7. RISK MANAGEMENT COMMITTEE

The Risk Managment Committee comprises of Mr. Dwarko Topandas Khilnani, Chairman, Non executive Independent Director, Mr. Mahesh Purshottam Babani, Chairman & Managing Director, Mr. Padmanabh Ramchandra Barpande, Non-Executive Independent Director, Mr. Anurag Surana, Non-Executive Independent Director, Mr. Bhaktavatsala Rao Doppalapudi, Executive Director and Mr. Sumit Maheshwari, Non-Executive Nominee Director as the members of the Committee.

Mr. Sumit Maheshwari, Nominee Director who was Member of Risk Management Committee has resigned w,e,f. April 29, 2021. Committee now includes three Independent Directors and Two Executive Directors as mentioned above.

During the year under review the Risk Management Committee meeting was held twice i.e. on May 14, 2021, and March 28, 2022. The details of the composition of the Risk Management Committee and attendance at meetings during the financial year 2021-22 were as follows:

Name of Member	Designation	No. of Committee Meeting(s) attended
Mr. Dwarko Topandas Khilnani (Chairman)	Non-Executive Independent Director	2
Mr. Mahesh Purshottam Babani	Chairman & Managing Director	2
Mr. Sumit Maheshwari*	Non-Executive Nominee Director	NA
Mr. Bhaktavatsala Doppalapudi Rao	Executive Director	2
Mr. Padmanabh Ramchandra Barpande	Non-Executive Independent Director	2
Mr. Anurag Surana	Non-Executive Independent Director	2

**Ceased to be Director/Member of Risk Management Committee of the Company w.e.f. April 29, 2021*

8. MANAGEMENT COMMITTEE

Management Committee comprises of three Members with Mr. Mahesh P Babani as the Chairman and Mr. D B Rao, Executive Director and Mr. R S Rajan, President as members of the Committee.

The Management Committee has certain Administrative and Financial powers delegated by the Board.

9. OTHER DISCLOSURES

a) Related Party Transactions

All related party transactions that were entered into during FY 2021-22 were on arm's length basis, in the ordinary course of business and were in compliance with the Company's Policy on Related Party Transactions, applicable provisions of the Act, the Listing Regulations and with prior approval of Audit Committee and the Board of Directors. There were no material significant related party transactions entered into by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at http://www.privi.com/Downloads/Policies-PSCL/PSCL-Policy-on-Related-Party-Transactions.pdf

b) Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authorities on all matters related to capital markets. During the last three years, no penalties or strictures have been imposed on the Company by these authorities other than those mentioned in Directors Report. There was no suspension of trading of the Company's listed securities.

c) Dividend Distribution Policy

In accordance with Regulation 43A of the Listing Regulations, the Board of Directors of the Company has adopted a Dividend Distribution Policy ('Policy') which endeavour for fairness, consistency and sustainability while distributing profits to the shareholders. The Policy is available on the Company's website at https://www.privi.com/Downloads/Policies-PSCL/PSCL-Dividend-Distribution-Policy.pdf

d) Compliance with requirement of Corporate Governance Report

The Company has complied with all mandatory requirements of Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of Listing Regulations.

e) CEO / CFO Certification

The requisite certification from the Chairman & Managing Director and the Chief Financial Officer required to be given under Regulation 17(8) read with part B of schedule II of the Listing Regulations, was placed before the Board of Directors of the Company.

f) **Recommendation of Committees**

The Board of Directors of the Company has accepted all the recommendations of the Committees of the Board.

g) **Certificate from Company Secretary in Practice**

The Company has obtained a certificate from M/s. Rathi & Associates, Companies Secretaries in Practice that none of the Directors of the Company have been debarred or disqualified from being appointed or re-appointed or continuing as a Directors of the Companies by SEBI, MCA or other regulatory authorities and the same is attached to this Annual report.

h) **Consolidated Fees paid to Statutory Auditors.**

During the year, total fees of ₹ 65.00 Lakhs was paid by the Company to M/s. B S R & Co. LLP, Statutory Auditors.

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

The Company has in place a Policy on Sexual Harassment at Workplace (‘POSH’) which aims at protecting the women employees at workplace and to redress complaints, if any. During the year under review the Company has not received any complaint.

j) **Legal Compliance**

The Company is committed to and conducts its business activities lawfully and in a manner that is consistent with its compliance obligations while ensuring standards of good corporate governance, ethics and community expectations. Through a Legal Compliance Management software, your Company maintains an appropriate compliance program which manages, reports and monitors compliance with all laws which are applicable to the Company.

k) **Non-Mandatory requirements adopted:**

The Company has complied with non-mandatory requirements of the Listing Regulations relating to Corporate Governance.

I. During the year under review, there was no Audit qualification in the Company’s Financial Statements. The Company adopts best practices to ensure a regime of un-modified audit opinion.

II. The Internal Auditors of the Company reports to the Audit Committee.

10. SUBSIDIARIES

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

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

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

During the year under review, your Company has two wholly owned subsidiaries namely:

a) Privi Biotechnologies Private Limited; and

b) Privi Speciality Chemicals USA Corporation (Formerly Known as Privi Organics USA Corp.)

Your Company entered into a Joint Venture Agreement with Givaudan SA Company incorporated in Switzerland, for manufacturing highly specialized aroma Chemicals for Givaudan and a new Subsidiary Company Prigiv Specialties Private Limited was incorporated on September 01, 2021, wherein as on March 31, 2022, your Company controls 51% of the total Share Capital.

Privi Speciality Chemicals USA Corporation (Formerly known as Privi Organics USA Corp) is a material Unlisted Subsidiary incorporated in New Jersey, USA. The minutes of the Meeting of the Board of Directors of Subsidiaries / Performance is placed before the Board of Directors for review on a quarterly basis.

The policy on determination of Material Subsidiary of the Company is available on the Company’s website at http://www.privi.com/Downloads/Policies-PSCL/PSCL-Policy-on-Material-Subsidiary.pdf.

11. MEANS OF COMMUNICATION.

The Company has promptly reported all material information including declaration of quarterly financial results, press releases etc. to stock exchanges where shares of the Company are listed. Such information is also simultaneously displayed on the Company's website www.privi.com.

The quarterly unaudited financial results – both standalone and consolidated, and annual audited financial results-both standalone and consolidated were submitted to the stock exchanges immediately after its approval by the Board of Directors at their Meetings and were also published in The Economic Times, Mumbai edition in English and vernacular newspaper in Maharashtra Times, Mumbai edition in Marathi. Quarterly / Annual financial performance of the Company is also uploaded on the Company's website www.privi.com

The Company's website www.privi.com contains a separate section named Investors Relations where the useful information for all the Stakeholders is made available.

12. GENERAL MEETINGS DISCLOSURES

The Thirty Seventh Annual General Meeting of the Company for the financial year 2021-22 will be held on Wednesday, 28th Day of September, 2022 at 03:00 p.m.

The location, day, date and time of the Annual General Meetings held during last three years along with Special Resolution(s) passed at these meetings are as follows:

Meeting	Year	Venue of General Meeting	Date & Time	No. of Special Resolutions
36th AGM	2020-2021	Hosted through Other audio visual means from the Registered office of the Company.	August 27, 2021 at 12:15 pm	Two
35th AGM	2019-2020	Hosted through Other audio visual means from the registered office of the Company.	November 02, 2020 at 03:00 pm	Nine
34th AGM	2018-2019	Hall of Culture, Nehru Science Centre, Dr. Annie Besant Road, Lotus Colony, Worli, Mumbai – 400018	August 08, 2019 at 5.00 p.m.	Three

Details of the Special Resolutions passed at the Annual General Meetings held during the past 3 financial years:

36th AGM held on August 27, 2021	• Adoption of New Set of Articles of Association of the Company • Re-appointment and fixation of remuneration payable to Mr. Mahesh P Babani as Chairman & Managing Director.
35th AGM held on November 02, 2020	• Alteration in Memorandum of Association of the Company pertaining to Objects Clause Adoption of new set of Articles of Association of the Company. • Remuneration payable to Mr. Mahesh P Babani, Chairman & Managing Director Appointment and fixation of remuneration payable to Mr. Bhaktavatsala Rao Doppalapudi as Executive Director. • Continuation of Mr. Dwarko Topandas Khilnani (DIN: 01824655) as Independent Director of the Company for the period upto March 31, 2024 • Continuation of Mrs. Anuradha Eknath Thakur (DIN: 06702919) as Independent Director of the Company for the period upto March 31, 2025 • Borrowing limits pursuant to Section 180 (1) (c) of the Companies Act, 2013 • Creation of Charge / Security on the Assets of the Company pursuant to Section 180 (1) (a) of the Companies Act, 2013 • Limits for giving Loan(s), Guarantee(s), to provide securities or to make Investment(s) pursuant to Section 186 of the Companies Act, 2013
34th AGM held on August 08, 2019	• Re-appointment of Ms. Radhika Pereira (DIN 00016712) as an Independent Director • Approval of change of Registered office within the same State under the jurisdiction of ROC • Ratification/confirmation of remuneration of cost auditor for financial year ended March 31, 2020

Details of resolutions passed during F.Y. 2021-22 through postal ballot: NIL

As on the date of this report there is no special resolution which is proposed to be conducted through Postal ballot.

CERTIFICATE FROM PRACTICING COMPANY SECRETARY

Your Board hereby confirms that the Company has obtained a certificate from Rathi & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

General Shareholder Information

1.	**Date, Time and Venue of Shareholder's Meeting**	Meeting : Thirty Seventh Annual General Meeting Day & Date : Wednesday, September 28, 2022 Time : 3.00 p.m. Venue : Through Audio-visual means hosted from Registered office of the Company
2.	**Financial Year**	April 01, 2022, till March 31, 2023,
	First Quarterly Results	On or before August 14, 2022
	Second Quarterly Results	On or before November 14, 2022
	Third Quarterly Results	On or before February 14, 2023
	Fourth Quarterly Results	On or before May 30, 2023
3.	**Date of Book Closure**	From September 22, 2022, to September 28, 2022 (both date inclusive)
	Record Date	From September 21, 2022, to September 28, 2022 (both date inclusive)
4.	**Dividend Payment Date**	Within 30 days from the date of 37th Annual General Meeting to be held on September 28, 2022
5.	**Address for Correspondence**	**Registered Office:** 'Privi House', A-71, TTC, Thane Belapur Road, Near Koparkhairne, Navi Mumbai - 400 710 Tel: +91-22-68713200/33043500, Fax: +91-22-27783049 Website: www.privi.com
6.	**Corporate Identity Number**	L15140MH1985PLC286828
7.	**Listing on Stock Exchanges**	**National Stock Exchange of India Limited (NSE)** Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 **BSE Limited (BSE)** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
8.	**Stock Code**	NSE: PRIVISCL BSE: 530117
9.	**ISIN No.**	INE959A01019 (Equity Shares of ₹ 10/- each, fully paid-up)
10	**Registrar and Transfer Agent**	**Link Intime India Private Limited** Ahemdabad Fax No: +91-22-49186060 Email id: mt.helpdesk@linkintime.co.in
11	**Investors Relationship Officer**	The Company Secretary **Privi Speciality Chemicals Limited** (Formerly known as Fairchem Speciality Limited) 'Privi House', A-71, TTC, Thane Belapur Road, Near Kopar Khairne, Navi Mumbai - 400 710 Tel: +91-22-68713200/33043500 Fax: +91-22-27783049 / 68713232 E-mail: investors@privi.co.in
12	**Listing Fee**	Company has paid the Annual Listing fees for the Financial Year 2022-23 to the stock exchanges where the shares of the Company are listed (viz NSE & BSE).

13	**PAN & Change of Address**	Members holding equity share in physical form are requested to notify the change of address/ dividend mandate, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in dematerialized form are requested to submit their PAN, notify the change of address including e-mail address/ dividend mandate, if any, to their respective Depository Participant (DP). Members holding shares in physical form can submit their PAN, notify the change of address including e-mail address/ dividend mandate, if any, to the Company/ Registrar & Share Transfer Agent.
14	**Share Transfer Process**	Effective April 01, 2019, requests for effecting the transfer of listed securities are required to be processed only in dematerialised form. Therefore, the Company had stopped accepting any fresh transfer requests for securities held in physical form with effect from the said date. Dematerialisation of holdings will prevent any fraud in physical transfer of securities and improve ease, convenience, and safety of transactions for investors. In view of the aforesaid, Members who are holding shares in physical form are hereby requested to dematerialise their holdings.
15	**Dematerialisation of Equity Shares & Liquidity**	To facilitate trading in demat form the Company has made arrangements with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders may open account with any of the Depository Participant registered with any of these two depositories. As on March 31, 2022, 99.66% of the equity shares of the Company is held by 24,808 Equity Shareholders in dematerialized form and the balance 0.34% is held by 579 Equity Shareholders in physical form. Entire Equity shareholding of the Promoters in the Company is held in dematerialized form.
16	**Secretarial Audit**	Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company. A Company Secretary in practice carries out an quarterly basis Reconciliation of Share Capital Audit, to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL). Mr. Himanshu Kamdar, Partner of M/s. Rathi & Associates, Practicing Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2021-22. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made thereunder, its Memorandum and Articles of Association, Listing Regulations and the applicable SEBI Regulations. The Secretarial Audit Report forms part of the Board's Report.

17. DIVIDEND HISTORY & UNCLAIMED DIVIDEND

Section 124 and Section 125 of the Act, read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, transfer and Refund) Rule, 2016 ('the Rules') mandates that companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to IEPF. Further, the Rules mandate the transfer of shares with respect to the dividend, which has not been claimed for seven consecutive years or more to IEPF. Accordingly, the dividend for the years mentioned as follows will be transferred to the IEPF on the respective dates if the dividend remains unclaimed for seven years, and the corresponding shares will also be transferred to IEPF. The Shareholders are requested to claim the unclaimed dividend amount immediately in order to avoid the transfer of dividend and shares to IEPF.

Year	Type of Dividend	Dividend Per Share (in ₹)	Date of Declaration of Dividend	Due Date for transfer to IEPF
2014-15	Final	2.50	July 27, 2015	2022
2015-16	Final	2.50	September 09, 2016	2023
2016-17	Final	1.00	August 11, 2017	2024
2017-18	Final	1.50	August 10, 2018	2025
2018-19	Final	2.50	August 08, 2019	2026
2019-20	Final	1.50	November 02, 2020	2027
2020-21	Final	2.00	August 27, 2021	2028

Claim from IEPF Authority

Members/Claimant whose unclaimed dividends and shares have been transferred to the IEPF Authority can claim the same by making an application to the IEPF Authority in E-form IEPF-5 (available at www.iepf.gov.in) and sending duly signed physical copy of the same to the Company at its Registered office along with requisite documents as prescribed in the instruction kit of e-form IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

18. SHAREHOLDERS' CORRESPONDENCE

The Company has addressed all the investors' grievances/ queries/ information requests. It is the endeavor of the Company to reply to all letters/ communications received from the shareholders within a maximum period of 7 working days.

All correspondence may please be addressed to the Registrar & Share Transfer Agent at the address given above and/or the Company Secretary at investors@privi.co.in.

19. OUTSTANDING CONVERTIBLE SECURITIES

There are no outstanding warrants or any other convertible instruments which are likely to impact the equity capital of the Company as on March 31, 2022.

20. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Company does not deal in commodities and hence, the disclosure pursuant to SEBI Circular dated 15th November 2018 is not required to be given.

The Company has a Forex Risk Management Policy duly approved by the Board and has taken suitable steps from time to time for protecting self against foreign exchange risk(s).

21. SHARE CAPITAL BUILD-UP

Particulars	No. of Shares issued	Cumulative Equity capital (No of shares)	Date of Issue
Subscribers to MOA and AOA	7	7	May 25, 1985
Bonus Issue	31,500	31,507	August 27, 1994
Private Placement	3,000,000	3,031,507	August 27, 1994
Private Placement	750,000	3,781,507	March 25, 1995
Public Issue	2,618,493	6,400,000	April 19, 1995
Preferential Allotment	400,000	6,800,000	September 23, 1995
Preferential Allotment	200,000	7,000,000	November 18, 1995
Preferential Allotment	1,250,000	8,250,000	August 20, 1996
Preferential Allotment	250,000	8,500,000	October 10, 1996
Preferential Allotment	1,000,000	9,500,000	March 02, 2002
Bonus Issue	1,900,000	11,400,000	July 17, 2012
Bonus Issue	1,140,000	12,540,000	July 06, 2013
Bonus Issue	1,254,000	13,749,000	July 11, 2014
Pursuant to scheme of arrangement	12,634,353	26,428,353	March 14, 2017

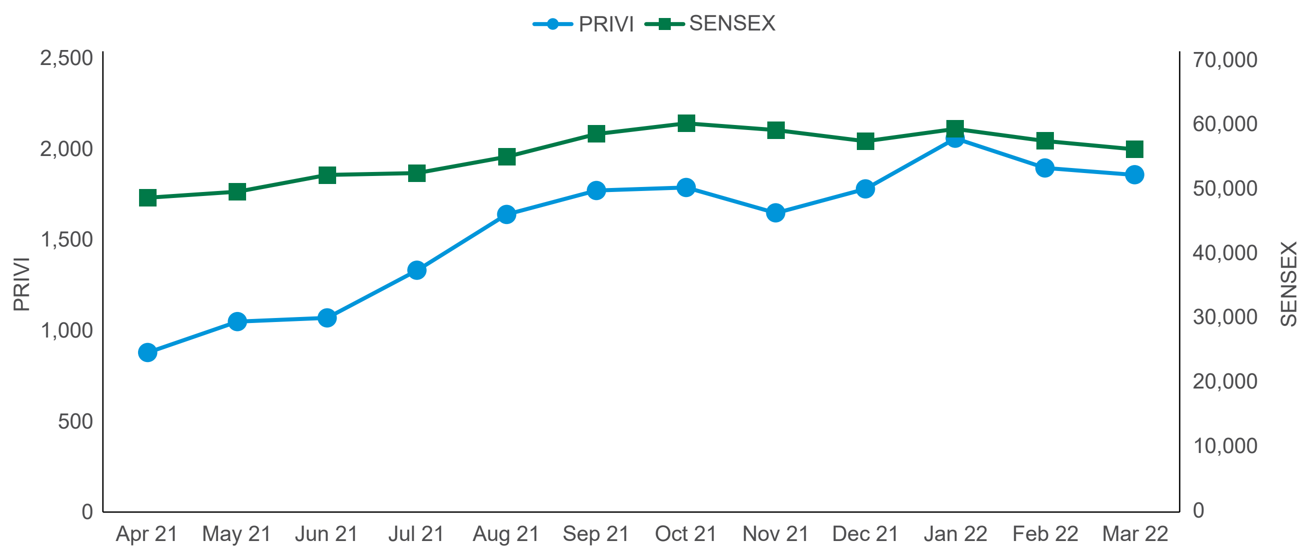
Particulars	No. of Shares issued	Cumulative Equity capital (No of shares)	Date of Issue
Conversion of Compulsorily Convertible Preference Shares (CCPS) into equity shares in the ratio of one equity share of ₹ 10/- each fully paid for one CCPS of ₹ 10/- each. (As provided in Scheme of Arrangement)	11,181,404	37,609,757	March 14, 2017
Conversion of remaining Compulsorily Convertible Preference Shares (CCPS) into equity shares in the ratio of one equity share of ₹ 10/-each fully paid for one CCPS of ₹ 10/- each. (As provided in Scheme of Arrangement)	1,452,949	39,062,706	September 05, 2018

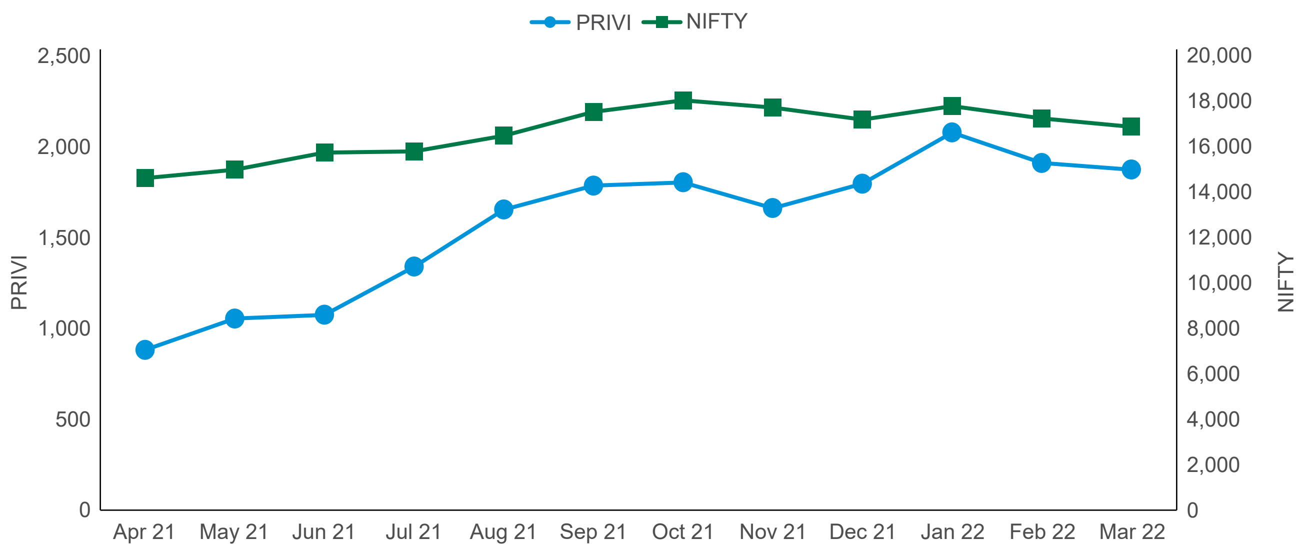
22. STOCK MARKET DATA RELATING TO SHARES LISTED IN INDIA

Monthly high and low quotations and volume of Equity Shares traded on BSE and NSE for the financial year 2021-2022:

Months	BSE			NSE		
	High (₹)	Low (₹)	volume of shares traded	High (₹)	Low (₹)	volume of shares traded
April, 2021	972.55	826.95	1,44,053	958.00	822.65	7,47,617
May, 2021	1,136.65	882.90	2,19,753	1,137.00	878.20	10,77,839
June, 2021	1,189.00	971.50	2,82,658	1,158.40	970.20	10,96,052
July, 2021	1,598.20	1,124.70	3,29,646	1,593.80	1,117.25	24,07,834
August, 2021	1,950.20	1,480.90	3,78,703	1,955.00	1,482.00	24,52,169
September, 2021	2,040.95	1,615.00	1,72,067	2,044.00	1,611.45	10,48,310
October, 2021	2,077.90	1,549.85	1,83,474	2,074.00	1,550.10	6,35,886
November, 2021	1,766.45	1,507.00	1,42,160	1,766.40	1,515.10	4,26,968
December, 2021	1,970.05	1,635.60	1,91,166	1,974.95	1,632.00	9,75,361
January, 2022	2,268.00	1,825.00	1,53,631	2,249.00	1,824.05	9,92,234
February, 2022	2,071.55	1,623.00	1,17,651	2,138,80	1,658.95	4,09,908
March, 2022	1,964.00	1,791.00	1,28,281	1,965.00	1,786.90	3,87,802

23. RELATIVE PERFORMANCE OF THE EQUITY SHARES VS. BSE SENSEX & NIFTY INDEX





24. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2022

No. of Equity Shares	Number of Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Capital
Up to 500	24738	95.5135	1198680	3.0686
501 - 1000	521	2.0116	379070	0.9704
1001 - 2000	281	1.0849	398926	1.0212
2001 - 3000	81	0.3127	201900	0.5169
3001 - 4000	45	0.1737	157259	0.4026
4001 - 5000	39	0.1506	178534	0.4570
5001 - 10000	86	0.3320	630891	1.6151
10001 and Above	109	0.4208	35917446	91.9482

25. CATEGORIES OF EQUITY SHAREHOLDERS AS ON MARCH 31, 2022

Category	No. of Shares held	% to total shares held
Promoter	2,89,25,601	74.05
Corporate Bodies	281456	0.72
Individual	45,04,619	11.53
Other Body Corporate	35053	0.09
Financial Institution/Mutual Funds/Banks	1428062	3.66
Directors & their relatives	734980	1.88
Foreign Institutional Investors/Overseas Corporate Bodies	2497445	6.39
Non-Resident Indians	267806	0.69
Clearing Member	122571	0.31
Hindu Undivided Family	197188	0.50
IEPF	62184	0.16
Trusts	5558	0.01
Foreign Nationals	183	0.00
TOTAL	**3,90,62,706**	**100.00**

26. PARTICULARS OF SHAREHOLDING

a) Promoter Shareholding as on March 31, 2022

Sr. No.	Name of Shareholder	No of Shares held	% of shareholding
1	FIH Mauritius Investments Ltd	-	-
2	Mr. Mahesh P Babani	25,86,348	6.62
3	Mr. Mahesh Purshottam Babani – HUF	17,91,720	4.59
4	Mr. Doppalapudi Bhaktavatsala Rao	11,20,346	2.87
5	Mr. Vinaykumar Doppalapudi Rao	7,41,068	1.90
6	Mr. Vijaykumar Doppalapudi	7,05,006	1.80
7	Mr. Rajkumar Doppalapudi	6,90,782	1.77
8	Ms. Jyoti Mahesh Babani	3,90,000	0.99
9	Mrs. Seema Mahesh Babani	3,90,000	0.99
10	Ms. Snehal Mahesh Babani	3,90,000	0.99
11	Mrs. Prasanna Raj	2,87,074	0.73
12	Mrs. Premaleela Doppalapudi	2,74,522	0.70
13	Mrs. Sharon Doppalapudi	2,45,656	0.63
14	Mrs. Grace Vinay Kumar Doppalapudi	2,32,185	0.59
15	Mr. Rameshbabu Gokarneswararao Guduru	93,446	0.24
16	Mr. Utkarsh Bhikhoobhai Shah	-	-
17	Nahoosh Tradelink LLp	-	-
18	Jariwala Tradelink LLp	-	-
19	Moneymart Securities Pvt Ltd	34,12,502	8.74
20	Vivira Investment And Trading Pvt Ltd	1,54,95,188	39.67
21	Vivira Chemicals Private Limited	79,758	0.20
22	FIH Private Investments Limited	-	-
	TOTAL	**2,89,25,601**	**74.05**

b) Top ten (10) Public Shareholding as on March 31, 2022

Sr. No.	Name of Shareholder	No of Shares held	% of shareholding
1	Banbridge Limited	22,99,455	5.89
2	SBI Large & Midcap Fund	4,69,612	1.20
3	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Growth Opportunities Fund	3,59,003	0.92
4	Bimalbhai D. Parikh	2,89,786	0.74
5	Dhirendra B. Shah	1,17,950	0.30
6	Gouresh Sinnari	1,16,926	0.30
7	Trustline Deep Alpha Aif	1,04,100	0.27
8	Smc Global Securities Limited	1,02,667	0.26
9	Bhartula Vjk Sharma	1,01,229	0.26
10	Abhijit Yashawant Gore	1,01,224	0.26
	Total	**40,61,952**	**10.40**

Auditors Certificate on Compliance with the Conditions of Corporate Governance under regulation 34(3) of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of

Privi Speciality Chemicals Limited.
(Formerly known as Fairchem Speciality Limited)

We have examined the compliance of conditions of Corporate Governance by Privi Speciality Chemicals Limited ('the Company') for the year ended March 31, 2022, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations have been limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For Rathi & Associates, Company Secretaries

Himanshu S. Kamdar
Partner Membership No. FCS5171
COP No. 3030
UDIN: F005171D000319641

Place: Mumbai
Date: May 05, 2022

Certificate of Non-Disqualification of Directors

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

To

The Members of

PRIVI SPECIALITY CHEMICALS LIMITED
(Formerly known as Fairchem Speciality Limited)
Privi House, Plot No A-71, TTC,
Thane Belapur Road, Kopar Khairane,
Navi Mumbai, Thane 400710

Dear Sirs,

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Privi Speciality Chemicals Limited, having CIN: L15140MH1985PLC286828, and registered office at Privi House, Plot No A-71, TTC, Thane Belapur Road, Kopar Khairane, Navi Mumbai, Thane – 400710 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para C, sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of the Director	DIN	Date of Appointment
1.	Mr. Anurag Surana	00006665	13/08/2020
2.	Mr. Padmanabh Ramchandra Barpande	00016214	11/05/2017
3.	Mr. Mahesh Purshottam Babani	00051162	11/05/2017
4.	Mr. Bhaktavatsala Rao Doppalapudi	00356218	11/05/2017
5.	Mr. Rajesh Harichandra Budhrani	01284426	11/05/2017
6.	Mr. Dwarko Topandas Khilnani	01824655	13/08/2020
7.	Ms. Anuradha Eknath Thakur	06702919	13/08/2020

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

For Rathi & Associates, Company Secretaries

Himanshu S. Kamdar
Partner Membership No. FCS5171
COP No. 3030
UDIN: F005171D000319606

Place: Mumbai
Date: May 05, 2022

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identification Number	L15140MH1985PLC286828
2.	Name of the Listed Entity	Privi Speciality Chemicals Limited (Formerly known as Fairchem Speciality Limited)
3.	Year of Incorporation	1985
4.	Registered office address	Privi House, A-71, TTC Thane Belapur Road, Kopar Khairane, Navi Mumbai-400 710
5.	Corporate Address	Privi House, A-71, TTC Thane Belapur Road, Kopar Khairane, Navi Mumbai-400 710
6.	Email	rameshk@privi.co.in
7.	Telephone	022-33043500
8.	Website	www.privi.com
9.	Financial year for which reporting is being done	2021-2022
10.	Name of the Stock exchange where shares are listed	BSE Limited and The National Stock Exchange of India Limited
11.	Paid up capital	₹ 39,06,27,060
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ramesh Kathuria, Company Secretary Telephone: +91 9930262726 Email: rameshk@privi.co.in
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)-	On Standalone basis

II. Products/services

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

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing of chemicals	Manufacturing and trading of aroma chemicals	100%

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	DIHYDROMYRCENOL	20119	24.35
2	AMBER FLEUR	20119	18.26
3	PINE OIL	20119	7.11
4	ORTHO TERTIARY BUTYL CYCLO HEXYL ACETATE	20119	4.84
5	TERPINEOL BP	20119	4.39
6	ISOBORNYL ACETATE	20119	3.42
7	TERPINEOL PERFUMERY GRADE	20119	3.17
8	TERPINYL ACETATE	20119	2.86
9	PARA TERTIARY BUTYL CYCLO HEXYL ACETATE	20119	2.72
10	CITRONELLYL NITRILE	20119	2.72
11	Terpinen 4 ol (4 Terpineol)	20119	2.27
12	Amber Gamma	20119	1.76
13	CITRONELLOL	20119	1.43
14	INDIAN SANDAL CORE	20119	1.41
15	ROSE OXIDE	20119	1.29
16	1,8 CINEOLE	20119	1.20
17	TIMBER TOUCH	20119	1.14
18	SANDAL FLEUR	20119	1.12
19	BETA ISO DAMASCOL	20119	1.12
20	ALPHA IONONE	20119	1.07
21	CITRAL EXTRA PURE	20119	0.90
22	BETA IONONE Perfumery Grade	20119	0.88
23	GAMMA METHYL IONONE	20119	0.84

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	8	2	10
International	-	2	2

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	17
Union Territories	4
International (No. of Countries)	40

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

The export contributes 75 % of the total turnover of the entity.

c. A brief on types of customers

The Company is the manufacturer and supplier of wide varieties of aroma chemicals. The products are supplied to a large number of Flavours & Fragrance (F&F) companies globally, which includes top 10 F&F houses in the world. Apart from this, the products are also supplied to FMCG companies like Procter & Gamble, Reckitt & Benckiser etc.

Aroma chemicals supplied to fragrance houses like Givaudan, Symrise & Firmenich are utilised in manufacturing varieties of fragrance which eventually diluted in products like detergents, soap, cream & perfumes etc.

These fragrance & flavours ingredients are also used in homecare, personal care, fabric care, oral care, fine fragrances, food products like beverages, snacks, dairy products, sweets etc.

The Company also supplies the products through distributors located at different parts of the world. These distributors further supply the material to the end users.

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)	555	514	92.61%	41	7.39%
2	Other than Permanent (E)	129	116	89.92%	13	10.07%
3	**Total employees (D + E)**	**684**	**630**	**92.10%**	**54**	**7.90%**
	WORKERS					
4	Permanent (F)	170	170	100%	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	**Total workers (F + G)**	**170**	**170**	**100%**	**-**	**-**

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)	1	1	100	-	-
2	Other than Permanent (E)	-	-	-	-	-
3	**Total employees (D + E)**	**-**	**-**	**-**	**-**	**-**
	DIFFERENTLY ABLED WORKERS					
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	**Total workers (F + G)**	**-**	**-**	**-**	**-**	**-**

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14.29%
Key Management Personnel	2	-	-

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2021-2022 (Turnover rate in current FY)			FY2020-2021 (Turnover rate in previous FY)			FY 2019-2020 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10.89%	12.00%	10.99%	5.42%	15.10%	6.13%	9.99%	20.87%	10.79%
Permanent Workers	0.59%	0.00%	0.59%	0.58%	0.00%	0.58%	0.58%	0.00%	0.58%

21. Holding, Subsidiary and Associate Companies (including joint ventures)

(a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Privi Biotechnologies Private Limited	Wholly owned subsidiary	100%	
2.	Privi Speciality Chemicals USA Corporation (formerly known as Privi Organics USA Corporation)	Wholly owned Subsidiary	100%	
3.	Prigiv Specialties Private Limited*	Subsidiary	51%	

**Incorporated on September 01, 2021*

22. CSR Details

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (in ₹): 12551856000

(iii) Net worth (in ₹): 7139320000

23. Transparency and Disclosures Compliances

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 2021-2022 Current Financial Year			FY 2020-2021 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities		NIL	NIL	NIL	NIL	NIL	NIL
Investors (other than shareholders)		NIL	NIL	NIL	NIL	NIL	NIL

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	Current and emerging regulations	R	India has different regulations surrounding climate change and each other countries are also having some mandatory requirement related to climate change for import of products/ ingredients. The concern is that future regulation may apply to Industrial facilities such as the Privi's operations. In case we do not understand and anticipate emerging regulatory changes, then we are at risk of new regulations causing interruptions to production and supply to other countries. Interruptions can potentially force us to shift our production and increase operational costs.	To mitigate the risk related to Current and emerging regulations, Privi has an EHS representatives responsible for each facility for understanding and reporting on local regulatory activity and they are responsible for all air permitting, air quality reporting, understanding, water permitting, wastewater quality reporting and ensuring the facility is ready for new regulations. If discussions about regulatory changes occur, the EHS representative report to site management for larger changes if necessary. PSCL is active participant in local industries associations where information related to change in regulation is being shared with members. Further, PSCL manages this risk through assessments of potential risks and backup plans to continue production in cases of disruptions to raw material sources, manufacturing sites, and even the distribution process	Negative - Increased operating (indirect) costs - higher compliance costs, increased insurance premiums
2.	Market – other (Shifts/changes in consumer preferences)	R	The demand for sustainable products in the global market continues to increase and Our estimates says that current revenue could decrease by 5-7% due to loss of business if we do not meet customers' expectations for sustainable products. Hence, non-investment to low-carbon technologies could lead to loss of current and future business due to reduced demand for products and services	To address the impact of this risk, PSCL has submitted to SBTi stating commitment to set a long term-term science-based target to reach net-zero value chain GHGs emissions by no later than 2050 in line with the SBTi net-zero standards, submit it for SBTi validation and publish it, all within a maximum of 24 months. By committing to set net-zero target, we also acknowledge that our company will be part of Business Ambition for 1.5 °C campaign.	Negative - Decrease in revenues due to reduced demand for products
3	Acute physical– Increased severity and frequency of extreme weather events such as cyclones and floods, Heat wave	R	The production/operational activities can be affected in case of extreme weather events such as cyclones and floods, Heat wave. Privi has two manufacturing locations in India. One is at Mahad location (prone to heavy rains) and other is at Jhagadia location (Cyclone/dry climate), apart from this we have dedicated toll manufactures in two other states of India.	Privi has invested in electrical instrumentation (for flood protection) and other critical facilities. This year Privi has already implemented proactive measures to tackle flood related emergency and climate conditions are already covered in our insurance policy. In addition to this, we have kept our toll manufacturers ready as backup in case of emergency. Privi has trained 90 employees in disaster management pertaining to floods.	Negative - Decreased revenues due to reduced production - (e.g., unscheduled stoppages, supply chain interruptions, limited availability of manpower)

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	Service and Market (Potential to diversify business activities)	O	Having activated the alternate sites as well as toll manufacturers during the climate related emergencies. Privi has identified it as an opportunity to increase its business opportunities by utilizing these resources during increase product demand. This led us to have an advantage/opportunity because our competitors might not be as prepared as we are to handle these kinds of situations. Through this ability to diversify production activities, especially with our competitive advantage from being flexible to extreme weather events, our competitive advantage was assessed which led to increase in revenue	NA	Positive - Increase in demand for products/services and increase in revenues
5	New products and services (low emission products)	O	Privi has done backward integration to process crude sulphated turpentine (CST - waste of FSC certified paper mills) to produce its valuable raw materials. These are the renewable raw materials which gives an advantage to the organization. Five of our main products are made from this renewable raw material. Privi believes in waste to wealth and hence has developed one product which is made from bi-product of one of its main products. This product is exclusively going in the making of biodegradable pesticides Two of our upcoming products are also being developed from the biproducts of CST. In addition to this PSCL is implementing various projects pertaining to power and steam from renewable resources as part of our commitment to SBTi.	NA	Positive - Increase in revenues due to customer preference for low emission products.

In addition to the above Privi has disclosed/reported to the

(i) **CDP (carbon disclosure and water security program)** where we have reported detailed plan/actions towards Risk and opportunities, Sustainable Business strategy, Target and performance etc

(ii) **Sedex audit** has been conducted which assesses a site based on organisation's standards of health and safety, environment, business ethics and social compliances.

(iii) **EcoVadis assessment** has been done to get the clear picture of our sustainability practices within the four themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

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

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability

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

P3 Businesses should promote the wellbeing of all employees

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

P5 Businesses should respect and promote human rights

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

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

P8 Businesses should support inclusive growth and equitable development

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

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)	Yes	No	No	Yes	No	No	No	Yes	Yes
c. Web Link of the Policies, if available	P1 to P9: Code of Conduct* P1: Whistle-blower Policy* P2: Sustainable Supply Policy P3 and P5: Employees related Policies P4 and P8: CSR Policy* P6: IMS Policy*								
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, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Yes (a)	Yes (b)	Yes (c)	Yes (d)	Yes (e)	Yes (f)	Yes (g)	Yes (h)	Yes (i)
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	No	Yes	Yes	No	No	Yes	No	No	No
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)									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy (ies).	Mr. R S Rajan, President								
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.	No there is no specific committee of Board/Directors. However, the sustainability related issues are discussed at each meeting of the Board of Directors.								
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 (A)/ 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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	A	A	A	A	A	A	A	A	A
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Quaterly/Annually wherever applicable								

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**
	Y	Y	Y	Y	Y	Y	Y	Y	Y

*https://www.privi.com/investor-relations/corporate-governance/company-policies

- **Yes (a)** – Code of Conduct policy is available on the Company's Website https://www.privi.com/Downloads/Policies-PSCL/PSCL-Code-of-Conduct.pdf
- **Yes (b)** – The Company has implemented Integrated Management System (quality), frameworks and standards such as ISO 9001:2015, and Health Safety and Environment Standards ISO 14001, ISO 45001. Further, the Company has received EcoVadis certification and has made CDP disclosures.
- **Yes (c)** – Health Safety and Environment standards ISO-45001-2018 certification done. Sedex and EcoVadis assessment/ certification has been done
- **Yes (d)** – EcoVadis and CDP disclosure and assessment scorecard.
- **Yes (e)** – The Company is aligned with the state, national and international laws, principles, and norms, including those contained in the Universal Declaration of Human Rights and we have current valid assessment score of Sedex and EcoVadis.
- **Yes (f)** – The Company has implemented Integrated Management System (quality), frameworks and standards such as ISO 9001:2015, and Health Safety and Environment Standards ISO 14001, ISO 45001.
- **Yes (g)** – The Company has made disclosure/reporting to the CDP (Carbon Disclosure and Water security) and is holding active scorecard.
- **Yes (i)** – Integrated Quality Management System, frameworks and standards such as ISO 9001:2015, and Health Safety and Environment Standards ISO 14001, ISO 45001.
- **Yes (h)** - The Company has Implemented Integrated Management System (quality), frameworks and standards such as ISO 9001:2015, and Health Safety and Environment Standards ISO 14001, ISO 45001.

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

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	No. of employee covered
Safety	52	Basic safety/BBS/PPEs	1248
Induction training	8	Induction	657
Bahaviour	4	Competancy, Leadership	632
Software Training	7	SAP/ERP/PRIVI Connect/ QC Slim	464
SOP	36	Plant Process/ Engineering Process/ETP	409
Quality/Systems	15	ISO/IMS/QC/GMP	223
COVID safety	8	COVID -19	197
Process safety	10	Operations Processes	158
Engineering	9	PM/New Instruments	120
Code of conduct	2	POSH/ETI	47
Fire Safety	2	Fire	25
Electrical Safety	1	Electrical Safety	20
	154		**4200**

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):

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the case**	**Has an appeal been preferred? (Yes/No)**
Penalty/Fine	7	Securities and Exchange Board of India (SEBI)	₹ 2000/- per day from August 13, 2021 to November 02, 2021	Non compliance with Regulation 17(1A) of SEBI (LODR) Regulations 2015	No
Settlement	-	-	-	-	-
Compounding Fee	-	-	-	-	-

Non Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment		NIL	NIL	NIL	NIL
Punishment		NIL	NIL	NIL	NIL

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
NA	NA

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

Yes, the Company does have an Anti Bribery & Anti-Corruption ('ABAC') policy. The Company has also adopted a Vigil Mechanism & Whistleblower Policy enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism. No personnel of the Company have been denied access to the Chairperson of the Audit Committee.

The Vigil Mechanism & Whistleblower Policy as adopted by the Company is available on the Company's website at https://www.privi.com/Downloads/Policies-PSCL/PSCL-Vigil-Mechanism-Policy.pdf.

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

	FY 2021-2022 (Current Financial Year)	FY 2020-2021 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

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

	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

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

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
2	All principles	60%

Note: The Company conducts awareness programs through supplier sustainability self-assessment questionnaire, further Company intends to plan trainings in coming two years.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes

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.

(in Lakhs)

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	₹ 651.70	₹ 615.38	1. Yield improvement in two products resulted in less waste generation 2. Process improvement helped to reduce the effluent generation per KG of product by 10 to 15%
Capex	₹ 590.16	₹ 73.63	1. Installation of energy efficient vacuum pumps reduced the steam consumption in ejectors thereby reducing the fuel consumption and carbon footprints of our products. 2. Installation of 0.5 Mwh captive COGEN turbine helped to generate inhouse power reducing the carbon footprints.

2. a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   Yes.

   b) If yes, what percentage of inputs were sourced sustainably

   30% of the inputs bought from sustainable sources [Crude Sulphated Turpentine (CST) from Forest Stewardship Council (FSC) certified sources)

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 and (d) other waste.

   All wastes are disposed off scientifically to the authorized vendors certified by the Pollution Control Board like Mumbai Waste Management, Common Effluent Treatment Plant (CETP) etc.

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.

   No. Not Applicable

Leadership Indicators

3. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of the product/service	% of total turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
20119	Isobornyl cyclohexanol (IBCH)	0.447	27.00	Yes	Published in EIA report MoEF / Parivesh portal
	L/D- Carvone/ Carvacrol	Nil	260.75		
	Orange oil folds	Nil	2.76		
	Myrcene	Nil	12.80		
	Alpha-Campholenic aldehyde	Nil	12.92		
	Floreol	Nil	9.20		

NIC Code	Name of the product/service	% of total turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
	Dihydrocarvone	Nil	2.48		
	Carvomenthone / Menthone/Menthol	Nil	35.50		
	Nimberol	0.659	0.00		
	Dihydromyrcene	0.098	40.00		
	Sandal fleur & derivatives, Indian sandal Core,Sandal Touch/Super sandal core	1.133	72.00		
	Sandal touch/Indian sandal core	1.440	3.50		
	Citral extra pure	0.911	17.70		
	Citronellal/Hydroxy Citronellol	0.384	56.40		
	Cyclocitral (Alpha / Beta & mixture A&B)	0.810	28.20		
	Isocitronellene & Isomer	0.013	63.60		
	Nitriles- Citronellyl nitrile/Geranyl Nitriles	2.744	257.00		
	Damascone Varieties Alpha,Beta, Iso damascol	1.806	7.20		
	A-Pinene from CST	Nil	12474.25		
	B-Pinene from CST	0.598	4518.50		
	Mixed Terpenes/Terpene biofuel from CST	1.109	5438.64		
	A-Pinene from GTO	Nil	3.22		
	Amberfleur	20.170	736.00		
	MI for soap	Nil	0.09		
	Violetone Coeur	Nil	4.68		
	Timber Touch/Timber forte	1.575	14.41		
	Group of Esters	11.341	202.18		
	Group of Alcohols	25.054	607.18		
	Group of Ionones	3.768	208.01		
	Rose Oxide	1.193	0.49		
	Geaniol Formate	Nil	0.35		
	Citronellol Formate	Nil	0.33		
	Camphene	Nil	0.18		
	ISO Longifoline Ketone	Nil	0.23		
	Prionyl/Privi Moss	0.039	18.28		
	Rosaxanol/Rosepyran	Nil	5.17		
	Muganol	Nil	0.33		
	Super Sandal Core	Nil	0.00		
	Hydrogen	Nil	57.65		
	Terpineol & Its derivaties like Pine oil varities and Terpin-4-ol (4-Terpineol)	12.483	1,316.25		
	A-Terpinyl acetate & Its derivatives	2.901	22.20		
	Terpinolene Varieties from 20 to 99%/ Cineols such as 1,4 Cineol, 1,8 Cineol, Gamma Terpinene, Limonene, etc	5.785	594.00		

NIC Code	Name of the product/service	% of total turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
	Prionyl	0.039	654.30		
	Terpene-Phenol based resin like TPR-A,TPR-B,TPR-C,TPR-M,TPR-MS etc	Nil	0.69		
	Terpene (PolyTerpene) based resin like PTR-A,PTR-B,PTR-C,PTR-M,PTR-MS etc	Nil	1.10		
	p-Cymene	Nil	14.40		
	Camphene	Nil	170.00		
	Isobornylacetate	3.504	19.50		

4. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of the Product/Service	Description of the risk/concern	Action Taken
All Products	All our products are biodegradable hence no major risks anticipated	Not Applicable

5. Percentage of recycled or reused input material to total material (by value) used in the production (for manufacturing industry) or providing services (for service industry)

   All the solvents used in the process are recovered and recycled back in the process. This amounts to approximately 5% of the total input materials.

6. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled and safety disposed, as per the following format

   All the used packing material is cleaned, decontaminated and re-used for the packing and selling of byproducts. The damaged, packing material is decontaminated and sold to authorize recyclers for disposal.

7. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate Product category	Reclaimed products and their packaging materials as % of total products sold in respective category
No reclaimed during the financial year 2021-2022	There are no reclaimed Products/ packaging materials during the financial year 2021-2022

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	Total (A)	Health Insurance Number (B)	Health Insurance % (B/A)	Accident Insurance Number (C)	Accident Insurance % (C/A)	Maternity Benefits Number (D)	Maternity Benefits %(D/A)	Paternity Benefits Number (E)	Paternity Benefits % (E/A)	Day care facilities Number (F)	Day care facilities % (F/A)
Permanent Employees											
Male	514	514	100%	514	100%	0	0%	-	0%	-	0%
Female	41	41	100%	41	100%	41	100%	-	0%	-	0%
Total	**555**	**555**	**100%**	**555**	**100%**	**41**	**7.38%**	**-**	**0%**	**-**	**0%**
Other than Permanent Employees											
Male	117	117	100%	117	100%	0	0%	-	0%	-	0%
Female	12	12	100%	12	100%	12	100%	-	0%	-	0%
Total	**129**	**129**	**100%**	**129**	**100%**	**12**	**9.38%**	**-**	**0%**	**-**	**0%**

(% of employees covered by)

b) Details of measures for the well being of workers

Category	Total (A)	Health Insurance Number (B)	Health Insurance % (B/A)	Accident Insurance Number (C)	Accident Insurance % (C/A)	Maternity Benefits Number (D)	Maternity Benefits %(D/A)	Paternity Benefits Number (E)	Paternity Benefits % (E/A)	Day care facilities Number (F)	Day care facilities % (F/A)
Permanent Workers											
Male	170	170	100%	170	100%	-	-	0	-	0	-
Female	-	0	-	0	-	0	-	-	-	0	-
Total	**170**	**170**	**100%**	**170**	**100%**	**0**	**-**	**0**	**-**	**0**	**-**
Other than Permanent Workers											
Male											
Female											
Total											

(% of employees covered by)

2. Details of retirement benefits, for current financial year and previous financial year

Benefits	FY 2021-2022 Current Financial Year: No. of employees covered as a % of total employees	FY 2021-2022: No. of workers covered as a % of total workers	FY 2021-2022: Deducted and deposited with the authority (Y/N/N.A.)	FY 2020-2021 Previous Financial Year: No. of employees covered as a % of total workers	FY 2020-2021: No. of workers covered as a % of total workers	FY 2020-2021: 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	5.76%	0.58%	Y	5.57%	2.92%	Y
Others-please specify						

3. Accessibility of workplaces

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

Yes

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

Yes, the Company has an Anti-Discrimination and Equal Opportunity Policy as the part of HR manual.

The Company is committed to promoting and strengthening diversity and inclusion at its workplace through an enabling environment and aims to create a harmonious workplace through supportive work life policies for employees and a culture that creates a sense of belonging such that all employees can achieve their full potential. We believe in providing equal opportunity to persons from all sections of the society including persons with disabilities. We are committed to maintaining respect and dignity for all.

The Policy is available at https://www.privi.com/investor-relations/corporate-governance/company-policies.

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	NA	NA	NA	NA
Female	5	100%	NA	NA
Total	**5**	**100%**	**NA**	**NA**

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

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

We have a Grievance handling committee which addresses the grievances in the stipulated time frame.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity

Category	FY 2021-2022 Current Financial Year			FY 2020-2021 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	555	-	0%	538	-	0%
-Male	514	-	0%	498	-	0%
-Female	41	-	0%	40	-	0%
Total permanent Workers	170	170	100%	171	171	100%
-Male	170	170	100%	171	171	100%
-Female	0	-	0%	0	-	0%

8. Details of training given to employees and workers

Category	FY 2021-2022 Current Financial Year					FY 2020-2021 Previous Financial Year				
	Total (A)	On healthy and safety measures		On skill upgradation		Total (D)	On Healthy and safety measures		On skill Upgradation	
		No (B)	% (B/A)	No (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	514	514	100%	129	25.09%	498	498	100%	76	15.26%
Female	41	41	100%	9	21.95%	40	40	100%	5	12.5%
Total	**555**	**555**	**100%**	**138**	**24.86%**	**538**	**538**	**100%**	**81**	**15.05%**
Workers										
Male	170	170	100%	11	6.47%	171	171	100%	8	4.67%
Female	-	-	0%	-	0%	-	-	0%	-	0%
Total	**170**	**170**	**100%**	**11**	**6.47%**	**171**	**171**	**100%**	**8**	**4.67%**

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

Category	FY 2021-2022 Current Financial Year			FY 2020-2021 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	514	514	100%	498	498	100%
Female	41	41	100%	40	40	100%
Total	**555**	**555**	**100%**	**538**	**538**	**100%**
Workers						
Male	170	170	100%	171	171	100%
Female	-	-	0%	-	-	0%
Total	**170**	**170**	**100%**	**171**	**171**	**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, Implemented ISO 45001:2018 Occupational Health and Safety Management System.

b) What are the processes used to identify work related hazards and assess risks on a routine and non routine basis by the entity?

Hazardous and Risk identified by various tools such as Process HAZOP study, Hazard Identification and Risk Assessment, Health and Safety Audit, Job Safety Analysis, Pre-Start up safety review, Plant safety inspections, EHS round observations, Behavior based safety etc

c) Whether you have processes for the workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, workers are reporting work related hazard through Safety Suggestion, Daily operation meeting, Departmental safety meetings, Central safety committee meeting etc.

d) Do the employees/worker of the entity have access to non-occupational medical and healthcare services

Yes, employee have access to Occupational Health Center, Check their Health statistics, First Aid Training, Health and Hygiene programs.

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

Safety Incident/Number	Category	FY 2021-2022 Current Financial Year	FY 2020-2021 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place

Third party Hazop study conducted for each New process, PSSR (pre-startup safety review) conducting for each modification or new installation, Workplace Safety Audit, Routine Employee health checkup, BBS (Behavior Based Safety) Audits etc.

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

	FY 2021-2022 Current Financial Year			FY 2020-2021 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	0	0	0	-
Health & Safety	0	0	0	0	0	--

14. Assessments of the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%, DISH (Directorate of Industrial Safety and Health)Authority, Third Party competent person audited all shop floors and work place activities.
Working conditions	100%, DISH (Directorate of Industrial Safety and Health) Authority, Third Party competent person audited all shop floors and work place activities.

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.

There were no safety related incidents that happened during the financial year 2021-2022.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, we have life insurance coverage in the event of death and disability for both employees and workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We monitor and ensure 100% compliance by the value chain partners.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	FY 2021-2022 (Current Financial Year)	FY 2020-2021 (Previous Financial Year)	FY 2021- 2022 (Current Financial Year)	FY 2020-2021 (Previous Financial Year)
Employees	-	-	-	-
Workers	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

   No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working conditions	100%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

PRINCIPLE 4 Business should respect the interest of and be responsive to all its stakeholders

Essential Indicators

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

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

Stakeholder Group	Whether identified as vulnerable and marginalized group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website)	Frequency of engagement (Annually/ half Yearly/Quaterly/ others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
-	-	-	-	-
-	-	-	-	-

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

PRINCIPLE 5 Business should respect and promote human rights

Essential indicators

1. Employees and workers who have been provided training on human rights issues and policies of the entity, in the following format

Category	FY 2021-2022 Current Financial Year			FY 2020-2021 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	555	-	0%	538	-	0%
Other than Permanent	129	-	0%	104	-	0%
Total Employees	**684**	**-**	**0%**	**642**	**-**	**0%**
			Workers			
Permanent	170	-	0%	171	-	0%
Other Than Permanent	-	-	-	-	-	-
Total Workers	**170**	**-**	**0%**	**171**	**-**	**0%**

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

Category	FY 2021-2022 Current Financial Year					FY 2020-2021 Previous Financial Year				
	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)	Total (D)	No. (E)	% (E/D)	No. (F)	% (F/D)
					Employees					
Permanent	555	-	-	555	100%	538	-	-	538	100%
Male	514	-	-	514	100%	498	-	-	498	100%
Female	41			41	100%	40	-	-	40	100%
Other than Permanent	129	-	-	129	100%	104			104	100%
Male	117	-	-	117	100%	96	-	-	96	100%
Female	12	-	-	12	100%	8	-	-	8	100%
					Workers					
Permanent	170	-	-	170	100%	171	-	-	171	100%
Male	170	-	-	170	100%	171	-	-	171	100%
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

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

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BOD)	2	3,25,00,000	-	-
Key Managerial Personnel (KMP)	2	60,22,280	-	-
Employees other than BOD and KMP	510	5,86,736	41	6,18,677
Workers	170	5,42,696	-	-

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

   Yes

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

   Privi is committed to provide a productive and conducive work environment where grievances are dealt with fairly and promptly. The Grievance Redressal Policy shall ensure that any/all grievances are dealt with promptly, fairly and in accordance with Policies of the Organization. This Policy should be read in conjunction with other Policies such as the Whistleblower Policy etc.

   The mechanism to redress grievances is stated in the said Policy which advocates forming a Grievance Redressal Committee to deal with grievances of its employees and other stakeholders. There is a three tier Grievance Redressal procedure with a timeline of two weeks for completing the process.

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

	FY 2021-2022 Current Financial Year			FY 2020-2021 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Laour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

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

   While handling discrimination and harassment cases, the identity of the complainant is kept confidential.

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

   Yes

9. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	0%
Forced/ Involuntary Labour	0%
Sexual Harassment	0%
Discrimination at workplace	0%
Wages	0%
Others-please specify	0%

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

   None

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

   No such grievances on Human Rights violation.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

   No such due diligence conducted, as yet.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Yes

4. Details on assessment of value chain partners.

	% of value chain partners (by value of business done with such partners) that were assessed
Child Labour	NA
Forced/ Involuntary Labour	NA
Sexual Harassment	NA
Discrimination at workplace	NA
Wages	NA
Others-please specify	NA

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   NA

PRINCIPLE 6 Business 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 2021-2022 (Current Financial Year)	FY 2020-2021 (Previous Financial Year)
Total electricity consumption (A)	45631 MWh	44755.1 MWh
Total fuel consumption (B)	322419.875 MWh	305195.89 MWh
Energy consumption through other sources (C)	793.04 MWh	591 MWh
Total energy consumption (A+B+C)	**368843.915 MWh**	**350541.99 MWh**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	265.16 MWh per Cr Turnover	276.45 MWh per Cr Turnover
Energy intensity (optional) – the relevant metric may be selected by the entity	11.74 MWh per MT of Production	10.66 MWh per MT of Production

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

Yes, assessment has been carried out under Carbon Disclosure Project (CDP)

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.

Not applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2021-2022 Current Financial Year	FY 2020-2021 Previous Financial Year
Water withdraw by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	Nil	Nil
(iii) Third party water	Nil	Nil
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	1257	7498
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**1257**	**7498**
Total volume of water consumption (in kilolitres)	**391357**	**460840**
Water intensity per rupee of turnover (Water consumed / turnover)	0.0000281 per Re of turnover	0.0000363 per Re of turnover
Water intensity (optional) – the relevant metric may be selected by the entity	13.99 per MT of production	14.04 per MT of production

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

Yes, assessment has been carried out by Water Security Disclosure under CDP

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

The Company's Jhagadia unit (Gujarat) is already a Zero Liquid Discharge (ZLD) Unit ZLD. For its Mahad (Maharashtra) operations the Company has already initiated the ZLD project & the same is expected to be completed by December 2022.

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

Parameter	Please specify unit	FY 2021-2022 (Current Financial Year)	FY 2020-2021 (Previous Financial Year)
NOx	mg/Nm³	10.59	18.73
Sox	Kg/day	15.92	17.88
Particulate matter (PM)	ppm	65.00	65.92
Persistent organic pollutants (POP)		NA	NA
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)		NA	NA
Others – please Specify	mg/Nm³	0.435	0.60

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

Yes, the monitoring is done by Maharashtra Pollution Control Board approved agency Aavanira Biotech Labs, Pune.

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

Parameter	Unit	FY 2021-2022 (Current Financial Year)	FY 2020-2021 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 Equivalent	Total: 126570.42 MT CO2e Break up: CO2: 125588.79 N2O: 2.14 CH4: 14.74	Total: 119127.97 MT CO2e Break up: CO2: 118203.14 N2O: 2.02 CH4: 13.89
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available).	Metric tonnes of CO_2 Equivalent	33947.27 MT CO2 e(*)	33161 MT CO2 e(*)
Total Scope 1 and Scope 2 emissions per rupee of Turnover		114.49 MT CO2e per Cr Turnover	119.34 MT CO2e per Cr Turnover
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		5.11 MTCO2e per MT production Total production considered: 31391 MT	4.86 MTCO2e per MT production Total production considered: 31315 MT

**NOTE ((Scope2 Emissions) -Corporate office emissions (owing to electricity consumption at HO) were not included as no significant contribution to emissions was observed.*

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

Yes, assessment has been carried out under CDP

7. Does the entity have any project related to reducing green house gas emission? If yes, then provide details.

The Company has already installed Vapour absorption chillers (VAM's) in 3 of its Units which run on waste steam to produce chilled water whereby saving significant electricity & directly helps to reduce the GHG emissions.

The Company is also finalizing the options to get Solar power to fulfill its Science Based Targets commitment for Net Zero by 2050. Currently the plan is to have 25% of its power requirement from Solar power by 2025.

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

Parameter	FY 2021-2022 (Current Financial Year)	FY 2020-2021 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	61.91	30.13
E-waste (B)	NA	NA
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)		
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	9646.90	4552.04
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	634.67	351.02
Total (A+B + C + D + E + F + G + H)	**10343.48**	**4933.19**
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	Nil	Nil
(ii) Re-used	Nil	Nil

Parameter	FY 2021-2022 (Current Financial Year)	FY 2020-2021 (Previous Financial Year)
(iii) Other recovery operations	Nil	Nil
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	25.20	2.26
(ii) Landfilling	2336.00	1307.38
(iii) Other disposal operations	5046.69	1601.92
Total	**7407.88**	**2911.56**

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 above data is in public domain in MPCB as well as Ministry of Environment and Forest (MoEF).

Note- The quantity of Hazardous waste generation as well as other disposal operations is very high because as per our existing MPCB consent many of our byproduct which are sold as products are classified as Hazardous waste. The same is being rectified in our upcoming consent renewal as well as upcoming Environmental clearance which is under approval.

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 has installed its own incinerator to convert hazardous waste into value added products & the same is under operation. The installation of new technology in Biomass separation has reduced the quantity of biomass that was sent to land fill. With segregation of saleable byproducts from the Hazardous waste this quantity will reduce significantly.

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.
1	MIDC Mahad, Maharashtra	Manufacturing	Yes
2	GIDC Jhagadia, Gujarat	Manufacturing	Yes

Note- Though none of our Operating units/Offices fall under Ecologically sensitive area, we follow the process of getting Environmental clearance from MoEF for any expansion or change in operations.

11. Details of environment 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
U-II Environment clearance project for expansion of production capacity U-III Environment clearance project for expansion of production capacity	EIA Notification issued in September – 2006.		Yes Aditya Environmental Services Pvt Ltd, Mumbai	Yes	Parivesh / MoEF site

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

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
	NA	NA	NA	NA
	NA	NA	NA	NA

Not applicable as the Company is complying to all the above regulations.

Leadership Indicators

1. Provide break up of total energy consumed (in joules or multiples) from renewable and non renewable sources, in the following format

Parameter	FY 2021-2022 (Current Financial Year)	FY 2020-2021 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	NA	NA
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	NA	NA
Total energy consumed from renewable sources (A+B+C)	**NA**	**NA**
From non-renewable sources		
Total electricity consumption (D)	2822 MWh	2937 MWh
Total fuel consumption (E)	322419.875 MWh	305195.89 MWh
Energy consumption through other sources (F)	793.04 MWh	591 MWh
Total energy consumed from non-renewable sources (D+E+F)	**326034.91 MWh**	**308723.89 MWh**

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 above data till 2020-21 is already in public domain as it is declared to CDP. Secondly the reason for increase in the power consumption is due to two main reasons:

a) Mahad all 3 units were affected by floods in July-2021 resulting in stoppage of manufacturing activities for a month & power consumed by the machinery used for cleaning & testing the equipment & facilities.

b) We have started recycling more than 85% of our treated effluents by using set of multiple effect evaporators (MEE) & Reverse Osmosis (RO) technologies. These are energy intensive technologies but the resultant water saving in the years to come will be very significant.

2. Provide the following details related to water discharged:

Parameter	FY 2021-2022 (Current Financial Year)	FY 2020-2021 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
(ii) To Groundwater	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
(iii) To Seawater	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
(iv) Sent to third-parties	CETP	CETP
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	**47045 KL** Primary, Secondary & Tertiary treatment meeting all the PCB norms	**62737 KL** Primary, Secondary & Tertiary treatment meeting all the PCB norms
(v) Others	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
Total water discharged (in kilolitres)	**47045 KL**	**62737 KL**

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

Yes, this data is validated by MPCB & Common Effluent Treatment Plant (CETP).

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

As per WRI Aqueduct survey, our plant locations (Bharuch and Mahad) under water stress zone in India. Till now, we have not faced any challenge/ shortfall in water availability at both the locations

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

a) Jhagadia GIDC, Gujarat 393110

b) Mahad MIDC, Maharashtra 402309

(ii) Nature of operations

Manufacture of organic and inorganic chemical compounds n.e.c. (NIC 20119)

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2021-2022 (Current Financial Year)	FY 2020-2021 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	484190*	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	484190	NA
Total volume of water consumption (in kilolitres)	484190	NA
Water intensity per rupee of turnover (Water consumed / turnover)	345.35 per Cr Turnover (Water consumed in kiloliters/turnover in Cr)	NA
Water intensity (optional) – the relevant metric may be selected by the Entity	15.42 per MT of production (Water consumed in kiloliters/ production qty in MT)	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	We do not discharge any qty into surface water	NA
(ii) Into Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	We do not discharge any qty into groundwater	NA
(iii) Into Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	We do not discharge any qty into surface Seawater	NA
(iv) Sent to third-parties	47400	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	We have primary, secondary, and tertiary treatment system in all our manufacturing facilities.	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	**47400**	**NA**

Note: The Surface Water consumption includes rainwater, water from rivers & lakes and freshwater withdrawal which being supply through local industrial body (MIDC) and water collected through rain water harvesting.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2021-2022 (Current Financial Year)	FY 2020-2021 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 Equivalent	Data collection is underway	Not calculated due to lack of data
Total Scope 3 emissions per rupee of turnover		NA	NA
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

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

Scope -3 emissions data collection is started for 2021-22 & the same will be published on CDP by August-22.

5. With respect to the ecologically sensitive areas reported at question 10 of essential indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

   None of our manufacturing units fall under ecologically sensitive areas.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Installed Electro Static Precipitators on exhaust of all its boilers	Information in public domain as submitted to MPCB & also EC compliance report on the company website www.privi.com	Meeting all the SPM norms prescribed by the PCB
2	Installed Volute machine to filter & get biomass with 80% moisture which was earlier more than 100% moisture	It is also in public domain as submitted to MPCB	Reduced waste for land fill
3	Vapour absorption chillers (VAM) for waste heat recovery	Mentioned on our website www.privi.com	Reduced electricity consumption for utilities
4	100% recycle of its treated effluent	This initiative is under implementation & its impact will be seen in the reduced fresh water consumption. The same will be uploaded on CDP website as well as MPCB in the coming quarter.	Reduced water consumption.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

   The Company has a well-established Business Continuity & Disaster Management plan. The scope of Business continuity Plan includes: Any loss of Utility service (power, water etc), Connectivity (system sites), Staff loss, Injury, Sabotage, Materials shortage, Machinery breakdown, catastrophic event (Fire, natural disaster, vandalism, Pandemic), Transporter strike, that causes an interruption in the service or goods provided by these Units. The plan identifies vulnerabilities and recommends measures to prevent extended service outages / operations disruption. It was last reviewed & updated in September 2021 & mock test is done once every year.

   The Disaster Management plan is made considering all the possible scenarios & is also reviewed & updated every year. This is submitted to Directorate of Industrial Safety and Health (DISH) office; Mumbai & mock drills are conducted every quarter to maintain high state of emergency preparedness. The documentation pertaining to the same is maintained at the respective manufacturing sites.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

   There has been none recently as various controls are in place. Mock drills as well as monitoring is conducted at periodic intervals.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

   None, however the Company plans to conduct the same during the Financial Year 2022-23

PRINCIPLE 7 Businesses, when engage in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

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

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

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chamber/ associations (State/National)
1	International Fragrance Association (IFRA)	International
2	Chemical Export Promotion Council (CHEMEXCIL)	National
3	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
4	Flavours and Fragrance Association of India (FAFAI)	National
5	Export Inspection Agency (EIA)	National
6	Indian Institute of Packaging (IIP)	National
7	Indo-Arab Chamber of Commerce and Industries –Membership	National
8	IMC (Indian Merchants' Chamber) - Chamber of Commerce and Industry	National
9	Mahad Manufacturers Association (MMA)	State

2. Provide details of corrective action taken or underway on an 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
NA	NA	NA

Leadership Indicators

1. Details of public policy positions advocated by the entity: NA

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of review by the Board (Annually/Half yearly/ Quaterly/Others- Please specify)	Web link, if available
NA	NA	NA	NA	NA	NA

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 - NA

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
NA	NA	NA	NA	NA	NA

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	Amount paid to PAFs in the FY (In INR)
NA	NA	NA	NA	NA	NA	NA

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

The Company engages with the community by conducting informal and formal meetings apart from program specific meetings to facilitate harmony.

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

	FY 2021-2022 Current Financial Year	FY 2020-2021 Previous Financial Year
Directly sourced from MSMEs/ small producers	-	-
Sourced directly from within the district and neighbouring districts	100%	100%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the social impact assessments (Reference: Question 1 of essential indicators above):

Details of negative social impact identified	Corrective action taken
No negative impacts identified	Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: NA

S No.	State	Aspirational district	Amount spent (In INR)
NA	NA	NA	NA

3. a) Do you have a preferential procurement policy where you give reference to purchase from suppliers comprising marginalized/ vulnerable groups? (Yes/No)

   No

   b) From which marginalized/vulnerable groups do you procure?

   NA

   c) What percentage of total procurement (by value) does it constitute?

   NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: NA

S No.	Intellectual property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
NA	NA	NA	NA	NA

5. Details of corrective actions taken or underway, based on adverse order intellectual property related disputes wherein usage of traditional knowledge is involved: NA

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

6. Details of beneficiaries of CSR Projects:

S No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1.	Health & Hygiene-Corona Awareness Programme	350	100%
2.	Health & Hygiene- Vaccintion Programme	3000	100%
3.	Health & Hygiene- Blood Donation Camp through Samadhan	150	70 % (approx.)
4.	Education-Support to underprivileged students for educational aid and livelihood through Samadhan Samajik Sevabhavi Sanstha	32	100%
5.	Enviornment- Mouted sweeping truck for Mahad Municipal Council	1500	-
6.	Environment- Green Zone- Development, Plantation, Maintenance	2482	-

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

Step 1: Complaint is received by Key Account Manager by e-mails or phone calls from customers. Acknowledged by e-mails.

Step 2: Key Account Manager forwards the complaint to Quality team for further action.

Step 3: Quality team reviews & documents the complaint, if required speaks with customer to understand the issue. If it is resolved with discussions, complaint is closed. If not, then it is shared with relevant team responsible, for further action.

Step 4: Once the actions are completed by responsible team, the same are reviewed by Quality team. If any more action is identified, same is communicated & effectiveness is verified.

Step 5: All actions along with report is shared with Key Account Manager to share with customer. Once customer accepts the actions mentioned in report & effectiveness is found satisfactory by Quality team, complaint is closed.

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

	As a percentage to total turnover
Environment and social parameters relevant to the Product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. No. of consumer complaints in respect of the following:

	FY 2021-2022 Current Financial Year		Remarks	FY 2020-2021 Previous Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	None	None	-	None	None	-
Advertising	None	None	-	None	None	-
Cyber security	None	None	-	None	None	-
Delivery of essential services	None	None	-	None	None	-
Restrictive trade practices	None	None	-	None	None	-
Unfair trade practices	None	None	-	None	None	-
Other	None	None	-	None	None	-

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

	Number	Reasons for recall
Voluntary recalls	None	None
Forced recalls	None	None

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 in place, a Cyber Security Policy and Data Security Policy. The same is available on https://www.privi.com/investor-relations/corporate-governance/company-policies

6. Provide details of corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   Not applicable, since there are no instances

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

   Available on website https://www.privi.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   Information available on Company's Website at www.privi.com

   All products MSDS & PDS is shared with all customers and labelling procedure is in place.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   Through emails and phone calls

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

   No

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes, customer satisfaction survey is carried out annually

6. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along-with impact

   b. Percentage of data breaches involving personally identifiable information of customers

      Not applicable since there is no data breach

Independent Auditors' Report

To the Members of

Privi Speciality Chemicals Limited
(formerly known as Fairchem Speciality Limited)

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Privi Speciality Chemicals Limited (formerly known as Fairchem Speciality Limited) ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
Revenue recognition (Refer note:- 20 and note 36 to the standalone financial statements) The Company's revenue is derived primarily from sale of products. The principal products of the Company comprise of aroma chemicals. Revenue from sale of goods is recognized on transfer of the products to the customer. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. The performance obligations in the contracts may be fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on contract terms. There is a risk that revenue could be recognised at a time which is different from transfer of control especially for sales transactions occurring on and around the reporting period. In view of this and since revenue is a key performance indicator of the Company, we have identified timing of the revenue recognition as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:- • Assessed the appropriateness of Company's accounting policies relating to revenue recognition as per the applicable accounting standard. • Obtained an understanding of the Company's sales process and evaluated the design and implementation of key internal controls in relation to the timing of revenue recognition. We also tested the operating effectiveness of such controls for a sample of transactions with special reference to controls over revenue recognised on and around the year end. • For a sample of sale transactions selected using statistical sampling, performed detailed testing and in particular examined whether these are recognised in the period in which control is transferred. This included examination of the terms and conditions as per customer orders including the shipping terms, transporter documents and customer acceptances.

The key audit matter	How the matter was addressed in our audit
	• Tested on a sample basis, specific revenue transactions recorded around the year end date to check whether revenue has been recognised in the correct reporting period by examining the underlying documents. • Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements;

   b) The Company did not have any long-term contracts for which there were any material foreseeable losses. The Company has made provision for foreseeable losses on derivative contracts - Refer Note 18 to the standalone financial statements;

c) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company;

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
ICAI UDIN: 22113959AILWCJ2471

Place: Mumbai
Date: May 05, 2022

Annexure A to the Independent Auditors' Report on standalone financial statements - 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

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

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

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

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

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

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

Quarter	Name of bank	Particulars	Amount as per books of account (Rs. In Lakhs)	Amount as reported in the quarterly return/ statement (Rs. In Lakhs)	Amount of difference (Rs. In Lakhs)	Whether return/ statement subsequently rectified
Jun-21	Kotak Mahindra Bank and others	Trade Receivables and Inventories	59,480.62	57,625.27	1,855.35	No
Sep-21	Kotak Mahindra Bank and others	Trade Receivables and Inventories	60,709.21	59,551.09	1,158.12	No
Dec-21	Kotak Mahindra Bank and others	Trade Receivables and Inventories	70,221.18	69,368.49	852.69	No
Mar-22	Kotak Mahindra Bank and others	Trade Receivables and Inventories	84,542.50	83,680.57	861.93	No

Refer note 14 of the standalone financial statements.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investment in a Company, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.

Name of the party	Relationship of the Company with the party	Gross amount of Investments (Rs. in Lakhs)
Prigiv Specialties Private Limited	Subsidiary Company	765.00

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity during the year.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made is, prima facie, not prejudicial to the interest of the company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no loans are given during the year Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loans given. Further, the Company has not given any advances in the nature of loans to any party during the year. Accordingly, clause 3(iii) (d) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted. Accordingly, clause 3(iii) (e) of the Order is not applicable.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans. Accordingly, clause 3(iii) (f) of the Order is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any security as specified under section 185 and 186 of the Companies Act, 2013. According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and guarantees given by the Company, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues-have been regularly deposited by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statue	Nature of the dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending	Date of payment
The Income Tax Act, 1961	Income tax	3.33	2005 - 06	CIT Appeals	Not Yet Paid
The Income Tax Act, 1961	Income tax	1,111.88	2011 – 12	CIT Appeals	Not yet paid
The Income Tax Act, 1961	Income tax	316.13	2014 – 15	Commissioner (Appeals)	Not Yet Paid
The Income Tax Act,1961	Income tax	31.21	2015 -16	CIT Appeals	Not Yet Paid
The Income Tax Act, 1961	Income tax	268.79	2018-19	Commissioner (Appeals)	Not Yet Paid
The Customs Act, 1962	Custom duty	9.52	1998–99	CESTAT	Not yet paid
The Customs Act, 1962	Custom duty	90.54	2013-14	CESTAT	Not Yet Paid

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

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions during the year. Further, the Company did not have any outstanding loans or borrowings from any other lender during the year.

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

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

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

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

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

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

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

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

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

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

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

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

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

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

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

(d) The Company is not part of any group. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

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

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

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

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

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
ICAI UDIN: 22113959AILWCJ2471

Place: Mumbai
Date: May 05, 2022

Annexure B to the Independent Auditors' report on the standalone financial statements of Privi Speciality Chemicals Limited

('Formerly known as Fairchem Speciality Limited') for the period ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Privi Speciality Chemicals Limited ('Formerly known as Fairchem Speciality Limited') ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone 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 standalone financial statements were established and maintained and whether 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 standalone financial statements included obtaining an understanding of such internal financial controls, 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
ICAI UDIN: 22113959AILWCJ2471

Place: Mumbai
Date: May 05, 2022

Standalone Balance Sheet

As at March 31, 2022

(Currency: Indian Rupees in Lakhs)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	62,659.88	53,949.86
Capital work-in-progress	3	36,118.43	17,444.95
Right of use assets	4 a	3,410.61	1,879.95
Intangible assets	4 b	485.85	642.00
Intangible assets under development	4 b	855.54	-
Investment in subsidiaries	5	5,067.31	4,302.31
Financial assets			
Other financial assets	6	1,389.77	1,050.52
Income tax assets (net)		1,394.36	1,156.77
Other non-current assets	7	1,696.26	4,516.15
Total non-current assets		**1,13,078.01**	84,942.51
Current assets			
Inventories	8	56,120.78	31,497.52
Financial assets			
Trade receivables	9	28,421.72	23,629.05
Cash and cash equivalents	10	2,636.96	1,136.42
Bank balances other than cash and cash equivalents	11	452.29	395.74
Other financial assets	6	1,320.51	809.26
Other current assets	7	10,808.22	9,808.19
Total current assets		**99,760.48**	67,276.18
TOTAL ASSETS		**2,12,838.49**	1,52,218.69
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12 a	3,906.27	3,906.27
Other equity	12 b	76,829.54	67,487.92
Total equity		**80,735.81**	71,394.19
Liabilities			
Non-current Liabilities			
Financial liabilities			
i) Borrowings	13 a	38,060.00	33,181.82
ii) Lease liabilities	13 b	1,290.41	583.11
Provisions	15	1,675.45	1,451.06
Deferred tax liabilities (net)	16	1,458.27	1,370.03
Total non-current liabilities		**42,484.13**	36,586.02
Current liabilities			
Financial liabilities			
i) Borrowings	14	49,904.67	17,799.35
ii) Lease liabilities	13 b	424.80	156.45
iii) Trade payables			
a) Total outstanding dues of micro and small enterprises		-	-
b) Total outstanding dues of creditors other than micro and small enterprises	17	30,822.69	18,042.62
iv) Other financial liabilities	18	6,916.09	6,922.96
Other current liabilities	19	487.77	315.67
Provisions	15	194.98	133.88
Current tax liabilities (net)		867.55	867.55
Total current liabilities		**89,618.55**	44,238.48
Total liabilities		**1,32,102.68**	80,824.50
TOTAL EQUITY AND LIABILITIES		**2,12,838.49**	1,52,218.69
Notes to the standalone financial statements	3 to 44		
Significant accounting policies	2		

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Privi Speciality Chemicals Limited
(Formerly known as Fairchem Speciality Limited)

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Jayesh T Thakkar
Partner
Membership No: 113959

Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Place: Mumbai
Date: May 05, 2022

Place: Mumbai
Date: May 05, 2022

Standalone Statement of Profit and Loss

For the year ended March 31, 2022

(Currency: Indian Rupees in Lakhs)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue from operations	20	1,39,146.57	1,25,518.56
Other income	21	3,259.92	1,992.52
TOTAL INCOME (I)		**1,42,406.49**	1,27,511.08
EXPENSES			
Cost of materials consumed	22	97,682.64	77,099.08
Purchase of stock- in trade		-	13.09
Changes in inventories of finished goods and work-in-progress	23	(14,726.56)	(2,758.41)
Employee benefits expense	24	6,778.94	6,285.40
Finance costs	25	2,377.64	2,123.57
Depreciation and amortisation expenses	26	7,304.39	6,920.28
Other expenses	27	29,852.97	24,383.89
TOTAL EXPENSES (II)		**1,29,270.02**	1,14,066.90
Profit before exceptional items and tax expense (I) - (II)		13,136.47	13,444.18
Exceptional items			
Exceptional income/(loss) (refer note 39)		529.24	2,309.26
Profit before tax expense		13,665.71	15,753.44
Tax expenses:			
Current tax Charge / (Credit)		3,395.97	4,011.18
Deferred tax Charge / (Credit)		103.26	40.12
Total tax expense		**3,499.23**	4,051.30
Profit for the year (III)		**10,166.48**	11,702.14
Other comprehensive income			
Items that will not be reclassified to profit or loss - Remeasurements of the net defined benefit plans		(58.67)	(9.40)
Income tax related to items that will not be reclassified to profit or loss		15.02	2.42
Other comprehensive income / (loss) for the year net of taxes (IV)		(43.65)	(6.98)
Total comprehensive income for the year (III + IV)		**10,122.83**	11,695.16
Earnings per equity share: nominal value of share Rs.10/- each			
Basic and diluted (Rs.)	35	26.03	29.96
Notes to the standalone financial statements	3 to 44		
Significant accounting policies	2		

The notes referred to above form an integral part of the standalone financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Place: Mumbai
Date: May 05, 2022

For and on behalf of the Board of Directors of
Privi Speciality Chemicals Limited
(Formerly known as Fairchem Speciality Limited)

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Place: Mumbai
Date: May 05, 2022

Standalone Statement of Cash Flows

For the year ended March 31, 2022

(Currency: Indian Rupees in Lakhs)

		Year ended March 31, 2022	Year ended March 31, 2021
A	**Cash flow from operating activities**		
	Profit before tax after exceptional items	13,665.71	15,753.44
	Adjustment for:		
	Depreciation and amortisation	6,900.17	6,603.66
	Amortisation of right of use assets	404.22	316.62
	Gain on write-back of financial liabilities measured at amortised cost (refer note 21)	(158.67)	(1.72)
	Sundry balances written off	53.21	117.45
	Unrealised foreign exchange loss / (gain)	104.07	1,201.12
	Interest income	(26.53)	(45.87)
	Finance cost	2,377.64	2,123.57
	Profit on sale of property, plant and equipment	(0.69)	(0.30)
	Profit on sales of Investment (net) at Fair Value Through Profit and Loss (FVTPL)	(0.27)	-
	Allowance for expected credit loss and credit impariment	20.92	-
	Operating cash flow before working capital changes	**23,339.78**	26,067.97
	Movements in working capital		
	(Increase) in trade receivables	(4,440.36)	(2,589.33)
	(Increase) in inventories	(24,623.26)	(722.56)
	(Increase) in other assets	(1,884.38)	(1,768.88)
	Increase in trade payable	12,799.35	2,402.52
	(Decrease) in other current liabilities and provisions	(558.25)	(4,333.68)
		(18,706.90)	(7,011.93)
	Cash generated from operations	4,632.88	19,056.04
	Income taxes paid	(3,158.38)	(3,879.78)
	Net cash generated from operating activities [A]	**1,474.50**	15,176.26
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment	(31,636.21)	(24,212.61)
	Proceeds from sales of property, plant & equipment	13.57	1.46
	Purchase of investment in subsidiaries	(765.00)	-
	Investment in fixed deposits	(29.99)	-
	Realisation from fixed deposits	0.35	(26.31)
	Interest received	27.59	45.51
	Net cash (used in) investing activities [B]	**(32,389.69)**	(24,191.95)
C	**Cash flow from financing activities**		
	Proceeds from long-term borrowings	10,985.17	14,111.74
	Repayment of long-term borrowings	(3,370.02)	(2,089.80)
	Proceeds / (repayment) of short term borrowings (net)	29,326.00	(7,030.79)
	Payment of lease liabilities	(323.15)	(302.08)
	Dividend paid including tax deducted at source	(781.21)	(585.94)
	Interest paid	(3,407.77)	(2,159.21)
	Net cash generated from financing activities [C]	**32,429.02**	1,943.92
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**1,513.83**	(7,071.77)
	Cash and cash equivalents at the beginning of the year	1,136.42	8,208.19
	Exchange differences on translation of foreign currency cash and cash equivalents	(13.29)	-
	Cash and cash equivalents at end of the year (refer note 10)	**2,636.96**	1,136.42

Standalone Statement of Cash Flows

For the year ended March 31, 2022

Note A : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Note B : Purchase of Property, Plant and Equipment includes movements in capital work-in-progress (including capital advances) during the year.

Note C : Reconciliation of net debts

Particulars	Lease Liabilities	Non current Borrowings	Current Borrowings
Balance as on 1 April 2021	739.56	36,621.67	14,228.16
Loan/ lease taken during the current year	1,200.59	10,985.17	29,326.00
Repayment during the current year	-	(3,370.02)	-
Foreign exchange gain or loss	-	(71.18)	(21.51)
Current maturities of long term debt (refer note 13 a)	-	(6,105.64)	6,105.64
Interest accrued but not due on borrowings	-	-	266.38
Interest on lease liabilities	98.21	-	-
Payment against lease liabilities	(323.15)	-	-
Closing balance as on March 31, 2022	1,715.21	38,060.00	49,904.67

Particulars	Lease Liabilities	Non current Borrowings	Current Borrowings
Balance as on 1 April 2020	898.46	24,701.41	23,654.21
Loan/ lease taken during the current year	58.29	14,111.74	-
Repayment during the current year	-	(2,089.80)	(9,300.78)
Foreign exchange gain or loss	-	(116.39)	(125.27)
Impact of effective interest rate	-	14.71	-
Interest on lease liabilities	84.89	-	-
Payment against lease liabilities	(302.08)	-	-
Closing balance as on March 31, 2021	739.56	36,621.67	14,228.16

Note D : For Corporate social responsibility related spends, refer note 42

Significant accounting policies	2
The accompanying notes form an integral part of the standalone financial statements	3 to 44

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Privi Speciality Chemicals Limited
(Formerly known as Fairchem Speciality Limited)

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Jayesh T Thakkar
Partner
Membership No: 113959

Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Place: Mumbai
Date: May 05, 2022

Place: Mumbai
Date: May 05, 2022

Standalone Statement of Changes in Equity

For the year ended March 31, 2022

(Currency: Indian Rupees in Lakhs)

A. EQUITY SHARE CAPITAL

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	3,906.27	3,906.27
Changes in equity share capital during the year	-	-
Balance at the end of the year	**3,906.27**	3,906.27

B. OTHER EQUITY

	Reserves and Surplus			
	General reserve	Retained earnings*	Capital Reserve (refer note 12(b))	Total
Balance as at April 01, 2020	35,573.76	20,803.94	1.00	56,378.70
Profit for the year	-	11,702.14	-	11,702.14
Other comprehensive income (net of tax)	-	(6.98)	-	(6.98)
Total comprehensive income for the year	**35,573.76**	**32,499.10**	**1.00**	**68,073.86**
Contribution by and distribution to the owners				
Dividend of Rs 1.50 per share for the year ended March 31, 2020 (including dividend distribution tax) (refer note 37)	-	(585.94)	-	(585.94)
Balance as at March 31, 2021	**35,573.76**	**31,913.16**	**1.00**	**67,487.92**
Profit for the year	-	10,166.48	-	10,166.48
Other comprehensive income / (loss) (net of tax)	-	(43.65)	-	(43.65)
Total comprehensive income for the year	**-**	**10,122.83**	**-**	**10,122.83**
Contribution by and distribution to the owners				
Dividend of Rs 2.00 per share for the year ended March 31, 2021 (including dividend distribution tax) (refer note 37)	-	(781.21)	-	(781.21)
Balance as at March 31, 2022	**35,573.76**	**41,254.78**	**1.00**	**76,829.54**

**The Balance arising out of remeasurement of defined plans is adjusted against the available retained earnings.*

Notes to the standalone financial statements	**3 to 44**
Significant accounting policies	**2**

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Privi Speciality Chemicals Limited
(Formerly known as Fairchem Speciality Limited)

Mahesh Babani
Chairman & Managing Director
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Membership No: 113959

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Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Place: Mumbai
Date: May 05, 2022

Place: Mumbai
Date: May 05, 2022

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

1 CORPORATE INFORMATION

Privi Speciality Chemicals Limited (Formerly known as Fairchem Speciality Limited) ('PSCL or 'the Company') incorporated on May 25, 1985 under the provisions of the Companies Act, 1956 is a public company domiciled in India. The Company was incorporated as H. K. Agro Oil Ltd. and later changed its name and style to Adi Finechem Limited. The Company is primarily engaged in the manufacture and export of aroma chemicals and in trading of chemicals. The Company's manufacturing units are located at Mahad and Jhagadia. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Ltd.

2 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted by the Company in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of Compliance

These Financial Statements of the Company comprising the Balance Sheet as at March 31, 2021, Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, and Cash Flow Statement for the year ended March 31, 2021, and a summary of significant accounting policies and other explanatory information have been prepared by the Company in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (the 'Act'), The Audit report of statutory auditor on these standalone financial statements of the company will be addressed to the Shareholders. The standalone financial statements were authorised for issue by the Company's Board of Directors at their meetings held on May ,05 2022.

i. Basis of preparation and Presentation

Basis of Preparation

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

(i) Derivative Financial Instruments measured at fair value.

(ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

(iii) 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. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional and Presentation Currency

The standalone 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 are rounded to the nearest Lakh, unless otherwise stated.

ii. Use of estimates, judgements, and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities, Actual results may differ from these estimates and assumptions.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

The Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and in the relevant notes to the financial statements.

Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company."Changes in estimates are accounted for prospectively.

Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

a. Lease term, whether the Company is reasonably certain to exercise extension options – Note 4 a)

Assumptions and estimation uncertainties

Information about judgements in applying accounting policies, as well as estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Measurement of defined benefit obligations for key actuarial assumptions - Note 30

(b) Recognition of deferred tax assets – Note 16

iii. Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle.

(b) it is held primarily for the purpose of being traded.

(c) it is expected to be realised within 12 months after the balance sheet date; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in, the Company's normal operating cycle.

(b) it is held primarily for the purpose of being traded.

(c) it is due to be settled within 12 months after the balance sheet date; or

(d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Terms of a liability that could, at the option of the counter party, result in its settlement by issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

iv. Property, Plant and Equipment ("PPE") and depreciation

I **Recognition and Measurement**

Items of Property, Plant and equipment are measured at cost including nonrefundable taxed and import duties, which also includes capitalized borrowing costs less accumulated depreciation and any accumulated impairment losses. The cost of the certain items of the property, plant, and equipment as of 1st January 2005. The Company's date of transition to the standards was determined with the reference to its fair value at the date.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant and equipment Any Gain or loss on disposal of an item of Property, Plant and equipment is recognized in profit or loss.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

II **Subsequent Expenditure**

Subsequent Expenditure is capitalized only if it is probable that the economic benefits flow to the associated with the Expenditure will flow to the entity.

Depreciation and amortization

Depreciation is calculated using the straight-line method to allocate cost of property plant and equipment, net of residual values, over their estimated useful lives as per the useful life prescribed in schedule II of the Companies Act, 2013 except in case of the following class of assets where the useful life is based on technical evaluation of the management:

Asset Class	Years
Plant and Machinery	10
Furniture & Fixtures	16
Office Equipment	10
Vehicle	11
Computer	6

Fixtures in leasehold premises are amortized over the primary period of the lease or useful life of the fixtures, whichever is lower.

Depreciation on additions / deletions during the year is provided from the month in which the asset is ready to use to the month in which the asset is disposed of.

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

Assets required under finance leases are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II of Companies Act, 2013) unless it is reasonably certain that Company will obtain ownership by the end of lease term, in which case the depreciation rates applicable for similar assets owned by the Company are applied.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

v. Intangible assets and amortisation

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets.

Asset Class	Years
Computers and Soft wares	3 to 6 Years
Rights of Sale of Products	5 Years
Development Rights	5 Years

About internally generated intangible assets:

Expenditure on research activities, undertaken with the prospect of development of new products or gaining new technical knowledge and understanding, is recognised in profit or loss as incurred.

Capital expenditure on research and development is capitalized and depreciated as per accounting policy mentioned above. Revenue expenditure is charged off in the year in which it is incurred.

Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in profit or loss as incurred.

Intangible assets are amortised in profit or loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

Gains or losses arising from derecognition of an intangible asset 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 or loss when the asset is derecognised.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

vi. Impairment of Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets. investment property, inventories, contract assets and deferred tax assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's referable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value Jess costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its Recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying a mount does not exceed the carrying amount that would have been determined, net of depreciation or amortization. if no impairment loss had been recognized.

vii. Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange differences arising from foreign currency borrowings (other than long term foreign currency borrowings) to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

viii. Foreign currency transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of profit and loss of the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the balance sheet date are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other incomes/expenses.

ix. Financial Instruments

a. **Financial assets**

Initial recognition and initial measurement

All financial assets are initially recognised at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

Financial assets at amortised cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through Other Comprehensive Income ("FVTOCI")

A financial asset is classified as subsequently measured at fair value through Other Comprehensive Income if both the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to P&L. The Company did not have any financial assets at FVTOCI during the current year as well as previous year.

Financial assets at fair value through Profit and loss ("FVTPL")

Financial assets at FVTPL are a residual category for financial assets. Any financial assets which do not meet the criteria of categorizing it at amortised cost or at FVTOCI is classified as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of Financial Assets

In view of its past experience of having insignificant impairment bad debts / write-offs and based on management's estimate considering its portfolio of customers, this trend would continue for the foreseeable future, the Company has determined that significant impairment of Financial assets is not required to be recognised based on Expected Credit Loss model.

b. **Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost and financial liabilities at FVTPL. Derivative liabilities are classified as FVTPL. All financial liabilities are recognised initially at fair value. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss. Except derivative instruments, the Company has not designated any financial liability as at FVTPL.

Financial liabilities at amortised cost

All financial liabilities except for derivatives are classified as measured at amortised cost. This category includes bank and other borrowings, trade payables and other financial liabilities.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

c. **Offsetting of Financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Business Model Assessment

Financial assets -Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities, or expected cash outflows or realizing cash flows through the sale of the assets.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

c. Offsetting of Financial instruments

- how the performance of the portfolio is evaluated and reported to the Company's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated- e.g., whether compensation is based on the fair value of the assets managed, or the contractual cash flows collected, and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial Assets that are held for trading or are managed and whose performance I evaluated on a fair value basis are measured at FVTPL.

d. Derivatives

Initial recognition and subsequent measurement the Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and currency SWAPS, to hedge its foreign currency risks, interest rate risks and its long term loans, respectively.Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.The purchase contracts that meet the definition of a derivative under Ind-AS 109 are recognised in the Statement of Profit and Loss.

x. Segment Reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments have been identified on the basis of nature of products / services. The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the Group. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, trade receivables and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

xi. Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flow. The cash flows from operating, investing and financing activities of the Group are segregated based on available information.

xii. Cash and Cash equivalents

Cash and cash equivalent in the balance sheet and for the statement cash flow comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

xiii. Investment in subsidiaries and joint ventures

Investment in subsidiary companies and joint venture companies are carried at cost less accumulated impairment losses, if any. Whare 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 subsidiary companies and joint venture companies, the difference between net disposal proceeds and the carrying amount are recognised in the statement of Profit and Loss.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

xiv. Leases

The Company has adopted Ind AS 116 effective from April 01 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31, 2022.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

The right-of-use 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 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.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method.

The Company has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Company's leases primarily comprise land and buildings and Plant and equipment. The Company leases land and buildings for warehouse facilities.

xv. Inventories

Inventories include raw materials, packing materials, fuel, consumable stores and spares and manufactured inventory. Inventory is valued at the lower of cost and net realisable value.

Cost comprises the purchase price, costs of conversion and other related costs incurred in bringing the inventories to their present location and condition. Cost of raw materials and consumables packing materials are determined on first in first out basis. Cost of finished goods and work in progress are determined using the absorption costing principle. Cost includes the cost of material consumed, labour and appropriate proportion of costs of conversion which include variable and fixed overheads.

Obsolete, defective, and unserviceable inventories are duly provided for. The comparison of cost and net realisable value is made on an item-to-item basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The net realisable value of work in progress is

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

determined by reference to the selling prices of related finished products.

xvi. Revenue Recognition

Revenue from the sale of goods is recognised on the basis of approved contracts regarding the transfer of goods to a customer as per agreed terms of delivery recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over or managerial involvement with the goods, for an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and Goods and Service tax The Company does not provide any warranties or maintenance contracts to its customers.

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Insurance

Income in respect of Insurance and other claim is recognized only on reasonable certainty of ultimate collection. as per the requirement of the accounting standards.

Interest

Interest revenue is calculated by using the effective interest method for financial assets measured at amortised cost.

Dividend Income

Dividend income is recognised when the right to receive payment is established.

Export incentive

An export incentive is recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of export made, and there is no uncertainty as to its receipt.

xvii. Employee Benefits

(a) Short Term Employee Benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, ex-gratia etc. These are recognised as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

(b) Post-employment Benefits

(i) Provident Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(ii) Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the assets ceiling (if any, excluding interest), are recognised in OCI. All expenses related to defined benefit

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

plan are recognised in employee benefits expense in the Statement of Profit and Loss.

(iii) Compensated Absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/ availment. The Company makes provision for compensated absences based on an independent external actuarial valuation carried out at the end of the year.

xviii. Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

Current Income Tax

Provision for current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of the Income Tax Act, 1961.Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the enacted or substantively enacted tax rates and tax laws. 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 is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

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.

On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments.

Current tax assets and current tax liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

Current Tax is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Deferred Tax

Deferred tax is recognized in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Minimum Alternative tax ('MAT') under the provisions of the Income tax Act, 1961 is recognized as current tax in the Statement of Profit and loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent it is probable that the Company will pay normal income tax during the year for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

xix. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year attributable to equity shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares, except where the results would be anti-dilutive.

xx. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

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

Provision in respect of loss contingencies relating to claims litigation, assessment, fines, penalties etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, probably will not, require an outflow of resources embodying economic benefits, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the standalone financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic resources embodying economic benefits will arise, related income are recognized in the year in which the change occurs.

xxi. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

use when pricing the asset or liability, assuming that market participants act in their economic best interest.

xxii. Estimation of uncertainties relating to the global health pandemic from COVID-19: -

The Global pandemic COVID-19 continues. The business of the Company was not affected for the year ended March 31, 2022 and impact is insignificant.

Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

xxii. Recent accounting pronouncements: -

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 16- Property, plant and equipment- The amendment clarifies that excess of net sales 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 effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022. The Company has evaluated the amendment and the impact is not expected to be material.

Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets- The amendment specifies that the 'cost of fulfilling' a contract comprises the 'cost that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

3 PROPERTY, PLANT AND EQUIPMENT

Description	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 01, 2021	Addition during the year	Disposal during the year	As at March 31, 2022	As at April 01, 2021	Depreciation for the year	Disposal during the year	As at March 31, 2022	As at March 31, 2022
At cost :									
Building	15,047.70	2,666.50	-	17,714.20	1,689.37	515.76	-	2,205.13	15,509.07
Leasehold Improvement	547.20	-	-	547.20	501.74	13.17	-	514.91	32.29
Plant and equipment	65,155.69	11,328.28	16.22	76,467.75	28,405.04	5,533.62	3.34	33,935.32	42,532.43
Electrical installation	3,488.98	582.25	-	4,071.23	1,595.78	297.65	-	1,893.43	2,177.80
Furniture and fittings	111.51	11.57	-	123.08	51.47	5.06	-	56.53	66.55
Office equipment	388.12	12.42	-	400.54	144.71	31.28	-	175.99	224.55
Computers	960.66	243.84	54.69	1,149.81	403.51	126.90	8.87	521.54	628.27
Laboratory equipments	1,188.56	590.16	-	1,778.72	599.58	89.20	-	688.78	1,089.94
Vehicles	596.38	-	-	596.38	143.74	53.66	-	197.40	398.98
	87,484.80	15,435.02	70.91	**1,02,848.91**	33,534.94	6,666.30	12.21	**40,189.03**	**62,659.88**
Capital work-in-progress	17,444.95	34,108.50	15,435.02	**36,118.43**	-	-	-	**-**	36,118.43
	1,04,929.75	49,543.52	15,505.93	**1,38,967.34**	33,534.94	6,666.30	12.21	**40,189.03**	**98,778.31**

a) The net carrying amount of property, plant and equipment, amounting to Rs. 62,659.88 Lakhs (March 31, 2021 Rs 53,949.86 Lakhs) are pledged as first charge security to banks providing term loans and second charge to banks providing working capital loans.

b) The Plant and machinery, Building and electrical installation includes an amount of Rs.381.30 Lakhs, Rs. 87.84 Lakhs and Rs. 20.81 Lakhs respectively (March 31, 2021 : Rs.53.21 Lakhs, Rs. 21.58 Lakhs and Rs. 2.54 Lakhs) that represent borrowing cost capitalized @ 6.75% during the year. (March 31, 2021 : 6.75%).

c) The Company has not recognised any impairment loss during the current year (March 31, 2021 - Nil).

d) The title deeds of property plant and equiments are held in name of the Company.

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

Description	Amount in Capital Work in progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	34,498.25	1,620.18	-	-	36,118.43
	34,498.25	**1,620.18**	**-**	**-**	**36,118.43**

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

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

Description	Amount in Capital Work in progress to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Central warehousing	1,262.03	-	-	-	1,262.03
GalaxMusk	14,715.09	-	-	-	14,715.09
Camphor	11,203.08	-	-	-	11,203.08
	27,180.20	**-**	**-**	**-**	**27,180.20**

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

3 PROPERTY, PLANT AND EQUIPMENT (Contd.)

Description	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 01, 2020	Addition during the year	Disposal during the year	As at March 31, 2021	As at April 01, 2020	Depreciation for the year	Disposal during the year	As at March 31, 2021	As at March 31, 2021
At cost :									
Building	13,087.86	1,959.84	-	15,047.70	1,252.94	436.43	-	1,689.37	13,358.33
Leasehold Improvement	547.20	-	-	547.20	462.02	39.72	-	501.74	45.46
Plant and equipment	61,174.88	3,980.81	-	65,155.69	23,057.87	5,347.17	-	28,405.04	36,750.65
Electrical installation	3,336.49	152.49	-	3,488.98	1,304.20	291.58	-	1,595.78	1,893.20
Furniture and fittings	97.86	13.65	-	111.51	47.60	3.87	-	51.47	60.04
Office equipment	380.28	7.84	-	388.12	114.57	30.14	-	144.71	243.41
Computers	673.00	289.39	1.73	960.66	306.39	97.69	0.57	403.51	557.15
Laboratory equipments	1,114.93	73.63	-	1,188.56	515.32	84.26	-	599.58	588.98
Vehicles	404.29	192.09	-	596.38	95.18	48.56	-	143.74	452.64
	80,816.79	6,669.74	1.73	87,484.80	27,156.09	6,379.42	0.57	33,534.94	53,949.86
Capital work-in-progress	3,026.99	21,270.97	6,853.01	17,444.95	-	-	-	-	17,444.95
	83,843.78	27,940.71	6,854.74	1,04,929.75	27,156.09	6,379.42	0.57	33,534.94	71,394.81

a) The net carrying amount of plant and equipment, amounting to Rs 53,949.86 Lakhs (March 31, 2020 Rs 53,660.70 Lakhs) are pledged as first charge security to banks providing term loans and second charge to banks providing working capital loans.

b) The Plant and machinery, Building and electrical installation includes an amount of Rs. 53.21 Lakhs, Rs. 21.58 Lakhs and Rs. 2.54 Lakhs respectively (March 31, 2020 : Rs. 343.25 Lakhs, Rs. 130.65 Lakhs and Rs. 9.98 Lakhs respectively) that represent borrowing cost capitalized @ 6.75% during the year. (March 31, 2020 : 8.6%)

c) The Company has not recognised any impairment loss during the current year (March 31, 2020 - Nil).

d) The title deeds of property plant equiments are held in name of the Company.

Ageing for capital work-in-progress as at March 31, 2021 is as follows:

Description	Amount in Capital Work in progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	17,131.02	313.93	-	-	17,444.95
Projects temporarily suspended	-	-	-	-	-
	17,131.02	313.93	-	-	17,444.95

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

4A RIGHT OF USE ASSETS

Description	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at April 01, 2021	Addition during the year	Disposal during the year	As at March 31, 2022	As at April 01, 2021	Amortisation for the year	Disposal during the year	As at March 31, 2022	As at March 31, 2022
Land	2,150.46	1,167.37	44.86	3,272.97	451.73	219.90	44.86	626.77	2,646.20
Building	419.01	767.50	180.38	1,006.13	244.74	180.72	180.38	245.08	761.05
Plant and Machinery	67.00		-	67.00	60.04	3.60	-	63.64	3.36
Total right of use assets	2,636.47	1,934.87	225.24	**4,346.10**	756.51	404.22	225.24	**935.49**	**3,410.61**

The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The Company has not recognised any impairment loss during the current year (31 March, 2021 - Nil).

Description	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at April 01, 2020	Addition during the year	Disposal during the year	As at March 31, 2021	As at April 01, 2020	Amortisation for the year	Disposal during the year	As at March 31, 2021	As at March 31, 2021
Land	2,007.28	143.18	-	2,150.46	240.53	211.20	-	451.73	1,698.73
Building	419.01	-	-	419.01	122.37	122.37	-	244.74	174.27
Plant and Machinery	67.00	-	-	67.00	53.11	6.93	-	60.04	6.96
Total right of use assets	2,493.29	143.18	-	2,636.47	416.01	340.50	-	756.51	1,879.96

The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The Company has not recognised any impairment loss during the current year (31 March, 2021 - Nil).

i) The Company has taken land on lease for a non-cancellable period ranging 3 to 99 years, Building on lease for a tenure ranging from 3-5 years and plant and machinery for 10 years.

The Company leases with contract term of less than 1 year. These leases are short term and/or leases of low value items. The company has elected not to recognise right of use assets and lease liabilities of these assets.

ii) Lease expenses recognized in statement of profit and loss not included in the measurement of lease liabilities:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Variable lease payments	-	-
Expenses relating to short-term leases	-	16.22
Interest cost lease labilities	98.21	84.89
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-

iii) Maturity analysis of lease liabilities– contractual undiscounted cash flows:

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	492.90	310.98
One to five years	1,688.83	588.00
More than five years	-	-
Total undiscounted lease liabilities	**2,181.73**	898.98
Discounted lease liabilities included in the statement of financial position	1,715.21	739.56
Current lease labilities	424.80	156.45
Non-current lease labilities	1,290.41	583.11

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

4A RIGHT OF USE ASSETS (Contd.)

iv) The weighted average incremental borrowing rate of 6.25% (March 31, 2021 9.40% p.a.) has been applied for measuring the lease liability at the date of initial application.

v) The total cash outflow for leases for year ended March 31, 2022 is Rs. 323.15 Lakhs (March 31, 2021 Rs. 302.08 Lakhs.)

vi) Income from sub leasing of Right to use assets is Rs. NIL. (March 31, 2021 Rs. NIL)

4B INTANGIBLE ASSETS

Description	Gross carrying amount				Accumulated Amortisation				Net carrying amount
	As at April 01, 2021	Addition during the year	Disposal during the year	As at March 31, 2022	As at April 01, 2021	Amortisation for the year	Disposal during the year	As at March 31, 2022	As at March 31, 2022
Computer softwares	480.69	-	-	480.69	448.09	7.54	-	455.63	25.06
Rights of sale of products	1,240.42	77.72	-	1,318.14	679.71	210.09	-	889.80	428.34
Development rights	265.65	-	-	265.65	216.96	16.24	-	233.20	32.45
Total intangible assets	1,986.76	77.72	-	**2,064.48**	1,344.76	233.87	-	**1,578.63**	485.85
Intangible assets under development	63.89	933.26	141.61	855.54	63.89	-	63.89	-	855.54
	2,050.65	1,010.98	141.61	**2,920.02**	1,408.65	233.87	63.89	**1,578.63**	**1,341.39**

Ageing for intangible assets under development as at March 31, 2022 is as follows:

Description	Amount in Intangible Assets Under Development for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	855.54	-	-	-	855.54
Projects temporarily suspended	-	-	-	-	-
	855.54	-	-	-	855.54

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Description	Gross carrying amount				Accumulated Amortisation				Net carrying amount
	As at April 01, 2020	Addition during the year	Disposal during the year	As at March 31, 2021	As at April 01, 2020	Amortisation for the year	Disposal during the year	As at March 31, 2021	As at March 31, 2021
Computer softwares	480.69	-	-	480.69	438.12	9.97	-	448.09	32.60
Rights of sale of products	1,057.15	183.27	-	1,240.42	505.56	174.15	-	679.71	560.71
Development rights	265.65	-	-	265.65	200.72	16.24	-	216.96	48.69
Total intangible assets	1,803.49	183.27	-	1,986.76	1,144.40	200.36	-	1,344.76	642.00
Intangible assets under development	63.89	-	-	63.89	63.89	-	-	63.89	-
	1,867.38	183.27	-	2,050.65	1,208.29	200.36	-	1,408.65	642.00

Ageing for intangible assets under development as at March 31, 2021 is as follows:

Description	Amount in Intangible Assets Under Development for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

5 INVESTMENTS

Unquoted

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Investments measured at Cost:				
Equity Instruments:				
Subsidiaries:				
Face value of Rs. 10 each fully paid:				
Privi Biotechnologies Private Limited	3,62,74,728	4,271.70	3,62,74,728	4,271.70
Face value of USD 1 each fully paid:				
Privi Speciality Chemicals USA Corporation	51,000	30.61	51,000	30.61
Face value of Rs. 10 each fully paid:				
Prigiv Specialties Private Limited	76,50,000	765.00	-	-
Face value of Rs. 10 each fully paid:				
Total		**5,067.31**		4,302.31
Aggregate amount of unquoted investments		5,067.31		4,302.31
Aggregate amount of impairment in value of investments		-		-

6 OTHER FINANCIAL ASSETS

	Non-current portion		Current portion	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Investments in term deposits (with remaining maturity of more than twelve months) **	66.04	92.95	-	-
Security deposits *	1,323.73	957.57	-	-
Insurance claim receivable			1,320.51	809.26
	1,389.77	1,050.52	**1,320.51**	809.26

*** Note: Term deposits with no lien amounting to Rs.66.04 Lakhs (March 31, 2021: Rs 92.95 Lakhs) against which bank guarantee given to statutory authorities and vendors.*

** An amount of Rs. 376 Lakhs (March 31, 2021 Rs. 376 Lakhs) due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period. (refer note 29 and below table).*

Particulars	As at March 31, 2022	As at March 31, 2021
Privi Biotechnologies Pvt Ltd	25.00	25.00
Money Mart Securities Pvt Ltd.	300.00	-
MM Infra & Leasing Private Limited	51.00	351.00
Total	**376.00**	376.00

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

7 OTHER NON-CURRENT ASSETS

	Non-current portion		Current portion	
	As At March 31, 2022	As At March 31, 2021	**As At March 31, 2022**	As At March 31, 2021
Capital advances*				
Considered good	1,510.19	4,363.93	-	-
Considered doubtful	36.15	36.15	-	-
Less: Allowance for doubtful advances	(36.15)	(36.15)	-	-
	1,510.19	4,363.93	**-**	-
Advances other than capital advances				
Deposits with custom authorities	6.00	6.00	-	-
Prepaid expenses	73.83	1.85	1,280.40	783.88
Receivable from government authorities	106.24	106.24	7,274.58	5,313.25
Vat/sales tax receivable	-	38.13	-	-
Advances to employees	-	-	12.48	13.98
Advance for supply of goods and services*	-	-	2,400.76	3,857.08
Less: Allowance for doubtful advances	-	-	(160.00)	(160.00)
	1,696.26	4,516.15	**10,808.22**	9,808.19

**An amount of Rs.897.50 Lakhs (March 31, 2021 Rs. 1,375.82 Lakhs) due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period. (refer note 29 and below table)*

Particulars	Nature of transaction	**As at March 31, 2022**	As at March 31, 2021
Privi Speciality Chemicals USA Corporation (Privi Organics USA Corporation)	Advance for supply of goods and services	166.50	975.82
MM Infra & Leasing Private Limited *	Capital advances	731.00	-
Minar Organics Pvt Ltd *	Capital advances	-	225.00
Vivira Chemicals Pvt. Ltd. *	Capital advances	-	175.00
Total		**897.50**	1,375.82

**Consequent to the scheme of merger passed by NCLT vide their order dated October 13, 2021, Minar Organics Private Limited and Vivira Chemicals Private Limited are merged with MM Infra & Leasing Private Limited. Accordingly, the related capital advances of Rs. 225 Lakhs and Rs. 175 Lakhs respectively has been transferred to MM Infra & Leasing Private Limited.*

8 INVENTORIES

(valued at lower of cost and net realisable value)

Particulars	**As at March 31, 2022**	As at March 31, 2021
Raw materials including goods in transit Rs. 9,741.49 Lakhs (March 31, 2021: Rs. 5,559.88 Lakhs)	19,639.62	9,591.30
Work-in-progress	18,173.04	9,306.99
Finished goods including goods in transit Rs. 10,206.11 Lakhs (March 31, 2021: Rs. 6,392.50 Lakhs)	17,283.55	11,645.11
Stores and spares	597.15	540.64
Packing material	105.26	86.91
Fuel	322.16	326.57
Total	**56,120.78**	31,497.52

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

8 INVENTORIES (Contd.)

i) During the year ended March 31, 2022 Rs. 33.19 Lakhs (March 31, 2021: Rs. 73.36 Lakhs) was recognised as an expense for inventories carried at net realisable value.

ii) The mode of valuation of inventories has been stated in note 2 xv of significant accouting policies.

iii) Bank overdrafts, cash credit and short-term loan from bank facility are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 9 and 14).

9 TRADE RECEIVABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good- Secured		
Dues from related parties (refer note 29)	6,737.56	4,652.72
Dues from others (Other than related party)	21,684.16	18,976.33
Trade receivables credit impaired (Other than related party)	27.84	10.86
Less: Allowance for expected credit loss and credit impariment	(27.84)	(10.86)
	28,421.72	23,629.05
Refer note 32 for information about credit risk and market risk of trade receivables.		
The movement in allowance for expected credit loss and credit impariment of receivable is as follows:		
Balance as at beginning of the year	10.86	10.86
Allowance for expected credit loss and credit impariment	20.92	-
Allowance for expected credit loss written off during the year	(3.94)	-
Balance as at the end of the year	**27.84**	10.86

Trade receivables ageing as at March 31, 2022 based on due date

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables- considered good	28,036.24	333.33	52.15	-	-	28,421.72
(ii) Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	-	20.92	-	20.92
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-
(v) Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables-credit impaired	-	-	-	-	6.92	6.92
	28,036.24	**333.33**	**52.15**	**20.92**	**6.92**	**28,449.56**
Less: Allowance for doubtful trade receivables	-	-	-	20.92	6.92	27.84
	28,036.24	**333.33**	**52.15**	**-**	**-**	**28,421.72**

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

9 TRADE RECEIVABLES (Contd.)

Trade receivables ageing as at March 31, 2021 based on due date

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables-considered good	23,260.69	302.79	48.59	-		23,612.07
(ii) Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	-	20.92	-	20.92
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-
(v) Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables-credit impaired	-	-	-		6.92	6.92
	23,260.69	302.79	48.59	20.92	6.92	23,639.91
Less: Allowance for doubtful trade receivables	-	-	-	3.94	6.92	10.86
	23,260.69	302.79	48.59	16.98	-	23,629.05

10 CASH AND CASH EQUIVALENTS

Particulars	**As at March 31, 2022**	As at March 31, 2021
Balances with banks:		
In current accounts	1,575.96	778.74
In Earner exchange foreign currency account	1,044.77	341.79
Term deposits (with original maturity of less than three months)	7.45	7.49
Cash on hand	8.78	8.40
	2,636.96	1,136.42

Current accounts include dividend accounts balance Rs.1.76 Lakh (March 31, 2021: Rs 1.77 Lakhs)

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	**As at March 31, 2022**	As at March 31, 2021
Margin money deposits (with original maturity of more than three months but less than twelve months)	452.29	395.74
	452.29	395.74

Note : Margin money deposit amounting to Rs.85.82 Lakhs (March 31, 2021: Rs 149.97 Lakhs) are pledged with banks for non cash limits and term deposit Rs.204.95 Lakhs (March 31, 2021: Rs.194.29 Lakhs) are pledged as cash security with banks for the loans taken by the company and Rs. 161.52 Lakhs (March 31, 2021 Rs. 51.48 Lakhs) other deposits with no lien.

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

12a SHARE CAPITAL

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital		
50,010,000 (March 31 2021: 50,010,000) equity shares of Rs. 10 each	5,001.00	5,001.00
5,000,000 (March 31, 2021 5,000,000) preference shares of Rs. 10 each	500.00	500.00
	5,501.00	5,501.00
Issued, subscribed and fully paid up:		
39,062,706 equity shares of Rs. 10 each (March 31 2021 : 39,062,706 equity shares of Rs.10 each)	3,906.27	3,906.27
	3,906.27	3,906.27

A Reconciliation of the number of equity shares

Description	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	3,90,62,700	3,906.27	3,90,62,700	3,906.27
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**3,90,62,700**	**3,906.27**	3,90,62,700	3,906.27

B Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

C Details of shareholders holding more than 5% of shares

Name of the Share holders	As at March 31, 2022		As at March 31, 2021	
	Number	%	Number	%
Vivira Investment and Trading Pvt Ltd.	1,54,95,188	39.67%	1,89,918	0.49%
Moneymart Securities Pvt Ltd	34,12,502	8.74%	2,06,712	0.53%
Mr. Mahesh P Babani	25,86,348	6.62%	25,86,348	6.62%
Banbridge Limited	24,61,914	6.30%	24,61,914	6.30%
FIH Mauritius Investments Limited	-	-	1,90,42,828	48.75%

The Company was informed by promoters about the inter-se transaction between the Promoter/ Promoter Group on April 29, 2021, April 30, 2021, May 04, 2021, whereby entire holding of FIH Mauritius Investments Ltd, Mr. Utkarsh Shah, M/s. Jariwala Trade Link LLP and M/s.Nahoosh Trade Link LLP (collectively called as "Sellers") were acquired by Mr. Mahesh Babani, Mr.D.B. Rao and Promoter group (collectively called as "Acquirers"). FIH Private Investments Ltd Promoter Group Company sold its entire holding of 3,250 equity shares in the market on February 16, 2022. The necessary compliances as required under SEBI (Prohibition of insider Trading) Regulations, 2015 and SEBI (Substantial Acqusition of Shares and Takeovers) Regulations,2011 has been complied with by the Acquirers, Sellers and Company.

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

12a SHARE CAPITAL (Contd.)

D Aggregate number of shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding March 31, 2022) :

Equity shares allotted as fully paid up Bonus shares - Nil (March 31, 2021 - Nil)

E Shares allotted as fully paid up pursuant to a scheme of arrangement without payment being received in cash (during 5 years immediately preceding March 31, 2022):

During financial year ended March 31, 2017 -Equity shares of Rs. 10/- each - 12,634,353 shares.

F Statement of changes in equity as at March 31, 2022

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3,906.27	-	-	-	3,906.27

Statement of changes in equity as at March 31, 2021

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3,906.27	-	-	-	3,906.27

G Shares held by promoters as at the March 31, 2022

Sr.	Promoter name	As at March 31, 2022		As at March 31, 2021		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Vivira Investment and Trading Pvt Ltd	1,54,95,188	39.67%	1,89,918	0.49%	39.18%
2	Moneymart Securities Pvt Ltd	34,12,502	8.74%	2,06,712	0.53%	8.21%
3	Mahesh P Babani	25,86,348	6.62%	25,86,348	6.62%	-
4	Mahesh Purshottam Babani HUF	17,91,720	4.59%	17,91,720	4.59%	-
5	Doppalapudi Bhaktavatsala Rao	11,20,346	2.87%	7,23,060	1.85%	1.02%
6	Vinaykumar Doppalapudi Rao	7,41,068	1.90%	4,78,278	1.22%	0.68%
7	Vijaykumar Doppalapudi Rao	7,05,006	1.80%	4,55,004	1.16%	0.64%
8	Rajkumar Doppalapudi Rao	6,90,782	1.77%	4,45,824	1.14%	0.63%
9	Jyoti Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
10	Seema Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
11	Snehal Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
12	Prasanna Doppalapudi Rao	2,87,074	0.73%	1,85,274	0.47%	0.26%
13	Premaleela Doppalapudi Rao	2,74,522	0.70%	1,77,174	0.45%	0.25%
14	Sharon Doppalapudi Rao	2,45,656	0.63%	1,58,544	0.41%	0.22%
15	Grace Vinay Kumar Doppalapudi Rao	2,32,185	0.59%	1,49,850	0.38%	0.21%

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

12a SHARE CAPITAL (Contd.)

Sr.	Promoter name	As at March 31, 2022 No. of shares	As at March 31, 2022 % of total shares	As at March 31, 2021 No. of shares	As at March 31, 2021 % of total shares	% Change during the year
16	Rameshbabu Gokarneswararao Guduru	93,446	0.24%	60,309	0.15%	0.09%
17	Vivira Chemicals Private Limited	79,758	0.20%	79,758	0.20%	-
18	Utkarsh Bhikhoobhai Shah	-	-	25,000	0.06%	(0.06%)
19	Nahoosh Tradelink Llp	-	-	6,63,019	1.70%	(1.70%)
20	Jariwala Tradelink Llp	-	-	3,36,981	0.86%	(0.86%)
21	FIH Mauritius Investments Ltd	-	-	1,90,42,828	48.75%	(48.75%)
22	FIH Private Investments Ltd	-	-	3,250	0.01%	0.01%

Shares held by promoters as at the March 31, 2021

Sr.	Promoter name	As at March 31, 2021 No. of shares	As at March 31, 2021 % of total shares	As at March 31, 2020 No. of shares	As at March 31, 2020 % of total shares	% Change during the year
1	Vivira Investment and Trading Pvt Ltd	1,89,918	0.49%	1,89,918	0.49%	-
2	Moneymart Securities Pvt Ltd	2,06,712	0.53%	2,06,712	0.53%	-
3	Mahesh P Babani	25,86,348	6.62%	25,86,348	6.62%	-
4	Mahesh Purshottam Babani HUF	17,91,720	4.59%	17,91,720	4.59%	-
5	Doppalapudi Bhaktavatsala Rao	7,23,060	1.85%	7,23,060	1.85%	-
6	Vinaykumar Doppalapudi Rao	4,78,278	1.22%	4,78,278	1.22%	-
7	Vijaykumar Doppalapudi Rao	4,55,004	1.16%	4,55,004	1.16%	-
8	Rajkumar Doppalapudi Rao	4,45,824	1.14%	4,45,824	1.14%	-
9	Jyoti Mahesh Babani	3,90,000	1%	3,90,000	1%	-
10	Seema Mahesh Babani	3,90,000	1%	3,90,000	1%	-
11	Snehal Mahesh Babani	3,90,000	1%	3,90,000	1%	-
12	Prasanna Doppalapudi Rao	1,85,274	0.47%	1,85,274	0.47%	-
13	Premaleela Doppalapudi Rao	1,77,174	0.45%	1,77,174	0.45%	-
14	Sharon Doppalapudi Rao	1,58,544	0.41%	1,58,544	0.41%	-
15	Grace Vinay Kumar Doppalapudi Rao	1,49,850	0.38%	1,49,850	0.38%	-
16	Rameshbabu Gokarneswararao Guduru	60,309	0.15%	60,309	0.15%	-
17	Vivira Chemicals Private Limited	79,758	0.20%	79,758	0.20%	-
18	Utkarsh Bhikhoobhai Shah	25,000	0.06%	25,000	0.06%	-
19	Nahoosh Tradelink Llp	6,63,019	1.70%	6,63,019	1.70%	-
20	Jariwala Tradelink Llp	3,36,981	0.86%	3,36,981	0.86%	-
21	FIH Mauritius Investments Ltd	1,90,42,828	48.75%	1,90,42,828	48.75%	-
22	FIH Private Investments Ltd	3,250	0.01%	3,250	0.01%	-

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

12b OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
General reserve	35,573.76	35,573.76
Capital reserve	1.00	1.00
Retained earnings	41,254.78	31,913.16
Total other equity	**76,829.54**	67,487.92

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

A General reserve

As per the approved scheme of arrangement (Demerger) between the Privi Organics India Limited, Privi Specialities Chemicals Limited (Formally known as Fairchem Specialty Limited) and Privi Organics Limited during the period ended 31 March 2017, the excess of book value of assets over liabilities is treated as general reserve.

B Retained earnings

Retained earnings represent the amount of accumulated earnings/ (losses) at each Balance Sheet date of the Company, prepared in accordance with the basis of preparation section.

C Capital reserve

As per the approved Scheme of Arrangement and Amalgamation amongst Fairchem Speciality Limited (Demerged / Transferee Company) and Privi Organics India Limited (Transferor Company). vide NCLT Mumbai order dated June 30, 2020, all the assets, liabilities and reserve pursuant to the scheme, have been transferred at carrying amount and the difference if any being the excess is treated as capital reserve.

D The Capital management objective of the Company is to (a) maximize shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued equity share capital, share premium and all other equity.

The Company monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

The Company's debt equity ratio as at March 31, 2022 was as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Total Debt	87,964.67	50,981.17
Less: Cash and cash equivalents and short term investments	3,089.25	1,532.16
Net Liabilities (A)	**84,875.42**	49,449.01
Equity (B)	**80,735.81**	71,394.19
Debt - Equity Ratio	**1.05**	0.69

In addition, the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc.

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

13a NON-CURRENT BORROWINGS

Name of the Share holders	Non-current portion		Current portion (*)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Secured:				
Term loans from banks (refer note (i))				
Term loan in Indian currency (refer note (iii) below)	36,145.76	30,586.99	5,466.67	2,720.00
Term loans in foreign currency (refer note (ii) below)	1,904.85	2,582.97	634.95	645.74
Term loans from financial institutions				
Vehicle loan (hypothecated with the lender) (refer note iii below)	9.39	11.86	4.02	74.11
	38,060.00	33,181.82	**6,105.64**	3,439.85

(*) Amount disclosed under the head 'current borrowings (secured)' refer note 14

i) Term loan are secured by a first mortgage on the company's immovable properties both present and future ranking paripassu interest and a first charge by way of hypothecation of all the company's assets (save and except book debts and inventories) including movable machinery (save and except spares tools and accessories) both present and future subject to charges created in favour of the Company's bankers for inventories, book debts and other specified movable assets for securing the borrowings of working capital.

ii) Currency swap on IDFC Rupee loan of Rs.4,000 Lakhs and ICICI bank Rupee loan of Rs.4,000 Lakhs are taken @ 64.42 per USD and @ 68.13 per USD respectively and other currency swap on HDFC Bank Rupee loan of Rs 5,600 Lakhs and Rs 7,400 Lakhs are taken @ 76.78 per USD and @ 75.83 per USD respectively, the currency swap represents derivative instruments which has been restated at the closing rate of exchange.

iii) **Terms and repayment schedule**

Terms and conditions of outstanding borrowings are as follows:

Name of the Bank / Financial Institutions	Currency	Interest Rate	Year of Maturity	Installment	Carrying amount as at March 31, 2022	Carrying amount as at March 31, 2021
Foreign Currency						
Ratnakar Bank - ECB	EUR	2.75%	2026	The term loan is repayable in 24 quarterly installments of EURO 187,500.00 each starting from April 2020.	2,539.80	3,228.71
Foreign Currency-Total (A)					**2,539.80**	3,228.71
Indian Currency						
Kotak Mahindra Bank	INR	6.25%	2027	The term loan is repayable in 20 quarterly installments of Rs.250 Lakhs starting from Mar 2023.	6,971.27	4,963.63
CITI Bank	INR	5.70% - 6.26%	2025	The term loan is repayable in 12 quarterly installments of Rs.750 Lakhs starting from Mar 2023.	10,979.69	8,971.88
ICICI Bank	INR	7.90% - 8.60%	2024	The term loan is repayable in 20 quarterly installments of Rs.200 Lakhs starting from Sep 2020.	2,597.24	3,395.49

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

13a NON-CURRENT BORROWINGS (Contd.)

Name of the Bank / Financial Institutions	Currency	Interest Rate	Year of Maturity	Installment	Carrying amount as at March 31, 2022	Carrying amount as at March 31, 2021
IDFC Bank	INR	8.60%	2025	The term loan is repayable in 20 quarterly installments of Rs.200 Lakhs starting from Mar 2020.	2,200.00	3,000.00
HDFC Bank	INR	7.90% -8.80%	2026	The term loan is repayable in 20 quarterly installments of Rs.280 Lakhs starting from Apr 2021.	4,464.23	5,575.99
HDFC Bank	INR	7.43% - 8.38%	2027	The term loan is repayable in 20 quarterly installments of Rs.370 Lakhs starting from Jun 2022.	7,400.00	7,400.00
HDFC Bank	INR	6.35%	2028	The term loan is repayable in 20 quarterly installments of Rs.350 Lakhs starting from Jan 2024.	7,000.00	-
Toyota Financial Services India Limited (Vehicle loan)	INR	9.14%	2022	The term loan is repayable in 36 monthly installments of Rs.8.36 Lakhs starting from Jan-2019	-	70.44
Yes Bank (Vehicle loan)	INR	8.97%	2024	The term loan is repayable in 60 monthly installments of Rs.0.41 Lakh starting from Jan-2020	13.41	15.53
Indian Currency total -B					**41,625.84**	33,392.96
Total Term Loan (A+B)					**44,165.64**	36,621.67

iv) Term loans availed have been utilized for the purpose for which the funds borrowed

13b LEASE LIABILITIES

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Lease liabilities	1,290.41	583.11	424.80	156.45
	1,290.41	583.11	424.80	156.45

14 CURRENT BORROWINGS (SECURED)

Particulars	As at March 31, 2022	As at March 31, 2021
From Banks:		
Cash credit (refer note-e)	-	14.81
Working capital demand loan (refer note-b & c)	29,500.00	7,500.00
Packing credit from bank (refer note-d)	12,790.36	6,713.35
Buyers credit (refer note-f)	1,242.29	-
Interest accrued but not due on borrowings	266.38	131.34
Current maturities of long term debt (refer note 13 a)	6,105.64	3,439.85
Total	**49,904.67**	17,799.35

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

14 CURRENT BORROWINGS (SECURED) (Contd.)

a) All the above loans are secured by first pari passu charge on all current assets of the Company both present and future.

b) Working capital loans from banks are secured by way of hypothecation of inventories both on hand and in transit and book debts and other receivables both present and future and also secured by way of second charge on fixed assets.Working capital loans carry interest rate @ 4.90% to 5.50%.

c) Quarterly statements of current assets filed by the company with the banks and financial institution are in agreement with the books of accounts.

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-21	refer note-i	Trade receivables and Inventories	59,480.62	57,625.27	1,855.35	refer note-ii
Sep-21	refer note-i	Trade receivables and Inventories	60,709.21	59,551.09	1,158.12	refer note-ii
Dec-21	refer note-i	Trade receivables and Inventories	70,221.18	69,368.49	852.69	refer note-ii
Mar-22	refer note-i	Trade receivables and Inventories	84,542.50	83,680.57	861.93	refer note-ii

i) The banks include Kotak Mahindra Bank, HDFC Bank Ltd, CITI bank., RBL Ltd., IDFC bank, ICICI Bank Ltd., Standard Chartered Bank

ii) The returns are based on unaudited financial information in the interim period and are extracted from the books and records of the Company, as adjusted for certain quarterly closing entries, like adjustments in relation to unrealised gain/ (loss) on trade receivables and further adjusted by advances received from customers, exclusion of stores and spares and goods in transit from inventory. the related amounts are mentioned below :

Jun-21 unrealised gain of Rs. (238.35) Lakhs, advance from customers of Rs. (338.00) Lakhs, stores and spares inventory of Rs. 612.00 Lakhs and Goods in transit of Rs. 1819.70 Lakhs not included in quarterly statement submitted to bank.

Sep-21 unrealised gain Rs. (146.03) Lakhs, advance from customers Rs.(1,016.18) Lakhs, stores and spares inventory Rs. 681.70 Lakhs and GIT Rs. 1,638.63 Lakhs not included in quarterly statement submitted to bank.

Dec-21 unrealised gain Rs. (108.98) Lakhs, advance from customers Rs. (320.45) Lakhs stores and spares inventory Rs. 783.40 Lakhs and GIT Rs. 498.72 Lakhs not included in quarterly statement submitted to bank.

Mar-22 unrealised gain Rs. (373.23) Lakhs, advance from customers Rs. (264.56) Lakhs, stores and spares inventory Rs. 597.15 Lakhs and GIT Rs. 902.57 Lakhs not included in quarterly statement submitted to bank.

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

14 CURRENT BORROWINGS (SECURED) (Contd.)

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-20	refer note-i	Trade receivables and Inventories	51,869.02	52,553.44	(684.42)	refer note-ii
Sep-20	refer note-i	Trade receivables and Inventories	51,234.28	49,729.80	1,504.48	refer note-ii
Dec-20	refer note-i	Trade receivables and Inventories	58,967.97	60,117.80	(1,149.83)	refer note-ii
Mar-21	refer note-i	Trade receivables and Inventories	55,126.57	54,286.87	839.70	refer note-ii

i) The banks include Kotak Mahindra Bank, HDFC Bank Ltd, CITI bank., RBL Ltd., IDFC bank, ICICI Bank Ltd., Standard Chartered Bank

ii) The returns are based on unaudited financial information in the interim period and are extracted from the books and records of the Company, as adjusted for certain quarterly closing entries, like adjustments in relation to unrealised gain/(loss) on trade receivables and further adjusted by advances received from customers, exclusion of stores and spares and goods in transit from inventory. the related amounts are mentioned below :

Jun-20 unrealised loss of Rs. 99.24 Lakhs, advance from customers of Rs. (1035.18) Lakhs, stores and spares inventory of Rs. 156.24 Lakhs and Goods in transit of Rs. 95.28 Lakhs not included in quarterly statement submitted to bank.

Sep-20 unrealised loss Rs. 7.86 Lakhs, advance from customers Rs. (170.23) Lakhs, stores and spares inventory Rs. 465.10 Lakhs and GIT Rs. 1,201.75 Lakhs not included in quarterly statement submitted to bank.

Dec-20 unrealised loss Rs. (193.84) Lakhs, advance from customers Rs. (1175.99) Lakhs stores and spares inventory Rs. 180.99 Lakhs and GIT Rs. 39.01 Lakhs not included in quarterly statement submitted to bank.

Mar-21 unrealised gain Rs. 212.53 Lakhs, advance from customers Rs. (199.73) Lakhs, stores and spares inventory Rs. 540.64 Lakhs and GIT Rs. 286.26 Lakhs not included in quarterly statement submitted to bank.

d) Post shipment and packing credit from bank carry interest rate @ 0.70% to 1.50% for USD and packing credit in rupees carry intrest rate @ 5% to 5.50% p.a.

e) Cash credit loan from bank carry interest rate @ 7.00 % to 9.00 %.

f) Buyers credit carry interest rate @ Libor+0.60% to Libor+ 4% and due for payment within 180 days.

15 PROVISIONS

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
Provisions for employee benefits				
Compensated absences (refer note 30)	427.00	367.02	71.97	50.76
Gratuity (refer note 30)	1,248.45	1,084.04	123.01	83.12
	1,675.45	1,451.06	**194.98**	133.88

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

16 INCOME TAX

Particulars	As at March 31, 2022	As at March 31, 2021
Amounts recognised in profit or loss		
The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:		
Current income tax:		
Current income tax expenses	3,395.97	4,011.18
Tax Adjustment of earlier years	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	103.26	40.12
Income tax expense reported in the statement of profit or loss	**3,499.23**	4,051.30
Income tax recognised in other comprehensive income		
Tax expense related to items recognised in OCI during the year:		
Remeasurements of defined benefit (asset)	(15.02)	(2.42)
Income tax charged to OCI	**(15.02)**	(2.42)
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021:		
Accounting profit before income tax	13,665.71	15,753.44
At India's statutory income tax rate of 25.17% (March 31, 2021 : 25.17%)	3,439.66	3,965.14
Non-deductible expenses for tax purposes	58.01	85.60
Others	1.56	0.56
	3,499.23	4,051.30
	3,499.23	4,051.30

Income tax expense reported in the statement of profit and loss

The Company has chosen to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income tax act,1961 as introduced by the Taxation laws (Amendment) Ordinance 2019. The impact of this change has been recognised in tax expenses for the year ended March 31, 2022 and March 31, 2021 respectively at the effective tax rate.

	As at 1 April 2021	Credit/(charge) in the statement of profit and Loss	Credit/(charge) in other comprehensive income	As at March 31, 2022
Deferred tax (assets)/liabilities				-
Tax depreciation	2,305.66	103.26	-	2,408.92
Deferred asset on ROU impact	(24.30)	-	-	(24.30)
Provision for doubtful debts and advances	(54.79)		-	(54.79)
Expenses allowable for tax purposes when paid	(425.71)	-	(15.02)	(440.73)
Forex loss unrealised Impact (Derivative instrument)	(430.83)	-	-	(430.83)
	1,370.03	103.26	(15.02)	**1,458.27**

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

16 INCOME TAX (Contd.)

	As at 1 April 2020	Credit/(charge) in the statement of profit and Loss	Credit/(charge) in other comprehensive income	As at March 31, 2021
Deferred tax (assets)/liabilities				-
Tax depreciation	2,175.45	130.21	-	2,305.66
Deferred asset on ROU impact	(20.64)	(3.66)	-	(24.30)
Provision for doubtful debts and advances	(54.79)	-	-	(54.79)
Expenses allowable for tax purposes when paid	(365.64)	(57.65)	(2.42)	(425.71)
Forex loss unrealised Impact (Derivative instrument)	(402.05)	(28.78)	-	(430.83)
	1,332.33	40.12	(2.42)	1,370.03

a) In respect of Deferred taxes, all items are attributable to origination and reversal of temporary differences.

b) Deferred tax benefits are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which, those deductible temporary differences can be realised.

17 TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
a) Total outstanding dues of micro and small enterprises	-	-
b) Total outstanding dues of creditors other than micro and small enterprises		
i) Payable to related parties : (refer note no: 29)	2,266.67	2,156.60
ii) Payable to others	28,556.02	15,886.02
Total	**30,822.69**	18,042.62
The Company's exposure to credit and currency and liquidity risk related to trade payables are disclosed in Note 32		
Information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006		
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	-	-
(ii) The interest due on above	-	-
The total of (i) & (ii)	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Act	-	-
c) The amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
d) The amounts of interest accrued and remaining unpaid at the end of financial year	-	-
e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The above information has been determined to the extent such parties have been identified on the basis of information available with the group company and the same has been relied upon by the auditors.		

Notes to the Standalone Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

17 TRADE PAYABLES (Contd.)

Trade payables ageing as on 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	-	-	-	-	-
ii) Others	30,748.85	60.75	0.98	12.11	30,822.69
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-
	30,748.85	**60.75**	**0.98**	**12.11**	**30,822.69**

Trade payables ageing as on 31 March 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	-	-	-	-	-
ii) Others	17,828.26	69.72	78.93	65.71	18,042.62
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
	17,828.26	69.72	78.93	65.71	18,042.62

18 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Payable for capital expenditure	5,657.31	5,505.61
Deposits	0.75	0.25
Salaries, wages and bonus payable	791.18	766.92
Derivative Instruments (forward exchange contracts and Interst rate swaps (Refer note 13 a))	466.70	637.03
Book overdrafts	0.15	-
Interest on delayed payment of income tax	-	13.15
Total	**6,916.09**	6,922.96

The Company's exposure to credit and currency and liquidity risk related to the above financial liabilities are disclosed in note 32.

19 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues (including provident fund, tax deducted at source and others)	223.76	199.00
Advance from customers (refer note 36)	264.01	116.67
Total	**487.77**	315.67

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

20 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers disaggregated based on nature of product or services		
Sale of products (refer note 28 and 36)		
a) Manufactured Goods	1,39,012.53	1,24,659.49
b) Traded goods	-	13.20
	1,39,012.53	1,24,672.69
Other operating revenues		
a) Export incentives	-	698.50
b) Scrap Sales	127.70	147.37
c) Job work	6.34	-
	134.04	845.87
Total Income	**1,39,146.57**	1,25,518.56

21 OTHER INCOME

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income from fixed deposits carried at amortised cost	26.53	45.87
Gain on write-back of Financial liabilities measured at amortised cost	158.67	1.72
Profit on disposal of property, plant and equipment (net)	0.69	0.30
Profit on sales of invnestment (net) at FVTPL	0.27	16.35
Net Gain on Foreign currency transactions and translation	2,949.98	1,856.73
Miscellaneous income	123.78	71.55
	3,259.92	1,992.52

22 COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Raw material consumed		
Opening Stock	9,591.30	11,921.62
Add: Purchases	1,05,491.02	73,054.82
Less: Stock lost on Flood	171.93	-
Less: Closing stock	19,639.62	9,591.30
Consumption	**95,270.77**	75,385.14
Packing material consumed		
Opening Stock	86.91	61.28
Add: Purchases	2,442.07	1,739.57
Less: Stock lost on Flood	11.85	-
Less: Closing Stock	105.26	86.91
Consumption	**2,411.87**	1,713.94
	97,682.64	77,099.08

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Closing stock:		
Finished goods	17,283.55	11,645.11
Work in progress	18,173.04	9,306.99
	35,456.59	20,952.10
Stock lost by flood	222.07	-
	35,678.66	20,952.10
Opening stock:		
Finished goods	11,645.11	10,554.55
Work in progress	9,306.99	7,639.14
	20,952.10	18,193.69
(Increase)/ decrease in inventories	**(14,726.56)**	(2,758.41)

24 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	5,892.13	5,533.21
Contribution to provident and other funds	323.23	293.15
Staff welfare expenses	563.58	459.04
	6,778.94	6,285.40

25 FINANCE COST

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on term loans using effective interest rate measured at amortised cost	2,010.60	1,286.57
Add - Exchange difference regarded as an adjustment as per para 6E to borrowing costs	-	189.35
Less: Exchange loss capitalised as per para 6E from borrowing Cost	-	(162.35)
Less: Interest capitalised (refer note 3)	(1,428.03)	(532.94)
Net interest on term loans	**582.57**	780.63
Interest on working capital loans using effective interest rate measured at amortised cost	1,666.59	1,218.29
Interest on vehicle loans using effective interest rate measured at amortised cost	4.83	11.89
Loan arrangement fees amortised using effective rate of interest basis	25.44	14.72
Interest on delayed payment of income tax	-	13.15
Interest cost lease liability using effective interest rate measured at amortised cost	98.21	84.89
	2,377.64	2,123.57

26 DEPRECIATION AND AMORTISATION

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment	6,666.30	6,379.42
Amortisation of intangible assets	233.87	200.36
Amortisation of right of use assets	404.22	340.50
	7,304.39	6,920.28

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

27 OTHER EXPENSES

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spares	987.27	1,240.96
Power and fuel	9,902.17	6,961.95
Job work charges	2,281.43	2,160.03
Repairs and maintenance of:		
Buildings	327.84	414.58
Plant and machinery	1,007.07	817.43
Others	50.81	145.98
Contract labour charges	952.43	1,117.78
Lease expense (refer note 4a)	-	16.22
Research and development expense	651.70	615.38
Pollution control expenses	439.29	309.55
Other factory expenses	665.23	560.00
Insurance	1,104.70	1,364.74
Postage and telephone expense	43.27	70.36
Rates and taxes	57.92	57.78
Training expenses	5.32	9.93
Auditors remuneration:		
For audit	38.00	43.25
For limited review	27.00	27.00
Other services	4.69	3.90
Out of pocket expenses	1.98	2.06
Brokerage and commission	124.47	188.34
Printing and stationery	64.46	58.53
Freight outward	7,126.78	3,833.30
Selling and distribution	854.82	1,251.72
Legal and professional fees	1,433.44	1,285.47
Travelling and conveyance	589.21	366.25
Bank charges	112.46	184.54
CSR expenses (refer note 42)	255.53	240.08
Sundry balances w/off	53.21	117.45
Allowance for expected credit loss and credit impariment	20.92	-
Miscellaneous expenses (net)	669.55	919.33
	29,852.97	24,383.89

28 SEGMENT INFORMATION

A. Factors used to identify the entity's reportable segments, including the basis of organisation

For management purpose, the Company has determined its reportable segment as "Aromatic chemicals" since the chief operating decision maker (CODM) evaluates the Company's performance as a single segment.

B. Information about reportable segments

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue sale of product	1,39,012.53	1,24,672.69
	1,39,012.53	1,24,672.69

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

28 SEGMENT INFORMATION (Contd.)

C. Geographic information

The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non-current assets. The product offerings which are part of the speciality chemicals portfolio of the Company are managed on a worldwide basis from India. (refer note 36).

The amount of the group's revenue from sale of product is shown in the table below.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
India	35,220.65	31,363.27
Outside India #	1,03,791.88	93,309.42
Total	**1,39,012.53**	1,24,672.69

 # Includes deemed exports of Rs.4,233.03 Lakhs for the year (March 31, 2021 : Rs.2,490.55 Lakhs)

All the non-current assets of Company are located within India.

D. Information about Major Customers

Revenue from one major customer represented approximately Rs.22,202.94 Lakhs (March 31, 2021 : Rs.18,827.44 Lakhs)

29 RELATED PARTY DISCLOSURES

Details of transactions between the Company and other related party are disclosed below.

a) List of Related Parties

Promoter Group

Vivira Investment and Trading Private Limited (w.e.f. April 29, 2021)

FIH Mauritius Investments Limited, Republic of Mauritius (FMIL) upto April 29, 2021

FIH Private Investments Limited, Mauritius upto April 29, 2021 upto April 29, 2021

(FMIL is wholly owned and controlled by Fairfax India Holdings Corporation, Canada)

Subsidiary Companies

Privi Biotechnologies Private Limited

Privi Speciality Chemicals USA Corporation (Formerly known as Privi Organics USA Corporation)

Prigiv Specialties Private Limited (w.e.f. September 01, 2021)

Enterprises owned by key management personnel or their relatives

Vivira Chemical Industries

Minar Organics Private Limited, merged with MM Infra & Leasing Private Limited (w.e.f. dated October 13, 2021)

Vivira Chemicals Private Limited, merged with MM Infra & Leasing Private Limited (w.e.f. October 13, 2021)

Privi Life Sciences Private Limited

Privi Fine Sciences Private Limited

Moneymart Securities Private Limited

Babani Investment and Trading Private Limited

Satellite Technologies Private Limited

Vivira Investment & Trading Private Limited

Prasad Organics Private Ltd

MM Infra & Leasing Private Limited

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

29 RELATED PARTY DISCLOSURES (Contd.)

Babani Bros. LLP

Fairchem Organics Limited upto April 29, 2021

Privi Organics Limited

Jariwala Tradelink LLP upto April 29, 2021

Nahoosh Tradelink LLP upto April 29, 2021

Key Management Personnel (KMP)

Mr. Mahesh P. Babani	Chairman & Managing Director
Mr. D. B. Rao	Executive Director
Mr.Nahoosh Jariwala	Managing Director (upto closing hours of August 12, 2020)
Mr. Utkarsh Shah	Non Executive Director (upto closing hours of August 12, 2020)
Mr. Sumit Maheshwari	Nominee Director upto April 29, 2021
Mr. Rajesh Budhrani	Independent Director
Mr. P.R. Barpande	Independent Director
Mr. Anurag Surana	Independent Director w.e.f. opening hours of August 13, 2020
Mrs. Anuradha Thakur	Independent Director w.e.f. opening hours of August 13, 2020
Mr. Dwarko Topandas Khilnani	Independent Director w.e.f. opening hours of August 13, 2020
Mr. Hemang Gandhi	Independent Director upto closing hours of August 12, 2020
Mr.Darius Pandole	Independent Director upto closing hours of August 12, 2020
Mr. Viren Joshi	Independent Director upto closing hours of August 12, 2020
Ms. Radhika Pereira	Independent Director upto closing hours of August 12, 2020

Relatives of Key Management Personnel

Mahesh Purshottam Babani HUF

Mrs. Seema Mahesh Babani

Ms. Snehal Mahesh Babani

Ms. Jyoti Mahesh Babani

Mr.Vijaykumar Doppalapudi Rao

Mr.Vinaykumar Doppalapudi Rao

Mrs. Grace Vinaykumar Doppalapudi Rao

Mrs. Sharon Doppalapudi Rao

Mrs.Premaleela Doppalapudi Rao

Mr. Rajkumar Doppalapudi Rao

Mrs. Prasanna Raj Doppalapudi Rao

Mr. Rameshbabu Gokameswararao Guduru

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

29 RELATED PARTY DISCLOSURES (Contd.)

b) During the year, following transactions were carried out with the related parties

	Subsidiaries		Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Transactions						
Purchase of raw materials						
Privi Life Sciences Private Limited	-	-	18.00	31.29	-	-
Privi Speciality Chemicals USA Corporation (Formerly known as Privi Organics USA Corporation)	9,115.54	9,945.26	-	-	-	-
Prasad Organics Private Limited	-	-	2,052.42	1,710.94	-	-
Privi Organics Limited	-	-	2.39	-	-	-
Purchase of machinery						
Privi Life Sciences Private Limited	-	-	26.11	-	-	-
Sale of finished goods						
Privi Speciality Chemicals USA Corporation (Formerly known as Privi Organics USA Corporation)	22,202.95	18,906.25	-	-	-	-
Privi Life Sciences Private Limited	-	-	6.34	20.38	-	-
Prasad Organics Private Limited	-	-	919.81	1,054.35	-	-
Privi Biotechnologies Private Limited	5.09	-	-	-	-	-
Privi Organics Limited	-	-	13.98	-	-	-
Sale of Property plant & equipment						
Privi Organics Limited	-	-	13.57	1.46	-	-
Lease expense						
Minar Organics Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	-	-	15.00	-	-
Vivira Chemicals Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	-	-	12.00	-	-
MM Infra & Leasing Private Limited	-	-	171.00	96.00	-	-
Moneymart Securities Private Limited	-	-	48.38	120.00	-	-
Privi Biotechnologies Private Limited	90.00	60.00	-	-	-	-
Technical Fees						
Privi Biotechnologies Private Limited	510.00	420.00	-	-	-	-
Lease income						
Minar Organics Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	-	0.18	0.30	-	-
Privi Life Sciences Private Limited	-	-	24.00	12.00	-	-

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

29 RELATED PARTY DISCLOSURES (Contd.)

	Subsidiaries		Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021
Moneymart Securities Private Limited			0.70	-		
Vivira Chemicals Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	-	0.18	0.30	-	-
Security deposit						
Moneymart Securities Private Limited	-	-	300.00	-	-	-
MM Infra & Leasing Private Limited	-	-	51.00	351.00	-	-
Reimbursement of expense received						
Privi Speciality Chemicals USA Corporation (Formerly known as Privi Organics USA Corporation)	37.50	33.02	-	-	-	-
Fairchem Organics Limited	-	-	-	411.95	-	-
Commission and reimbursement other expenses paid						
Privi Speciality Chemicals USA Corporation (Formerly known as Privi Organics USA Corporation)	42.90	5.58	-	-	-	-
Loans and advances						
Privi Speciality Chemicals USA Corporation (Formerly known as Privi Organics USA Corporation)	166.50	975.82	-	-	-	-
MM Infra & Leasing Private Limited	-	-	331.00	-	-	-
Minar Organics Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	-	-	225.00	-	-
Vivira Chemicals Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	-	-	175.00	-	-
Investment in shares						
Prigiv Specialties Private Limited	-	-	-	-	-	-
Managerial renumeration						
Mr. D.B.Rao (*)	-	-	-	-	56.00	210.00
Mr. Mahesh P Babani (*)	-	-	-	-	600.00	500.00
Salary paid						
Mr.Vinaykumar Doppalapudi Rao	-	-	-	-	23.47	54.73

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

29 RELATED PARTY DISCLOSURES (Contd.)

	Subsidiaries		Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Dividend Paid						
Mr. Mahesh P Babani	-	-	-	-	51.73	38.80
Mr. D.B.Rao	-	-	-	-	22.41	10.85
Mr. Utkarsh Shah	-	-	-	-	-	0.38
FIH Mauritius Investments Ltd	-	-	-	285.64	-	-
FIH Private Investments Ltd	-	-	-	0.05	-	-
Moneymart Securities Private Limited	-	-	68.25	3.10	-	-
Vivira Investment and Trading Private Limited	-	-	309.90	2.85	-	-
Jariwala Tradelink LLP	-	-	-	5.05	-	-
Nahoosh Tradelink LLP	-	-	-	9.95	-	-
Vivira Chemicals Private Limited	-	-	1.60	1.20	-	-
Mahesh Purshottam Babani HUF	-	-	-	-	-	26.88
Mrs. Seema Mahesh Babani	-	-	-	-	7.80	5.85
Ms. Jyoti Mahesh Babani	-	-	-	-	7.80	5.85
Ms. Snehal Mahesh Babani	-	-	-	-	7.80	5.85
Mrs. Premaleela Doppalapudi Rao	-	-	-	-	5.49	2.66
Mr. Vinaykumar Doppalapudi Rao	-	-	-	-	14.82	7.17
Mrs. Grace Vinaykumar Doppalapudi Rao	-	-	-	-	4.64	2.25
Mr.Vijaykumar Doppalapudi Rao	-	-	-	-	12.49	6.82
Mrs. Sharon Doppalapudi Rao	-	-	-	-	4.91	2.38
Mr. Rajkumar Doppalapudi Rao	-	-	-	-	14.00	6.69
Mrs. Prasanna Raj Doppalapudi Rao	-	-	-	-	5.74	2.78
Mr. Rameshbabu Gokarneswararao Guduru	-	-	-	-	1.87	0.90
Sitting fees						
Mr. Anurag Surana	-	-	-	-	5.00	5.00
Mrs. Anuradha Thakur	-	-	-	-	5.00	5.00
Mr. Rajesh Budhrani	-	-	-	-	4.00	5.00
Mr. P.R. Barpande	-	-	-	-	5.00	5.00
Mr. Dwarko Topandas Khilnani	-	-	-	-	5.00	5.00

**Remuneration does not include charge for gratuity and leave encashment as employee-wise break up is not available*

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

29 RELATED PARTY DISCLOSURES (Contd.)

c) Outstanding balances

	Subsidiaries		Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021
Receivables /Other assets						
Privi Speciality Chemicals USA Corporation (Privi Organics USA Corporation)	6,685.36	4,783.22	-	-	-	-
Vivira Chemicals Industries	-	-	-	0.51	-	-
MM Infra & Leasing Private Limited	-	-	782.00	351.00	-	-
Privi Life Sciences Private Limited	-	-	15.90	52.51	-	-
Minar Organics Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	-	-	225.09	-	-
Moneymart Securities Private Limited	-	-	300.00	-	-	-
Prasad Organics Private Limited	-	-	201.91	792.15	-	-
Vivira Chemicals Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	-	-	175.60	-	-
Privi Biotechnologies Private Limited	25.00	25.00	-	-	-	-
Privi Organics Limited	-	-	0.89	-	-	-
Investments						
Privi Speciality Chemicals USA Corporation (Formerly known as Privi Organics USA Corporation)	30.61	30.61	-	-	-	-
Privi Biotechnologies Private Limited	4,271.70	4,271.70	-	-	-	-
Prigiv Specialties Private Limited	765.00	-	-	-	-	-
Trade Payables / Other Labilities						
Privi Biotechnologies Private Limited	103.01	129.16	-	-	-	-
Privi Life Sciences Private Limited	-	-	18.25	21.31	-	-
Money Mart Securities Private Limited			0.75	-		
Prasad Organics Private Limited	-	-	265.36	412.51	-	-
Vivira Chemicals Private Limited	-	-	-	0.93	-	-
Minar Organics Private Limited	-	-	-	1.16	-	-
Privi Organics Limited	-	-	2.82	-		
Privi Speciality Chemicals USA Corporation (formerly known as Privi Organics USA Corporation)	1,877.23	1,591.78	-	-	-	-
Payable to Key Management Personal						
Mr. Mahesh P Babani (*)	-	-	-	-	50.00	24.83
Mr. D.B.Rao (*)	-	-	-	-	3.50	7.05

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

29 RELATED PARTY DISCLOSURES (Contd.)

	Subsidiaries		Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Relatives of Key Management Personnel						
Mr.Vinaykumar Doppalapudi Rao (*)	-	-	-	-	1.42	0.54
Company has provided Corporate Bank Guarantee to CITI Bank against a working capital Loan sanction to Privi Speciality Chemicals USA Corporation (formally known as Privi Organics USA Corporation) (refer note d below)	-	-	-	-	3,032.28	2,940.19

** Remuneration Net of Tax Deducted at Source and includes short term benefit and post employment benefit*

d) Disclosure required under Sec 186(4) of the Companies Act, 2013

Provided the guarantee on behalf of wholly owned subsidiary Privi Speciality Chemicals USA Corporation (Formerly known as Privi Organics USA Corporation) to Citi Bank USA which are disclosed below as required by Sec 186(4) of the Companies Act, 2013

Name of the loanee	Rate of Interest	Due date	Secured/ unsecured	As at March 31, 2022	As at March 31, 2021
Privi Speciality Chemicals USA Corporation (Formerly known as Privi Organics USA Corporation)	Not applicable	Not applicable	working capital loan	3,032.28	2,940.19
				3,032.28	2,940.19

30 EMPLOYEE BENEFITS - POST-EMPLOYMENT BENEFIT PLANS

a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and ESI which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue.

The Company has recognised the following amount as an expense and included in the note 24 under “Contribution to provident & other funds”:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Contribution to employees provident fund	320.86	287.39
Contribution to ESI	1.97	5.40

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

30 EMPLOYEE BENEFITS - POST-EMPLOYMENT BENEFIT PLANS (Contd.)

b) Defined benefit plans

The Company operates one post-employment defined benefit plan that provides gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement. In case of employees completing longer service periods, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amount recognised in the balance sheet in respect of Gratuity		
Present value of the defined benefit obligation at the end of the year	1,371.47	1,167.16
Fair value of the plan assets	-	-
Net liability	**1,371.47**	1,167.16

Particulars	As at March 31, 2022	As at March 31, 2021
Movement in present value of defined benefit obligation		
Opening Liability	1,167.16	1,016.53
Current service cost	106.69	101.05
Interest cost	80.07	69.53
Actuarial /loss	58.67	9.40
Benefits paid	(41.12)	(29.35)
Closing defined benefit obligation	**1,371.47**	1,167.16
Expense recognised in statement of profit and loss		
Current service cost	106.69	101.05
Interest on defined benefit obligations	80.07	69.53
Total	**186.76**	170.58
Remeasurements recognised in Other comprehensive income		
Change in financial assumptions	(32.30)	(1.98)
Change in Demographic Assumptions	0.40	-
Experience adjustments	90.57	11.38
Total	**58.67**	9.40
Total expense recognised	**245.43**	179.98

Particulars	As at March 31, 2022	As at March 31, 2021
Principal actuarial assumptions at the balance sheet date		
Discount rate (p.a.)	7.15%	6.86%
Expected rate of salary increase (p.a.)	8.25%	8.25%
Attrition rate	For service 2 years and below 20.00% p.a. For service 3 years to 4 years 10.00% p.a. For service 5 years and above 5.00% p.a.	For service 2 years and below 20.00% p.a For service 3 years to 4 years 10.00% p.a. For service 5 years and above 5.00% p.a.
Mortality tables	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

30 EMPLOYEE BENEFITS - POST-EMPLOYMENT BENEFIT PLANS (Contd.)

At March 31, 2022, the weighted average duration of the defined benefit obligation was 10 years (March 31, 2021 - 10 years)

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Discount rate		Future salary increase	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Impact on defined benefit obligation due to:				
a. 1% increase	(101.88)	(92.25)	114.87	104.17
b. 1% decrease	117.28	106.68	(101.79)	(91.93)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period, as calculated by Actuary.

Experience adjustment for last five years

	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Defined benefit obligation	1,371.47	1,167.16	1,016.53	789.99	627.56
Surplus/(deficit)	(1,371.47)	(1,167.16)	(1,016.53)	(789.99)	(627.56)
Experience adjustment on plan liabilities	90.57	11.38	43.72	54.61	23.63

Compensatory absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Amount of Rs 145.46 Lakhs (31 March, 2021 Rs 88.78 Lakhs) has been recognised in the Standalone Statement of profit and loss of provision for long-term employment benefit.

31 FINANCIAL INSTRUMENTS

a. Accounting classification and fair values

The Company is exposed to the risks of changes in fair value of its financial assets and liabilities. The following table summarises the fair values and carrying amounts of financial instruments.

As on 31 March 2022	Carrying value					Fair value measurement using		
	Note	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Investment in equity instruments (unquoted)	5	5,067.31	-	-	5,067.31	-	-	-
Trade receivables	9	28,421.72	-	-	28,421.72	-	-	-
Cash and cash equivalents	10	2,636.96	-	-	2,636.96	-	-	-
Bank balances other than cash and cash equivalents	11	452.29	-	-	452.29	-	-	-
Other financial assets	6	2,710.28	-	-	2,710.28	-	-	-

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

31 FINANCIAL INSTRUMENTS (Contd.)

As on 31 March 2022	Carrying value					Fair value measurement using		
	Note	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial liabilities:		-						
Non Curent borrowings	13 a	38,060.00	-	-	38,060.00	-	-	38,060.00
Current borrowings	14	49,904.67	-	-	49,904.67	-	-	-
Trade payables	17	30,822.69	-	-	30,822.69	-	-	-
Derivatives	18	-	466.70	-	466.70	-	466.70	
Lease liabilities	13 b	1,715.21	-	-	1,715.21	-	-	1,715.21
Other financial liabilities (other than lease liabilities)	18	6,449.39	-	-	6,449.39	-	-	-

As on 31 March 2021	Carrying value					Fair value measurement using		
	Note	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Investment in equity instruments (unquoted)	5	4,302.31	-	-	4,302.31	-	-	-
Trade receivables	9	23,629.05	-	-	23,629.05	-	-	-
Cash and cash equivalents	10	1,136.42	-	-	1,136.42	-	-	-
Bank balances other than cash and cash equivalents	11	395.74	-	-	395.74	-	-	-
Other financial assets	6	1,050.52	-	-	1,050.52	-	-	-
Financial liabilities:		-						
Non Curent borrowings	13 a	33,181.82	-	-	33,181.82	-	-	33,181.82
Current borrowings	14	17,799.35	-	-	17,799.35	-	-	-
Trade payables	17	18,042.62	-	-	18,042.62	-	-	-
Derivatives	18	-	637.03	-	637.03	-	637.03	
Lease liabilities	13 b	739.56	-	-	739.56	-	-	739.56
Other financial liabilities (other than lease liabilities)	18	6,285.93	-	-	6,285.93	-	-	

b. The fair value of financial instruments as referred to in note (a) above have been classified into a three categories depending on the inputs used in the valuation technique.

The categories used are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

31 FINANCIAL INSTRUMENTS (Contd.)

c. Calculation of fair values

The fair values of the financial assets and liabilities are defined as 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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2021.

(i) The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates. In case the forwards are taken from banks and financial institutions, the fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies by the bankers.

(ii) The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

(iii) Loans, lease liabilities and borrowings have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

(iv) Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.

32 FINANCIAL RISK MANAGEMENT

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.The Board of Directors 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 risk management are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits.Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities.

The Audit committee oversees how management monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit committee is assisted in its oversight role by internal audit by external party."

The Company has exposure to the following risks arising from the financial instruments:

a. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations and arises principally from the Company's receivables from customers.The carrying amount of financial assets represent the maximum credit exposure.

The Company's exposure to credit risk is influenced mainly by the individual characterisitc of each customer.However, management also consider the factors that may influence the credit risk of its customer base. including the default risk associated with the industry and country in which company operates.

The Company analyses credit worthiness of each new customer individually before standard payment and delivery terms are offered.The Company is monitoring economic environment in countires where it operates and is taking actions to limit its exposure to customers in those countries experiencing particular economic volatility.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

32 FINANCIAL RISK MANAGEMENT (Contd.)

Impairment of Trade receivables

At March 31, 2022 the ageing of trade and other receivables that were not impaired was as follows.

Particulars	Carrying amount	
	March 31, 2022	March 31, 2021
Neither past due nor impaired	22,801.87	18,868.67
Past due 0-90 days	4,919.50	3,844.21
Past due 90-180 days	314.87	547.81
Past due 180-270 days	154.63	294.45
Past due 270–360 days	178.70	8.34
More than 360 days	52.15	65.57
	28,421.72	23,629.05

Movement in Loss allowance measured at amount equal to life time expected credit losses for trade receivables.

Particulars	Amount
Balance as at April 01, 2020	10.86
Impairment loss recognised	-
Amounts written off	-
Balance as at March 31, 2021	10.86
Impairment loss recognised	20.92
Amounts written off	3.94
Balance as at March 31, 2022	27.84

The Company uses an allowance matrix to measure the expected credit loss of trade receivables.Based on the industry practices and the business environment in which the entity operates, Management considers that the trade receivables are in default (credit impaired) if the payments are more than 365 days past due.

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk and the current provision for the bad debts represents the impacted credit loss it foresees in its receivables.

Financial assets other than trade receivables are not impaired and further, there are no amounts that are past due. Management believes that the amounts are collectible in full, based on historical payment behavior.

b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains the level of its cash and cash equivalents at an amount in excess of expected cash outflow on financial liabilities.The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash inflows on trade and other payables

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

32 FINANCIAL RISK MANAGEMENT (Contd.)

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

March 31, 2022	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	44,165.64	44,165.64	6,105.64	21,353.23	16,706.77	-
Other borrowings	43,799.03	43,799.03	43,799.03	-	-	-
Trade payables	30,822.69	30,822.69	30,822.69	-	-	-
Other financial liabilities	6,024.59	6,024.59	6,024.59	-	-	-
Lease liabilities	1,715.21	1,715.21	424.80	1,290.41	-	-
Derivative financial liabilities						
Interest rate swaps	466.70	466.70	466.70	-	-	-
	1,26,993.86	**1,26,993.86**	**87,643.45**	**22,643.64**	**16,706.77**	**-**

March 31, 2021	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	36,621.67	36,621.67	3,439.85	5,844.70	24,184.10	3,153.02
Other borrowings	14,359.50	14,359.50	14,359.50	-	-	-
Trade payables	18,042.62	18,042.62	18,042.62	-	-	-
Other financial liabilities	6,129.48	6,129.48	6,129.48	-	-	-
Lease liabilities	739.56	739.56	156.45	153.98	429.13	-
Derivative financial liabilities						
Interest rate swaps	637.03	637.03	637.03	-	-	-
	76,529.86	76,529.86	42,764.93	5,998.68	24,613.23	3,153.02

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

c. Currency Risk

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

32 FINANCIAL RISK MANAGEMENT (Contd.)

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021 are as below:

	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	USD	EURO	USD	EURO
Financial assets				
Cash and cash equivalents	8.54	0.10	3.60	1.93
Trade Receivables	255.66	8.87	198.72	6.90
	264.20	8.97	**202.32**	8.83
Financial liabilities				
Borrowings	-	30.00	-	37.50
Buyers Credit	16.47	-	-	-
Packing credit in foreign currency	50.00	-	41.39	-
Working capital demand Loan	-	-	-	-
Trade payables and other financial liabilities	180.15	0.56	98.26	0.37
Other Current financial liabilities - Derivative Instruments Interest rate swap	6.11	0.04	7.30	1.07
	252.73	30.60	**146.95**	38.94
Net exposure	**11.47**	(21.63)	**55.37**	(30.11)

** The exposure disclosed here is net of currency swap taken by the Company*

Currency exposure for borrowings is exclusive of Currency swap on IDFC Rupee loan of Rs.4,000 Lakhs and ICICI bank Rupee loan of Rs.4,000 Lakhs are taken @64.42 per USD and @68.13 per USD respectively and other currency swap on HDFC Bank Rupee loan of Rs 5,600 Lakhs and Rs 7,400 Lakhs are taken @ 76.78 per USD and @ 75.83 per USD respectively which are classified as Indian currency loan.

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk,

The Corporate treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

d. Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currencies against INR at March 31, 2022 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

32 FINANCIAL RISK MANAGEMENT (Contd.)

Effect in INR	Profit before tax		Equity, net of tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
March 31, 2022				
USD (3 % movement)	26.09	(26.09)	19.52	(17.06)
EUR (3 % movement)	(54.94)	54.94	(41.11)	35.93
	(28.85)	**28.85**	**(21.59)**	**18.87**

Effect in INR	Profit before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2021				
USD (3 % movement)	122.10	(122.10)	91.37	(91.37)
EUR (3 % movement)	(77.77)	77.77	(58.20)	58.20
	44.33	(44.33)	33.17	(33.17)

e. Interest risk

The company is exposed primarily to fluctuation in USD LIBOR rates. Interest rate risk on financial debt is managed through interest rate swaps.

The interest rate profile of the Company's interest-bearing financial instruments is as follows.

Fixed-rate instruments	March 31, 2022	March 31, 2021
Variable-rate instruments	87,964.67	50,981.17
Total borrowings	**87,964.67**	50,981.17

**Effect of interest rate swaps is disclosed in Note 13 a.*

Financial assets classified at amortized cost have fixed interest rate. Hence, the group is not subject to interest rate risk on such financial assets.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
March 31, 2022				
Variable-rate instruments	-	-	-	-
March 31, 2021				
Variable-rate instruments	-	-	-	-

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

33 CONTINGENT LIABILITIES

Claims against the Company not acknowledged as debts are below

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax authorities	1,787.34	1,515.22
Custom Duty *	106.06	15.52

** Demand of Rs. 15.52 Lakhs (out of which Rs. 6.00 Lakhs paid) raised by Customs, Excise and Service Tax Appellate Tribunal West Zonal Bench, Mumbai for clearance of imported goods under DEPB scheme. (Contravention of the provisions of Section 111 (o) of the Customs Act, 1962). Further the demand of Rs. 101.53 Lakhs was raised by Customs authority out of which Rs. 10.98 Lakhs is paid under protest, balance Rs. 90.54 Lakhs are unpaid as on March 31, 2022.*

The claims against the Company comprise of pending litigations / proceedings pertaining to demands raised by Excise, Custom, Sales / VAT tax and other authorities / bodies. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

34 COMMITMENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of Rs.1510.19 Lakhs, March 31, 2021 : Rs. 4363.93 Lakhs)	3,703.87	11,374.66
LC’s issued in favour of suppliers, but the material not dispatched	1,319.00	1,531.81

35 EARNINGS PER SHARE

Particulars	As at March 31, 2022	As at March 31, 2021
Profit after tax attributable to equity shareholders [A]	10,166.48	11,702.14
Number of equity shares at the beginning of the year [B]	3,90,62,700	3,90,62,700
Number of equity shares outstanding at the end of the year [C]	3,90,62,700	3,90,62,700
Weighted average number of equity shares outstanding during the year [D]	3,90,62,700	3,90,62,700
Basic and diluted earnings per share of face value Rs. 10 [A]/[D]	26.03	29.96

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

36 REVENUE FROM CONTRACTS WITH CUSTOMERS

(A) The Company is primarily in the business of manufacture and sale of Aroma chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component.

(B) Reconciliation of revenue recognised from Contract liability:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Contract liability	116.67	137.43
Less: Recognised as revenue during the year	1,324.79	2,763.04
Add: Addition to contract liability during the year	1,472.13	2,742.28
Closing Contract liability	**264.01**	116.67

Contract liability primarily relates to advance consideration received from customers for sale of products in case of few contracts based on terms agreed. The contract liability is expected to be recognised within 12 months.

There is no contract asset as at 31 March 2022(31 March 2021 : Nil)

(C) Reconciliation of revenue as per contract price and as recognised in statement of standalone profit and loss:

Particulars	As at March 31, 2022	As at March 31, 2021
Revenue from contract with customer as per Contract price	1,39,117.94	1,24,844.40
Less: Discounts and other adjustments	105.41	171.71
Revenue from contract with customer as per statement of standalone profit and loss	**1,39,012.53**	1,24,672.69

(D) Disaggregation of revenue from contract with customers

Particulars	Revenue from contracts with customers March 31, 2022	Revenue from contracts with customers March 31, 2021
India	39,453.68	33,853.82
Europe(excluding UK)	33,198.47	31,661.76
North America	32,354.13	25,875.47
Asia (Excluding India)	15,776.38	12,643.72
Middle East	7,520.83	7,716.07
United Kingdom	5,819.30	6,198.93
South America	3,048.67	2,871.73
Africa	1,772.44	3,707.93
Australia and New Zealand	68.63	143.26
	1,39,012.53	1,24,672.69

(E) Unsatisfied Performance Obligations

The Company applies the practical expedient in Paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

37 DIVIDEND ON EQUITY SHARES

Particulars	As at March 31, 2022	As at March 31, 2021
Dividend on equity shares declared and paid during the year		
Final dividend for the year ended March 31, 2021 - Rs. 2.00 (March 31, 2020 Rs. 1.50) per fully paid up share	781.21	585.94
(Amount of Cash-out flow of dividend is inclusive of dividend distribution tax)		
	781.21	585.94
Dividends not recognized at the end of reporting period		
Final dividend of Rs. 2.00 per fully paid up equity shares (March 31, 2021 Rs. 2.00 per fully paid up share). This proposed dividend is subject to the approval of share holders in the ensuing annual general meeting.	781.21	781.21
	781.21	781.21

38 TRANSFER PRICING

Transactions with related parties are governed by transfer pricing regulations of the Indian Income-tax Act, 1961. The Company's international and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended March 31, 2021. Management believes that the Company's international and domestic transactions with related parties post March 2021 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

39 EXCEPTIONAL ITEMS

a) Flood claim settlement (Net)

Unprecedented rainfall on July 22 and 23, 2021 in Raigad district of Maharashtra including Mahad and consequent overflow of Savitri river caused flooding and major power outage in and around Mahad. The factory operations at the units were temporarily suspended. The necessary steps were taken to resume the operations in phased manner from August 12, 2021 after taking into consideration the safety norms. There has been loss to assets comprising of Inventories, Plant & Machineries and Other fixed assets, etc. The profitability has also been impacted due to loss of sales. All the said losses are adequately insured including coverage towards loss of profit and replacement cost of fixed assets.

As per Management's best estimate, the book value of the assets lost due to flood including other expenses for the year ended March 31, 2022 is Rs. 1,791.28 Lakhs which is debited to the statement of profit and loss and is disclosed as an exceptional item and netted off with final insurance claim settlement aggregating to Rs. 2,320.51 Lakhs for which a settlement letter is also issued by insurance company resulting in an exceptional gain(net) of Rs. 529.24 Lakhs for the year ended March 31, 2022. The Company has received partial insurance claim of Rs. 1,000 Lakhs from the insurance company which is recognised in the quarter ended September 30, 2021. The balance amount of Rs.1,320.51 Lakhs (of which Rs. 300 Lakhs is received subsequent to the balance sheet date) is shown as receivable from insurance company in balance sheet as at March 31, 2022. The entire insurance claim settlement amount is being recognised in the statement of profit and loss as per the requirement of Accounting Standards.

b) Fire Claim settlement (net)

On April 26, 2018 a major fire broke out at the Company's Unit 2 Plant located at MIDC Mahad, Maharashtra. There was loss of the assets comprising of Inventories, Buildings, Plant and Machinery and other Fixed Assets, etc. which were adequately insured including coverage towards loss of profit and replacement cost of fixed assets. The Company received Rs.2,309.26 Lakhs and Rs.4,000 Lakhs during the year ended March 31, 2021 and March 31, 2020 respectively on account of Insurance claim which has been disclosed as an exceptional item. The entire Insurance Claim is now settled with the Insurance company, however, an amount of Rs. 809.26 Lakhs (Out of Rs. 2,309.26 Lakhs) accounted for in the year ended March 31, 2021 is

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

39 EXCEPTIONAL ITEMS (Contd.)

received on April 07,2021 subsequent to the year ended March 31, 2021. Since the final insurance claim is settled and a settlement letter is also issued by Insurance company on or before March 31, 2021 therefore this balance amount of Rs. 809.26 Lakhs as above mentioned was recognised as an exceptional Income in statement of standalone profit and loss for the year ended March 31, 2021 and shown as receivable from insurance Company in Balance sheet as on March 31, 2021 as per requirement of the Accounting Standards.

40 ESTIMATION OF UNCERTAINTIES RELATED TO GLOBAL HEALTH PANDEMIC FROM COVID-19

Government of India announced a Nationwide Lockdown due to COVID-19 Global Pandemic due to which the Compnay shutdown few of its plants at Mahad & Jhagadia factories (except those involved in manufacture of chemicals used in essential goods) from March 24,2020 which continued till April 7, 2020. Although sales were partially affected during the period of shutdown, however, impact is not significant. The Company had not seen any significant impact on net realisable value of its current assets.

The Global pandemic COVID-19 continued in the year 2021-22 as well. The business of the Compnay was not affected during the year. However, the completion of major capex project were delayed by 4 to 5 months due to second wave of COVID-19 during the period March 2021 to July 2021, on account of non-availability of labour, transport facilities, industrial oxygen, etc. Further, given the uncertainty due to COVID-19, the Company would continue to monitor any material changes to future economic conditions and the consequential impact on the standalone financial statements.

41 OTHER STATUTORY INFORMATION

a) **Specified Bank Note:** The disclosures regarding details of specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since the requirement does not pertain to the financial year ended 31 March 2022.

b) **Other informations**

(i) As on March 31, 2022 there is no Unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

(ii) The Company do not have any transactions with struck off companies.

(iii) The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(v) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(vi) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) The Company 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:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

41 OTHER STATUTORY INFORMATION (Contd.)

(viii) The Company 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:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(ix) The Company have not entered in any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

c) **Regroupings:** Appropriate regroupings have been made in the standalone Balance sheet and standalone Statement of Profit and Loss (including Other Comprehensive Income), wherever required, by reclassification of the corresponding items if income, expenses, assets and liabilities, in order to bring them in line with the accounting policies and classification as per the standalone Ind AS financial information of the Company for the year ended March 31, 2022, prepared in accordance with Revised Schedule III of the Companies Act, 2013, requirements of Ind AS 1- 'Presentation of financial statements' and other applicable Ind AS principles. The Company has adopted the Revised Schedule III as issued by MCA and accordingly numbers of comparative period has been reclassed as required. As a result of amendment to Schedule III, deposits have been reclassified to other financial assets which was earlier forming part of loans and current maturities of long-term borrowing are now presented as current borrowings which was earlier forming part of other financial liabilities.

42 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013 a corporate social responsibility (CSR) committee has been formed by the Company. The areas for CSR activities are Education, Environment Sustainability, Health and hygiene and Disaster Management. Amount spent during the year on activities which are specified in Schedule VII of the Companies Act, 2013 are as mentioned below:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) amount required to be spent by the company for the year	250.68	163.00
b) amount of expenditure till date:		
Paid		
(i) construction / acquisition of any asset		
(ii) on purpose other than (i) above	255.53	240.08
Yet to be paid		
(i) construction / acquisition of any asset	-	-
(ii) on purpose other than (i) above	-	-
Total	**255.53**	240.08
c) shortfall at the end of the year	-	-
d) reason for shorfall	NA	NA
e) total of pervious year shortfall	NA	NA
f) nature of CSR activities	Education, Environment Sustainability, Health and hygiene and Disaster Management	Education, Environment Sustainability, Health and hygiene and Disaster Management

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

43 ADDITIONAL REGULATORY INFORMATION

Ratio	Numerator	Denominator	Year ended March 31, 2022	Year ended March 31, 2021	% Variance	Reason for variance
Current Ratio (in times)	Total current assets	Total current liabilities	1.11	1.52	-26.97%	Compared to last year, increase in current liabilities due to increase in prices of RM & other inputs purchased.
Debt - Equity ratio (in times) (net)	Debt consists of borrowings Less Cash and cash equivalents and short term investments	Total equity	1.05	0.69	52.17%	Increase in long term debts for new capital for projects.
Debt service coverage ratio (in times)	Net profit before tax + Depreciation + Interest (EBITDA)	Debt service = Interest + Principal repayments	4.01	5.55	-27.75%	Higher amount of principal repayment of term loan during the year & lower EBITDA compared to last year on account of increase in fuel & logistic cost.
Return on equity ratio (in %)	Net profit after tax for the year	Total equity	12.59%	16.39%	-23.18%	
Net capital turnover ratio (in times)	Revenue from operationsAverage	Average working capital (i.e. Total current assets less Total current liabilities)	8.39	5.86	43.17%	The efficient utilsation of working capital resulted in favourable turnover ratio in current year
Net profit ratio (in %)	Net profit after tax for the year	Revenue from operations	9.82%	12.55%	-21.75%	
Return on capital employed (in %)	Profit before tax and finance costs	Total equity	19.87%	25.04%	-20.65%	
Inventory turnover ratio (in times)	Inventory	Revenue from operations	0.40	0.25	60.00%	Inventory has gone up due to increased quantum of Goods in Transit & increased cost of inputs resulted in the ratio affected compared to last year
Trade receivable turnover ratio (in times)	Trade receivable	Revenue from operations	0.20	0.19	5.26%	
Trade payables turnover ratio (in times)	Trade payables	Revenue from operations	0.22	0.14	57.14%	Increase in prices of inputs resulted in the increased payables affected the ratio.
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	-	-	-	

44 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its standalone financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Place: Mumbai
Date: May 05, 2022

For and on behalf of the Board of Directors of
Privi Speciality Chemicals Limited
(Formerly known as Fairchem Speciality Limited)

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Place: Mumbai
Date: May 05, 2022

Independent Auditors' Report

To the Members of

Privi Speciality Chemicals Limited
(formerly known as Fairchem Speciality Limited)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Privi Speciality Chemicals Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
Revenue recognition (Refer note:- 20 and note 39 to the consolidated financial statements) The Group's revenue is derived primarily from sale of products. The principal products of the Group comprise of aroma chemicals. Revenue from sale of goods is recognized on transfer of the products to the customer. The Group uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. The performance obligations in the contracts may be fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on contract terms. There is a risk that revenue could be recognised at a time which is different from transfer of control especially for sales transactions occurring on and around the reporting period. In view of this and since revenue is a key performance indicator of the Group, we have identified timing of the revenue recognition as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:- • Assessed the appropriateness of Group's accounting policies relating to revenue recognition as per the applicable accounting standard. • Obtained an understanding of the Group's sales process and evaluated the design and implementation of key internal controls in relation to the timing of revenue recognition. We also tested the operating effectiveness of such controls for a sample of transactions with special reference to controls over revenue recognised on and around the year end. • For a sample of sale transactions selected using statistical sampling, performed detailed testing and in particular examined whether these are recognised in the period in which control is transferred. This included examination of the terms and conditions as per customer orders including the shipping terms, transporter documents and customer acceptances.

The key audit matter	How the matter was addressed in our audit
	• Tested on a sample basis specific revenue transactions recorded around the year end date to check whether revenue has been recognised in the correct reporting period by examining the underlying documents. • Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, 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 and Board of Directors Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each 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 respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, 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. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

(a) We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 19,410.59 Lakhs as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. 31,166.06 Lakhs and net cash flows (before consolidation adjustments) amounting to Rs.206.03 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 the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 (A) 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 purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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 reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 34 to the consolidated financial statements.

b) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 18 to the consolidated financial statements in respect of such items as it relates to the Group.

c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company for the year ended 31 March 2022. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the its subsidiary companies incorporated in India during the year ended 31 March 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies 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 subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) 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 or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

e) The dividend declared or paid during the year by the Holding Company and its subsidiary companies incorporated in India is in compliance with Section 123 of the Act.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
ICAI UDIN: 22113959AILWGP8554

Place: Mumbai
Date: May 05, 2022

Annexure A to the Independent Auditor's report on the Consolidated financial statements of Privi Speciality Chemicals Limited

('Formerly known as Fairchem Speciality Limited') for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) According to the information and explanations given to us during the course of audit, companies incorporated in India and included in the consolidated financial statements did not have any unfavourable answers, qualifications or adverse remarks in their respective Companies (Auditor's Report) Order, 2020 ("the Order") including those provided by the respective component auditors.

For **B S R & Co LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
ICAI UDIN: 22113959AILWGP8554

Place: Mumbai
Date: May 05, 2022

Annexure B to the Independent Auditors' report on the consolidated financial statements of Privi Speciality Chemicals Limited

('Formerly known as Fairchem Speciality Limited') for the period ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Privi Speciality Chemicals Limited ('Formerly known as Fairchem Speciality Limited') (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated 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 consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
ICAI UDIN: 22113959AILWGP8554

Place: Mumbai
Date: May 05, 2022

Consolidated Balance Sheet

As at March 31, 2022

(Currency: Indian Rupees in Lakhs)

	Note	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	3	64,523.85	56,014.33
Capital work-in-progress	3	36,356.10	17,444.95
Right of use assets	4 a	5,314.63	3,058.47
Intangible assets	4 b	546.51	712.98
Intangible assets under development	4 b	915.83	13.91
Financial assets			
Other financial assets	5	1,479.56	1,086.22
Income tax assets (net)		1,394.36	1,156.77
Other non-current assets	6	1,809.30	4,517.78
Total non-current assets		**1,12,340.14**	84,005.41
Current assets			
Inventories	7	61,632.23	34,252.80
Financial assets			
Investments	8	1,200.00	-
Trade receivables	9	26,499.11	23,903.85
Cash and cash equivalents	10	3,251.89	1,545.32
Bank balances other than cash and cash equivalents	11	487.15	428.63
Other financial assets	5	1,320.51	809.26
Other current assets	6	10,872.38	9,076.03
Total current assets		**1,05,263.27**	70,015.89
TOTAL ASSETS		**2,17,603.41**	1,54,021.30
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12 a	3,906.27	3,906.27
Other equity - Equity attributable to owners of the company	12 b	77,319.92	68,345.63
Equity attributable to shareholders of the Company		**81,226.19**	**72,251.90**
Non-controlling interest		735.00	-
Total equity		**81,961.19**	72,251.90
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i) Borrowings	13 a	38,060.00	33,184.82
ii) Lease liabilities	13 b	1,665.91	431.25
Provisions	15	1,702.92	1,468.09
Deferred tax liabilities (net)	16	1,325.46	1,326.24
Total non-current liabilities		**42,754.29**	36,410.40
Current liabilities			
Financial liabilities			
i) Borrowings	14	52,940.65	20,010.84
ii) Lease liabilities	13 b	634.80	156.45
iii) Trade payables			
a) Total outstanding dues of micro and small enterprises	17	-	-
b) Total outstanding dues of creditors other than micro and small enterprises	17	30,580.28	16,739.41
iv) Other financial liabilities	18	6,955.38	6,960.52
Other current liabilities	19	644.63	430.74
Provisions	15	196.67	135.57
Current tax liabilities (net)		935.52	925.47
Total current liabilities		**92,887.93**	45,359.00
Total liabilities		**1,35,642.22**	81,769.40
TOTAL EQUITY AND LIABILITIES		**2,17,603.41**	1,54,021.30
Notes to the Consolidated financial statements	3 to 45		
Significant accounting policies	2		

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Privi Speciality Chemicals Limited
(Formerly known as Fairchem Speciality Limited)

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Jayesh T Thakkar
Partner
Membership No: 113959

Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Place: Mumbai
Date: May 05, 2022

Place: Mumbai
Date: May 05, 2022

Consolidated Statement of Profit and Loss

For the year ended March 31, 2022

(Currency: Indian Rupees in Lakhs)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue from operations	20	1,40,371.96	1,27,656.27
Other income	21	3,239.52	1,995.95
TOTAL INCOME (I)		**1,43,611.48**	1,29,652.22
Expenses			
Cost of materials consumed	22	1,00,367.84	78,173.92
Purchase of stock-in-trade (traded goods)	23	206.43	316.77
Changes in inventories of finished goods and work-in-progress	24	(17,477.39)	(3,381.39)
Employee benefits expense	25	7,668.51	6,986.73
Finance costs	26	2,411.28	2,141.02
Depreciation and amortisation expenses	27	7,466.15	7,099.96
Other expenses	28	30,222.54	24,802.23
TOTAL EXPENSES (II)		**1,30,865.36**	1,16,139.24
Profit before exceptional items and tax expense (I) - (II)		**12,746.12**	13,512.98
Exceptional items			
Exceptional income/(loss) (refer note 40)		529.24	2,309.26
Profit before tax		**13,275.36**	**15,822.24**
Tax expenses:			
Current tax Charge / (Credit)		3,521.57	4,146.97
Deferred tax Charge / (Credit)		15.81	(14.79)
Total tax expense		**3,537.38**	4,132.18
Profit after tax for the year		**9,737.98**	11,690.06
Profit for the year (III)		**9,737.98**	11,690.06
Other comprehensive income			
Items that will not be reclassified to profit or loss - Remeasurements of the net defined benefit plans		(64.95)	(15.68)
Income tax related to items that will not be reclassified to profit or loss		16.60	2.42
Items that will be reclassified to profit or loss -exchange differences in translating financial statement of foreign operations		65.87	(44.30)
Income tax related to Items that will be reclassified to profit or loss		-	-
Other comprehensive income / (loss) for the year net of taxes (IV)		17.52	(57.56)
Total comprehensive income for the year (III + IV)		9,755.50	11,632.50
Profit for the year attributable to			
Owners of the Holding Company		9,737.98	11,690.06
Non-controlling interest		-	-
		9,737.98	11,690.06
Other comprehensive income attributable to			
Owners of the Holding Company		17.52	(57.56)
Non-controlling interest		-	-
		17.52	(57.56)
Total comprehensive income attributable to			
Owners of the Holding Company		9,755.50	11,632.50
Non-controlling interest		-	-
		9,755.50	11,632.50
Earnings per equity share: nominal value of share Rs.10/- each			
Basic and diluted (Rs.)	36	24.93	29.93
Notes to the Consolidated financial statements	3 to 45		
Significant accounting policies	2		

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Place: Mumbai
Date: May 05, 2022

For and on behalf of the Board of Directors of
Privi Speciality Chemicals Limited
(Formerly known as Fairchem Speciality Limited)

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Place: Mumbai
Date: May 05, 2022

Consolidated Statement of Cash Flows

For the year ended March 31, 2022

(Currency: Indian Rupees in Lakhs)

		Year ended March 31, 2022	Year ended March 31, 2021
A	**Cash flow from operating activities**		
	Profit before tax after exceptional items	13,275.36	15,822.24
	Adjustment for:		
	Depreciation and amortisation	7,120.49	6,791.97
	Amortisation of right of use assets	345.66	307.99
	Gain on write-back of financial liabilities measured at amortised cost	(158.67)	(1.72)
	Sundry balances written off	53.21	117.45
	Unrealised foreign exchange loss / (gain)	104.07	1,201.12
	Interest income	(29.88)	(48.10)
	Finance costs	2,411.28	2,141.02
	Profit on sale of property, plant and equipment	(0.69)	(0.30)
	Profit on sales of investment (net) at FVTPL	(0.27)	-
	Allowance for expected credit loss and credit impairment	20.92	-
	Operating cash flow before working capital changes	**23,141.48**	26,331.67
	Movements in working capital		
	(Increase) in trade receivables	(2,242.95)	(1,670.67)
	(Increase) in inventories	(27,379.43)	(1,381.39)
	(Increase) in other assets	(3,234.41)	(1,938.87)
	Increase in trade payables	13,860.15	1,856.54
	(Decrease) in other current liabilities and provisions	(397.30)	(4,299.11)
		(19,393.94)	(7,433.50)
	Cash generated from operations	3,747.54	18,898.17
	Income taxes paid	(3,273.93)	(3,967.82)
	Net cash generated from operating activities [A]	**473.61**	14,930.35
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment	(30,862.91)	(24,279.27)
	Proceeds from sale of property, plant and equipment	13.57	1.46
	Purchase of investment in Mutual Fund	(1,200.00)	-
	Proceeds from sale of investments	-	105.11
	Investment in fixed deposits	(29.99)	(26.68)
	Realisation from fixed deposits	-	-
	Interest received	30.95	47.74
	Net cash (used in) investing activities [B]	**(32,045.14)**	(24,151.64)
C	**Cash flow from financing activities**		
	Proceeds from long-term borrowings	10,982.17	14,111.74
	Repayment of long-term borrowings	(3,373.02)	(2,098.80)
	Proceeds / (repayment) of short term borrowings (net)	30,153.14	(6,700.95)
	Payment of lease liabilities	(251.63)	(254.73)
	Dividend paid including tax deducted at source	(781.21)	(585.94)
	Interest paid	(3,438.06)	(2,176.52)
	Net cash generated from financing activities [C]	**33,291.39**	2,294.80
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**1,719.86**	(6,926.49)
	Cash and cash equivalents at the beginning of the year	1,545.32	8,471.81
	Exchange differences on translation of foreign currency cash and cash equivalents	(13.29)	-
	Cash and cash equivalents at end of the year (refer note 10)	**3,251.89**	1,545.32

Consolidated Statement of Cash Flows

For the year ended March 31, 2022

Note A : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Note B : Purchase of Property, Plant and Equipment includes movements in capital work-in-progress (including capital advances) during the year.

Note C : Reconciliation of movements of liabilities to cash flows arising from financing activities

(Currency: Indian Rupees in Lakhs)

Particulars	Lease liabilities	Non current borrowings	Current borrowings
Balance as on April 01, 2021	587.70	36,630.67	16,433.30
Loan/lease taken during the current year	71.13	10,982.17	30,153.14
Repayment during the current year	-	(3,373.02)	-
Foreign exchange (gain) or loss	-	(71.18)	(21.51)
Current maturities of long term debt (refer note 13 a)	-	(6,108.64)	6,108.64
Interest accrued but not due on borrowings	-	-	267.08
Interest on lease liabilities	79.73	-	-
Payment against lease liabilities	(251.63)	-	-
Closing balance as on March 31, 2022	486.93	38,060.00	52,940.65

Particulars	Lease liabilities	Non current borrowings	Current borrowings
Balance as on April 01, 2020	699.06	24,719.41	25,538.86
Loan/lease taken during the current year	71.13	14,111.74	-
Repayment during the current year	-	(2,084.09)	(8,980.29)
Foreign exchange gain or loss	-	(116.39)	(125.27)
Interest on lease liabilities	72.24	-	-
Payment against lease liabilities	(254.73)	-	-
Closing balance as on March 31, 2021	587.70	36,630.67	16,433.30

Notes to the consolidated financial statements	3 to 45
Significant accounting policies	2

The notes referred to above form an integral part of the consolidated financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Place: Mumbai
Date: May 05, 2022

For and on behalf of the Board of Directors of
Privi Speciality Chemicals Limited
(Formerly known as Fairchem Speciality Limited)

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Place: Mumbai
Date: May 05, 2022

Consolidated Statement of Changes in Equity

For the year ended March 31, 2022

(Currency: Indian Rupees in Lakhs)

A. EQUITY SHARE CAPITAL

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	3,906.27	3,906.27
Changes in equity share capital during the year	-	-
Balance at the end of the year	**3,906.27**	3,906.27

B. OTHER EQUITY

	Reserves and surplus			Items of other comprehensive income	Total attributable to owners of the Company
	General reserve	Retained earnings*	Capital Reserve	Exchange difference on translating the financialstatement	
Balance as at April 01, 2020	**35,573.76**	**21540.71**	**1.00**	**183.60**	**57,299.07**
Profit for the year	-	11,690.06	-	-	11,690.06
Other comprehensive income (net of tax)	-	(13.26)	-	(44.30)	(57.56)
Contribution by and distribution to the owners					-
Dividend of Rs. 1.50 per share for the year ended March 31, 2020 (Including dividend distribution tax)	-	(585.94)	-	-	(585.94)
Balance as at March 31, 2021	35,573.76	32,631.57	1.00	139.30	68,345.63
Profit for the year	-	9,737.98	-	-	9,737.98
Other comprehensive income / (loss) (net of tax)	-	(48.35)	-	65.87	17.52
Total comprehensive income for the year	-	9,689.63	-	65.87	9,755.50
Contribution by and distribution to the owners					
Dividend of Rs. 2.00 per share for the year ended March 31, 2021 (Including dividend distribution tax)	-	(781.21)	-	-	(781.21)
Balance as at March 31, 2022	35,573.76	41,539.99	1.00	205.17	77,319.92

**The Balance arising out of remeasurement of defined plans is adjusted against the available retained earnings.*

Notes to the consolidated financial statements	3 to 45
Significant accounting policies	2

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Place: Mumbai
Date: May 05, 2022

For and on behalf of the Board of Directors of
Privi Speciality Chemicals Limited
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Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Place: Mumbai
Date: May 05, 2022

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

1 CORPORATE INFORMATION

Privi Speciality Chemicals Limited (Formerly known as Fairchem Speciality Limited) ('The Company or 'Holding Company') and its subsidiaries ('the company and its subsidiaries together referred to as the Group. The Holding company was incorporated on May 25, 1985 under the provisions of the Companies Act, 1956 is a public company domiciled in India. The Company was incorporated as H. K. Agro Oil Ltd. and later changed its name and style to Adi Finechem Limited. The Company is primarily engaged in the manufacture and export of aroma chemicals and in trading of chemicals. The Company's manufacturing units are located at Mahad and Jhagadia. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Ltd.

The group's subsidiaries at March 31, 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal activities	Place of business / country of incorporation	Ownership interest held by the Group March 31,2022
Privi Biotechnologies Private Limited	Chemicals	India	100
Privi Speciality Chemicals USA Corporation (Formerly known as Privi Organics USA Corporation)	Chemicals	United States of America	100
Prigiv Specialties Private Limited		India	51

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted by the Group in the preparation of these Consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of Compliance

These Consolidated Financial Statements of the Group comprising the Balance Sheet as at March 31, 2022, Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, and Cash Flow Statement for the year ended March 31, 2022, and a summary of significant accounting policies and other explanatory information have been prepared by the Group in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (the 'Act'), The Audit report of statutory auditor on these consolidated financial statements of the group will be addressed to the Shareholders. The consolidated financial statements were authorised for issue by the Company's Board of Directors at their meetings held on May 05, 2022.

i. Basis of preparation and Presentation

Basis of Preparation

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

(i) Derivative Financial Instruments measured at fair value. (refer note no 18)

(ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

(iii) 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. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional & Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is also the Company's functional. Currency and reporting currency of the Group. All values are rounded to the nearest Lakh, unless otherwise stated.

ii. Principles of consolidation and equity accounting

The Consolidated Financial statements (CFS) include the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The group combines the financial statements of the parent and its subsidiaries line by line by adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable to the consolidated financial statements.

The consolidated financial statements comprise the financial statements of Privi Speciality Chemicals Limited, the Parent Company, and its subsidiaries. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The Group controls an investee if and only if the Group has: a) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee) b) Exposure, or rights, to variable returns from its involvement with the investee, and c) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: a) The contractual arrangement with the other vote holders of the investee b) Rights arising from other contractual arrangements c) The Group's voting rights and potential voting rights The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. The financial statements of the subsidiaries in the Group are added on a line-by-line basis and inter-company balances and transactions including unrealized gain/loss from such transactions, are eliminated upon consolidation. The consolidated financial statements are prepared by applying uniform accounting policies in use by the Group. An associate is an entity over which the Group has significant influence, but not control or joint control over financial and operating policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. The aggregate of the Group's share of profit and loss of an associate is shown on the face of the consolidated statement of profit and loss.

Consolidation of subsidiary in which is not fully owned by the Parent Company is done line by line and profit/ loss and each component of other comprehensive income or loss attributed to the owners of the company and to the non-controlling interest. Total comprehensive income or loss of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in non-controlling interests having deficit balance.

iii. Use of estimates, judgements, and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities, Actual results may differ from these estimates and assumptions.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

The Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

a. Lease term, whether the group is reasonably certain to exercise extension options – Note 4 a)

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

Assumptions and estimation uncertainties

Information about judgements in applying accounting policies, as well as estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Measurement of defined benefit obligations for key actuarial assumptions. - Note 31

(b) Recognition of deferred tax assets – Note 16.

iv. Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle.

(b) it is held primarily for the purpose of being traded.

(c) it is expected to be realised within 12 months after the balance sheet date; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in, the group's normal operating cycle.

(b) it is held primarily for the purpose of being traded.

(c) it is due to be settled within 12 months after the balance sheet date; or

(d) the group does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Terms of a liability that could, at the option of the counter party, result in its settlement by issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

v. Property, Plant and Equipment ("PPE") and depreciation

I Recognition and Measurement

Items of Property, Plant and equipment are measured at cost, which includes capitalized borrowing costs, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. The cost of the certain items of the property, plant and equipment at January 01, 2005. The group's date of transition to the standards was determined with the reference to its fair value at the date.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant and equipment

Any Gain or loss on disposal of an item of Property, Plant and equipment is recognized in profit or loss.

II Subsequent Expenditure

Subsequent Expenditure is capitalized only if it is probable that the economic benefits flow to the associated with the Expenditure will flow to the entity.

Depreciation and amortization

Depreciation is calculated using the straight-line method to allocate cost of property plant and equipment, net of residual values, over their estimated useful lives as per the useful life prescribed in schedule II of the Companies Act, 2013 except in case of the following class of assets where the useful life is based on technical evaluation of the management:

Asset Class	Years
Plant and Machinery	10
Furniture & Fixtures	16
Office Equipment	10
Vehicle	11
Computer	6

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

Fixtures in leasehold premises are amortized over the primary period of the lease or useful life of the fixtures, whichever is lower.

Depreciation on additions / deletions during the year is provided from the month in which the asset is ready to use to the month in which the asset is disposed of.

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

Assets required under finance leases are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II of Companies Act, 2013) unless it is reasonably certain that group will obtain ownership by the end of lease term, in which case the depreciation rates applicable for similar assets owned by the group are applied.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

vi. Intangible assets and amortisation

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets.

About internally generated intangible assets:

Asset Class	Years
Computers and Soft wares	3 to 6 Years
Rights of Sale of Products	5 Years
Development Rights/ Patents	5 Years

Expenditure on research activities, undertaken with the prospect of development of new products or gaining new technical knowledge and understanding, is recognised in profit or loss as incurred.

Capital expenditure on research and development is capitalized and depreciated as per accounting policy mentioned above. Revenue expenditure is charged off in the year in which it is incurred.

Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in profit or loss as incurred.

Intangible assets are amortised in profit or loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

Gains or losses arising from derecognition of an intangible asset 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 or loss when the asset is derecognised.

vii Impairment of Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets. investment property, inventories, contract a assets and deferred tax asset to determine whether there is any indication of impairment nt. If any such indication exists, then the asset's referable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value Jess costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its Recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying a mount does not exceed the carrying amount that would have been determined, net of depreciation or amortization. if no impairment loss had been recognized.

viii. Borrowing costs

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange differences arising from foreign currency borrowings (other than long term foreign currency borrowings) to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

ix. Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction or an average rate if the average rate approximate the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary item measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items who is fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Foreign currency operation

The assets and liabilities of foreign operations are translated into Rupees, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated using an average exchange rate if the average rate approximates the actual rate at the date of transaction. All resulting exchange differences recognised in other comprehensive income.

The cumulative amount of the exchange differences is presented in a separate component of equity until disposal of the foreign operation. When the exchange differences relate to a foreign operation that is consolidated but not wholly owned accumulated exchange differences arising from translation and attributable to non-controlling interests are allocated to, and recognised as part of, non-controlling interests in the consolidated balance sheet.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, shall be reclassified from equity to profit and loss (as a reclassification adjustment) when the gain or loss on disposal is recognised.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

x. Financial Instruments

a. Financial assets

Initial recognition and initial measurement

All financial assets are initially recognised at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

Financial assets at amortised cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through Other Comprehensive Income ("FVTOCI")

A financial asset is classified as subsequently measured at fair value through Other Comprehensive Income if both the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to P&L. The Group did not have any financial assets at FVTOCI during the current year as well as previous year.

Financial assets at fair value through Profit and loss ("FVTPL")

Financial assets at FVTPL is a residual category for financial assets. Any financial assets which does not meet the criteria of categorizing it at amortised cost or at FVTOCI is classified as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets

In view of its past experience of having insignificant impairment bad debts / write-offs and based on management's estimate considering its portfolio of customers, this trend would continue for the foreseeable future, the Group has determined that significant impairment of financial assets is not required to be recognised based on Expected Credit Loss model.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost and financial liabilities at FVTPL. Derivative liabilities are classified as FVTPL. All financial liabilities are recognised initially at fair value. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss. Except derivative instruments, the Group has not designated any financial liability as at FVTPL.

Financial liabilities at amortised cost

All financial liabilities except for derivatives are classified as measured at amortised cost. This category includes bank and other borrowings, trade payables and other financial liabilities.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

a. Offsetting of Financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Business Model Assessment

Financial assets -Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities, or expected cash outflows or realizing cash flows through the sale of the assets.

- how the performance of the portfolio is evaluated and reported to the Group's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated- e.g., whether compensation is based on the fair value of the assets managed, or the contractual cash flows collected, and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial Assets that are held for trading or are managed and whose performance I evaluated on a fair value basis are measured at FVTPL.

c. Derivatives

Initial recognition and subsequent measurement The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and currency SWAPS, to hedge its foreign currency risks, interest rate risks and its long term loans, respectively.Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind-AS 109 are recognised in the Statement of Profit and Loss.

xi. Segment Reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments have been identified on the basis of nature of products / services. The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the Group. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, trade receivables and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

xii. Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flow. The cash flows from operating, investing and financing activities of the Group are segregated based on available information.

xiii. Cash and Cash equivalents

Cash and cash equivalent in the balance sheet and for the statement cash flow comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Investment in subsidiaries and joint ventures

Investment in subsidiary companies and joint venture companies 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 subsidiary companies and joint venture companies, the difference between net disposal proceeds and the carrying amount are recognised in the statement of Profit and Loss

xiv. Leases

The Group has adopted Ind AS 116 effective from April 1 2019 using modified retrospective approach. For the purpose of preparation of Consolidated Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31, 2022.

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Group assesses whether: (i) the contact involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

As a lessee, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of the lease liability

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use 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 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.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method.

The Group has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Group's leases mainly comprise land and buildings and Plant and equipment. The Group leases land and buildings for warehouse facilities. The Group also has leases for equipment.

xv. Inventories

Inventories include raw materials, packing materials, fuel, consumable stores and spares and manufactured inventory. Inventory is valued at the lower of cost and net realisable value.

Cost comprises the purchase price, costs of conversion and other related costs incurred in bringing the inventories to their present location and condition. Cost of raw materials and consumables packing materials are determined on first in first out basis. Cost of finished goods and work in progress are determined using the absorption costing principle. Cost includes the cost of material consumed, labour and appropriate proportion of costs of conversion which include variable and fixed overheads. Obsolete, defective, and unserviceable inventories are duly provided for. The comparison of cost and net realisable value is made on an item-to-item basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The net realisable value of work in progress is determined by reference to the selling prices of related finished products.

xvi. Revenue Recognition

Revenue from the sale of goods is recognised on the basis of approved contracts regarding the transfer of goods to a customer as per agreed terms of delivery recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over or managerial involvement with the goods, for an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and Goods and Service tax The Group does not provide any warranties or maintenance contracts to its customers.

Significant financing component - Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

Insurance

Income in respect of Insurance and other claim is recognized only on reasonable certainty of ultimate collection. as per the requirement of the accounting standards.

Interest

Interest revenue is calculated by using the effective interest method for financial assets measured at amortised cost.

Dividend Income

Dividend income is recognised when the right to receive payment is established.

Export incentive

An export incentive is recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of export made, and there is no uncertainty as to its receipt.

xvii. Employee Benefits

(a) Short Term Employee Benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, ex-gratia etc. These are recognised as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

(b) Post-employment Benefits

(i) Provident Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(ii) Gratuity

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The calculation of the Group's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the assets ceiling (if any, excluding interest), are recognised in OCI. All expenses related to defined benefit plan are recognised in employee benefits expense in the Statement of Profit and Loss.

(iii) Compensated Absences

The Group provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/ availment. The Group makes provision for compensated absences based on an independent external actuarial valuation carried out at the end of the year.

xviii. Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

Current Income Tax

Provision for current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of the Income Tax Act, 1961.Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the enacted or substantively enacted tax rates and tax laws.

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.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Group's assessment, there are no material income tax uncertainties over income tax treatments.

Current tax assets and current tax liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

Current Tax is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Deferred Tax

Deferred tax is recognized in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Minimum Alternative tax ('MAT') under the provisions of the Income tax Act, 1961 is recognized as current tax in the Statement of Profit and loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent it is probable that the Group will pay normal income tax during the year for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

xix. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share are the net profit for the year attributable to equity shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares, except where the results would be anti-dilutive.

xx. Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

to a provision is presented in the statement of profit and loss.

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

Provision in respect of loss contingencies relating to claims litigation, assessment, fines, penalties etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, probably will not, require an outflow of resources embodying economic benefits, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic resources embodying economic benefits will arise, related income are recognized in the year in which the change occurs.

xxi. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

xxii. Estimation of uncertainties relating to the global health pandemic from COVID-19: -

The Global pandemic COVID-19 continues. The business of the group was not affected for the year ended March 31,2021 and impact is insignificant.

Having reviewed the underlying data and based on current estimates the Group expects the carrying amount of assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Group's consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

xxiii. Recent accounting pronouncements: -

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 16- Property, plant and equipment- The amendment clarifies that excess of net sales 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 effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022 . The Company has evaluated the amendment and the impact is not expected to be material.

Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets- The amendment specifies that the 'cost of fulfilling' a contract comprises the 'cost that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Notes to the Consolidated Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

3 PROPERTY, PLANT AND EQUIPMENT

Description	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 01, 2021	Addition during the year	Disposal during the year	As at March 31, 2022	As at April 01, 2021	Depreciation for the year	Disposal during the year	As at March 31, 2022	As at March 31, 2022
At cost :									
Building	15,924.41	2,666.50	-	18,590.91	1,808.21	548.59	-	2,356.80	16,234.11
Leasehold Improvement	547.20	-	-	547.20	501.74	13.17	-	514.91	32.29
Plant and equipment	66,554.49	11,328.28	16.22	77,866.55	28,723.58	5,533.62	3.34	34,253.86	43,612.69
Electrical installation	3,683.82	582.25	-	4,266.07	1,640.28	442.30	-	2,082.58	2,183.49
Furniture and fittings	188.84	11.57	-	200.41	62.47	25.21	-	87.68	112.73
Office equipment	406.29	14.72	-	421.01	156.70	36.17	-	192.87	228.14
Computers	966.80	251.04	54.69	1,163.15	406.16	134.20	8.87	531.49	631.66
Laboratory equipments	1,188.56	590.16	-	1,778.72	599.58	89.38	-	688.96	1,089.76
Vehicles	596.38	-	-	596.38	143.74	53.66	-	197.40	398.98
	90,056.79	15,444.52	70.91	**1,05,430.40**	34,042.46	6,876.30	12.21	**40,906.55**	64,523.85
Capital work-in-progress	17,444.95	34,355.67	15,444.52	**36,356.10**	-	-	-	**-**	36,356.10
	1,07,501.74	49,800.19	15,515.43	**1,41,786.50**	34,042.46	6,876.30	12.21	**40,906.55**	1,00,879.95

a) The net carrying amount of property, plant and equipment, amounting to Rs. 64,523.85 Lakhs (March 31,2021 Rs. 56,014.33 Lakhs) are pledged as first charge security to term lending banks and second charge to working capital banks.

b) The Plant and machinery, Building and electrical installation includes an amount of Rs.381.30 Lakhs, Rs. 87.84 Lakhs and Rs. 20.81 Lakhs respectively (March 31, 2021 : Rs.53.21 Lakhs, Rs. 21.58 Lakhs and Rs.2.54 Lakhs) that represent borrowing cost capitalized @ 6.75% during the year.(March 31, 2021 : 6.75%)

c) The Group has not recognised any impairment loss during the current year (March 31, 2021 - Nil).

d) The title deeds of property plant and equiments are held in name of the Group.

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

Description	Amount in Capital Work in progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	34,736.01	1,620.09	-	-	36,356.10
Projects temporarily suspended	-	-	-	-	-
	34,736.01	**1,620.09**	**-**	**-**	**36,356.10**

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

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

Description	Amount in Capital Work in progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Centralised warehousing	1,262.03	-	-	-	1,262.03
GalaxMusk	14,715.09	-	-	-	14,715.09
Camphor	11,203.08	-	-	-	11,203.08
	27,180.20	-	-	-	27,180.20

Notes to the Consolidated Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

3 PROPERTY, PLANT AND EQUIPMENT (Contd.)

Description	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 01, 2020	Addition during the year	Disposal during the year	As at March 31, 2021	As at April 01, 2020	Depreciation for the year	Disposal during the year	As at March 31, 2021	As at March 31, 2021
Building	13,964.57	1,959.84	-	15,924.41	1,338.95	469.26	-	1,808.21	14,116.20
Leasehold Improvement	547.20	-	-	547.20	462.02	39.72	-	501.74	45.46
Plant and equipment	62,568.00	3,986.49	-	66,554.49	23,232.06	5,491.52	-	28,723.58	37,830.91
Electrical installation	3,529.22	154.60	-	3,683.82	1,328.66	311.62	-	1,640.28	2,043.54
Furniture and fittings	174.21	14.63	-	188.84	53.75	8.72	-	62.47	126.37
Office equipment	392.20	14.09	-	406.29	125.03	31.67	-	156.70	249.59
Computers	679.14	289.39	1.73	966.80	308.04	98.69	0.57	406.16	560.64
Laboratory equipments	1,114.93	73.63	-	1,188.56	515.32	84.26	-	599.58	588.98
Vehicles	404.29	192.09	-	596.38	95.18	48.56	-	143.74	452.64
	83,373.76	6,684.76	1.73	90,056.79	27,459.01	6,584.02	0.57	34,042.46	56,014.33
Capital work-in-progress	3,026.99	21,302.47	6,884.51	17,444.95	-	-	-	-	17,444.95
	86,400.75	27,987.23	6,886.24	1,07,501.74	27,459.01	6,584.02	0.57	34,042.46	73,459.28

a) The net carrying amount of property, plant and equipment, amounting to Rs. 56,014.33 Lakhs (March 31,2020 Rs. 55,914.75 Lakhs) are pledged as first charge security to term lending banks and second charge to working capital banks.

b) The Plant and machinery, Building and electrical installation includes an amount of Rs.53.21 Lakhs, Rs. 21.58 Lakhs and Rs. 2.54 Lakhs respectively (March 31, 2020 : Rs. 343.25 Lakhs, Rs. 130.65 Lakhs and Rs. 9.98 Lakhs) that represent borrowing cost capitalized @ 6.75% during the year.(March 31, 2020 : 8.6%).

c) The Group has not recognised any impairment loss during the current year (March 31, 2020 - Nil).

d) The title deeds of property plant and equiments are held in name of the Group.

Ageing for capital work-in-progress as at March 31, 2021 is as follows:

Description	Amount in Capital Work in progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	17,131.02	313.93	-	-	17,444.95
Projects temporarily suspended	-	-	-	-	-
	17,131.02	**313.93**	**-**	**-**	**17,444.95**

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Notes to the Consolidated Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

4A RIGHT OF USE ASSETS

Description	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at April 01, 2021	Addition during the year	Disposal during the year	As at March 31, 2022	As at April 01, 2021	Amortisation for the year	Disposal during the year	As at March 31, 2022	As at March 31, 2022
Land	3,537.75	2,056.44	44.86	5,549.33	517.34	324.62	44.86	797.10	4,752.23
Building	180.38	634.29	180.38	634.29	149.28	106.35	180.38	75.25	559.04
Plant and Machinery	67.00	-	-	67.00	60.04	3.60	-	63.64	3.36
Total right of use assets	3,785.13	2,690.73	225.24	**6,250.62**	726.66	434.57	225.24	**935.99**	5,314.63

The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The Group has not recognised any impairment loss during the current year (March 31, 2021 - Nil).

Description	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at April 01, 2020	Addition during the year	Disposal during the year	As at March 31, 2021	As at April 01, 2020	Amortisation for the year	Disposal during the year	As at March 31, 2020	As at March 31, 2021
Land	3,371.84	165.91	-	3,537.75	290.92	226.42	-	517.34	3,020.41
Building	180.38	-	-	180.38	74.64	74.64	-	149.28	31.10
Plant and Machinery	67.00	-	-	67.00	53.11	6.93		60.04	6.96
Total right of use assets	3,619.22	165.91	-	3,785.13	418.67	307.99	-	726.66	3,058.47

The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The Group has not recognised any impairment loss during the current year (March 31, 2020 - Nil).

i) The Group has taken land on lease for a non-cancellable period ranging from 3 to 99 years, Building on lease for a tenure ranging from 3 to 99 years and plant and machinery for 10 years.

The Group leases with contract term of less than 1 year. These leases are short term and/or leases of low value items. The Group has elected not to recognise right of use assets and lease liabilities of these assets.

ii) Lease expenses recognized in Profit and Loss statement not included in the measurement of lease liabilities:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Variable lease payments	-	-
Expenses relating to short-term leases	-	16.22
Interest cost lease liability	79.73	72.24
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-

iii) Maturity analysis of lease liabilities– contractual undiscounted cash flows:

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	702.90	250.98
One to five years	2528.83	468.00
More than five years	-	-
Total undiscounted lease liabilities	**3,231.73**	718.98
Discounted lease liabilities included in the statement of financial position	2,300.71	587.70
Current lease liabilities	634.80	156.45
Non-current lease liabilities	1,665.91	431.25

Notes to the Consolidated Financial Statements
as at March 31, 2022

(Currency: Indian Rupees in lakhs)

4A RIGHT OF USE ASSETS (Contd.)

iv) The weighted average incremental borrowing rate of 6.25% (March 31, 2021 9.40% p.a.) has been applied for measuring the lease liability at the date of initial application.

v) The total cash outflow for leases for year ended March 31,2022 is Rs. 251.62 Lakhs (March 31, 2021 Rs. 254.73 Lakhs.)

vi) Income from sub leasing of Right to use assets is Rs. NIL. (March 31, 2021 Rs. NIL)

4B INTANGIBLE ASSETS

Description	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at April 01, 2021	Addition during the year	Disposal during the year	As at March 31, 2022	As at April 01, 2021	Amortisation for the year	Disposal during the year	As at March 31, 2022	As at March 31, 2022
Computer software	481.67	-	-	481.67	448.10	7.74	-	455.84	25.83
Rights of sale of products	1,240.42	77.72	-	1,318.14	679.71	210.09	-	889.80	428.34
Development rights/ Patents	366.88	-	-	366.88	248.18	26.36	-	274.54	92.34
Total intangible assets	2,088.97	77.72	-	**2,166.69**	1,375.99	244.19	-	**1,620.18**	**546.51**
Intangible assets under development	77.80	979.64	141.61	915.83	63.89	-	63.89	-	915.83
	2,166.77	1,057.36	141.61	**3,082.52**	1,439.88	244.19	63.89	**1,620.18**	**1,462.34**

Ageing for Intangible assets under development as at March 31, 2022 is as follows:

Description	Amount in Intangible assets under development for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	901.92	13.91	-	-	915.83
Projects temporarily suspended	-	-	-	-	-
	901.92	13.91	-	-	915.83

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Description	Gross carrying amount				Accumulated Amortisation				Net carrying amount
	As at April 01, 2020	Addition during the year	Disposal during the year	As at March 31, 2021	As at April 01, 2020	Amortisation for the year	Disposal during the year	As at March 31, 2021	As at March 31, 2021
Computer software	480.69	0.98	-	481.67	438.12	9.98	-	448.10	33.57
Rights of sale of products	1,057.15	183.27	-	1,240.42	505.56	174.15	-	679.71	560.71
Development rights/ Patents	331.44	35.44	-	366.88	224.36	23.82	-	248.18	118.70
Total intangible assets	1,869.28	219.69	-	2,088.97	1,168.04	207.95	-	1,375.99	712.98
Intangible assets under development	84.36	29.86	36.42	77.80	63.89	-	-	63.89	13.91
	1,953.64	249.55	36.42	2,166.77	1,231.93	207.95	-	1,439.88	726.89

Ageing for intangible assets under development as at March 31, 2021 is as follows:

Description	Amount in Intangible assets under development for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	13.91	-	-	-	13.91
Projects temporarily suspended	-	-	-	-	-
	13.91	-	-	-	13.91

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Notes to the Consolidated Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

5 OTHER FINANCIAL ASSETS

	Non-current portion		Current portion	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Investments in term deposits (with remaining maturity of more than twelve months) **	66.04	92.95	-	-
Security deposits*	1,413.52	993.27	-	-
Insurance claim receivable	-	-	1,320.51	809.26
	1,479.56	1,086.22	**1,320.51**	809.26

*** Note : Term deposits with no lien amounting to Rs.66.04 Lakhs (March 31, 2021: Rs 92.95 Lakhs). against which bank guarantee given to statutory authorities and vendors.*

** An amount of Rs. 351 Lakhs (March 31, 2021 Rs. 351 Lakhs) due from director, other officer of the Holding Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period . (refer note 30 and below table).*

Particulars	As at March 31, 2022	As at March 31,2021
Moneymart Securities Pvt Ltd.	300.00	-
MM Infra & Leasing Private Limited	51.00	351.00
Total	**351.00**	351.00

6 OTHER NON-CURRENT ASSETS

	Non-current portion		Current portion	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Capital advances*				
Considered good	1,516.95	4,365.56	-	-
Considered doubtful	36.15	36.15	-	-
Less: Allowance for doubtful advances	(36.15)	(36.15)	-	-
	1,516.95	4,365.56	**-**	-
Advances other than capital advances				
Deposits with custom authorities	6.00	6.00	-	-
Prepaid expenses	73.83	1.85	1,418.35	845.01
Receivable from government authorities	158.91	106.24	7,337.38	5,474.30
Vat/Sales Tax receivable	-	38.13	-	-
Advances to employees	-	-	19.94	26.26
Advance for supply of goods and services	-	-	2,256.71	2,890.46
Preliminary Expenses	53.61			
Less: Allowance for doubtful advances	-	-	(160.00)	(160.00)
	1,809.30	4,517.78	**10,872.38**	9,076.03

** An amount of Rs.731.00 Lakhs (March 31, 2021 Rs. 400 Lakhs) due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period. (refer note 30 and below table)*

Notes to the Consolidated Financial Statements
as at March 31, 2022

(Currency: Indian Rupees in lakhs)

Particulars	Nature of transaction	As at March 31, 2022	As at March 31, 2021
MM Infra & Leasing Private Limited *	Capital advances	731.00	-
Minar Organics Pvt. Ltd*	Capital advances	-	225.00
Vivira Chemicals Pvt. Ltd.*	Capital advances	-	175.00
Total		**731.00**	400.00

** Consequent to the scheme of merger passed by NCLT vide their order dated October 13, 2021, Minar Organics Private Limited and Vivira Chemicals Private Limited are merged with MM Infra & Leasing Private Limited. Accordingly, the related capital advances of Rs. 225 Lakhs and Rs. 175 Lakhs respectively has been transferred to MM Infra & Leasing Private Limited.*

7 INVENTORIES

(valued at lower of cost and net realisable value)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials including goods in transit Rs. 9,741.49 Lakhs (March 31,2021 : Rs. 5,559.88 Lakhs)	19,639.62	9,591.30
Finished goods including goods in transit Rs. 10,206.11 Lakhs (March 31, 2021 : Rs. 6,392.50 Lakhs)	22,753.81	14,364.54
Work-in-progress	18,173.04	9,306.99
Stores and spares	638.34	576.49
Packing material	105.26	86.91
Fuel	322.16	326.57
Total	**61,632.23**	34,252.80

i) During the year ended March 31, 2022 Rs. 33.19 Lakhs (March 31, 2021: Rs. 73.36 Lakhs) was recognised as an expense for inventories carried at net realisable value.

ii) The mode of valuation of inventories has been stated in note 2 xv.

iii) Bank overdrafts, cash credit and short-term loan from bank facility are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 9 and 14).

8 CURRENT INVESTMENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Investments mandatorily measured at Fair value through Profit and Loss:		
Traded (unquoted)		
Investments in mutual funds *		
SBI Liquid Fund-Regular Plan-Growth (Formerly Known as SBI Premier Liquid Fund) (36,330.026 units having net assets value of Rs. 3302.89/-)	1,200.00	-
Aggregate amount of unquoted investments	**1,200.00**	-

** Investments mandatorily measured at Fair value through Profit and Loss*

Notes to the Consolidated Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

9 TRADE RECEIVABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good- Secured		
Dues from related parties (refer note 30)	264.15	845.17
Dues from others (Other than related party)	26,234.96	23,058.68
Trade receivables credit impaired (Other than related party)	43.42	26.44
Less: Allowance for expected credit loss and credit impairment	(43.42)	(26.44)
	26,499.11	23,903.85
Refer note 33 for information about credit risk and market risk of trade receivables		
The movement in allowance for expected credit loss and credit impairment of receivable is as follows:		
Balance as at beginning of the year	26.44	26.44
Allowance for expected credit loss and credit impariment (refer note 28)	20.92	-
Allowance for expected credit loss written off during the year	(3.94)	-
Balance as at the end of the year	**43.42**	26.44

Trade receivables ageing as at March 31, 2022 based on due date

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables-considered good	26,113.63	333.33	52.15	-	-	26,499.11
(ii) Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	-	36.50	-	36.50
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-
(v) Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables-credit impaired	-	-	-	-	6.92	6.92
	26,113.63	333.33	52.15	36.50	6.92	26,542.53
Less: Allowance for doubtful trade receivables	-	-	-	36.50	6.92	43.42
	26,113.63	333.33	52.15	-	-	26,499.11

Notes to the Consolidated Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

9 TRADE RECEIVABLES (Contd.)

Trade receivables ageing as at March 31, 2021 based on due date

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables-considered good	23,534.99	303.29	65.57	-	-	23,903.85
(ii) Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	-	19.52	-	19.52
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-
(v) Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables-credit impaired	-	-	-	-	6.92	6.92
	23,534.99	303.29	65.57	19.52	6.92	23,930.29
Less: Allowance for doubtful trade receivables				19.52	6.92	26.44
	23,534.99	303.29	65.57	-	-	23,903.85

10 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks:	2,186.64	1,179.55
In current accounts	1,044.77	341.79
In Earner exchange foreign currency account	7.45	7.49
Term deposits (with original maturity of less than three months)	13.03	16.49
Cash on hand	**3,251.89**	1,545.32

Current accounts include dividend accounts balance Rs.1.76 Lakhs (March 31, 2021: Rs 1.77 Lakhs)

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Margin money deposits (with original maturity of more than three months but less than twelve months)	487.15	428.63
	487.15	428.63

Note : Margin money deposit amounting to Rs.85.82 Lakhs (March 31, 2021: Rs 149.97 Lakhs) are pledged with banks for non cash limits and term deposit Rs.239.81 Lakhs (March 31, 2021: Rs.227.18 Lakhs) are pledged as cash security with banks for the loans taken by the Group and Rs. 161.52 Lakhs (March 31, 2021 Rs. 51.48 Lakhs) other deposits with no lien.

Notes to the Consolidated Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

12a SHARE CAPITAL

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital		
50,010,000 equity shares of Rs. 10 each (March 31,2021: 50,010,000 equity shares of Rs.10 each)	5,001.00	5,001.00
5,000,000 Preference shares of Rs. 10 each (March 31,2021: 5,000,000 Preference shares of Rs. 10 each)	500.00	500.00
Issued, subscribed and fully paid up:		
39,062,706 equity shares of Rs. 10 each (March 31,2021: 39,062,706 equity shares of Rs.10 each)	3,906.27	3,906.27
	3,906.27	3,906.27

A Reconciliation of the number of equity shares

Description	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	3,90,62,700	3,906.27	3,90,62,700	3,906.27
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**3,90,62,700**	**3,906.27**	3,90,62,700	3,906.27

B Rights, preferences and restrictions attached to equity shares

The Holding company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividends and share in the Holding company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Holding company, the holders of equity shares will be entitled to receive the residual assets of the Holding company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

C Details of shareholders holding more than 5% of shares

Name of the Share holders	As at March 31, 2022		As at March 31, 2021	
	Number	%	Number	%
Vivira Investment and Trading Pvt Ltd	1,54,95,188	39.67%	1,89,918	0.49%
Moneymart Securities Pvt Ltd	34,12,502	8.74%	2,06,712	0.53%
Mr. Mahesh P Babani	25,86,348	6.62%	25,86,348	6.62%
Banbridge Limited	24,61,914	6.30%	24,61,914	6.30%
FIH Mauritius Investments Limited	-	-	1,90,42,828	48.75%

The group was informed by promoters about the inter-se transaction between the Promoter/ Promoter Group on April 29, 2021, April 30, 2021, May 04, 2021, whereby entire holding of FIH Mauritius Investments Ltd , Mr. Utkarsh Shah, M/s. Jariwala Trade Link LLP and M/s.Nahoosh Trade Link LLP (collectively called as "Sellers") were acquired by Mr. Mahesh Babani, Mr. D.B. Rao and Promoter group (collectively called as "Acquirers"). FIH Private Investments Ltd-, a Promoter Group Company sold its entire holding of 3,250 equity shares in the market on February 16, 2022. The necessary compliances as required under SEBI (Prohibition of insider Trading) Regulations, 2015 and SEBI (Substantial Acqusition of Shares and Takeovers) Regulations,2011 has been complied with by the Acquirers, Sellers and the Company.

Notes to the Consolidated Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

12a SHARE CAPITAL (Contd.)

D **Aggerate number of shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding March 31, 2022):**

Equity shares allotted as fully paid up Bonus shares - Nil (March 31, 2021 - Nil)

E **Shares allotted as fully paid up pursuant to scheme of arrangement without payment being received in cash (during 5 years immediately preceding March 31, 2022):**

During Financial year ended March 31, 2017 -Equity shares of Rs. 10 each - 12,634,353 shares.

F **Statement of changes in equity as at March 31, 2022**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3,906.27	-	-	-	3,906.27

Statement of changes in equity as at March 31, 2021

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3,906.27	-	-	-	3,906.27

G **Shares held by promoters as at the March 31, 2022**

Sr.	Promoter name	As at March 31, 2022		As at March 31, 2021		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Vivira Investment and Trading Pvt Ltd	1,54,95,188	39.67%	1,89,918	0.49%	39.18%
2	Moneymart Securities Pvt Ltd	34,12,502	8.74%	2,06,712	0.53%	8.21%
3	Mahesh P Babani	25,86,348	6.62%	25,86,348	6.62%	-
4	Mahesh Purshottam Babani HUF	17,91,720	4.59%	17,91,720	4.59%	-
5	Doppalapudi Bhaktavatsala Rao	11,20,346	2.87%	7,23,060	1.85%	1.02%
6	Vinaykumar Doppalapudi Rao	7,41,068	1.90%	4,78,278	1.22%	0.68%
7	Vijaykumar Doppalapudi Rao	7,05,006	1.80%	4,55,004	1.16%	0.64%
8	Rajkumar Doppalapudi Rao	6,90,782	1.77%	4,45,824	1.14%	0.63%
9	Jyoti Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
10	Seema Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
11	Snehal Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
12	Prasanna Doppalapudi Rao	2,87,074	0.73%	1,85,274	0.47%	0.26%
13	Premaleela Doppalapudi Rao	2,74,522	0.70%	1,77,174	0.45%	0.25%
14	Sharon Doppalapudi Rao	2,45,656	0.63%	1,58,544	0.41%	0.22%
15	Grace Vinay Kumar Doppalapudi Rao	2,32,185	0.59%	1,49,850	0.38%	0.21%

Notes to the Consolidated Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

12a SHARE CAPITAL (Contd.)

Sr.	Promoter name	As at March 31, 2022		As at March 31, 2021		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
16	Rameshbabu Gokarneswararao Guduru	93,446	0.24%	60,309	0.15%	0.09%
17	Vivira Chemicals Private Limited	79,758	0.20%	79,758	0.20%	-
18	Utkarsh Bhikhoobhai Shah	-	-	25,000	0.06%	(0.06%)
19	Nahoosh Tradelink Llp	-	-	6,63,019	1.70%	(1.70%)
20	Jariwala Tradelink Llp	-	-	3,36,981	0.86%	(0.86%)
21	FIH Mauritius Investments Ltd	-	-	1,90,42,828	48.75%	(48.75%)
22	FIH Private Investments Ltd	-	-	3,250	0.01%	(0.01%)

Shares held by promoters as at the March 31, 2021

Sr.	Promoter name	As at March 31, 2021		As at March 31, 2020		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Vivira Investment and Trading Pvt Ltd	1,89,918	0.49%	1,89,918	0.49%	-
2	Moneymart Securities Pvt Ltd	2,06,712	0.53%	2,06,712	0.53%	-
3	Mahesh P Babani	25,86,348	6.62%	25,86,348	6.62%	-
4	Mahesh Purshottam Babani HUF	17,91,720	4.59%	17,91,720	4.59%	-
5	Doppalapudi Bhaktavatsala Rao	7,23,060	1.85%	7,23,060	1.85%	-
6	Vinaykumar Doppalapudi Rao	4,78,278	1.22%	4,78,278	1.22%	-
7	Vijaykumar Doppalapudi Rao	4,55,004	1.16%	4,55,004	1.16%	-
8	Rajkumar Doppalapudi Rao	4,45,824	1.14%	4,45,824	1.14%	-
9	Jyoti Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
10	Seema Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
11	Snehal Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
12	Prasanna Doppalapudi Rao	1,85,274	0.47%	1,85,274	0.47%	-
13	Premaleela Doppalapudi Rao	1,77,174	0.45%	1,77,174	0.45%	-
14	Sharon Doppalapudi Rao	1,58,544	0.41%	1,58,544	0.41%	-
15	Grace Vinay Kumar Doppalapudi Rao	1,49,850	0.38%	1,49,850	0.38%	-
16	Rameshbabu Gokarneswararao Guduru	60,309	0.15%	60,309	0.15%	-
17	Vivira Chemicals Private Limited	79,758	0.20%	79,758	0.20%	-
18	Utkarsh Bhikhoobhai Shah	25,000	0.06%	25,000	0.06%	-
19	Nahoosh Tradelink Llp	6,63,019	1.70%	6,63,019	1.70%	-
20	Jariwala Tradelink Llp	3,36,981	0.86%	3,36,981	0.86%	-
21	FIH Mauritius Investments Ltd	1,90,42,828	48.75%	1,90,42,828	48.75%	-
22	FIH Private Investments Ltd	3,250	0.01%	3,250	0.01%	-

Notes to the Consolidated Financial Statements
as at March 31, 2022

(Currency: Indian Rupees in lakhs)

12b OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
General reserve	35,573.76	35,573.76
Capital reserve	1.00	1.00
Retained earnings	41,539.99	32,631.57
Exchange difference on translating the financial statements	205.17	139.30
Total other equity	**77,319.92**	68,345.63

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

A General reserve

As per the approved scheme of arrangement (Demerger) between the Privi Organics India Limited , Fairchem Specialty Limited and Privi Organics Limited during the period ended March 31, 2017 the excess of book value of assets over liabilities is treated as general reserve.

B Retained earnings

Retained earnings represent the amount of accumulated earnings/ (losses) at each Balance Sheet date of the Group, prepared in accordance with the basis of preparation section.

C Capital reserve

As per the approved Scheme of Arrangement and Amalgamation amongst Fairchem Speciality Limited (Demerged / Transferee Company) and Privi Organics India Limited (Transferor Company). vide NCLT Mumbai order dated June 30, 2020 all the assets , liabilities and reserve pursuant to the scheme, have been recognised at carrying amount and the difference being the excess is treated as capital reserve.

D Exchange difference on translating the financial statements

These comprises of all exchange differences arising from translation of financial statements of foreign subsidiaries.

E The Capital management objective of the Group is to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Group's capital management, capital includes issued equity share capital, share premium and all other equity.

The Group monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

The Group's debt equity ratio as at March 31, 2022 was as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Total Debt	91,000.65	53,195.66
Less: Cash and cash equivalents and short term investments	3,739.04	1,973.95
Net Liabilities (A)	87,261.61	51,221.71
Equity (B)	81,961.19	72,251.90
Debt - Equity Ratio	**1.06**	0.71

In addition, the Group has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc.

Notes to the Consolidated Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

13a NON-CURRENT BORROWINGS

Name of the Share holders	Non-current portion		Current portion (*)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Secured:				
Term Loans from banks				
Term loan in Indian currency (refer note (iii) below)	36,145.76	30,586.99	5,466.67	2,720.00
Term loans in foreign currency (refer note (ii) below)	1,904.85	2,582.97	634.95	645.74
Term Loans from financial institutions				
Vehicle loan (hypothecated with the lender) (refer note (iii) below	9.39	11.86	4.02	74.11
Unsecured:				
Term Loan from Others				
Loan from Department of biotechnology (refer note (iv) below)	-	3.00	3.00	6.00
	38,060.00	33,184.82	**6,108.64**	3,445.85

(*) Amount disclosed under the head ' Other financials liabilities' refer note 18

i) Term loan are secured by a first mortgage on the Holding company's immovable properties both present and future ranking paripassu interest and a first charge by way of hypothecation of all the Holding company's assets (save and except book debts and inventories) including movable machinery (save and except spares tools and accessories) both present and future subject to charges created in favour of the Holding company's bankers for inventories, book debts and other specified movable assets for securing the borrowings of working capital.

ii) Currency swap on IDFC Rupee loan of Rs.4,000 Lakhs and ICICI Bank Rupee loan of Rs.4,000 Lakhs are taken @64.42 per USD and @68.13 per USD respectively and other currency swap on HDFC Bank Rupee loan of Rs 5,600 Lakhs and Rs 7,400 Lakhs are taken @ 76.78 per USD and @ 75.83 per USD respectively, The Currency swap represents derivative instruments which has been mark to market at the year end.

iii) **Terms and repayment schedule**

Terms and conditions of outstanding borrowings are as follows:

Name of the Bank / Financial Institutions	Currency	Interest Rate	Year of Maturity	Installment	Carrying amount as at March 31, 2022	Carrying amount as at March 31, 2021
Foreign Currency						
Ratnakar Bank - ECB	EUR	2.75%	2026	The term loan is repayable in 24 quarterly installments of EURO 187,500.00 each starting from Apr 2020	2,539.80	3,228.71
Foreign Currency-Total (A)					**2,539.80**	3,228.71
Indian Currency						
ICICI Bank	INR	7.90% - 8.60%	2024	The term loan is repayable in 20 quarterly installments of Rs.200 Lakhs starting from Sep 2020	2,597.24	3,395.49

Notes to the Consolidated Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

13a NON-CURRENT BORROWINGS (Contd.)

Name of the Bank / Financial Institutions	Currency	Interest Rate	Year of Maturity	Installment	Carrying amount as at March 31, 2022	Carrying amount as at March 31, 2021
IDFC Bank	INR	8.60%	2025	The term loan is repayable in 20 quarterly installments of Rs.200 Lakhs starting from Mar 2020	2,200.00	3,000.00
HDFC Bank	INR	7.90% -8.80%	2026	The term loan is repayable in 20 quarterly installments of Rs.280 Lakhs starting from Apr 2021	4,464.23	5,575.99
HDFC Bank	INR	7.43% - 8.38%	2027	The term loan is repayable in 20 quarterly installments of Rs.370 Lakhs starting from Jun 2022	7,400.00	7,400.00
HDFC Bank	INR	6.35%	2028	The term loan is repayable in 20 quarterly installments of Rs.350 Lakhs starting from Jan 2024 .	7,000.00	-
Kotak Mahindra Bank	INR	6.25%	2027	The term loan is repayable in 20 quarterly installments of Rs.250 Lakhs starting from Mar 2023	6,971.27	4,963.63
CITI Bank	INR	5.70% - 6.26%	2025	The term loan is repayable in 12 quarterly installments of Rs.750 Lakhs starting from Mar 2023	10,979.69	8,971.88
Toyota Financial Services India Limited (Vehicle loan)	INR	9.14%	2022	The term loan is repayable in 36 monthly installments of Rs. 8.36 Lakhs starting from Jan 2019	-	70.44
Yes Bank (Vehicle loan)	INR	8.97%	2024	The term loan is repayable in 60 monthly installments of Rs. 0.41 Lakhs starting from Jan 2020	13.41	15.53
Indian Currency Total - B					**41,625.84**	33,392.96
Total Term Loan (A+B)					**44,165.64**	36,621.67

iv) This is towards Grant-in–aid loan taken by Privi Biotechnologies Private limited (Wholly owned subsidiary company) from Indo-German Science and Technology Centre (for the project on design of selective nanoporous membrane bioreactor for efficient production of bio-butanol from lignocellulosic sugars.) amounting Rs. 30 Lakhs which is repayable in ten equal half yearly installments starting from March 2018. This is soft loan and rate of interest of this soft loan is 2% p.a.

Notes to the Consolidated Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

13b LEASE LIABILITIES

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Lease liabilities	1,665.91	431.25	634.80	156.45
	1,665.91	431.25	634.80	156.45

14 CURRENT BORROWINGS (SECURED)

Particulars	As at March 31, 2022	As at March 31, 2021
From Banks:		
Cash credit	-	14.81
Working capital demand loan	32,532.28	9,705.14
Packing credit from bank	12,790.35	6,713.35
Interest accrued but not due on borrowings	267.08	131.69
Current maturities of long term debt (refer note 13 a)	6,108.64	3,445.85
Buyers credit	1,242.30	-
Total	**52,940.65**	20,010.84

a) All the above loans are secured by first pari passu charge on all current assets of the Holding company both present and future.

b) Working capital loans from banks are secured by way of hypothecation of inventories both on hand and in transit and book debts and other receivables both present and future and also secured by way of second charge on fixed assets .Working capital loans carry interest rate @ 5.15% to 6.40%.

c) Standalone Quarterly statements of current assets filed by the company with the banks and financial institution are in agreement with the books of accounts. Subsidiary companies are not requirred to file the quarterly statements with their bankers.

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-21	refer note-i	Trade receivables and Inventories	59,480.62	57,625.27	1,855.35	refer note-ii
Sep-21	refer note-i	Trade receivables and Inventories	60,709.21	59,551.09	1,158.12	refer note-ii
Dec-21	refer note-i	Trade receivables and Inventories	70,221.18	69,368.49	852.69	refer note-ii
Mar-22	refer note-i	Trade receivables and Inventories	84,542.50	83,680.57	861.93	refer note-ii

i) The banks include Kotak Mahindra Bank, HDFC Bank Ltd, CITI bank., RBL Ltd., IDFC bank, ICICI Bank Ltd., Standard Charterd Bank

ii) The returns are based on unaudited financial information in the interim period and are extracted from the books and records of the Company, as adjusted for certain quarterly closing entries, like adjustments in relation to unrealised gain/(loss) on trade receivables and further adjusted by advances received from customers, exclusion of stores and spares and goods in transit from inventory. the related amounts are mentioned below:

Notes to the Consolidated Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

14 CURRENT BORROWINGS (SECURED) (Contd.)

Jun-21 unrealised gain of Rs. (238.35) Lakhs, advance from customers of Rs. (338.00) Lakhs, stores and spares inventory of Rs. 612.00 Lakhs and Goods in transit of Rs. 1819.70 Lakhs not included in quarterly statement submitted to bank.

Sep-21 unrealised gain Rs. (146.03) Lakhs, advance from customers Rs.(1,016.18) Lakhs, stores and spares inventory Rs. 681.70 Lakhs and GIT Rs. 1,638.63 Lakhs not included in quarterly statement submitted to bank.

Dec-21 unrealised gain Rs. (108.98) Lakhs, advance from customers Rs. (320.45) Lakhs stores and spares inventory Rs. 783.40 Lakhs and GIT Rs. 498.72 Lakhs not included in quarterly statement submitted to bank.

Mar-22 unrealised gain Rs. (373.23) Lakhs, advance from customers Rs. (264.56) Lakhs, stores and spares inventory Rs. 597.15 Lakhs and GIT Rs. 902.57 Lakhs not included in quarterly statement submitted to bank.

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-20	refer note-i	Trade receivables and Inventories	51,869.02	52,553.44	(684.42)	refer note-ii
Sep-20	refer note-i	Trade receivables and Inventories	51,234.28	49,729.80	1,504.48	refer note-ii
Dec-20	refer note-i	Trade receivables and Inventories	58,967.97	60,117.80	(1,149.83)	refer note-ii
Mar-21	refer note-i	Trade receivables and Inventories	55,126.57	54,286.87	839.70	refer note-ii

i) The banks include Kotak Mahindra Bank, HDFC Bank Ltd, CITI bank., RBL Ltd., IDFC First Bank, ICICI Bank Ltd., Standard Charterd Bank

ii) The returns are based on unaudited financial information in the interim period and are extracted from the books and records of the Company, as adjusted for certain quarterly closing entries, like adjustments in relation to unrealised gain/(loss) on trade receivables and further adjusted by advances received from customers, exclusion of stores and spares and goods in transit from inventory. the related amounts are mentioned below :

Jun-20 unrealised loss of Rs. 99.24 Lakhs, advance from customers of Rs. (1035.18) Lakhs, stores and spares inventory of Rs. 156.24 Lakhs and Goods in transit of Rs. 95.28 Lakhs not included in quarterly statement submitted to bank.

Sep-20 unrealised loss Rs. 7.86 Lakhs, advance from customers Rs. (170.23) Lakhs, stores and spares inventory Rs. 465.10 Lakhs and GIT Rs. 1201.75 Lakhs not included in quarterly statement submitted to bank.

Dec-20 unrealised loss Rs. (193.84) Lakhs, advance from customers Rs. (1175.99) Lakhs stores and spares inventory Rs. 180.99 Lakhs and GIT Rs. 39.01 Lakhs not included in quarterly statement submitted to bank.

Mar-21 unrealised gain Rs. 212.53 Lakhs, advance from customers Rs. (199.73) Lakhs, stores and spares inventory Rs. 540.64 Lakhs and GIT Rs. 286.26 Lakhs not included in quarterly statement submitted to bank.

d) Post shipment and packing credit from bank carry interest rate @ 0.70% to 1.50% for USD and packing credit in rupees carry intrest rate @ 5% to 5.50% p.a.

e) Cash credit loan from bank carry interest rate @ 7.00 % to 9.00 %.

f) Buyers credit carry interest rate @ Libor+0.60% to Libor+ 4% and due for payment within 180 days.

Notes to the Consolidated Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

15 PROVISIONS

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
Provisions for employee benefits				
Compensated absences (refer note 30)	438.85	372.93	73.33	52.12
Gratuity (refer note 30)	1,264.07	1,095.16	123.34	83.45
	1,702.92	1,468.09	196.67	135.57

16 INCOME TAX

Particulars	**As at March 31, 2022**	As at March 31, 2021
Amounts recognised in profit or loss		
The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:		
Current income tax:		
Current income tax expenses	3,521.57	4,146.97
Tax Adjustment of earlier years	-	-
Deferred income tax:		
Relating to origination and reversal of temporary differences	15.81	(14.79)
Income tax expense reported in the statement of profit or loss for the year	**3,537.38**	4,132.18
Income tax recognised in other comprehensive income for the year		
Tax expense related to items recognised in OCI during the year:		
Remeasurements of defined benefit (asset)	(16.60)	(2.42)
Income tax charged to OCI for the year	**(16.60)**	(2.42)
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021:		
Accounting profit before income tax	13,275.36	15,822.24
At India's statutory income tax rate of 25.17% (March 31, 2021 : 25.17%)	3,341.41	3,982.46
Non-deductible expenses for tax purposes	57.99	85.60
Foreign tax impact	2.95	8.66
Others (Due to loss in subsidiary)	135.03	55.46
	3,537.38	4,132.18
Income tax expense reported in the statement of profit and loss	**3,537.38**	4,132.18

The group has chosen to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income tax act,1961 as introduced by the Taxation laws (Amendment) Ordinance 2019 . The impact of this change has been recognised in tax expenses for the year ended March 31, 2022 and March 31, 2021 respectively at the effective tax rate.

Notes to the Consolidated Financial Statements
as at March 31, 2022

(Currency: Indian Rupees in lakhs)

16 INCOME TAX (Contd.)

	As at 1 April 2021	Credit/(charge) in the statement of profit and Loss	Credit/(charge) in other comprehensive income	As at March 31, 2022
Deferred tax (assets)/liabilities				
Difference between WDV as per books and income tax	2,305.66	130.21	-	2,435.87
Deferred asset on ROU impact	(24.30)	(3.66)	-	(27.96)
Provision for doubtful debts and advances	(42.08)	-	-	(42.08)
Expenses allowable for tax purposes when paid	(425.71)	(27.04)	(16.60)	(469.35)
Forex loss unrealised Impact (Derivative instrument)	(430.83)	(28.78)	-	(459.61)
Unrealised profit on stock	(46.73)	(54.91)	-	(101.64)
Others	(9.77)	-	-	(9.77)
	1,326.24	15.82	(16.60)	**1,325.46**

	As at 1 April 2020	Credit/(charge) in the statement of profit and Loss	Credit/(charge) in other comprehensive income	As at March 31, 2021
Deferred tax (assets)/liabilities				
Difference between WDV as per books and income tax	2,175.45	130.21	-	2,305.66
Deferred asset on ROU impact	(20.64)	(3.66)		(24.30)
Provision for doubtful debts and advances	(42.08)	-	-	(42.08)
Expenses allowable for tax purposes when paid	(365.64)	(57.65)	(2.42)	(425.71)
Forex loss unrealised Impact (Derivative instrument)	(402.05)	(28.78)	-	(430.83)
Unrealised profit on stock	8.18	(54.91)	-	(46.73)
Others	(9.77)	-	-	(9.77)
	1,343.45	(14.79)	(2.42)	1,326.24

a) In respect of deferred taxes, all items are attributable to origination and reversal of temporary differences.

b) Deferred tax benefits are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which, those deductible temporary differences can be realized.

17 TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
a) Total outstanding dues of micro and small enterprises	-	-
b) Total outstanding dues of creditors other than micro and small enterprises		
i) Payable to related parties : (refer note no: 30)	286.43	435.66
ii) Payable to others	30,293.85	16,303.75
Total	**30,580.28**	16,739.41

Notes to the Consolidated Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

17 TRADE PAYABLES (Contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
The Group's exposure to credit and currency and liquidity risk related to trade payables are disclosed in note 34		
Information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006		
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	-	-
(ii) The interest due on above	-	-
The total of (i) & (ii)	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Act	-	-
c) The amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
d) The amounts of interest accrued and remaining unpaid at the end of financial year	-	-
e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The above information has been determined to the extent such parties have been identified on the basis of information available with the Group and the same has been relied upon by the auditors.		

Trade payables ageing as on 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	-	-	-	-	-
ii) Others	30,506.44	60.75	0.98	12.11	30,580.28
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-
	30,506.44	**60.75**	**0.98**	**12.11**	**30,580.28**

Trade payables ageing as on 31 March 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	-	-	-	-	-
ii) Others	16,525.05	69.72	78.93	65.71	16,739.41
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
	16,525.05	69.72	78.93	65.71	16,739.41

Notes to the Consolidated Financial Statements

as at March 31, 2022

(Currency: Indian Rupees in lakhs)

18 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Payable for capital expenditure	5,657.31	5,518.41
Deposits	0.75	0.25
Salaries, wages and bonus payable	830.47	791.68
Derivative Instruments (forward exchange contracts and Interst rate swaps (Refer note 13 a))	466.70	637.03
Book overdraft	0.15	-
Interest on delayed payment of income tax	-	13.15
	6,955.38	6,960.52

The Groups' exposure to credit and currency and liquidity risk related to the above financial liabilities are disclosed in note 33.

19 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues (including provident fund, tax deducted at source and others)	380.62	258.81
Advance from customers (refer note 39)	264.01	171.93
	644.63	430.74

20 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers disaggregated based on nature of product or services		
Sale of products (refer note 29 and 39)		
a) Manufactured Goods	1,40,026.87	1,26,797.20
b) Traded goods	211.05	13.20
	1,40,237.92	1,26,810.40
Other operating revenues		
a) Export incentives	-	698.50
b) Scrap Sales	127.70	147.37
c) Job work	6.34	-
	134.04	845.87
Total	**1,40,371.96**	1,27,656.27

21 OTHER INCOME

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income from fixed deposits carried at amortised cost	29.88	48.10
Gain on write-back of Financial liabilities measured at amortised cost	158.67	1.72
Profit on disposal of property, plant and equipment (net)	0.69	0.30
Profit on sale of investments (net) at FVTPL	0.27	18.59
Dividend on current investment in mutual fund carried at FVTPL	-	-
Net Gain on Foreign currency transactions and translation	2,949.98	1,856.73
Miscellaneous income	100.03	70.51
	3,239.52	1,995.95

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

22 COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Raw material consumed		
Opening Stock	9,591.30	11,921.62
Add: Purchases	1,08,176.22	74,129.66
Less: Inventory lost by flood	171.93	-
Less: Closing Stock	19,639.62	9,591.30
Consumption	**97,955.97**	76,459.98
Packing material consumed		
Opening Stock	86.91	61.28
Add: Purchases	2,442.07	1,739.57
Less: Inventory lost by flood	11.85	-
Less: Closing Stock	105.26	86.91
Consumption	**2,411.87**	1,713.94
	1,00,367.84	78,173.92

23 PURCHASE OF STOCK IN TRADE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of stock in trade (traded goods)	206.43	316.77
	206.43	316.77

24 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Closing stock:		
Finished goods	22,753.81	14,364.54
Work in progress	18,173.04	9,306.99
Stock lost by flood	222.07	-
	41,148.92	23,671.53
Opening stock:		
Finished goods	14,364.54	12,651.00
Work in progress	9,306.99	7,639.14
	23,671.53	20,290.14
(Increase) in inventories	**(17,477.39)**	(3,381.39)

25 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	6,706.98	6,175.08
Contribution to provident and other funds	361.67	321.72
Staff welfare expenses	599.86	489.93
	7,668.51	6,986.73

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

26 FINANCE COST

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on term loans using effective interest rate measured at amortised cost	2,010.60	1,287.54
Add - Exchange difference regarded as an adjustment as per para 6E to borrowing costs	-	189.35
Less: Exchange loss capitalised as per para 6E from borrowing Cost	-	(162.35)
Less: Interest capitalized	(1,428.03)	(532.94)
Net interest on term loans	**582.57**	781.60
Interest on working capital loans using effective interest rate measured at amortised cost	1,718.71	1,247.42
Interest on vehicle loans using effective interest rate measured at amortised cost	4.83	11.89
Loan arrangement fees amortised using effective rate of interest basis	25.44	14.72
Interest cost lease liability using effective interest rate measured at amortised cost	79.73	72.24
Interest on delayed payment of income tax	-	13.15
	2,411.28	2,141.02

27 DEPRECIATION AND AMORTISATION

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment	6,876.30	6,584.02
Amortisation of intangible assets	244.19	207.95
Amortisation of right of use assets	345.66	307.99
	7,466.15	7,099.96

28 OTHER EXPENSES

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spares	1,002.47	1,254.96
Power and fuel	10,026.99	7,039.02
Job work charges	2,281.43	2,160.03
Repairs and maintenance of:		
Buildings	330.57	423.86
Plant and machinery	1,066.17	839.12
Others	138.46	211.45
Contract labour charges	973.12	1,132.21
Lease expense (refer note 4a)	-	16.22
Research and development	651.70	615.38
Pollution control expenses	439.29	309.55
Other factory expenses	665.23	560.00
Insurance	1,106.68	1,366.06
Postage and telephone expense	66.85	88.93
Rates and taxes	96.16	92.66
Training expenses	5.32	9.99

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

28 SEGMENT INFORMATION (Contd.)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Auditors remuneration:		
For audit (including paid to other auditors Rs. 1.10 Lakhs (March 31, 2021 - Rs. 1.05 Lakhs)	39.10	44.30
For limited review	27.00	27.00
Other services	4.69	3.90
Out of pocket expenses	1.98	2.06
Brokerage and Commission	124.47	182.76
Printing and stationery	80.62	68.27
Freight outward	7,126.78	3,833.30
Selling and distribution	854.82	1,251.72
Legal and professional fees	1,229.33	1,265.36
Travelling and conveyance	675.68	406.47
Bank charges	118.91	226.37
CSR expenses (refer note 44)	255.53	240.08
Sundry balances w/off	53.21	117.45
Allowance for expected credit loss and credit impairment	20.92	-
Miscellaneous expenses (net)	759.06	1,013.75
	30,222.54	24,802.23

29 SEGMENT INFORMATION

A. Factors used to identify the entity's reportable segments, including the basis of organisation

For management purpose, the Company has determined its reportable segment as "Aromatic chemicals" since the chief operating decision maker (CODM) evaluates the Company's performance as a single segment.

B. Information about reportable segments

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue sale of product	1,40,237.92	1,26,810.40
	1,40,237.92	1,26,810.40

C. Geographic information

The geographic information analyses the Groups' revenue and non-current assets by the Groups' country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non-current assets.

The product offerings which are part of the speciality chemicals portfolio of the Groups are managed on a worldwide basis from India. (refer note 39)

The amount of the Group's revenue is shown in the table below:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
India	35,220.65	31,363.27
Outside India #	1,05,017.27	95,447.13
Total	**1,40,237.92**	1,26,810.40

 # Includes deemed exports of Rs.4,233.03 Lakhs for the year (March 31, 2021 : Rs.2,490.55 Lakhs)
All the non-current assets of Group are located within India.

D. Information about Major Customers

No single customer contributed more than 10% to the Group's revenue in 2021-22 and 2020-21.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

30 RELATED PARTY DISCLOSURES

Details of transactions between the Group and other related party are disclosed below.

a) List of Related Parties

Promoter Group

Vivira Investment and Trading Private Limited (with effect from April 29, 2021)

FIH Mauritius Investments Limited , Republic of Mauritius (FMIL) upto April 29, 2021

FIH Private Investments Limited, Mauritius upto April 29, 2021

(FMIL is wholly owned and controlled by Fairfax India Holdings Corporation, Canada)

Subsidiary Companies

Privi Biotechnologies Private Limited

Privi Speciality Chemicals USA Corporation (formerly known as Privi Organics USA Corporation)

Prigiv Specialties Private Limited

Enterprises owned by key management personnel or their relatives

Vivira Chemical Industries

Minar Organics Private Limited, merged with MM Infra & Leasing Private Limited dated October 13, 2021

Vivira Chemicals Private Limited, merged with MM Infra & Leasing Private Limited dated October 13, 2021

Privi Fine Sciences Private Limited

Privi Life Sciences Private Limited

Moneymart Securities Private Limited

Babani Investment and Trading Private Limited

Satellite Technologies Private Limited

Vivira Investment and Trading Private Limited

Prasad Organics Private Limited

MM Infra & Leasing Private Limited

Babani Bros. LLP

Fairchem Organics Limited

Privi Organics Limited

Jariwala Tradelink LLP

Nahoosh Tradelink LLP

Key Management Personnel (KMP)

Mr. Mahesh P. Babani	Chairman & Managing Director
Mr. D. B. Rao	Executive Director
Mr.Nahoosh Jariwala	Managing Director (upto closing hours of August 12, 2020)
Mr. Utkarsh Shah	Non Executive Director (upto closing hours of August 12, 2020)
Mr. Sumit Maheshwari	Nominee Director upto April 29, 2021
Mr. Rajesh Budhrani	Independent Director
Mr. P.R. Barpande	Independent Director
Mr. Anurag Surana	Independent Director w.e.f. opening hours of August 13, 2020

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

30 RELATED PARTY DISCLOSURES (Contd.)

Mrs. Anuradha Thakur	Independent Director w.e.f. opening hours of August 13, 2020
Mr. Dwarko Topandas Khilnani	Independent Director w.e.f. opening hours of August 13, 2020
Mr. Hemang Gandhi	Independent Director upto closing hours of August 12, 2020
Mr.Darius Pandole	Independent Director upto closing hours of August 12, 2020
Mr. Viren Joshi	Independent Director upto closing hours of August 12, 2020
Ms. Radhika Pereira	Independent Director upto closing hours of August 12, 2020

Relatives of Key Management Personnel

Mahesh Purshottam Babani HUF

Mrs. Seema Mahesh Babani

Ms. Snehal Mahesh Babani

Ms.Jyoti Mahesh Babani

Mr.Vijaykumar Doppalapudi Rao

Mr.Vinaykumar Doppalapudi Rao

Mrs. Grace Vinaykumar Doppalapudi Rao

Mrs. Sharon Doppalapudi Rao

Mrs.Premaleela Doppalapudi Rao

Mr. Rajkumar Doppalapudi Rao

Mrs. Prasanna Raj Doppalapudi Rao

Mr. Rameshbabu Gokameswararao Guduru

b) During the year, following transactions were carried out with the related parties

	Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021
Purchase of raw materials				
Privi Life Sciences Private Limited	18.00	31.29	-	-
Prasad Organics Private Limited	2,052.42	1,710.94	-	-
Privi Organics Limited	100.19	-	-	-
Vivira Investment and Trading Private Limited	0.27	-	-	-
Purchase of machinery				
Privi Life Sciences Private Limited	26.11	-	-	-
Sale of finished goods				
Privi Life Sciences Private Limited	6.34	20.38	-	-
Prasad Organics Private Limited	919.81	1,054.35	-	-
Privi Organics Limited	13.98	-	-	-
Sale of Property plant & equipment				
Privi Organics Limited	13.57	1.46	-	-

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

30 RELATED PARTY DISCLOSURES (Contd.)

	Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021
Lease expense				
Minar Organics Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	15.00	-	-
Vivira Chemicals Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	12.00	-	-
Moneymart Securities Private Limited	48.38	120.00	-	-
MM Infra & Leasing Private Limited	171.00	96.00	-	-
Lease income				
Minar Organics Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	0.18	0.30	-	-
Privi Life Sciences Private Limited	24.00	12.00	-	-
Moneymart Securities Private Limited	0.70	-	-	-
Vivira Chemicals Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	0.18	0.30	-	-
Security deposit				
Moneymart Securities Private Limited	300.00	-	-	-
MM Infra & Leasing Private Limited	51.00	351.00	-	-
Reimbursement of expense received				
Fairchem Organics Limited	-	411.95	-	-
Commission and reimbursement of other expenses paid				
Loans and advances				
Minar Organics Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	225.00	-	-
Vivira Chemicals Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	175.00	-	-
MM Infra & Leasing Private Limited	331.00	-	-	-
Managerial remuneration				
Mr. D.B.Rao (*)	-	-	56.00	210.00
Mr. Mahesh P Babani (*)	-	-	600.00	500.00
Salary paid				
Mr.Vinaykumar Doppalapudi Rao	-	-	23.47	54.73
Dividend paid				
Mr. Mahesh P Babani	-	-	51.73	38.80
Mr. D.B.Rao	-	-	22.41	10.85

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

30 RELATED PARTY DISCLOSURES (Contd.)

	Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Mr. Utkarsh Shah	-	-	-	0.38
FIH Mauritius Investments Limited	-	285.64	-	-
FIH Private Investments Limited	-	0.05	-	-
Moneymart Securities Private Limited	68.25	3.10	-	-
Vivira Investment and Trading Private Limited	309.90	2.85	-	-
Jariwala Tradelink LLP	-	5.05	-	-
Nahoosh Tradelink LLP	-	9.95	-	-
Vivira Chemicals Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	1.60	1.20	-	-
Mahesh Purshottam Babani HUF	-	-	-	26.88
Mrs. Seema Mahesh Babani	-	-	7.80	5.85
Ms. Jyoti Mahesh Babani	-	-	7.80	5.85
Ms. Snehal Mahesh Babani	-	-	7.80	5.85
Mrs. Premaleela Doppalapudi Rao	-	-	5.49	2.66
Mr. Vinaykumar Doppalapudi Rao	-	-	14.82	7.17
Mrs. Grace Vinaykumar Doppalapudi Rao	-	-	4.64	2.25
Mr.Vijaykumar Doppalapudi Rao	-	-	12.49	6.82
Mrs. Sharon Doppalapudi Rao	-	-	4.91	2.38
Mr. Rajkumar Doppalapudi Rao	-	-	14.00	6.69
Mrs. Prasanna Raj Doppalapudi Rao	-	-	5.74	2.78
Mr. Rameshbabu Gokarneswararao Guduru	-	-	1.87	0.90
Sitting fees				
Mr. Anurag Surana	-	-	5.00	5.00
Mrs. Anuradha Thakur	-	-	5.00	5.00
Mr. Rajesh Budhrani	-	-	4.00	5.00
Mr. P.R. Barpande	-	-	5.00	5.00
Mr. Dwarko Topandas Khilnani	-	-	5.00	5.00

** Remuneration does not include charge for gratuity and leave encashment as employee-wise break up is not available.*

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

30 RELATED PARTY DISCLOSURES (Contd.)

c) Outstanding balances

	Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Receivables /Other assets				
Vivira chemicals Industries	-	0.51	-	-
MM Infra & Leasing Private Limited	782.00	351.00	-	-
Moneymart Securities Private Limited	300.00	-	-	-
Privi Life Sciences Private Limited	62.24	52.51	-	-
Vivira Chemicals Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	175.06	-	-
Minar Organics Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	225.09	-	-
Prasad Organics Private Limited	201.91	792.15	-	-
Privi Organics Limited	0.89	-	-	-
Trade Payables				
Privi Biotechnologies Private Limited				
Privi Life Sciences Private Limited	18.25	21.06	-	-
Prasad Organics Private Limited	265.36	412.51	-	-
Privi Organics Limited	2.82	-	-	-
Moneymart Securities Private Limited	0.75	-	-	-
Vivira Chemicals Private. Limited. merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	0.93	-	-
Minar Organics Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	1.16	-	-
Payable to Key Management Personal				
Mr. Mahesh P Babani (*)	-	-	50.00	24.83
Mr. D.B.Rao (*)	-	-	3.50	7.05
Relatives of Key Management Personnel				
Mr.Vinaykumar Doppalapudi Rao (**)	-	-	1.42	0.54

*** Remuneration Net of Tax Deducted at Source and it includes short term benefits and post employee benefits.*

d) Disclosure required under Sec 186(4) of the Companies Act, 2013

Provided the guarantee on behalf of wholly owned subsidiary Privi Speciality Chemicals USA Corporation (Formerly known as Privi Organics USA Corporation) to Citi Bank USA which are disclosed below as required by Sec 186(4) of the Companies Act, 2013

Name of the loanee	Rate of Interest	Due date	Secured/ unsecured	As at March 31, 2022	As at March 31,2021
Privi Speciality Chemicals USA Corporation (Formerly known as Privi Organics USA Corporation)	Not applicable	Not applicable	working capital loan	3,032.28	2,940.19
				3,032.28	2,940.19

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

31 EMPLOYEE BENEFITS - POST-EMPLOYMENT BENEFIT PLANS

a) Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, and ESI which are defined contribution plans. The Group's has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue.

The Group has recognised the following amount as an expense and included in the Note 25 under "Contribution to provident & other funds":

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Contribution to employees provident fund	359.30	315.96
Contribution to ESI	1.97	5.40

b) Defined benefit plans

The Group operates one post-employment defined benefit plan that provides gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement. In case of employees completing longer service periods, the Group's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

Particulars	As at March 31, 2022	As at March 31,2021
Amount recognised in the balance sheet in respect of Gratuity		
Present value of the defined benefit obligation at the end of the year	1,387.43	1,178.61
Fair value of the plan assets	-	-
	1,387.43	1,178.61
Movement in present value of defined benefit obligation		
Opening Liability	1,178.61	1,016.53
Current service cost	110.37	106.57
Interest cost	80.81	69.80
Actuarial /loss	58.76	15.68
Benefits paid	(41.12)	(29.97)
Closing defined benefit obligation	**1,387.43**	1,178.61
Expense recognised in statement of profit and loss		
Current service cost	110.37	106.57
Interest on defined benefit obligations	80.81	69.80
Total	**191.18**	176.37
Remeasurements recognised in Other comprehensive income		
Change in financial assumptions	(32.30)	(1.98)
Change in demographic assumptions	0.40	-
Experience adjustments	92.13	17.66
Total	**60.23**	15.68
Total expense recognised	**251.41**	192.05

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

31 EMPLOYEE BENEFITS - POST-EMPLOYMENT BENEFIT PLANS (Contd.)

Particulars	As at March 31, 2022	As at March 31,2021
Principal actuarial assumptions at the balance sheet date		
For Holding Company (Privi Speciality Chemicals Limited)		
Discount rate (p.a.)	7.15%	6.86%
Expected rate of salary increase (p.a.)	8.25%	8.25%
Attrition rate	For service 2 years and below 20.00% p.a. For service 3 years to 4 years 10.00% p.a. For service 5 years and above 5.00% p.a.	For service 2 years and below 20.00% p.a For service 3 years to 4 years 10.00% p.a. For service 5 years and above 5.00% p.a.
Mortality tables	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)

At March 31, 2022 the weighted average duration of the defined benefit obligation was 10 years (March 31, 2021 - 10 years).

For Wholly owned subsidiary company (Privi Biotechnologies Private Limited)

Particulars	As at March 31, 2022	As at March 31,2021
Discount rate (p.a.)	7.15%	6.44%
Expected rate of salary increase (p.a.)	8.25%	8.25%
Attrition rate	For service 2 years and below 20.00% p.a. For service 3 years to 4 years 10.00% p.a. For service 5 years and above 5.00% p.a.	For service 2 years and below 20.00% p.a For service 3 years to 4 years 10.00% p.a. For service 5 years and above 5.00% p.a.
Mortality tables	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)

At March 31, 2022 the weighted average duration of the defined benefit obligation was 14 years (March 31, 2021 - 14 years)

The estimates of future salary increase , considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Discount rate		Future salary increase	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Impact on defined benefit obligation due to:				
a. 1% increase	(100.37)	(93.55)	116.97	105.68
b. 1% decrease	115.99	108.23	(103.58)	(93.23)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period, as calculated by Actuary.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

31 EMPLOYEE BENEFITS - POST-EMPLOYMENT BENEFIT PLANS (Contd.)

Experience adjustment for last five years

	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Defined benefit obligation	1,387.43	1,178.61	1,016.53	789.99	627.56
Surplus/(deficit)	(1,387.43)	(1,178.61)	(1,016.53)	(789.99)	(627.56)
Experience adjustment on plan liabilities	92.13	17.66	43.72	54.61	23.63

Compensatory absences

The Group provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Amount of Rs 151.95 Lakhs (31 March, 2021 Rs 97.07 Lakhs) has been recognised in the Consolidated Statement of profit and loss on account of provision for long-term employment benefit.

32 FINANCIAL INSTRUMENTS

a. Accounting classification and fair values

The Group is exposed to the risks of changes in fair value of its financial assets and liabilities. The following table summarises the fair values and carrying amounts of financial instruments.

As on 31 March 2022	Carrying value					Fair value measurement using		
	Note	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Investment in mutual funds	8	1,200.00	1,200.00	-	1,200.00	1,200.00		
Trade receivables	9	26,499.11	-	-	26,499.11	-	-	-
Cash and cash equivalents	10	3,251.89	-	-	3,251.89	-	-	-
Bank balances other than cash and cash equivalents	11	487.15	-	-	487.15	-	-	-
Other financial assets	5	2,800.07	-	-	2,800.07	-	-	-
Financial liabilities:								
Non Current borrowings	13 a	38,060.00	-	-	38,060.00	-	-	38,060.00
Current borrowings	14	52,940.65	-	-	52,940.65	-	-	-
Trade payables	17	30,580.28	-	-	30,580.28	-	-	-
Derivatives	18	-	466.70	-	466.70	-	466.70	-
Lease liabilities	13 b	2,300.71	-	-	2,300.71	-		2,300.71
Other financial liabilities (other than lease liabilities)	18	6,488.68	-	-	6,488.68	-	-	-

** Investment in mutual funds and derivatives are mandatorily measured at FVTPL*

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

32 FINANCIAL INSTRUMENTS (Contd.)

As on 31 March 2021	Carrying value					Fair value measurement using		
	Note	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Trade receivables	9	23,903.85	-	-	23,903.85	-	-	-
Cash and cash equivalents	10	1,545.32	-	-	1,545.32	-	-	-
Bank balances other than cash and cash equivalents	11	428.63	-	-	428.63	-	-	-
Other financial assets	5	1,086.22	-	-	1,086.22	-	-	-
Financial liabilities:								
Non Current borrowings	13 a	33,184.82	-	-	33,184.82	-	-	33,184.82
Current borrowings	14	20,010.84	-	-	20,010.84	-	-	-
Trade payables	17	16,739.41	-	-	16,739.41	-	-	-
Derivatives	18	-	637.03	-	637.03		637.03	
Lease liabilities	13 b	587.70	-	-	587.70	-	-	587.70
Other financial liabilities (other than lease liabilities)	18	6,323.49	-	-	6,323.49	-	-	

** Investment in mutual funds and derivatives are mandatorily measured at FVTPL*

b. The fair value of financial instruments as referred to in note (a) above have been classified into a three categories depending on the inputs used in the valuation technique.

The categories used are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no significant changes in classification of fair value of financial assets and financial liabilities. There were also no significant movements between the fair value hierarchy classifications.

c. Calculation of fair values

The fair values of the financial assets and liabilities are defined as 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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2021.

(i) The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates. In case the forwards are taken from banks and financial institutions, the fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies by the bankers.

(ii) The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

32 FINANCIAL INSTRUMENTS (Contd.)

(iii) Loans, lease liabilities and borrowings have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

(iv) Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.

33 FINANCIAL RISK MANAGEMENT

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of Directors on its activities.

The Group's risk management are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities.

The Audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit committee is assisted in its oversight role by internal audit by external party.

The Group has exposure to the following risks arising from the financial instruments:

a. Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations and arises principally from the Group's receivables from customers. The carrying amount of financial assets represent the maximum credit exposure.

The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer. However, management also consider the factors that may influence the credit risk of its customer base. including the default risk associated with the industry and country in which Group operates.

The Group analyses credit worthiness of each new customer individually before standard payment and delivery terms are offered. The Group is monitoring economic environment in countries where it operates and is taking actions to limit its exposure to customers in those countries experiencing particular economic volatility.

Impairment of Trade receivables

At March 31, 2022 the ageing of trade and other receivables that were not impaired was as follows.

Particulars	Carrying amount	
	March 31, 2022	March 31, 2021
Neither past due nor impaired	20,879.26	19,076.98
Past due 0-90 days	4,919.50	3,910.20
Past due 90-180 days	314.87	547.81
Past due 180-270 days	154.63	294.95
Past due 270-360 days	178.70	8.34
More than 360 days	52.15	65.57
	26,499.11	23,903.85

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

33 FINANCIAL RISK MANAGEMENT (Contd.)

Movement in Loss allowance measured at amount equal to life time expected credit losses for trade receivables.

Particulars	Amount
Opening balance as at April 01, 2020	26.44
Impairment loss recognised	-
Amounts written off	-
Balance as at March 31, 2021	26.44
Impairment loss recognised	20.92
Amounts written off	3.94
Balance as at March 31, 2022	43.42

The Group uses an allowance matrix to measure the expected credit loss of trade receivables. Based on the industry practices and the business environment in which the entity operates, Management considers that the trade receivables are in default (credit impaired) if the payments are more than 365 days past due.

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk and the current provision for the bad debts represents the impacted credit loss it foresees in its receivables.

Financial assets other than trade receivables are not impaired and further, there are no amounts that are past due. Management believes that the amounts are collectible in full, based on historical payment behaviour.

b. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains the level of its cash and cash equivalents at an amount in excess of expected cash outflow on financial liabilities. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash inflows on trade and other payables.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

March 31, 2022	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	44,168.64	44,168.64	6,108.64	21,353.23	16,706.91	(0.14)
Other borrowings	46,832.01	46,832.01	46,832.01	-	-	-
Trade payables	30,580.28	30,580.28	30,580.28	-	-	-
Other financial liabilities	6,488.68	6,488.68	6,488.68	-	-	-
Lease liabilities	1,665.91	1,665.91	634.80	153.98	877.13	-
Derivative financial liabilities						
Interest rate swaps	466.70	466.70	466.70	-	-	-
Total	**1,30,202.22**	**1,30,202.22**	**91,111.11**	**21,507.21**	**17,584.04**	**(0.14)**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

33 FINANCIAL RISK MANAGEMENT (Contd.)

March 31, 2021	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	36,630.67	36,630.67	3,445.85	5,847.70	24,184.10	3,153.02
Other borrowings	16,433.30	16,433.30	16,433.30	-	-	-
Trade payables	16,739.41	16,739.41	16,739.41	-	-	-
Other financial liabilities	6,323.49	6,323.49	6,323.49	-	-	-
Lease liabilities	431.25	431.25	156.45	153.98	120.82	-
Derivative financial liabilities						
Interest rate swaps	637.03	637.03	637.03	-	-	-
Total	77,195.15	77,195.15	43,735.53	6,001.68	24,304.92	3,153.02

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

c. Currency Risk

The Group is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021 are as below:

	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
	USD	EURO	USD	EURO
Financial assets				
Cash and cash equivalents	16.24	0.10	9.14	1.93
Trade Receivables	255.66	8.87	198.72	6.90
	271.90	**8.97**	207.86	8.83
Financial liabilities				
Borrowings	-	30.00	-	37.50
Buyers Credit	16.47	-	-	-
PCFC	50.00	-	41.39	-
Working capital demand Loan	-	-	-	-
Trade payables and other financial liabilities	180.15	0.56	98.26	0.37
Other Current financial liabilities - Derivative Instruments Interest rate swap*	6.11	0.04	7.30	1.07
	252.73	**30.60**	146.95	38.94
Net exposure	**19.17**	**(21.63)**	60.91	(30.11)

* *The exposure disclosed here is net of currency swap taken by the Group*

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

33 FINANCIAL RISK MANAGEMENT (Contd.)

Currency exposure for borrowings is exclusive of Currency swap on IDFC Rupee loan of Rs.4,000 Lakhs and ICICI bank Rupee loan of Rs.4,000 Lakhs are taken @64.42 per USD and @68.13 per USD respectively and other currency swap on HDFC Bank Rupee loan of Rs 5,600 Lakhs and Rs 7,400 Lakhs are taken @ 76.78 per USD and @ 75.83 per USD respectively which are classified as Indian currency loan.

The Group's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the

The Groups' treasury function reports quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

d. Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currencies against INR at March 31, 2022 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2022				
USD (3 % movement)	43.60	(43.60)	32.63	(32.63)
EUR (3 % movement)	(54.94)	54.94	(41.11)	41.11
	(11.34)	**11.34**	**(8.48)**	**8.48**

Particulars	Profit before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2021				
USD (3 % movement)	134.32	(134.32)	100.51	(100.51)
EUR (3 % movement)	(77.77)	77.77	(58.20)	58.20
	56.55	(56.55)	42.31	(42.31)

e. Interest risk

The group is exposed primarily to fluctuation in USD LIBOR rates. Interest rate risk on financial debt is managed through interest rate swaps.

The interest rate profile of the Company's interest-bearing financial instruments is as follows.

	March 31, 2022	March 31,2021
Fixed-rate instruments *	91,000.65	53,054.97
Variable-rate instruments	-	-
Total borrowings	**91,000.65**	53,054.97

**Effect of interest rate swaps is disclosed in Note 13 a.*

Financial assets classified at amortized cost have fixed interest rate. Hence, the group is not subject to interest rate risk on such financial assets.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

33 FINANCIAL RISK MANAGEMENT (Contd.)

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
March 31, 2022				
Variable-rate instruments	-	-	-	-
March 31, 2021				
Variable-rate instruments	-	-	-	-

34 CONTINGENT LIABILITIES

Claims against the group not acknowledged as debts are as below :

Particulars	As at March 31, 2022	As at March 31,2021
Nature of tax		
Income Tax	1,787.34	1,515.22
Custom duty *	106.06	15.52

** Demand of Rs. 15.52 Lakhs (out of which Rs. 6.00 Lakhs paid) raised by Customs, Excise and Service Tax Appellate Tribunal West Zonal Bench, Mumbai for clearance of imported goods under DEPB scheme. (Contravention of the provisions of Section 111 (o) of the Customs Act, 1962). Further the demand of Rs. 101.53 Lakhs was raised by Customs authority out of which Rs. 10.98 Lakhs is paid under protest, balance Rs. 90.54 Lakhs are unpaid as on March 31, 2022.*

The claims against the Group comprise of pending litigations / proceedings pertaining to demands raised by Excise, Custom, Sales / VAT tax and other authorities / bodies. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolodated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Group does not expect any reimbursements in respect of the above contingent liabilities.

35 COMMITMENTS

Particulars	As at March 31, 2022	As at March 31,2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of Rs.1,516.95 Lakhs, March 31, 2021 : Rs. 4365.56 Lakhs)	3,703.87	11,374.66
LC's issued in favour of suppliers, but the material not dispatched	1,319.00	1,531.81

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

36 EARNINGS PER SHARE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit after tax attributable to equity shareholders [A]	9,737.98	11,690.06
Number of equity shares at the beginning of the year [B]	3,90,62,700	3,90,62,700
Number of equity shares outstanding at the end of the year [C]	3,90,62,700	3,90,62,700
Weighted average number of equity shares outstanding during the year [D]	3,90,62,700	3,90,62,700
Basic and diluted earnings per share of face value Rs. 10 [A]/[D]	24.93	29.93

37 TRANSFER PRICING

Transactions with related parties are governed by transfer pricing regulations of the Indian Income-tax Act, 1961. The Holding Company's international and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended March 31, 2021. Management believes that the Company's international and domestic transactions with related parties post March 2021 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

38 DIVIDEND ON EQUITY SHARES

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Final dividend for the year ended March 31, 2021 - Rs. 2.00 (March 31, 2020 Rs.: 1.50) per fully paid up share	781.21	585.94
(Amount of Cash-out flow of dividend is inclusive of dividend distribution tax)		
	781.21	585.94
Dividends not recognized at the end of reporting period		
Final dividend of Rs. 2.00 per fully paid up equity shares (March 31, 2021 Rs. 2.00 per fully paid up share). This proposed dividend is subject to the approval of share holders in the ensuing annual general meeting.	781.21	781.21
(Amount of Cash-out flow of dividend is inclusive of dividend distribution tax)		
	781.21	781.21

39 REVENUE FROM CONTRACTS WITH CUSTOMERS

a The Group is primarily in the Business of manufacture and sale of Aroma chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The group has a credit evaluation policy based on which the credit limits for the trade receivables are established, the group does not give significant credit period resulting in no significant financing component.

b Reconciliation of revenue recognised from Contract liability:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Contract liability	171.93	160.50
Less: Recognised as revenue during the year (includes contract liabilities at the beginning of the period)	2,887.33	2,887.33
Add: Addition to contract liability during the year	2,898.76	2,898.76
Closing Contract liability	**183.36**	171.93

Contract liability primarily relates to advance consideration received from customers for sale of products in case of few contracts based on terms agreed. The contract liability is expected to be recognised within 12 months.

There is no contract asset as at March 31, 2022 (March 31, 2021 : Nil)

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

39 REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

c Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contract with customer as per Contract price	1,40,343.33	1,26,982.11
Less: Discounts and other adjustments	105.41	171.71
Revenue from contract with customer as per statement of profit and loss	**1,40,237.92**	1,26,810.40

d Disaggregation of revenue from contract with customers

Particulars	Revenue from contracts with customers March 31, 2022	Revenue from contracts with customers March 31, 2021
India	39,453.68	33,853.82
Europe(excluding UK)	33,198.47	31,661.76
North America	33,579.52	28,013.18
Asia (Excluding India)	15,776.38	12,643.72
Middle East	7,520.83	7,716.07
United Kingdom	5,819.30	6,198.93
South America	3,048.67	2,871.73
Africa	1,772.44	3,707.93
Australia and New Zealand	68.63	143.26
	1,40,237.92	1,26,810.40

e Unsatisfied Performance Obligations

The Group applies the practical expedient in Paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations.

40 EXCEPTIONAL ITEMS

a) Flood claim settlement (Net)

Unprecedented rainfall on July 22 and 23, 2021 in Raigad district of Maharashtra including Mahad and consequent overflow of Savitri river caused flooding and major power outage in and around Mahad. The factory operations at the units were temporarily suspended. The necessary steps were taken to resume the operations in phased manner from August 12, 2021 after taking into consideration the safety norms. There has been loss to assets comprising of Inventories, Plant & Machineries and Other fixed assets, etc. The profitability has also been impacted due to loss of sales. All the said losses are adequately insured including coverage towards loss of profit and replacement cost of fixed assets.

As per Management's best estimate, the book value of the assets lost due to flood including other expenses for the year ended March 31, 2022 is Rs. 1,791.28 Lakhs which is debited to the statement of profit and loss and is disclosed as an exceptional item and netted off with final insurance claim settlement aggregating to Rs. 2,320.51 Lakhs for which a settlement letter is also issued by insurance company resulting in an exceptional gain(net) of Rs. 529.24 Lakhs for the year ended March 31, 2022. The Group has received partial insurance claim of Rs. 1,000 Lakhs from the insurance company which is recognised in the quarter ended September 30, 2021. The balance amount of Rs.1,320.51 Lakhs (of which Rs. 300 Lakhs is received subsequent to the balance sheet date) is shown as receivable from insurance company in balance sheet as at March 31, 2022. The entire insurance claim settlement amount is being recognised in the statement of profit and loss as per the requirement of Accounting Standards.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

b) Fire Claim settlement (net)

On April 26, 2018 a major fire broke out at the Company's Unit 2 Plant located at MIDC Mahad, Maharashtra. There was loss of the assets comprising of Inventories, Buildings, Plant and Machinery and other Fixed Assets, etc. which were adequately insured including coverage towards loss of profit and replacement cost of fixed assets. The Company received Rs.2,309.26 Lakhs and Rs.4,000 Lakhs during the year ended March 31, 2021 and March 31, 2020 respectively on account of Insurance claim which has been disclosed as an exceptional item. The entire Insurance Claim is now settled with the Insurance company, however, an amount of Rs. 809.26 Lakhs (Out of Rs. 2,309.26 Lakhs) accounted for in the year ended March 31, 2021 is received on April 07,2021 subsequent to the year ended March 31, 2021. Since the final insurance claim is settled and a settlement letter is also issued by Insurance company on or before March 31,2021 therefore this balance amount of Rs. 809.26 Lakhs as above mentioned was recognised as an exceptional Income in statement of consolidated profit and loss for the year ended March 31, 2021 and shown as receivable from insurance Company in Balance sheet as on March 31,2021 as per requirement of the Accounting Standards.

41 ESTIMATION OF UNCERTAINTIES RELATED TO GLOBAL HEALTH PANDEMIC FROM COVID-19

Government of India announced a Nationwide Lockdown due to COVID-19 Global Pandemic due to which the Group shutdown few of its plants at Mahad & Jhagadia factories (except those involved in manufacture of chemicals used in essential goods) from March 24, 2020 which continued till April 07, 2020. Although sales were partially affected during the period of shutdown, however, impact is not significant. The Group had not seen any significant impact on net realisable value of its current assets.

The Global pandemic COVID-19 continued in the year 2021-22 as well. The business of the Group was not affected during the year. However, the completion of major capex project were delayed by 4 to 5 months due to second wave of COVID-19 during the period March 2021 to July 2021, on account of non-availability of labour, transport facilities, industrial oxygen, etc. Further, given the uncertainty due to COVID-19, the Group would continue to monitor any material changes to future economic conditions and the consequential impact on the consolidated financial statements.

42 INTERESTS IN OTHER ENTITIES

(a) Subsidiaries

The group's subsidiaries at March 31, 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal activities	Place of business / country of incorporation	Ownership interest held by the Group	
			March 31, 2022	March 31,2021
Privi Biotechnologies Private Limited	Chemicals	India	100	100
Prigiv Specialties Private Limited	Chemicals	India	51	-
Privi Speciality Chemicals USA Corporation (formerly knows as Privi Organics USA Corporation)	Chemicals	United States of America	100	100

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

42 INTERESTS IN OTHER ENTITIES (Contd.)

(b) Additional information required by schedule III

Name of entity in group	Net assets (total assets minus total liabilities		Share in profit and (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and (loss)	Amount	As % of consolidated other comprehensive income	Amount	as % of consolidated total comprehensive income	Amount
Parent								
Privi Speciality chemicals Limited								
March 31, 2022	**98.50%**	**80,735.82**	**104.51%**	**9,936.01**	**(247.95)%**	**(43.59)**	**103.86%**	**9,892.42**
March 31, 2021	98.81%	71,394.20	100.10%	11,702.15	12.13%	(6.98)	100.54%	11,695.17
Subsidiaries								
Privi Biotechnologies Private Limited (Indian)								
March 31, 2022	**4.11%**	**3,367.58**	**(3.29)%**	**(312.59)**	**(26.73)%**	**(4.70)**	**-3.33%**	**(317.29)**
March 31, 2021	5.13%	3,703.84	-1.49%	(174.43)	10.91%	(6.28)	-1.55%	(180.71)
Privi Speciality Chemicals USA Corporation (Foreign) (formerly knows as Privi Organics USA Corporation)								
March 31, 2022	**2.84%**	**2,329.32**	**3.39%**	**322.09**	**374.68%**	**65.87**	**4.07%**	**387.96**
March 31, 2021	2.69%	1,941.36	2.97%	346.94	76.96%	(44.30)	2.60%	302.64
Prigiv Specialties Private Limited (Indian)								
March 31, 2022	**1.83%**	**1,500.00**	**0.00%**	**-**	**0.00%**	**-**	**0.00%**	**-**
March 31, 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Adjustments arising out of consolidation								
March 31, 2022	**(7.28)%**	**(5,971.52)**	**(4.61)%**	**(438.05)**	**0.00%**	**-**	**-4.60%**	**(438.05)**
March 31, 2021	-6.63%	(4,787.50)	-1.58%	(184.60)	0.00%	-	-1.59%	(184.60)
Total								
March 31, 2022	100.00%	81,961.20	100.00%	9,507.46	100.00%	17.58	100.00%	9,525.04
March 31, 2021	100.00%	72,251.90	100.00%	11,690.06	100.00%	(57.56)	100.00%	11,632.50

43 OTHER STATUTORY INFORMATION

a) **Specified Bank Note :** The disclosures regarding details of specified bank notes during the period from November 08, 2016 to December 31, 2016 have not been made in these financial statements since the requirement does not pertain to the financial year ended March 31, 2022.

b) **Other informations**

(i) As on March 31, 2022 there is no untilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

(ii) The Company do not have any transactions with struck off companies.

(iii) The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

(iv) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(v) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(vi) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) The Company 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:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(viii) The Company 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:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(ix) The Company have not entered in any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

c) **Regroupings:** Appropriate regroupings have been made in the Consolidated Balance sheet and Consolidated Statement of Profit and Loss (including Other Comprehensive Income), wherever required, by reclassification of the corresponding items if income, expenses, assets and liabilities, in order to bring them in line with the accounting policies and classification as per the Consolidated Ind AS financial information of the Company for the year ended March 31, 2022, prepared in accordance with Revised Schedule III of the Companies Act, 2013, requirements of Ind AS 1- 'Presentation of financial statements' and other applicable Ind AS principles. The Company has adopted the Revised Schedule III as issued by MCA and accordingly numbers of comparative period has been reclassed as required. As a result of amendment to Schedule III, deposits have been reclassified to other financial assets which was earlier forming part of loans and current maturities of long-term borrowing are now presented as current borrowings which was earlier forming part of other financial liabilities.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

44 CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013 a corporate social responsibility (CSR) committee has been formed by the Company. The areas for CSR activities are Education, Environment Sustainability, Health and hygiene and Disaster Management. Amount spent during the year on activities which are specified in Schedule VII of the Companies Act 2013 are as mentioned below:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) amount required to be spend by the company for the year	250.68	163.00
b) amount of expenditure till date:		
Paid		
(i) construction / acquisition of any asset		
(ii) on purpose other than (i) above	255.53	240.08
Yet to be paid		
(i) construction / acquisition of any asset	-	-
(ii) on purpose other than (i) above	-	-
Total	**255.53**	240.08
c) shortfall at the end of the year	-	-
d) reason for shorfall	NA	NA
e) total of pervious year shortfall	NA	NA
f) nature of CSR activities	Education, Environment Sustainability, Health and hygiene and Disaster Management	Education, Environment Sustainability, Health and hygiene and Disaster Management

45 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company and its Indian subsidiaries will assess the impact and its evaluation once the subject rules are notified. The Company and its Indian subsidiaries will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Place: Mumbai
Date: May 05, 2022

For and on behalf of the Board of Directors of
Privi Speciality Chemicals Limited
(Formerly known as Fairchem Speciality Limited)

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Place: Mumbai
Date: May 05, 2022

PRIVI SPECIALITY CHEMICALS LIMITED

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WYATT Prism COMMUNICATIONS (info@wyatt.co.in)