



Building Bonds Beyond Chemistry

Annual Report
2022-23

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Atul C. Choksey	Chairman
Dr. S. Sivaram	Independent Director
Mr. Kamlesh S. Vikamsey	Independent Director
Mr. Shailesh S. Vaidya	Independent Director
Ms. Priyamvada Bhumkar	Independent Director

Mr. Amit C. Choksey	Non-Executive Director
Mr. Udayan D. Choksi	Independent Director
Mr. Abhiraj A. Choksey	Managing Director
Mr. Ravishankar Sharma	Executive Director

COMPANY SECRETARY

Mr. Jeevan Mondkar
(w.e.f 1st November 2022)

AUDITOR

S G D G & Associates LLP

BANKERS

State Bank of India
Citi Bank
HDFC Bank

REGISTERED OFFICE

49-53, 3rd Floor, Mahavir Centre,
Plot No. 77, Sector - 17, Vashi,
Navi Mumbai - 400703.
CIN: L99999MH1986PLC039199
Telephone: (022) 27770800
E-mail: redressal@apcotex.com
Website: www.apcotex.com

PLANT 1

Plot No. 3/1, MIDC Industrial Area, P.O. Taloja,
Dist - Raigad - 410 208, Maharashtra.
Telephone: (022) 2740 3500

PLANT 2

Village - Dungri, Tal - Valia, Ankleshwar - 393135.
Dist - Bharuch, Gujarat.

CORPORATE OFFICE

N. K. Mehta International House, 178,
Backbay Reclamation, Babubhai M. Chinai Marg,
Mumbai - 400 020.
Telephone: (022) 2283 8302 / 04

AUDIT COMMITTEE

Mr. Kamlesh S. Vikamsey	Chairman
Ms. Priyamvada Bhumkar	Member
Mr. Udayan D. Choksi	Member

NOMINATION & REMUNERATION COMMITTEE

Dr. S. Sivaram	Chairman
Mr. Atul C. Choksey	Member
Mr. Kamlesh S. Vikamsey	Member
Ms. Priyamvada Bhumkar	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Shailesh S. Vaidya	Chairman
Mr. Udayan D. Choksi	Member
Mr. Abhiraj A. Choksey	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Atul C. Choksey	Chairman
Mr. Shailesh S. Vaidya	Member
Mr. Abhiraj A. Choksey	Member

RISK MANAGEMENT COMMITTEE

Dr. S. Sivaram	Chairman
Mr. Abhiraj A. Choksey	Member
Mr. Ravishankar Sharma	Member

REGISTRAR AND SHARE TRANSFER AGENT

LINK INTIME INDIA PVT LTD.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (W), Mumbai - 400 083.
Tel. No.: 022 49186000, 49186270
Fax: 022 49186060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in



TABLE OF CONTENTS

01. CORPORATE OVERVIEW

Company at a glance	02
Financial Highlights	03
Board of Directors	04
Our Global Presence	08
R&D and Quality Control	09
Product Mix	10
ApcoBuild	12

02. STATUTORY REPORTS

Management Discussion and Analysis Report	15
Directors' Report	18
Corporate Governance Report	37
Business Responsibility and Sustainability Report	57

03. FINANCIAL STATEMENT

Independent Auditor's Report	86
Financial Statement	96
Notice of Annual General Meeting	152





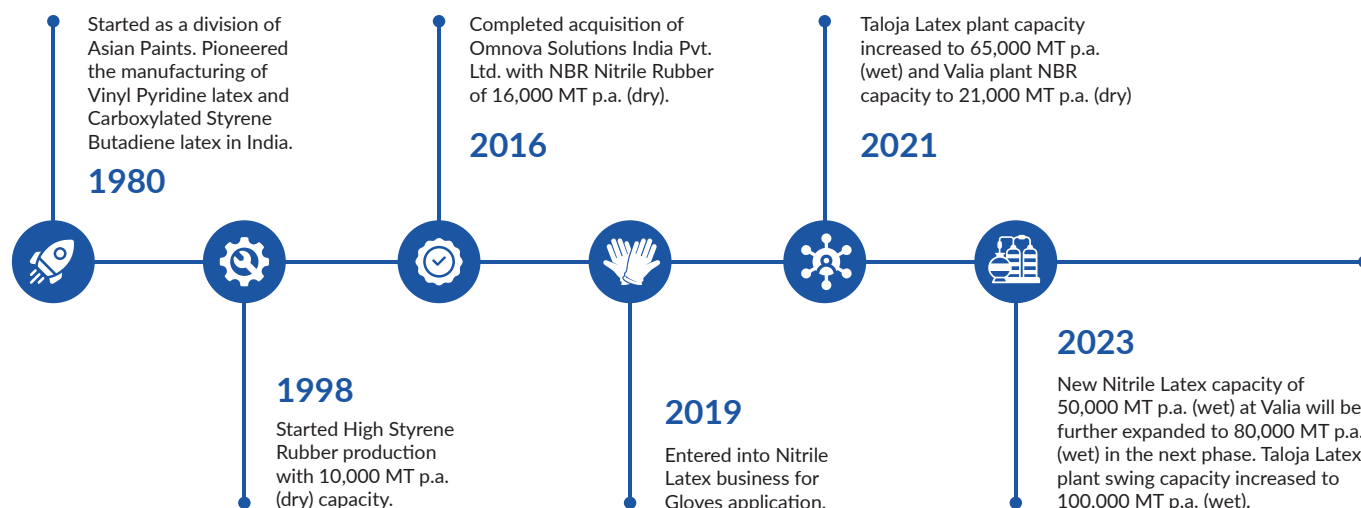
COMPANY AT A GLANCE

Apcotex is one of the leading producers of Synthetic Rubber (NBR & HSR) and Synthetic Latex (Nitrile, VP latex, XSB & Acrylic latex) in India. The Company has one of the broadest range of Emulsion Polymers available in the market today. The various grades of Synthetic Rubber find application in products such as Automotive Components, Hoses, Gaskets, Rice De husking Rollers, Printing and Industrial Rollers, Friction Materials, Belting and Footwear. Apcotex's range of Latexes are used for Paper / Paperboard Coating, Carpet Backing, Tyre Cord Dipping, Construction, Gloves-examination, surgical and industrial use, etc.

The Company believes in implementing best practices across all departments and adhering to high quality, safety and environmental standards. Its state-of-the art manufacturing plants are strategically located on the western coast of India. Over the past several years, Apcotex has developed a strong Research & Development base, which has enabled it to develop, manufacture and export products and compete effectively against global players. Through its technical service team and well-equipped application laboratory, the Company believes in providing value added services to enable customers to constantly improve the quality of their final product. Apcotex has significant global presence and for last few years has done business in all continents and several countries.

Apcotex has been awarded the prestigious "TPM Excellence Award, Category A" and "TPM Consistency Award" by the Japan Institute of Plant Maintenance (JIPM), Japan.

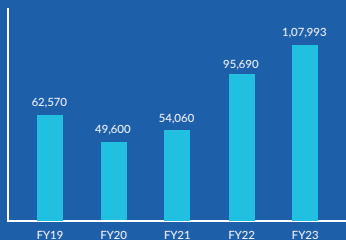
Apcotex, an ISO 9001:2015 certified Company, is also certified for ISO 14001:2015 (Environmental Management Systems) and ISO 45001:2018 (Occupational Health and Safety Management Systems). Apcotex is a Responsible Care certified Company. Apcotex Industries Limited is headed by Mr. Atul C. Choksey, former Managing Director of Asian Paints Limited.





FINANCIAL HIGHLIGHTS

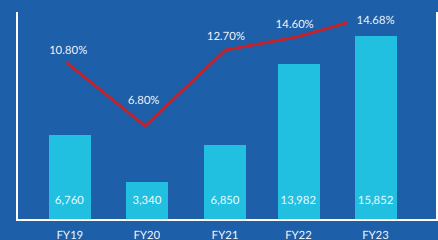
REVENUE (₹ IN LAKHS)



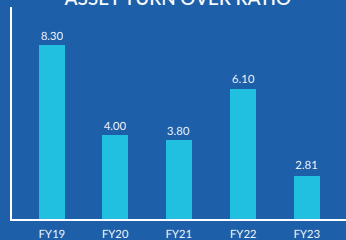
PAT (₹ IN LAKHS) AND PAT MARGIN (%)



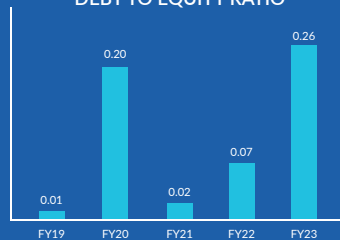
OPERATING EBITDA (₹ IN LAKHS) AND EBITDA MARGIN (%)



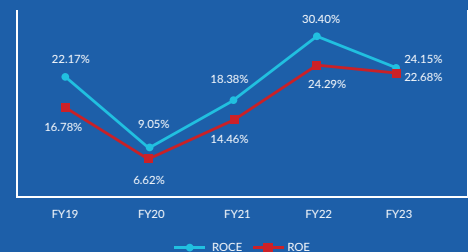
ASSET TURN OVER RATIO



DEBT TO EQUITY RATIO



RETURN RATIOS



BOARD OF DIRECTORS



Mr. Atul C. Choksey (Chairman)

He is a Chemical Engineer from the Illinois Institute of Technology, Chicago, USA. He joined Asian Paints (India) Limited as Junior Executive in 1973 and was subsequently appointed as Whole-time Director with effect from May 1979. He served as the Managing Director of Asian Paints Limited from April 1984 to August 1997. Over the years he has served on the Boards of Marico Limited, Finolex Cables Limited, Blue Star India Ltd. and the Asian Board of the Wharton Business School. He has served as the President of the Indian Paint Association and Bombay Chamber of Commerce and Industry (BCCI) as well as Deputy President of the Associated Chamber of Commerce and Industry of India. He is a member of Young Presidents Organization (YPO). He is currently a Trustee of Shree Mahalakshmi Temple Trust located in Mumbai and an Independent Director on the Board of Ceat Ltd.

Dr. Swaminathan Sivaram (Independent Director)

He obtained his MSc degree in chemistry from IIT-Kanpur followed by PhD and DSc degrees from Purdue University, W. Lafayette, Indiana, USA. He was the Director of CSIR-NCL from 2002 -10 and is presently an INSA Honorary Scientist and Honorary Professor Emeritus at the Indian Institute of Science Education and Research, Pune. He has over fifty years of R&D experience, both in industry and academia, in the area of chemicals and polymers. He served on the Board of Asian Paints (India) Limited from 2002 to 2021 and currently serves on the Boards of Supreme Petrochem Limited, 20 Microns Limited and Gharda Chemicals Limited as an Independent Director. The President of India bestowed, on him the coveted civilian honour Padma Shri in 2006.



Mr. Shailesh S. Vaidya (Independent Director)

He is a law graduate from Government Law College and became Solicitor in the year 1983 and has been practicing as an Advocate and Solicitor. He is one of the senior partners at Kanga & Co. He has served on the Board of Siyaram Silk Mills Limited, currently serving on the Board of Excel Industries Limited as an Independent Director. He was the President of Indian Merchants' Chamber for the year 2013-14 and continues to be the member of the Managing Committee of Indian Merchants' Chamber. He is presently Chairman of IMC International ADR Centre. He has also been the President in centennial year of the Rotary Club of Bombay Queen City and has been associated as trustee / advisor with several educational / social organizations.

Mr. Amit C. Choksey (Director)

He is a Commerce Graduate from Bombay University and currently Chairman & Managing Director of Mazda Colours Limited in Mumbai, India. Mazda Colours is one of the leading manufacturers of Phthalocyanine Pigments and leading exporters of its products all over the world. He has over four decades of rich experience in managing the Manufacturing Plants of Inorganic Pigments and Intermediates, Construction Chemicals, Specialty Water Proofing compounds. He hails from a family which promoted Asian Paints (I) Limited, the largest manufacturers of Paints in India. He is a member of the prestigious Young Presidents' Organisation (YPO is the Global Leadership Community of Extraordinary CEOs). He also holds the Diplomatic position as 'Honorary Consul of the Slovak Republic' in Mumbai.



BOARD OF DIRECTORS

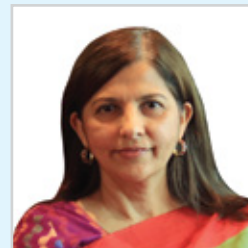


Mr. Kamlesh S. Vikamsey (Independent Director)

He is a Chartered Accountant and a Senior Partner in reputed firm of Khimji Kunverji & Co LLP. He was member of the Central Council of ICAI from 1998 to 2007 and held the post of president in 2005. He has served on the Board of GIC Housing Finance Limited, currently serving on the Board of AU Small Finance Bank Limited, Navneet Education Limited to name a few.

Ms. Priyamvada Bhumkar (Independent Director)

She is a graduate in Chemistry and MBA in Finance from Mumbai University having 25 years of rich experience in the field of colour dispersions. She is Managing Director of Soujanya Color Pvt. Ltd. the well-known Indian colorant manufacturing Company.



Mr. Udayan D. Choksi (Independent Director)

He is a graduate in Economics from Warwick University. In addition to his C.A. degree, he also holds an LL.B. from Mumbai University. He is a senior indirect tax professional and practising counsel and was previously at Big 4 - accounting and prominent law firms. He is a Partner at Khaitan & Co.

Mr. Abhiraj A. Choksey (Managing Director)

He graduated from the University of Pennsylvania with degrees in Engineering and Business from Wharton. He worked in strategy consulting and IT in the United States for a few years before joining Apcotex in 2005. He is associated with the Company since 2005 in various capacities and has been the Managing Director since May 2010. He is on the Executive Committee of the Indian Chemical Council (ICC), and an active member of Young Presidents' Organization (YPO) and Entrepreneurs' Organization (EO).



Mr. Ravishankar Sharma (Executive Director)

He is a Chemical Engineer from Laxminarayan Institute of Technology, Nagpur, passed out in 1988 and PGDBM from Goa Institute of Management, Goa (Executive MBA) in 2009 and has more than 30 years of rich experience in the field of Production, Projects, Specialty Chemicals, operations and Manufacturing.

VALIA PLANT



TALOJA PLANT



OUR GLOBAL PRESENCE



We export to over 45 countries, including the Indian Subcontinent, South East Asia, the Middle East, Turkey, Japan, Africa, Europe, USA and Latin America.

R&D AND QUALITY CONTROL

The Company has been continuously upgrading their technology through in house research & development efforts to meet the changing needs of customers.

Currently around 41 employees are dedicated for R&D and technical support.



PRODUCT MIX

SYNTHETIC LATEX

Synthetic Latex is manufactured from downstream petrochemicals whereas natural latex comes from rubber plantations. There are usually several types of synthetic latex which are manufactured. Our latexes which include Styrene Butadiene latex, VP latex, Styrene Acrylic latex and Nitrile latex cater to various industries like Paper/ Paperboard, Carpet,

Tyre and Construction. The performance of each synthetic latex differs from industry to industry based on their characteristic, application, and polymer type. Some details are as follows:



PAPER

Provides excellent wet and dry binding strength; provides high gloss and strength to coated paper.



CARPET

Used in backing of various types of carpets to provide excellent binding strength; depending on application requirements our grades provide a range of soft to hard handles.



CONSTRUCTION

Provides excellent water impermeability; enhances bonding between new and old concrete.



TYRE CORD

High performance latex for dipping of tyre cords used in bias tyres.



GLOVES

For manufacturing of various range of gloves – examination, surgical and industrial.



SPECIALITY

Used in a range of specialty applications such as gaskets, non woven fabrics, abrasive paper, textile finishing, cork sheets, etc.



SYNTHETIC RUBBER

Synthetic Rubber is basically an artificial elastomer which are mainly polymers synthesized from petroleum by-products. Your Company produces various kinds of Synthetic rubber from cold NBR to hot NBR with different distinctions which are as below:



NITRILE RUBBER (NBR)

This is an unusual type of synthetic rubber which is resistant to oil, fuels and various chemicals. It is used in the automotive industry as well as several other industrial applications to make fuel and oil handling hoses, seals and various rubber products where ordinary rubbers cannot be used.



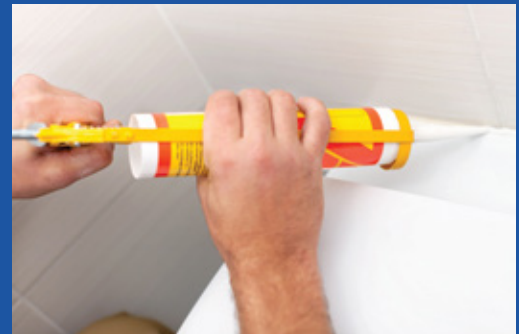
NBR POLYBLEND

Cost effective medium ACN blend used for general purpose automotive and industrial moulded and extruded products, footwear products, etc. for general purpose automotive and industrial goods as well as Fire Hoses.



HIGH STYRENE RUBBER

Provides various degrees of hardness and excellent processibility for Hawaii slippers and Micro-cellular sheets.



NBR POWDER

Used in joining sheets, PVC modification, brake pads, friction materials, adhesives and other rubber applications.

ApcoBuild

Build Smarter

ApcoBuild is the brand name of the B2C Construction Chemical business of Apcotex. Under the ApcoBuild brand, we provide best-in-class Waterproofing & Tiling solutions in India, through a wide range of products for applications in waterproofing, repair and rehabilitation of existing structures. We also offer a host of other product solutions for exterior coatings and concrete admixtures to satisfy all construction & civil engineering related problems.

Over the last few years, we have grown exponentially in terms of value sales, widened our product portfolio and added new geographies.

Apcotex Industries Ltd. has 4 decades of experience in polymer manufacturing and have been supplying base materials to large players in the Construction Chemical industry for many years. Our R&D center is manned by an excellent pool of scientists and state-of-the-art manufacturing facilities help in delivering the best products to our customers.



WATERPROOFING RANGE

Sr. No.	Products	Product Description
1	Terracoat	Acrylic UV stable transparent Waterproof coating
2	Flex PU WB	Single component PU Waterproof Coating
3	Topguard HI	Acrylic Heat Insulation & Waterproof Coating
4	Topguard	Acrylic Elastomeric waterproof coating
5	Dampshield	Acrylic fibre reinforced waterproof coating
6	Seal N Secure	Two component UV stable elastomeric Cementitious waterproof coating
7	Ecoseal	Two component Cementitious waterproof coating (underlays)
8	Hydrocrete Plus	UV stable Acrylic Polymer
9	Hydrocrete	Acrylic polymer
10	Apcoguard	SBR Polymer
11	Bitukote EMB	Acrylic - Bitumen modified waterproof coating
12	Beautyguard	Anti-carbonation waterproof elastomeric coating

BONDING AGENTS RANGE

Sr. No.	Products	Product Description
1	Antihack	High strength SBR Polymer for MIVAN & Concrete surface
2	Bondcrete	Acrylic polymer for bonding old to new plaster & concrete
3	Gypbind	Specially formulated polymer for gypsum plaster

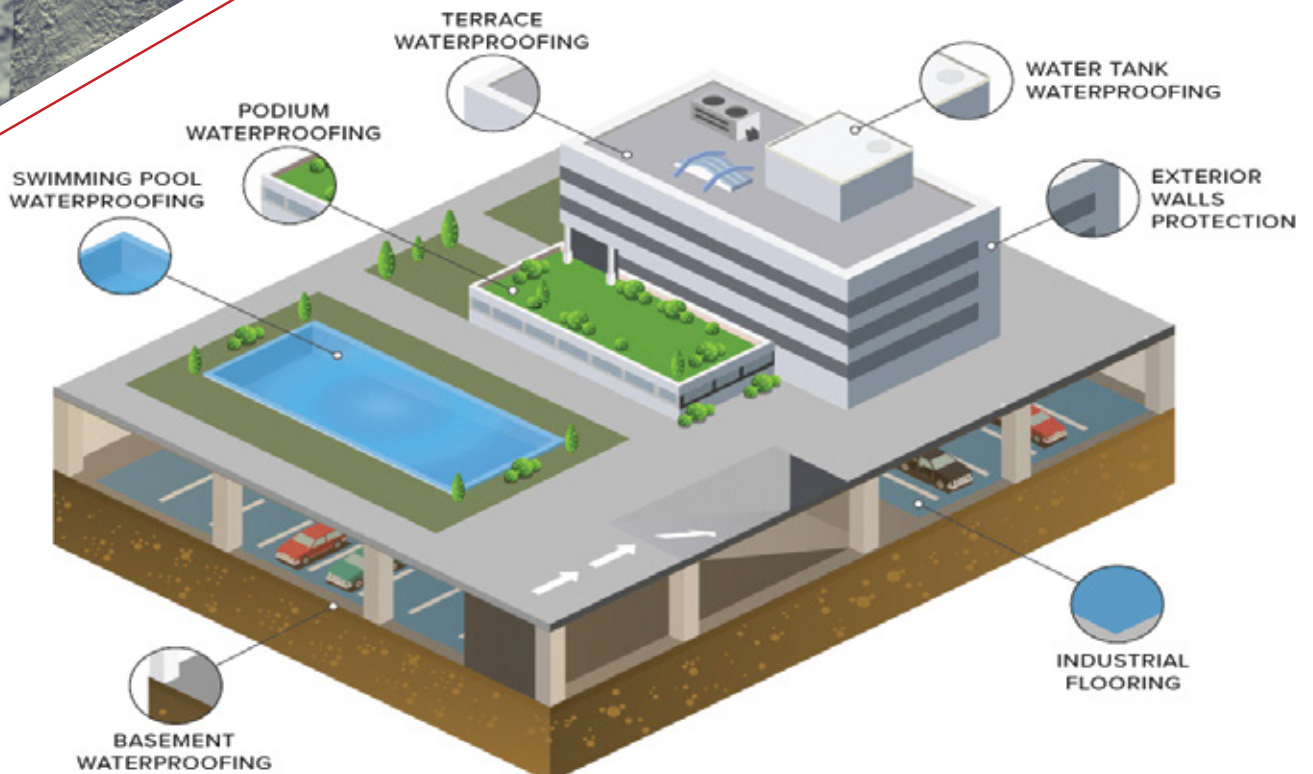
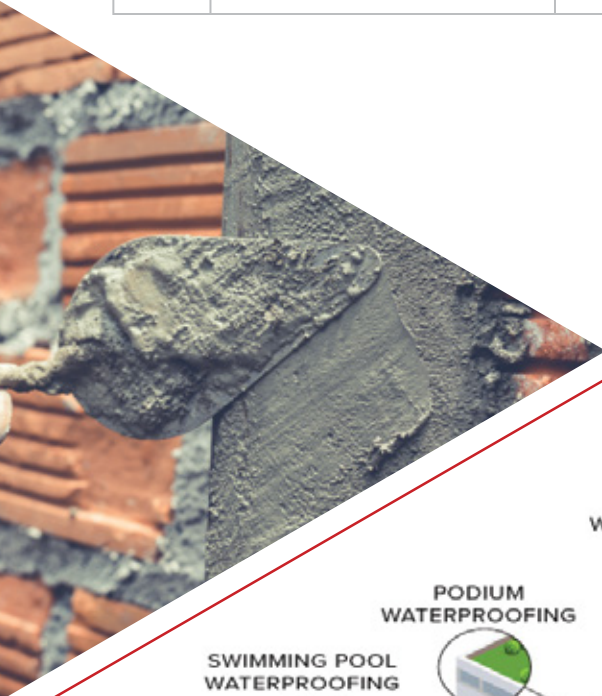


REPAIRS RANGE

Sr. No.	Products	Product Description
1	ApcoGuard X	High strength carboxylated SBR polymer
2	Micro Repairo	Microconcrete
3	Repaio 45	Polymer modified mortar

SPECIALIZED RANGE

Sr. No.	Products	Product Description
1	Steelguard	Acrylic anticorrosive coating for TMT bar
2	Metalguard	Acrylic anticorrosive coating for Metal
3	PeelProtekt	Peelable grade SBR Polymer
4	Ceramic Coat	Rising Dampness



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMIC OVERVIEW

The global economy is experiencing a number of turbulent challenges. Inflation higher than seen in several decades, tightening financial conditions in most regions, and Russia's invasion of Ukraine all weigh heavily on the outlook. Normalization of monetary and fiscal policies that delivered unprecedented support during the pandemic is cooling demand as policymakers aim to lower inflation back to target. The global economy's future health rests critically on the successful calibration of monetary policy, the course of the war in Ukraine and consumption increase in China.

Global growth is forecasted to slow from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023. This is despite a surprisingly resilient labour market and consumer spending in most advanced economies, and upliftment from China's reopening. Global inflation is forecast to rise from 4.7% in 2021 to 8.8% in 2022 but to decline to 6.5% in 2023 and to 4.1% by 2024.

Strong and coordinated monetary and fiscal policy actions over the past years prevented a much worse outcome. But with rising geopolitical tensions and still-high inflation, a robust recovery remains elusive. This harms the prospects for the entire world, especially for the most vulnerable people and countries.

Trends such as global warming, green energy, sustainability and digital adoption will continue to affect countries and industries. Some will be positively impacted by these changes while others will find it challenging. Overall, while there are several short to medium term concerns, we believe there are several opportunities as well that can be exploited by companies for the longer term.

INDIAN ECONOMIC OVERVIEW

Our overall outlook for the Indian economy remains positive. We expect investments to see a turnaround and this will in turn thrust the economy into sustainable growth. India will likely grow at a moderate pace of 6.0%–6.5% in FY 2023–24, as the global economy continues to struggle. Undoubtedly, the Reserve Bank of India (RBI) has shouldered a major responsibility of cushioning the economy from rising prices and maintaining liquidity. Yet, navigating inflation and preserving financial stability, while boosting growth drivers, has been a tightrope walk for policymakers. Growth in the next year will likely pick up as investments kickstart the virtuous circle of job creation, income, productivity, demand, and exports supported by favorable demographics.

EMULSION POLYMER (SYNTHETIC LATEX AND SYNTHETIC RUBBER) INDUSTRY

The global synthetic rubber market is expected to grow at a CAGR of over 4% over the next 5 years. The synthetic rubber market is mainly driven by the tyre segment, the largest end-use segment of synthetic rubber, followed by automotive. Some synthetic rubbers with significant strength are replacing metal parts in vehicles. This reduces the weight of the vehicle and increases fuel efficiency without compromising performance.

The trend of reducing greenhouse gas emissions in vehicles has also increased synthetic rubber demand in the automotive industry. In terms of volume and value, the Asia Pacific region is anticipated to experience the highest rise in synthetic rubber use. Indian consumption of synthetic rubber is expected to increase at a CAGR of 6% over the next five years and hence India needs additional capacity in the future. In addition, synthetic rubber demand comes from the manufacturing of footwear, sports goods, and other components.

Similarly, synthetic latexes like Styrene-Butadiene latex, Styrene Acrylic, Pure Acrylic, Vinyl Acetate, Nitrile Latex, etc. are also expected to grow globally at an average CAGR of 4-5%. The major applications are paper & paper board coating, carpet backing, construction, gloves, textiles, paints and adhesives, etc.

In India, growth in demand is expected to be extremely strong at 8-10% due to population growth, consumer trends, and an increase in per capita GDP. ApcoTex has one of the broadest ranges of specialty synthetic emulsion polymers and adds new grades and products every year.

Your Company, with its specialty grades of rubbers, latexes, powders and polyblends, is well-positioned to cater to the growing demand in India and the region. Nitrile latex for gloves is a new emulsion polymer that your company has developed through internal R&D. It was successfully scaled up in FY 2020-21 and is currently only manufactured by your Company in India. During the year, your Company has commissioned a 50,000 MTPA facility at Valia Plant for manufacturing Nitrile Latex which is easily scalable to 80,000 MTPA. The Covid-19 pandemic has accelerated the growth of the gloves industry globally and thus the requirement of Nitrile Latex during the financial year. Even though, there is a post-pandemic downturn in the glove industry, it is likely to grow at a fast pace for the next few years.

Asia Pacific leads production of the global synthetic rubber industry with the automobile sector leading the growth. With the rise in population, large manufacturing base of the automobile industry and the availability of competitive labour, India offers excellent opportunities for synthetic rubber product manufacturers. With increasing R&D investments backed by strong infrastructure, your Company is a leader in specialty rubber products (i.e. Nitrile Butadiene Rubber and High Styrene Rubber).

CURRENT SCENARIO

Your Company is one of the leading producers of emulsion polymer products in India, namely Synthetic Latexes (various grades of Carboxylated Styrene Butadiene Latex, Styrene Acrylic Latex, Vinyl Pyridine Latex and Nitrile Latex) and Synthetic Rubber (Nitrile Butadiene Rubber, Nitrile Polyblends, NBR Powder and High Styrene Rubber). The Company has one of the broadest ranges of emulsion polymer products in India and caters to a wide range of industries. Your Company's Synthetic Latex products are used for paper and paperboard coating, carpet backing, construction, non-wovens, textile finishing, tyre cord dipping, paints, gloves and a few other specialty applications. Various grades of Synthetic Rubber find application in products such as footwear, automotive components, rice rolls, moulded items, v-belts, conveyor belts, hoses, etc.

The Company's major raw materials are petrochemical products, and its business could be vulnerable to high volatility in the prices of crude oil as well as its downstream products.

OPERATIONS DURING THE FINANCIAL YEAR 2022-23

The Company has achieved total revenue of ₹ 1,08,722 Lakhs during the financial year 2022-23, compared to ₹ 96,478 Lakhs in the preceding financial year. The Company exported its products worth ₹ 22,013 Lakhs during the financial year, approximately 21% of the total revenue. The Company has registered a value and volume sales growth of about 13% and 9% respectively over the previous financial year.

Profit before tax is up by 12% to ₹ 14,551 Lakhs as compared to ₹ 13,036 Lakhs during the previous financial year, mainly on account of increase in volume sales, introduction of new products, optimization of product and customer mix, adding new geographics, de-bottlenecking and quality improvement projects undertaken over last couple of years.

During financial year 2022-23, Operating EBITDA went up by 13% to ₹ 15,852 Lakhs from ₹ 13,982 Lakhs during the previous financial year. Profit after tax is up by 9% to ₹ 10,794 Lakhs, as compared to ₹ 9,881 Lakhs during the previous financial year.

The Balance Sheet of the Company is healthy with long-term debt of ₹ 12,476 Lakhs, reasonable working capital cycle and cash/liquid investments valued at ₹ 8,796 Lakhs based on NAV as on 31st March, 2023.

During the year, your company has successfully commissioned a 50,000MT Nitrile Latex plant in Valia, Gujarat and a 35,000MT multi-purpose latex plant in Taloja, Maharashtra. The total investments for both plants were over ₹ 20,000 Lakhs. In addition, investments were made in a Zero-liquid discharge plant in Valia, Gujarat and a direct power line to the Valia plant for future requirements.

The Company has also completed a rebranding exercise in order to more effectively communicate what Apcotex stands for, both internally and externally. As we embark on this new chapter in our journey, we look forward to a time of growth, innovation, and collaboration.

Apcotex believes that moving towards environmentally friendly processes and products, focusing on high levels on governance and growing equitably, are all imperative in today's context. We have recently embarked on our ESG journey. The ESG framework is based on three pillars; Product Stewardship, Stakeholders Delight and Responsible Business. Together all three pillars support our core purpose of using science responsibly for our planet, society and stakeholders. Over the next 10 years, your Company has set short, medium, and long-term targets on several KPIs such as increasing green energy consumption, reducing waste, reducing energy consumption/MT, reducing water consumption/MT, planting trees at our plant sites, etc. We will also work with our vendors and customers to reduce GHG emissions across the supply chain.

During the year, your Company undertook a Digital transformation exercise with the help of a boutique consulting firm. Phase 1 is completed which included identifying business cases for digitizing certain processes and shortlisting relevant IT tools, thereby leading to increased revenue and contributions. We have implemented also SAP Success Factor for our performance appraisal process. Your Directors consider Company's performance as satisfactory.

OUTLOOK

The Company expects financial year 2023-24 to be a challenging year due to a few reasons. The Gloves industry is still going through a deep downturn due to large excess inventories created in the last 2 years due to the pandemic. This, coupled with more capacities of Nitrile Latex, has resulted in significantly lower margins than anticipated in the short term and will have an impact on margins till demand picks up again. In addition to this, against imported competition for our synthetic rubber products,

the higher margins we enjoyed due to shortages and higher cost of ocean freight has returned to normalcy. Despite the short-term challenges, your company is optimistic about its prospects with all the steps taken over the last 2-3 years. Business volumes across most of its product groups has been very strong through the year and this is expected to continue in the new financial year. The company is also well-diversified in terms of end applications as well as geographies with more than 20% of our sales coming from Exports.

The Company has commissioned new latex capacities at Taloja and Valia during the financial year. The Company will continue to look for opportunities in new adjacent products as well as opportunities for inorganic growth.

There is a continuous thrust from the management to develop a strong R&D and technical service team to develop new products, explore new applications and understand better the changing customer needs.

With the Company's continuous endeavour to introduce new products and improve efficiencies and performance, your Directors view the prospects for the financial year 2023-24 with cautious optimism.

RISKS AND CONCERNS

The Company has laid down a well-defined Risk Management Framework covering the risk, risk exposure, potential impact and risk mitigation process. Plant Risks are identified by all process owners which is discussed with the HOD and then taken to the Plant Risk Committee for their Consideration. After evaluation of the Risk by the Plant Risk Committee, same is placed before the Apex Risk Committee and thereafter before Risk Management Committee of Board. Major risks identified by the plants, functions and senior management are systematically addressed through a quantified risk assessment process and mitigating actions are discussed and reviewed twice a year. These are also discussed at the meetings of the Risk Management Apex Committee, Audit Committee, Risk Management Committee of Directors and the Board of Directors of the Company.

The Company's Apex Risk Management Committee, Plant Risk Committees, and Risk Management Committee of the Board, periodically review the risks in the organization, identify new risk areas, develop action plans and monitor and report the compliance and effectiveness of the policy and procedure to the Audit Committee and the Board.

The Audit Committee and the Board review the risks and suggest steps to be taken to control and mitigate the same through a properly defined framework.

The Company's Board of Directors perceives the following risks as current high risks areas:

1. New Plant Risk – Nitrile Latex:

Delays in approval of product manufactured from new plant may impact budgeted sales for this financial year. To mitigate this risk, focus will be on obtaining customer approvals as quickly as possible for the products manufactured in the new plant and to ensure the new capacity is filled as soon as possible.

The other risk is on margins which is largely market driven and at the current stage lower than pre-pandemic levels. This was not anticipated earlier and in the medium-term is expected to normalize.

2. Procurement Risk:

Major risks arise from a few key raw materials like Styrene, Acrylonitrile and Butadiene, amongst others, that are used in several of our products. Butadiene is used in all products. Butadiene is currently available from limited manufacturers in the country. If there is an issue with the supply of Butadiene on account of an unplanned shutdowns taken by a supplier, production of most of our products would be affected adversely.

To mitigate this risk, we have business relationships with multiple suppliers and keep an adequate inventory and pipeline of Butadiene. The Company has imported Butadiene for the first time in FY 2022-23 and are now confident of handling import of Butadiene, if required.

3. Competition Risk:

Excess Capacity and inventory of Nitrile Latex globally and Styrene Butadiene Latex excess capacity in domestic market may impact volume and margins in short term.

To mitigate risk, in case of Nitrile Latex, focus will be on filling capacity with positive contribution and ensuring new capacity is filled over 18–24 months. In case of Styrene Butadiene Latex, focus will be on filling capacity with healthy contribution, maintaining domestic market share and increasing footprint in export markets.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal checks and controls covering operations of the Company are in place and are constantly being improved upon. Adequate systems exist to safeguard Company's assets through insurance on reinstatement basis and maintenance of proper records. The company has well-defined procedures to execute financial transactions.

Internal audit is being conducted by an independent firm of Chartered Accountants. The internal auditor monitors and evaluates the efficiency and adequacy of internal control systems in the organisation, its compliance and its effectiveness with operating systems, accounting procedures and policies of the Company. Based on the observations of the internal auditor, the process owners undertake the corrective actions and improvements in their respective areas. Significant audit observations and corrective actions thereupon are presented to the Audit Committee.

The Partners of both, Statutory Auditor and Internal Auditor attend all the Audit Committee meetings.

DEVELOPMENT OF HUMAN RESOURCE / INDUSTRIAL RELATIONS

Your Company believes that its employees are its core strength and accordingly development of people and providing a best-in-class work environment is a key priority for the organization to drive business objectives and goals. Robust HR processes and policies along with Digital HR tools are in place, which enables building a stronger performance culture and at the same time developing current and future leaders.

SIGNIFICANT CHANGE IN KEY FINANCIAL RATIOS

There is significant change in the following key financial ratios during the financial year, as compared to that of previous financial year.

During the financial year under review, your Company had availed a term loan to part finance the capacity enhancement projects and other capital projects at Taloja and Valia, resulting in higher debt to equity ratio. The Net Profit increased in value on account of the increase in volume sales, introduction of new products, optimization of product and customer mix and commissioning of cost-saving projects, which has resulted in improved Interest Service Coverage Ratio. However, Return of Capital Employed has declined due to capitalization of new projects.

CHANGE IN RETURN ON NET WORTH

The return on net-worth for the financial year 2022-23 is 22.7% as compared to 24.9% for the preceding financial year.

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include raw material availability and prices, cyclical demand, movements in company's principal markets, changes in Government regulations, tax regimes, economic developments within and outside India and other incidental factors.

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting to you the Thirty Seventh (37th) Annual Report of the Company and the Audited Financial Statements for the year ended 31st March 2023.

A. COMPANY PERFORMANCE

FINANCIAL HIGHLIGHTS

₹ in Lakhs

Particulars	31 st March 2023	31 st March 2022	Growth %
Income from operations			
(a) Revenue from operations	107,992.88	95,689.09	
(b) Other income	728.97	789.08	
Total income from operations	108,721.84	96,478.17	13%
Gross Profit Before Depreciation, Finance cost & Tax	16,580.62	14,770.94	
(a) Finance costs	505.82	325.47	
(b) Depreciation & amortization expense	1,523.33	1,409.47	
Profit before tax	14,551.47	13,036.00	12%
Tax expenses	3,757.59	3,155.39	
Profit after Tax	10,793.88	9,880.61	9%
Other Comprehensive Income for the year	(216.67)	1,269.20	
Total Comprehensive Income for the year	10,577.21	11,149.81	
Earnings per Share (EPS)			
(a) Basic	20.82	19.06	
(b) Diluted	20.82	19.06	

INTERIM DIVIDEND

Pursuant to the approval of the Board of Directors on 25th January 2023, the Company paid an interim dividend @ of ₹ 2.00/- (previous year - ₹ 2.00/-) per equity share of the face value of ₹ 2.00/- each to the Shareholders who were on the register of members as on 7th February 2023, being the record date fixed for this purpose.

Interim Dividend absorbed a sum of ₹ 1,036.90 Lakhs out of the net profits after tax for the financial year 2022-23.

FINAL DIVIDEND

Based on Company's performance, your directors are pleased to recommend for approval of members, a final dividend @ of ₹ 3.50/- (previous year - ₹ 3.00/-) per equity share of the face value of ₹ 2.00/- each for the financial year 2022-23. Dividend, if approved, will absorb a sum of ₹ 1,814.57 Lakhs out of net profit after tax and will be paid to those Shareholders whose name appears on the Register of Members on 12th day of June 2023.

The total dividend is ₹ 5.50 (275%) [Previous Year – ₹ 5.00 (250%)] for the financial year 2022-23, including the Interim dividend @ ₹ 2.00/- per Equity Share (100%) and Proposed Final Dividend @ ₹ 3.50/- per share (175%) per equity share of the face value of ₹ 2.00/- each. Total dividend payout for the financial year 2022-23 amounts to ₹ 2851.47 Lakhs (Previous Year - ₹ 2,592.25 Lakhs).

The Dividend Distribution policy of the Company may be accessed at the following weblink

<https://apcotex.com/uploads/documents//NDU0MjQ0-23-12-22.pdf>

TRANSFER TO RESERVE

There is no amount proposed to be transferred to Reserves out of profit of the financial year 2022-23.

B. RENEWABLE ENERGY

An income of Rs 85.80 Lakhs (net) has been generated from renewable energy through wind turbine generator installed at Sadawaghapur, Taluka – Patan, District Satara and solar project at Taloja Plant during the financial year 2022-23 [Previous year – ₹ 67.69 Lakhs-(net)] which was netted off against the power cost.

C. DISCLOSURES UNDER COMPANIES ACT, 2013

I. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

The information under the provisions of Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the **Annexure I**, forming part of this report.

II. ANNUAL RETURN

The Annual Return has been placed on the website of the Company and can be accessed at <https://apcotex.com/uploads/documents//NzIzNzAy-24-05-23.pdf>. In terms of Rules 11 and 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return shall be filed with the Registrar of Companies within the prescribed timelines.

III. CHANGES IN THE SHARE CAPITAL

There is no change in the share capital of the Company during the financial year under review. The paid-up Equity Share Capital as on 31st March 2023 was ₹ 1,036.90 Lakhs., comprising of 5,18,44,960 equity shares of face value of ₹ 2.00/- each.

IV. FINANCIAL LIQUIDITY

The Company has Investments of ₹ 8,795.78 Lakhs (previous year ₹ 9,751.53 Lakhs) as at 31st March 2023.

The working capital management of the company is robust and involves a well-organized process which facilitates continuous monitoring and control over receivables, inventories and other parameters affecting cash flow and liquidity.

V. NUMBER OF BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on business policies and strategy apart from regular Board business. During the financial year under review, the Board of Directors met 5 times. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

The details of the Board Meetings and the attendance of Directors are provided in the Corporate Governance Report.

VI. COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises of Mr. Kamlesh Vikamsey who is the Chairman of the Committee, Mrs. Priyamvada Bhumkar and Mr. Udayan Choksi, are the Non-Executive Independent Directors. More details on the committee are given in the Corporate Governance Report.

All the recommendations of the audit committee are accepted by the Board.

VII. BOARD INDEPENDENCE

The definition of Independence of Directors is derived from Regulation 16 of SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmations/disclosures received from the Independent Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Regulation 16 of SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013;

1. Dr. S. Sivaram
2. Mr. Shailesh Vaidya
3. Mr. Kamlesh Vikamsey
4. Mrs. Priyamvada Bhumkar
5. Mr. Udayan Choksi

In compliance with Schedule IV of the Companies Act, 2013 and Rules thereunder, and SEBI (LODR) Regulations, 2015, the Independent Directors met on 20th March 2023 to discuss issues as prescribed under the said Act and Regulations.

VIII. ANNUAL EVALUATION BY THE BOARD

In compliance with the Companies Act, 2013 and Regulation 19 read with Schedule II of SEBI (LODR), Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually including the

Chairman as well as the evaluation of Committees. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of composition of Board and Committees, Board communication, timeliness and unbiased information of right length and quality of information, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who were evaluated on parameters such as attendance and participation in the discussion and deliberation at the meeting, understanding role and responsibilities as board member, demonstration of knowledge, skill and experience that make him/her a valuable resource for the board.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Executive Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

IX. NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company is hosted on the website of the company at the following web link:

<https://apcotex.com/uploads/documents//NTk2NzM4-23-12-22.pdf>

Disclosure pertaining to remuneration and other details as required under section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure II** to this Report.

X. COMMENTS ON AUDITORS REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. SGD & Associates LLP, Chartered Accountants, Statutory Auditors, in their report.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors had appointed M/s. D.S. Momaya & Co. LLP, to undertake the Secretarial Audit of your Company for the year ended 31st March 2023.

During the year, the Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company.

The Secretarial Auditors have issued an unqualified audit report for the year ended 31st March 2023. The comments made by the Secretarial Auditors are self-explanatory. Their report is annexed herewith as Annexure V to this Report.

XI. RELATED PARTY TRANSACTIONS

All the related party transactions during the year are entered on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. There are no materially significant related party transactions entered into by the Company with Promoters, Directors or KMP etc., which may have potential conflict with the interest of the company at large.

All related party transactions are first approved by the Audit Committee and thereafter placed before the Board for their consideration and approval. A statement of all related party transactions is presented before the Audit Committee meeting on quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The particulars of Contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 read with Rule 15 of The Companies (Meetings of Board and its Powers) Rules 2014 is appended to this report in prescribed Form AOC 2 as **Annexure III**.

The Related Party Transaction Policy is uploaded on the company's website at the following web link <https://apcotex.com/uploads/documents//ODlwMzMx-23-12-22.pdf>

XII. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

XIII. VIGIL MECHANISM

The Company has established a vigil mechanism for Directors and Employees to report their genuine concerns in compliance with provision of section 177 (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015.

The Audit Committee of the Board oversees the functioning of this policy. Protected disclosures can be made by a whistle blower through several channels to report actual or suspected frauds and violation of Company's Code of Conduct and/or Ethics Policy.

The details of the policy have been disclosed on the Company's website at <https://apcotex.com/uploads/documents//NzQzNzc5-23-12-22.pdf>

XIV. CORPORATE GOVERNANCE

The Company has always strived to adopt appropriate standards for good Corporate Governance.

Detailed report on Corporate Governance forms a part of this report. A certificate from M/s. D.S. Momaya & Co. LLP, Company Secretaries regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of SEBI (LODR) Regulations, 2015 is annexed to the said Report.

XV. RISK MANAGEMENT POLICY

The Company has a Risk Management Policy and has constituted a Risk Management Committee as required under Listing Regulations. The Risk Management Policy articulates the Company's approach to address uncertainties in its endeavour to achieve its stated explicit and implicit objectives. It prescribes the roles and responsibilities of various stakeholders within the Company, the structure for managing risks and the framework for risk management. The risk identification, assessment and mitigation process actively involves people at all levels in the management.

All risk identification, assessment and mitigation exercise are carried out before the annual planning exercise and the specific risk mitigation tasks along with resources are made part of the annual budgets and functional objectives for the coming year(s). These are reviewed periodically by the respective functions and necessary course corrections are made if necessary.

The details of the policy have been disclosed on the Company's website at:

<https://apcotex.com/uploads/documents//MzUyOTg1-23-12-22.pdf>

D. CORPORATE SOCIAL RESPONSIBILITY

The Company has a Corporate Social Responsibility (CSR) Committee constituted in compliance with Section 135 of the Companies Act, 2013. The CSR policy of the Company is published on the Company's website at <https://apcotex.com/uploads/documents//NzE3Njc5-23-12-22.pdf>

CSR activities of the Company are carried directly and through Non-Government Organizations (NGOs), who have track record of minimum of 3 years in carrying out the activities, and other criteria as prescribed under Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, as amended from time to time.

The Company has under-taken projects in the areas of Healthcare and Education, around the area surrounding the factories/corporate office which are as per Schedule VII of the Companies Act, 2013 brief details of which are as under:

During the year under review, the Company was required to spend ₹ 138.85 Lakhs, being 2% of the average net profit of previous three financial years, against which Company had spent ₹ 140.15 Lakhs during the financial year 2022-23.

The Company has carried out the various CSR activities through NGO Partners, some of the details are mentioned herein:

EdelGive Foundation

The Shareholders are aware that one of the strategic projects that EdelGive and the Company are working on is with an NGO called Utthan who undertook a detailed survey of the villages surrounding the Valia plant and made a strategic plan to utilize the CSR funds for Water and Sanitation activities which included building water sources, toilets and several training and health & hygiene awareness sessions.

In this project, the Company has supported for construction and renovation of over 400 toilets, installed over 20 toilet seats for persons with disabilities, elderly and pregnant women. To ensure the safe discharge of grey water or household wastewater, washing platforms and soak pits were constructed. Also, demonstration models of solid waste management pits were constructed to create awareness about proper solid-waste collection, which is important for the protection of public health, safety, and environmental quality. Borewells and roof water harvesting tanks were developed to ensure safe and adequate drinking water. An ecosan toilet was built in the home of a member of the Dungari village. The household member intends to use Ecosan manure on the farm. Community mobilisation activities for Social and Behavioural Communication Change were organised which included hamlet meetings, community awareness programs and school-based programs.

The consistent efforts over a period of time have resulted in reduction in open defecation, drudgery for women to fetch water. It has increased the use of functional toilets, enhanced the hygiene conditions with use of toilets, washing platforms, soak pits, and increased the participation of community members, especially women.



Reduced drudgery for women to fetch water



Increased Participation



WASH And Gender Equality Trainings



**Visit by Managing Director to the site
Catalysts for Social Action**

Your company in collaboration with Catalysts for Social Action, society and a trust, started a **'ADOPT A HOME & LIVELIHOOD & AFTERCARE SUPPORT'** program to provide support to children and youths at three Child Care institutions (CCI) in Navi Mumbai, Maharashtra:-

CCI 1 - Rays of Hope – Kharghar, Navi Mumbai

CCI 2 - Swapnalaya – Panvel, Navi Mumbai

CCI 3 - Panchdeep – Panvel, Navi Mumbai

The project was adopted with a view to provide necessities in the areas of hygiene and sanitation, safe living spaces for children, improve developmental aspects around education, aftercare initiatives for over 18-year-olds, vocational training, mentoring support and to build the capacity of CCI management and staff for sustained outcomes.



Computer setup at Panchdeep



School uniform support

To develop overall personality of kids, various activities like dance workshop, lantern-making workshop, diya making and sports activities, are undertaken. Bindas Bol program from communicative English was held. On the occasion of Marathi Bhasha Din, slogan writing competition, poster making on different languages spoken in Maharashtra, were made and displayed by the children.



Marathi Bhasha Din Activities



Bindas Bol

In the aftercare program, Young Adults were enrolled for upskilling, who don't have family support. Few are currently pursuing courses and others have been placed in jobs.



Employee Engagement Activity

Seva Sadan Society

Your company has collaborated with Seva Sadan Society to fund Secondary School Education (Stds. 5 to 7 in the academic year 2022-23) at Seva Sadan Society's English Medium School for 61 students. To improve the academic progress remedial teaching that is one-on-one teaching to the identified students is provided after school hours. Enrollment of Education Consultant, new recruitment of teachers, introduction of library period are few steps undertaken to provide quality education.



Seva Sadan Society English Medium School



Annual Sports Day



75 years - Azadi Ka Amrit Mahotsav



Project Day

Deepak Foundation

Your company has worked with Deepak Foundation for Skill Development of Youth & Self-Help Group women in Facility Management & Services around Taloja Plant area. Necessary training has been imparted to 76 youths in four batches including on the job / practical training apart from the classroom training sessions. Out of 76 youths, 48 trainees have secured employment or have opted for self-employment.



Housekeeping and Cooking Practical sessions

The details as required under Section 135 of the Companies Act, 2013 are provided in CSR Report which is annexed herewith as **Annexure IV**. For the year 2022-23, the Chief Financial Officer of the Company has certified that the funds of CSR have been utilized for the purposes and in the manner as approved by the Board of Directors of the Company.

E. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The company conducts the Familiarization program when new Director(s) is/are appointed during the year. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarize them with the process, business, and functionaries of the Company and to assist them in performing their role as Independent Directors of the Company. The familiarisation programme along with details of the same imparted to the Independent Non-Executive Directors during the year are available on the website of the Company at <https://apcotex.com/uploads/documents/MjAzOTAy-11-04-23.pdf>

F. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Insider trading policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with the shares of the Company. The policy has been formulated to regulate, monitor, and ensure reporting of deals by designated person/employees and maintain the highest ethical standards of dealing in Company securities.

G. INTERNAL FINANCIAL CONTROLS

Your Company maintains an adequate and effective internal control system commensurate with its size and complexity. The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures. These are reviewed periodically and made part of work instructions or process in the company.

The Company periodically conducts physical verification of inventory, fixed assets and cash on hand and matches them with the books of accounts. Explanations are sought for any variance noticed from the respective functional heads.

H. DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm:

- I. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- II. That they 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 and of the profit and loss of the company for that period;
- III. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- IV. That they have prepared the annual accounts on a going concern basis;
- V. That they, 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 they have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

I. DISCLOSURE IN TERMS OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

All women who are associated with the Company either as permanent employees or temporary employees or contractual persons including service providers at the Company sites are covered under the above policy.

The company has constituted Internal Complaints Committee to ensure a harassment free working environment, to redress the complaints and to prevent sexual harassments, if any. No complaints relating to sexual harassment were received during the year.

J. FIXED DEPOSITS MATURED BUT NOT CLAIMED

Company has no Fixed Deposits at the end of the financial year. The Central Bureau of Investigation (CBI) has instructed the Company, not to repay the proceeds of four fixed deposits amounting to ₹ 0.48 Lakhs and accrued interest of ₹ 0.22 Lakhs thereon. These deposits matured during the first week of December 2002 and continue to remain with the Company.

K. INSURANCE

All insurable assets of the Company including inventories, buildings, plant and machinery etc., as well as the liability under legislative enactments, are insured on reinstatement basis after due valuation of assets by an external agency. The Company also holds a Loss of Profit Policy for the financial year 2022-23.

L. ECOLOGY AND SAFETY

The company ensures safe, healthy and eco-friendly environment at its plant and surrounding areas. The company continually works towards identification and

reduction of risks and prevention of pollution at its plant and its surroundings.

Members of the Safety Committees of the Company's Taloja Plant and Valia Plant, have been regularly reviewing the safety measures and their implementation to ensure adequate safety in material handling and processing, control of pollution caused by liquid effluents, dust and emissions from chimney, etc. Samples are periodically drawn and the reports submitted to the Pollution Control Board indicating compliance with the standards.

Consent has been obtained from Maharashtra Pollution Control Board to operate the Plant at Taloja and from Gujarat Pollution Control Board to operate the Plant at Valia, Ankleshwar.

The company is working with the renowned consultants for implementation of Environment, Social and Governance (ESG) in the organisation. The disclosure requirement of Business Responsibility and Sustainability Report forms part of this report.

M. PERSONNEL

The information required under Section 197 of the Companies Act, 2013 and read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure II**.

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, in respect of employees of your company is available for inspection by the members. Please refer to note no. 18 of the Notice of AGM for inspection of the same.

N. DIRECTORS & KEY MANAGERIAL PERSONNEL

Appointment:

The Board of Directors on the recommendation of the Nomination and Remuneration Committee, recommend the re-appointment of Mr. Ravishankar Sharma (DIN: 08739672) as a Wholetime Director, designated as an Executive Director w.e.f 1st May 2023 for a term of three years subject to the approval of the members in the ensuing AGM.

The Board of Directors had on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 20th October 2022, approved the appointment of Mr. Jeevan Mondkar (ACS 22565) as the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company effective from 1st November 2022 in place of Mr. Anand Kumashi, Company Secretary & Compliance Officer of the Company, who retired on 31st October 2022. The Directors wish to place on record their appreciation for the contribution made by Mr. Anand Kumashi during his tenure with the Company.

Retirement by Rotation:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company, Mr. Atul Choksey (DIN 00002102) will retire by rotation at the ensuing AGM of the Company and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Brief resume, nature of expertise in specific functional areas, disclosure of relationships between directors inter-se, details of directorship held in other companies, membership of committees of the Board, shareholding in the Company held by the directors proposed to be appointed/re-appointed at the 37th AGM, is provided in the Notice of the AGM.

O. AUDITORS

Statutory Auditors

M/s. SGD & Associates LLP, Chartered Accountants (Firm Registration No. W100188) were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 32nd AGM of the Company held on 27th July 2018 to hold office from the conclusion of the said Meeting till the conclusion of the 37th AGM to be held in the year 2023.

Your Board recommends the appointment of M/s. Manubhai & Shah LLP, Chartered Accountants (Firm Registration No. 106041W/W100136), as Statutory Auditors of the Company for a period of 5 years from the conclusion of this AGM till the conclusion of the 42nd AGM to be held in the year 2028, in place of retiring auditors viz. M/s. SGD & Associates LLP, Chartered Accountants, on such remuneration as shall be fixed by the Board of Directors of the Company. The Company has received letter from the M/s. Manubhai & Shah LLP, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limit under Section 141 (3) (g) of the Companies Act, 2013 and that they are not disqualified from the appointment.

Cost Auditors

M/s. V J Talati & Co., Cost Accountants have been appointed as Cost Auditors of the Company for the financial year 2023-24 under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules 2014. M/s. V J Talati & Co. have confirmed that they are free from any disqualifications as specified under the Companies Act, 2013.

The remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for their ratification. Accordingly, resolution seeking Members' ratification for the remuneration payable to M/s. V J Talati & Co., Cost Auditors is included at item No.7 of the Notice convening the AGM.

Secretarial Auditor

M/s. D.S. Momaya & Co. LLP, Company Secretaries, have been appointed to conduct the Secretarial Audit of the Company for the financial year 2022-23, pursuant to the provisions of Section 204 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 as amended. The Report of the Secretarial Auditor is appended to this Report as **Annexure V**.

P. Maintenance of Cost Records

The maintenance of cost records as specified under Section 148 of the Companies Act, 2013 is applicable to the Company and accordingly all the cost records are made and maintained by the Company and audited by the cost auditors.

Q. CEO & CFO CERTIFICATION

Certificate from Managing Director and Chief Financial Officer, pursuant to the Regulation 17 of SEBI (LODR) Regulations, 2015, for the financial year 2022-23 under review was placed before the Board of Directors of the Company at its meeting held on 27th April 2023.

R. SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 for the financial year ended 31st March 2023.

S. Business Responsibility and Sustainability Report (BRSR)

Detailed BRSR under Regulation 34 of SEBI (LODR) Regulations, 2015 forms a part of this report.

T. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules), as amended from time to time, all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after completion of seven years. Further, according to the Rules, the shares on which dividend had remained unpaid or unclaimed by the shareholders for seven consecutive years or more are also be transferred to the demat account of the IEPF Authority. Accordingly, the Company has transferred the unclaimed dividend of ₹ 12,86,481/- for the year 2014-15 during August 2022. Considering 2014-15 as base year, the Company has transferred 9,154 Equity shares of ₹ 2 each/- held by 179 number of shareholders, on which the dividend was

unclaimed for 7 consecutive years, to demat account of IEPF's authority, in compliance with IEPF Rules during the financial year 2022-23.

The Company had sent individual notices and also advertised in the newspapers seeking action from the Members who have not claimed their dividends for seven consecutive years or more.

The Company will be transferring the final dividend and corresponding shares for the financial year ended 2015-16 within statutory timelines. Members are requested to ensure that they claim the dividends and shares referred to above, before they are transferred to the said Fund. The due dates for transfer of unclaimed dividend to IEPF are provided in the report on Corporate Governance.

The Company has uploaded full details of such shareholders and shares due for transfer to IEPF Authority on its website at www.apcotex.com. Shareholders are requested to refer to the web-link <https://apcotex.com/investor-transfer-to-iefp> to verify the details of unclaimed dividends and the shares liable to be transferred to IEPF Authority.

U. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURT

During the year no significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations.

V. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their deep sense of gratitude to the Bankers, various departments of State / Central Government and local authorities for their continued guidance and support.

We would also like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every member of the Apcotex family. To all shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

The accompanying **Annexures I to V** are an integral part of this Directors' Report.

FOR AND ON BEHALF OF THE BOARD

ATUL C CHOKSEY
CHAIRMAN
DIN: 00002102

Date: 27th April 2023

Place: Mumbai

ANNEXURE I TO DIRECTORS' REPORT
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,
FOREIGN EXCHANGE EARNING AND OUTGO ETC

Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy:	Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in batch cycle time and improved operations.	
(B) Technology absorption:	No new technology has been acquired during the year. Upgradation of present technology is a continuous process, implemented and adapted by the Company through innovation. Efforts are made to reduce batch cycle time and improve operational efficiency. No technology import has been made in the recent past.	
Expenditure incurred on R & D during the Financial Year are as follows:		
(₹ in Lakhs)		
Particulars	2022-23	2021-22
Capital	140.47	27.08
Recurring	633.59	431.22
Total	774.06	458.30
Total R & D expenditure as a percentage of Total Revenue	0.72%	0.48%
(C) Foreign Exchange Earnings and Outgo	The Company is currently assessing export potential for its products in various markets. Details of foreign exchange earnings and outgo are given below:	

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Total Outflow	15,889.08	17,582.42
Total Inflow (CIF Value of Exports)	22,012.63	20,277.94

ANNEXURE II TO DIRECTORS' REPORT

A Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014					
	Disclosure Requirement	Disclosure details			
1	The percentage increase in remuneration of each Director, Company Secretary and Chief Financial Officer during the financial year 2022-23, ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23.	Directors / KMP	Title	Ratio	% increase in remuneration
		Atul Choksey	Non-Executive Chairman	19.58	42.04
		Abhiraj Choksey	Managing Director	33.30	29.77
		Amit Choksey	Non-Executive Director	0.26	0.00
		Dr. S. Sivaram	Non-Executive Director	1.64	26.67
		Shailesh Vaidya	Non-Executive Director	1.48	32.31
		Kamlesh Vikamsey	Non-Executive Director	1.64	26.67
		Priyamvada Bhumkar	Non-Executive Director	1.48	6.17
		Udayan Choksi	Non-Executive Director	1.69	31.54
		Ravishankar Sharma	Executive Director	15.03	17.24
		Anand Kumashi	Company Secretary	NA	*
		Jeevan Mondkar	Company Secretary	NA	**
		Sachin Karwa	Chief Financial Officer	NA	***
2	Percentage increase in the median remuneration of employees in the financial year	5.23%; considering employees who were in employment for the whole of FY 2021-22. and FY 2022-23.			
3	Number of permanent employees on the rolls of Company at the end of the year	553			
4	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	For employees other than managerial personnel who were in employment for the whole of FY 2021-22 and FY 2022-23 the average increase is 16.27%. Average increase for managerial personnel is 25.6%. The increase in the remuneration is keeping in line with the company's policy of rewarding performance			
5	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Company is in Compliance with its Remuneration policy.			

*Mr. Anand Kumashi retired as Company Secretary of the company w.e.f 31st October, 2022. Hence % increase in remuneration is not applicable.

**Mr. Jeevan Mondkar was appointed as Company Secretary of the company w.e.f 1st November, 2022. Hence % increase in remuneration is not applicable.

***Sachin Karwa was appointed as Chief Financial Officer of the company w.e.f 9th July 2021 and he was employed for part of the year. Hence % increase in remuneration is not applicable.

B	Details pertaining to remuneration as required under section 197(2) of the Companies Act 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014		
1	Name	Mr. Abhiraj Choksey	
	Age	45 years	
	Qualification	Bachelor of Science in Economics from Wharton Business School and Bachelor of Science in Engineering from the Engineering School, University of Pennsylvania in U.S.A	
	Designation	Managing Director	
	Date of Commencement of Employment	1 st May 2005	
	Experience	23 years	
	Remuneration	₹ 193.40 Lakhs	
	Previous Employment	Apcosoft Pvt Ltd	
	Designation	Managing Director	
	Shares held	13.31% (Including HUF)	
2	Name	Mr. Ravishankar Sharma	
	Age	56 years	
	Qualification	Bachelor of Chemical Engineering	
	Designation	Executive Director	
	Date of Commencement of Employment	1 st May 2020	
	Experience	34 years	
	Remuneration	₹ 87.31 Lakhs	
	Previous Employment	SRF Ltd	
	Designation	Sr. VP – Manufacturing	
	Shares held	-	

ANNEXURE III TO DIRECTORS' REPORT

Form No. AOC-2

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

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

1	Details of contracts or arrangements or transactions not at arm's length basis:							
	A	B	C	D	E	F	G	H
Sr. no.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Not Applicable								

2	Details of material contracts or arrangement or transactions at arm's length basis					
	A	B	C	D	E	F
Sr. No	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the Contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any (In ₹)
1	Apco Enterprises LLP Common Partner / Director(s)	Leasing of premises	01/10/2019 to 30/09/2022	Lease Rent @ ₹ 55,000/- p.m + all direct expenses	23-10-19	7,02,000
2	Parul Choksey Relative of Chairman and Non-Executive Director	All direct expenses	on going	All direct expenses	25-05-09	N.A.
3	Choksey Chemicals Pvt Ltd Common Director(s)	Sale of Goods at prevailing market Price	on going	Sale of Goods at prevailing market price	31-10-13	N.A.
4	Apco Enterprises LLP Common Partner / Director(s)	Professional Fees for Services rendered	01/10/2022 to 31/03/2023	Professional Fees for Services rendered	20-03-23	N.A.

ANNEXURE IV TO DIRECTORS' REPORT
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **Brief outline on CSR Policy of the Company:** The Company has framed the CSR Policy in compliance with the provisions of the Companies Act, 2013 read with the Companies (Social Responsibilities) Rules 2014 / 2021.

2. **Composition of CSR Committee:**

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year (25-04-2022)	Number of meetings of CSR Committee attended during the year
1	Mr. Atul Choksey	Chairman	1	1
2	Mr. Shailesh Vaidya	Member (Independent Director)	1	1
3	Mr. Abhiraj Choksey	Member (Managing Director)	1	1

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**

Composition of CSR committee - <https://apcotex.com/investor-committees#audit-committee>

CSR Policy - <https://apcotex.com/uploads/documents/NzE3Njc5-23-12-22.pdf>

CSR projects - <https://apcotex.com/uploads/documents/MTg4MTQ2-24-05-23.pdf>

4. **Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable - Not Applicable**

5. (a) Average net profit of the company as per section 135(5) - ₹ **6942.62 Lakhs**

(b) Two percent of average net profit of the company as per sub-section (5) of section 135 - ₹ **138.85 Lakhs**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - **Nil**

(d) Amount required to be set off for the financial year, if any- **Nil**

(e) Total CSR obligation for the financial year (b)+ (c)- (d) - ₹ **138.85 Lakhs**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ **140.15 Lakhs**

(b) Amount spent in Administrative Overheads - **Nil**

(c) Amount spent on Impact Assessment, if applicable - **Nil**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] - ₹ **140.15 Lakhs**

(e) **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.
140.15 Lakhs	NIL	NA	-	NIL	NA

(f) **Excess amount for set off, if any**

Sl. No.	Particular	Amount (in ₹ Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per section 135(5)	138.85
(ii)	Total amount spent for the Financial Year	140.15
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.30
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.30

7. Details of Unspent CSR amount for the preceding three financial years: Not Applicable

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

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

If Yes, enter the number of Capital assets created/ acquired

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

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or assets(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

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

Abhiraj A Choksey
Managing Director

apcotex
Bonds Beyond Chemistry

Atul C Choksey
Chairman CSR Committee

ANNEXURE V TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members,

Apcotex Industries Limited,

49-53, Mahavir Centre, Sector 17,

Vashi, Navi Mumbai – 400703.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Apcotex Industries Limited (CIN:L99999MH1986PLC039199)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Apcotex Industries Limited** books, papers, minute books, forms and returns filed and scanned copies of the documents, evidences of submission provided 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 on **31st March, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Apcotex Industries Limited** for the financial year ended on **31st March 2023**, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not Applicable during the year under review**;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not Applicable during the year under review**;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable during the year under review**;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not Applicable during the year under review**; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable during the year under review**;
- (vi) Following Laws applicable specially to the Company:
 - a. The Petroleum Act, 1934 and Rules made thereunder.
 - b. The Indian Explosive Act, 1884 read with The Static & Mobile Pressure vessel (Unfired) Rules, 1981.
 - c. The Factories Act, 1948 and various Rules thereunder.

- d. The Environment (Protection) Act, 1986 read with The Manufacture, storage and Import of Hazardous Chemicals Rules, 1989.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

We further report that, the company has filed the forms and returns with Ministry of Corporate Affairs / Registrar of Companies under Companies Act 2013 or other authorities under other applicable laws within the prescribed time.

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.

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that, the compliance by the Company of applicable financial laws such as Direct and Indirect Tax Laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by statutory financial auditors, tax auditors and designated professional.

We further report that, the company has complied with all the committee meeting compliances and all the committee meetings were duly held during the year as required under the law.

We further report that, the company has filed various disclosures as applicable with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) and there were some instances of filing the disclosures after the due date.

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

We further report that during the audit period, there were no other instances of

- a. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- b. Merger / amalgamation / reconstruction, etc.
- c. Foreign technical collaborations.

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

For D. S. Momaya & CO. LLP
Company Secretaries
FRN No. L2022MH012300

CS Abbas Jawadwala
Designated Partner
ACS No. 40723, CP No. 24937

Date: 27th April 2023
Place: Navi Mumbai
UDIN A040723E000203314

ANNEXURE- I TO SECRETARIAL AUDIT REPORT

To,
The Members,
Apcotex Industries Limited,
49-53, Mahavir Centre, Sector 17,
Vashi, Navi Mumbai – 400703.

Our Secretarial Audit Report for the Financial Year ended 31st March, 2023 is to be read along with this letter.

Management's Responsibility

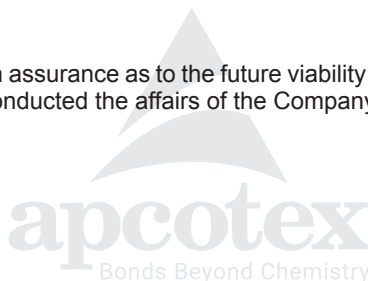
1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. 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 D. S. Momaya & CO. LLP
Company Secretaries
FRN No. L2022MH012300

CS Abbas Jawadwala
Designated Partner
ACS No. 40723, CP No. 24937

Date: 27th April 2023
Place: Navi Mumbai
UDIN A040723E000203314

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Code of Corporate Governance:

The Company is committed to best-in-class Corporate Governance practices with the objective of increasing benefits for all stakeholders of the Company viz. Shareholders, Customers, Suppliers, Employees and Society in general.

2. Board of Directors:

The composition of the Board of Directors of the Company is presently governed by the provisions of Companies Act, 2013, the Articles of Association of the Company and the SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015. The Board is comprised of Nine Directors, both executive and non-executive, Mr. Atul Choksey is the Non-Executive Chairman. The day-to-day operations of the Company are managed by Mr. Abhiraj Choksey, the Managing Director and Plant operations by Mr. Ravishankar Sharma – Executive Director, under the active guidance of the Chairman and the Managing Director.

Dr. S. Sivaram, Mr. Shailesh Vaidya, Mr. Kamlesh Vikamsey, Mrs. Priyamvada Bhumkar and Mr. Udayan Choksi are Non-Executive, Independent Directors, who constitute 56% of the total strength of the Board.

The Board of Directors of the Company consists of persons of eminence, having enormous experience in business management, polymer technology, finance, accountancy and law. The Board of Directors meet as often as required but not less than four times a year i.e. once in a calendar quarter. The Directors receive minutes of all the meetings of the Board and of the respective Committee meetings wherever they are members; namely Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Risk Management Committee. During the financial year 2022-23, five meetings of the Board of Directors were held on i) 27th April 2022, ii) 27th July 2022, iii) 20th October 2022, iv) 25th January 2023, v) 20th March 2023.

Independent Directors are expected not to serve on the Board of competing companies. No Director of the company is a member of more than ten Committees or is the Chairman of more than five committees across all public limited companies in which he / she is a Director.

Further, every Director informs the Company about the Committee position he / she occupies in other companies and notifies the changes as and when they take place. The details of directorships held by the Directors in public limited companies as on 31st March 2023 and attendance at the Board Meetings of the Company are given below:

Name of Director(s)	Designation / Category of Directorship	Board Meetings attended	Attendance at last AGM	No. of other Listed Directorships held	No. of Committees of which Member* / Chairman#
Mr. Atul Choksey	Non - Executive Chairman	5	Yes	1	-/-
Mr. Abhiraj Choksey	Managing Director	5	Yes	-	1/-
Mr. Amit Choksey	Non-Executive	5	Yes	-	-/-
Dr. S. Sivaram	Non-Executive, Independent	5	No	1	-/-
Mr. Shailesh Vaidya	Non-Executive, Independent	5	Yes	1	1/1
Mr. Kamlesh Vikamsey	Non-Executive, Independent	4	Yes	4	4/4
Mrs. Priyamvada Bhumkar	Non-Executive, Independent	3	Yes	-	1/-
Mr. Udayan Choksi	Non-Executive, Independent	5	Yes	-	2/-
Mr. Ravishankar Sharma	Executive Director	4	Yes	-	-/-

Mr. Atul Choksey, Mr. Abhiraj Choksey and Mr. Amit Choksey are related to each other.

*Membership Includes Chairmanship

#Only Audit Committee and Stakeholders' Relationship Committee are considered for reckoning committee positions.

The details of Directorship on the Board of listed entities, other than Apcotex Industries Limited, of above directors are given below:

Sr. No.	Name of person	Names of the listed entities where the person is a director		Category of directorship
1	Mr. Atul Choksey	1	Ceat Ltd	Independent Director
2	Mr. Abhiraj Choksey		-	-
3	Mr. Amit Choksey		-	-
4	Dr. S. Sivaram	1	Supreme Petrochem Ltd	Independent Director
5	Mr. Kamlesh Vikamsey	1	Navneet Education Ltd	Non-Executive Director
		2	Tribhovandas Bhimji Zaveri Ltd	Independent Director
		3	Man Infraconstruction Ltd	
		4	AU Small Finance Bank Limited	
6	Mr. Shailesh Vaidya	1	Excel Industries Ltd	Independent Director
7	Mrs. Priyamvada Bhumkar		-	-
8	Mr. Udayan Choksi		-	-
9	Mr. Ravishankar Sharma		-	-

A Director of a listed entity shall not be a director on the Board of more than 7 listed entities, provided that he / she shall not serve as an Independent Director on the Board of more than 7 listed entities. However, a person on the Board of a listed entity serving as Managing Director / Whole-Time Director shall not serve as an Independent Director on the Board of not more than 3 listed entities.

Board Skills Matrix identified by Board of Directors of the Company

The Board skills matrix provides a guide as to the skills, knowledge, experience, personal attributes and other criteria appropriate for the Board of the Company. The template is designed to capture the skills of the current Board, assist in the recruitment of future directors if necessary and provide guidance for the Board in its succession planning.

The Board is a skill based Board comprising directors who collectively have the skills, knowledge and experience to effectively govern and direct the Company. The Board has identified the skills and attributes required by Company directors which can be broadly categorised as follows:

- **Governance skills** (skills directly relevant to performing the Board's key functions);
- **Industry skills** (skills relevant to the industry/section in which the organisation predominantly operates); and
- **Personal attributes/qualities** that are generally considered desirable to be an effective Director.

In addition, the Board as a whole should also encompass desirable diversity in aspects such as gender, age, or different perspectives relative to the skills and attributes noted above.

Governance Skills

Skill area	Description	Importance of Skill (Essential, desirable, able to rely on external advice)
Strategy	Ability to think strategically, identify and critically assess strategic opportunities, threats and develop effective strategies for the Company.	Essential
Policy	Ability to identify key issues and opportunities for the Company within the Polymer industry and develop appropriate policies to define the parameters within which the organisation should operate.	Essential
Finance	Qualifications and experience in accounting or finance and the ability to: <ul style="list-style-type: none"> o analyse key financial statements; o critically assess financial viability and performance; o contribute to strategic financial planning; o oversee budgets and the efficient use of resources; and o oversee funding arrangements and accountability. 	Essential

Skill area	Description	Importance of Skill (Essential, desirable, able to rely on external advice)
Risk	Ability to identify key risks in a wide range of areas including legal, regulatory compliance, monitor risk, compliance management frameworks and systems.	Essential
Technical	Have technical ability and knowledge to understand the company's product, process manufacturing technology, etc.	Desirable
Information technology	Knowledge, experience in the strategic use, governance of information management, information technology including personal information privacy and security risk management.	Desirable
Executive management	Experience at an executive level including the ability to: <ul style="list-style-type: none"> o appoint & evaluate the performance of the MD/KMP/ Senior Management. o oversee strategic human resource management and industrial relations. 	Desirable
Board experience	Experience as a director of a company, preferably of a listed company, and an understanding of compliance requirements, including reporting and shareholder meeting requirements.	Desirable
Commercial experience	A broad range of commercial/business experience.	Desirable

Industry Skills

Skill area	Importance of Skill (essential, desirable, able to rely on external advice)
Expertise in the areas of the Company's Business	Desirable
Depth of experience with the Company	Desirable

Personal Attributes/Qualities

Attribute	Description
Integrity (ethics)	A commitment to: <ul style="list-style-type: none"> o understanding and fulfilling the duties and responsibilities of a director, and maintaining knowledge and Chemistry o putting the Company's interests before any personal interests o being transparent and declaring any activities or conduct that might be a potential conflict o maintaining Board confidentiality
Influencer and negotiator	The ability to negotiate outcomes and influence others to agree with those outcomes, including an ability to gain broad stakeholder support for the Board's decisions.
Critical and innovative thinker	The ability to critically analyse complex and detailed information, readily understand key issues, and develop innovative approaches and solutions to problems
Leader	Leadership skills including the ability to: <ul style="list-style-type: none"> o appropriately represent the organisation o set appropriate Board and Company culture o make and take responsibility for decisions and actions

The skill areas in the matrix are regularly reviewed to ensure that the composition of skills on the Board remains aligned with the Group's stage of development and strategic direction.

Name of directors with their skills / expertise / competence

Name of Directors	Strategy	Policy	Finance	Risk	Technical	Information technology	Executive management	Board experience	Commercial experience
Mr. Atul Choksey	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Abhiraj Choksey	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Amit Choksey	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. S. Sivaram	✓	✓		✓	✓	✓	✓	✓	✓
Mr. Shailesh Vaidya	✓	✓		✓		✓	✓	✓	✓
Mr. Kamlesh Vikamsey	✓	✓	✓	✓		✓	✓	✓	✓
Mrs. Priyamvada Bhumkar	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Udayan Choksi	✓	✓	✓	✓		✓	✓	✓	✓
Mr. Ravishankar Sharma	✓	✓		✓	✓	✓	✓	✓	✓

Confirmation

In the opinion of the Board, the Independent Directors fulfil the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management. Each Independent Director have confirmed that they meet the criteria of independence as mentioned under Regulation 16 (1) (b) of the SEBI (LODR) Regulations, 2015 and Section 149 (6) of the Companies Act, 2013.

Familiarisation programmes

The web link of familiarisation programme imparted to independent directors is disclosed in the Directors' Report and is available at the following weblink: <https://apcotex.com/uploads/documents//MjAzOTAy-11-04-23.pdf>

Details of shareholding of Directors as on 31st March 2023

The number of equity shares of face value of ₹ 2/- each of the Company held by the Directors as on 31st March 2023 are as under:

Name of Directors	Executive or Non-Executive Director	No. of Shares	% to paid up capital
Mr. Atul Choksey	Non-Executive Director	68,81,514	13.27
Mr. Abhiraj Choksey (including HUF)	Executive Director	68,99,570	13.31
Mr. Amit Choksey	Non-Executive Director	1,72,275	0.33
Dr. S. Sivaram	Non-Executive Director Independent	--	--
Mr. Shailesh Vaidya	Non-Executive Director Independent	--	--
Mr. Kamlesh Vikamsey	Non-Executive Director Independent	--	--
Mrs. Priyamvada Bhumkar	Non-Executive Director Independent	25,000	0.05
Mr. Udayan Choksi	Non-Executive Director Independent	--	--
Mr. Ravishankar Sharma	Executive Director	--	--

Responsibilities:

The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the intervening gap between the meetings is within the period prescribed under the Companies Act, 2013. During the year under review, the Board met 5 times. The agenda of the Board meeting is circulated to all the Directors well in advance and contains all the relevant information. The Managing Director is responsible for corporate strategy, planning, external contacts and Board matters. The Executive Director is responsible for Plant Operations. The senior management personnel heading respective divisions are responsible for all day-to-day operations related issues, productivity, recruitment, and employee's retention for their divisions.

The Company has constituted various committee(s) in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Company Secretary acts as the Secretary of all Board Committees. Each of these Committees have the authority to engage outsider experts, advisors, and counsels to the extent it considers appropriate to assist in its functions. Minutes of the Committee meetings are circulated to the Directors and placed before the Board meeting for noting.

3. Audit Committee

The Audit Committee was constituted in April 2000, which was reconstituted by the Board of Directors in their meeting held on 26th April 2014 in compliance with the Companies Act, 2013 and Listing Agreement / SEBI (LODR) Regulations, 2015.

During the year under review, 5 meetings of the Committee were held on i) **27th April 2022**, ii) **27th July 2022**, iii) **20th October 2022**, iv) **25th January 2023**, v) **20th March 2023**.

The Audit Committee comprises of three non-executive independent directors viz. Mr. Kamlesh Vikamsey as the Chairman, Mrs. Priyamvada Bhumkar and Mr. Udayan Choksi, as members and Mr. Abhiraj Choksey – Managing Director, a permanent invitee of the Committee.

Attendance at the Audit Committee meetings during the year under review are given below:

Name	Non-Executive / Independent	Number of Meetings held – 5
		Attended
Mr. Kamlesh Vikamsey	Non-Executive, Independent	4
Mrs. Priyamvada Bhumkar	Non-Executive, Independent	3
Mr. Udayan Choksi	Non-Executive, Independent	5

The Audit Committee invites the executives of the Company, as it considers appropriate, representatives of Statutory Auditor and representatives of the Internal Auditor at its meetings.

The broad terms of reference of the Audit Committee includes the following pursuant to Regulation 18 read with Part C of Schedule II of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for terms of appointment and remuneration of Auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing, 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 financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to quarterly and yearly financial statements;
 - Disclosure of any related party transactions;
 - Modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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 to be submitted by monitoring agency with regard to utilisation of proceeds of a public or rights issue, and making appropriate recommendations to Company's Board.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, whenever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, reviewing Internal Control Systems in the organization;
- Reviewing the adequacy of internal audit function, if any, including structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors over significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO;
20. Approval or any subsequent modification / changes of Related Party Transactions;
21. To investigate into any matter specified under Section 177(4) or any matter referred by the Board.
22. The Committee has power to obtain external professional help / advice and has right to ask for any information / explanation.
23. To review the utilization of loans and/ or advances from / investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower, if any.

4. **Nomination and Remuneration Committee:**

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015, the Remuneration Committee was reconstituted as "Nomination and Remuneration Committee" by the Board of Directors in their meeting held on 26th April 2014, in compliance with the Companies Act, 2013 / SEBI (LODR) Regulations, 2015. The present Members of Committee are - Dr. S. Sivaram, Mr. Atul Choksey, Mr. Kamlesh Vikamsey and Mrs. Priyamvada Bhumkar. Dr. S. Sivaram, Mr. Kamlesh Vikamsey and Mrs. Priyamvada Bhumkar are the non-executive independent directors of the Company.

The Nomination and Remuneration committee met 3 times on **21st May 2022**, **20th October 2022** and **20th March 2023**. The Chairman of the Nomination & Remuneration Committee was present at the last Annual General Meeting. The attendance at the meeting of the Committee is as under:

Name	Non-Executive / Independent	Number of Meetings held - 3
		Attended
Dr. S. Sivaram	Non-Executive, Independent	3
Mr. Atul Choksey	Non-Executive	3
Mr. Kamlesh Vikamsey	Non-Executive, Independent	2
Mrs. Priyamvada Bhumkar	Non-Executive, Independent	1

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- to evaluate balance of skills, knowledge, experience on the Board, time committed to the company and on the basis of such evaluation prepare a description of the role and capabilities required while recommending the appointment of an independent director. For this purpose, the committee may avail the services of external agencies, if required.
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- 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.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

The Nomination and Remuneration Policy is devised in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 SEBI (LODR) Regulations, 2015 and has been uploaded on the website i.e <https://apcotex.com/uploads/documents/NTk2NzM4-23-12-22.pdf> of the Company. The performance evaluation criteria for independent directors are provided in the Directors Report. Further, the details of remuneration paid to all the Directors' and other disclosures as required to be made under SEBI (LODR) Regulations, 2015 have been provided in this Report.

5. Remuneration of Directors / Remuneration Policy:

Non-executive Directors are paid sitting fees for each meeting of the Board, or its committees attended by them and are also eligible for commission. The shareholders of the Company at the meeting held on 4th June 2019 had authorised the payment of commission to the Non-Executive Directors upto 3% of net profit of the Company, calculated in accordance with provisions of Section 197 and 198 of the Companies Act, 2013. The allocation of commission to Non-Executive Directors is determined by the Board based on various criterias like time spent, involvement in various decision-making process and the individual contribution etc., apart from attending the meeting of Board of Directors and Committee(s) thereof.

The payment of Commission, in the excess of 50% of the total Commission as computed under provisions of Section 198 of the Companies Act, 2013, available for Non-Executive Directors of the Company, to any one Director, needs to be approved by the Shareholders by way of special resolution, under Regulation 17(6) ca of SEBI (LODR) Regulations, 2015.

The Sitting fees paid and the commission proposed to be paid subject to approval of shareholders at the ensuing Annual General Meeting (AGM) are as under:

Name of Director	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Atul Choksey	2,70,000	1,21,00,000	1,23,70,000
Mr. Amit Choksey	1,50,000	-	1,50,000
Dr. S. Sivaram	3,00,000	7,50,000	10,50,000
Mr. Shailesh Vaidya	2,10,000	7,50,000	9,60,000
Mr. Kamlesh Vikamsey	3,00,000	7,50,000	10,50,000
Mrs. Priyamvada Bhumkar	2,10,000	7,50,000	9,60,000
Mr. Udayan Choksi	3,30,000	7,50,000	10,80,000

The Board approved the payment of commission of ₹ 158.50 Lakhs out of Net profits of the Company, being about 1% of net profits as calculated in accordance with provisions of Section 197 and 198 of the Companies Act, 2013.

Remuneration paid to Executive / Whole time Directors for the FY 2022-23 is as under:

Name	Mr. Abhiraj Choksey	Mr. Ravishankar Sharma
Salary (Includes Variable pay)	₹ 193.40 Lakhs	₹ 87.31 Lakhs
Provident Fund	₹ 5.14 Lakhs	₹ 3.51 Lakhs
Perquisites	₹ 11.33 Lakhs	NIL
Notice Period	6 months	As per Company's Policy.
Details of Service contracts with Directors		
Director	Service Contract and Period	Severance Fees
Mr. Abhiraj Choksey Managing Director	Agreement date: 16-06-2022: Period:01-05-2022 to 30-04-2025	Nil
Mr. Ravishankar Sharma Executive Director	Period:01-05-2020 to 30-04-2023	Nil

6. Stakeholders Relationship Committee:

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015, the Stakeholders Relationship Committee Members are – Mr. Shailesh Vaidya – Chairman of the committee, Mr. Udayan Choksi and Mr. Abhiraj Choksey.

The Stakeholders Relationship Committee met once on **20th February 2023**. The necessary quorum was present for the meeting. The composition of the Committee during the financial year and the details of the meeting held and attended by the members are as under:

Name	Non-Executive / Independent	Numbers of Meetings held - 1
		Attended
Mr. Shailesh Vaidya	Non-Executive, Independent	1
Mr. Udayan Choksi	Non-Executive, Independent	1
Mr. Abhiraj Choksey	Managing Director	1

The broad terms of reference of Stakeholders Relationship Committee as set out in Regulation 20 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013 includes the following:

- 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.
- Review of measures taken for effective exercise of voting rights by shareholders.
- 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.
- 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.

The details of correspondences / grievances / complaints received and redressed during the financial year 2022-23 by the Company through the Registrars, Link Intime India Pvt Ltd, are as under:

Sr. No.	Particulars	No. of correspondence / Complaints
1	Investor Correspondences / grievances pending at the beginning of the year	32
2	Investor Correspondences / grievances received during the year	1636
3	Investor Correspondences / grievances disposed of during the year	1657
4	Investor Correspondences / grievances remaining unresolved at the end of the year	11

Mr. Jeevan Mondkar has been appointed as the Compliance Officer, as required by Regulation 6 of SEBI (LODR) Regulations, 2015 with effect from 1st November 2022 consequent to retirement of Mr. Anand V. Kumashi as Company Secretary and Compliance Officer of the company. He has been entrusted the task of meeting fully the requirements of the said Regulation and overseeing the share registry work done by the Registrar and Share Transfer Agents; attending grievances of the shareholders and investors; compliance with the statutory and regulatory requirements, etc. of SEBI and the stock exchanges.

With reference to Regulation 46 of SEBI (LODR) Regulations, 2015 the Company has designated exclusive e-mail ID as redressal@apcotex.com for investors to register their grievances, if any. This has been initiated by the company to resolve investors' grievances immediately. The Company has displayed the said e-mail ID on its website for the knowledge of Investors.

7. Corporate Social Responsibility Committee:

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted a "Corporate Social Responsibility Committee" in their meeting held on 26th April 2014, in compliance with the Companies Act, 2013 comprising of three Directors including an Independent Director viz. Mr. Shailesh Vaidya, Mr. Atul Choksey - Chairman and Mr. Abhiraj Choksey – Managing Director.

The broad terms of reference of the Corporate Social Responsibility (CSR) Committee are as under:

1. Formulate and approve revisions to the CSR Policy and recommend the same to the Board for its approval;
2. Formulate and recommend an annual action plan along with Budgeted CSR Expenditure (including any revisions thereto) to the Board for its approval;
3. Identify projects of the Company as 'Ongoing Projects';
4. Recommend the annual CSR expenditure budget to the Board for approval;
5. Approve unbudgeted CSR projects where the annual outlay is more than ₹ 1 Crore but not exceeding 10% of the total CSR budget for the financial year;
6. Review implementation of CSR activities of the Company within the applicable framework;
7. Nominate a CSR Internal Monitoring Group and advise the team for effective implementation of the CSR Programs;
8. Set monitoring mechanisms in place to track the progress of each project and track these projects at such intervals as may be required;

The CSR Committee met once on **25th April 2022**. The necessary quorum was present for the meeting. The composition of the Committee during the financial year 2022-23 and details of meeting held and attended by the Directors are as under:

Name	Non-Executive / Independent	Numbers of Meetings held - 1
		Attended
Mr. Atul Choksey	Non-Executive	1
Mr. Shailesh Vaidya	Non-Executive, Independent	1
Mr. Abhiraj Choksey	Managing Director	1

The CSR policy devised in accordance with provisions of Section 135 of the Companies Act, 2013 and the details about the development of CSR Policy and initiatives undertaken by the Company on CSR during the financial year as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 have also been appended as an Annexure to the Directors Report.

8. Risk Management Committee

Pursuant to Regulation 21 of SEBI (LODR) Regulations, 2015, the Risk Management Committee was constituted comprising of three directors including an Independent Director viz. Dr. S. Sivaram as Chairman of the committee, Mr. Abhiraj Choksey- Managing Director and Mr. Ravishankar Sharma – Executive Director.

The Risk Management Committee met twice, on **17th October 2022 and on 20th March 2023**. The necessary quorum was present for the meeting. The composition of the Committee during the financial year 2022-23 and details of meeting held and attended by the members are as under:

Name	Non-Executive / Independent	Numbers of Meetings held - 2
		Attended
Dr. S. Sivaram	Non-Executive, Independent	2
Mr. Abhiraj Choksey	Managing Director	2
Mr. Ravishankar Sharma	Executive Director	2

The broad terms of reference of Risk Management Committee as set out in Regulation 21 read Part D of Schedule II of SEBI (LODR) Regulation, 2015 includes the following:

1. to formulate a detailed risk management policy including a framework for identification of internal and external risks faced by the company viz. operational, ESG related risks, financial, sustainability, information, cyber security.
2. business continuity plan
3. monitor and evaluate risks associated with the business of company using appropriate methodology, processes and systems.
4. to monitor and oversee implementation of the risk management policy and evaluate adequacy of risk management systems
5. review the risk management policy
6. appointment, removal and terms of remuneration of the Chief Risk Officer, if any, shall be subject to review by the Risk Management Committee
7. to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

9. General Body Meetings:

During the preceding three years, the details of Company's Annual General Meeting held:

Year	Date	Time	Special resolution/s passed*	Venue
2021-22	14 th June 2022	11.00 am	Yes (Two)	Through Video Conferencing / Other Audio Visual Means
2020-21	9 th July 2021	11.00 am	Yes (One)	Through Video Conferencing / Other Audio Visual Means
2019-20	4 th Aug 2020	11.00 am	Yes (Three)	Through Video Conferencing / Other Audio Visual Means

***Special Resolution/s passed:**

2021-22:

1. Reappointment of Mr. Abhiraj Choksey as Managing Director for a further period of 3 years.
2. Approval of annual remuneration payable to single Non-Executive Director.

2020-21:

1. Approval of annual remuneration payable to single Non-Executive Director.

2019-20:

1. Reappointment of Mrs. Priyamvada Bhumkar as an Independent Director (Second Term).
2. Appointment of Mr. Ravishankar Sharma as an Executive Director for a period of 3 years.
3. Approval of Annual Remuneration payable to single Non-Executive Director.

Special Resolution passed through postal ballot

Whether any Special Resolution passed last year through postal ballot and details of voting pattern - No special resolution was passed through postal ballot in the last year.

No special resolution is proposed to be transacted through postal ballot as on date of this report.

10. Means of Communication:

- a. The quarterly, half yearly and annual results of the Company's financial performances were published in two newspapers viz. 'Business Standard' and 'Mumbai Lakshadeep', and displayed on Company's website <https://apcotex.com/investor-quarterly-report>.
- b. The Company's results and presentations/announcements are available on the Company's website under the Investors section and on the websites of BSE Limited and National Stock Exchange of India Limited.
- c. The Annual Report is available on the Company's website and being sent through e-mails to all those Members whose e-mail IDs have been registered with the Company/ Depository Participants.
- d. Quarterly/event wise presentations made to institutional investors/analysts is uploaded on website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and displayed on Company's website, <https://apcotex.com/investor-quarterly-report>.

11. General Shareholders Information:

- a. Thirty Seventh (37th) Annual General Meeting (AGM) of the Company will be held on Monday, the **19th June 2023** at **11:00 am**, through Video Conferencing (VC) / Other Audio Visual Means (OAVM), the company will conduct the meeting from Registered Office i.e 49-53, Mahavir Centre, Plot no. 77, Sector 17, Vashi, Navi Mumbai - 400 703, which shall be deemed to be venue of AGM to transact the business mentioned in the Notice of AGM dated 27th April 2023.

As required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and SS 2-Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India (ICSI), particulars of the Directors seeking appointment at this AGM are given in the Annexure to the Notice of this AGM.

- b. The Company's financial Year is 1st April to 31st March.
- c. Dividend payment:

Interim Dividend - Interim Dividend declared and paid after 7th Feb 2023 @ of ₹ 2.00 (100%) per equity share of ₹ 2/- each.

Final Dividend – Subject to approval by the shareholders at the upcoming AGM, the Board has recommended a final dividend of ₹ 3.50 (175%) per equity share of ₹ 2/- each, to be paid after 19th June 2023 but not later than 18th July 2023. Any applicable income tax will be deducted at the source before the dividend is paid out.

- d. Stock Exchanges: The Company's equity shares are listed on BSE Limited (BSE), Mumbai and National Stock Exchange of India Limited (NSE), Mumbai. The Annual Listing fees have been paid and there is no outstanding payment towards the stock exchanges, as on date.
- e. Stock Code: BSE - 523694
Symbol: NSE - APCOTEXIND

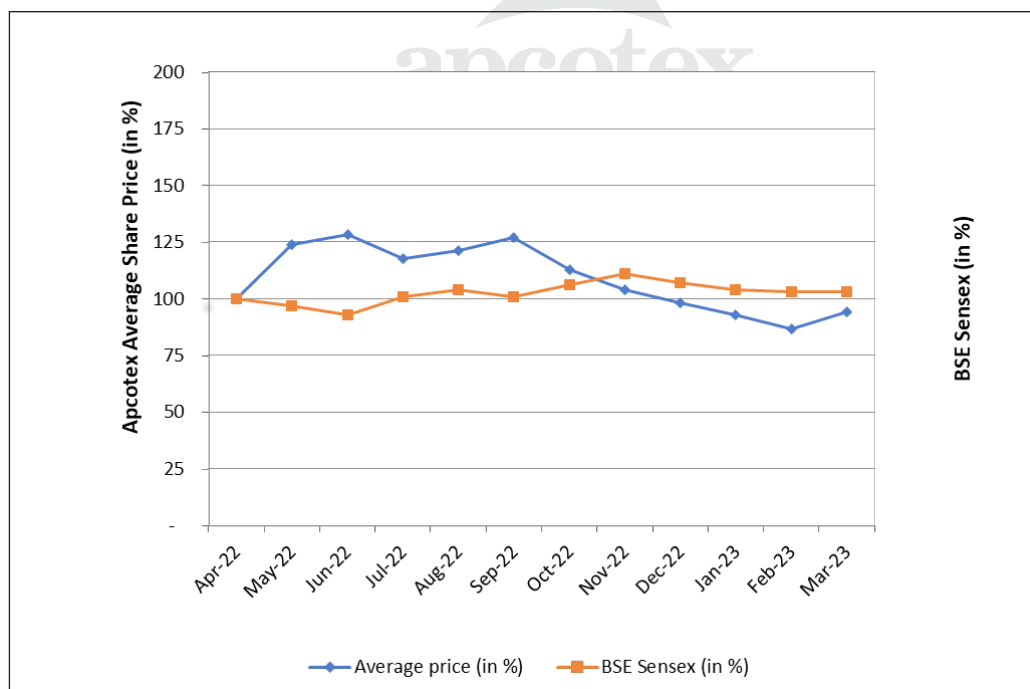
f. Market Price Data:

Monthly high and low prices of equity shares of the company quoted at BSE and NSE during the financial year **2022-23**

(Amount in Rs)

Month	BSE		NSE	
	High	Low	High	Low
April – 2022	604	356	605	356
May – 2022	665	527	665	525
June – 2022	678	554	679	557
July – 2022	609	520	610	521
August – 2022	637	525	638	525
September - 2022	668	553	669	553
October – 2022	610	473	609	474
November - 2022	520	480	521	480
December - 2022	508	436	508	437
January – 2023	477	413	479	412
February – 2023	437	398	437	398
March – 2023	489	416	489	413

g. Stock Performance Index :



h. In case the securities are suspended from trading, the Director's report shall explain the reason thereof - **Not applicable.**

i. Dates of book closure: **Tuesday, 13 June 2023 to Monday, 19 June 2023** (both days inclusive) for the purpose of AGM and payment of Dividend.

j. Registrar and Share Transfer Agent:

The Company has appointed Link Intime India Pvt Ltd as its Registrar and Share Transfer Agent w.e.f 1st August 2006. Share Transfers, dematerialisation of shares, and all other investors related activities are attended and processed at the office of the Registrar and Share Transfer Agent at the following address :

Link Intime India Pvt Ltd

C-101, 247 Park, L.B.S. Marg, Vikhroli (W),

Mumbai- 400 083

Tel. No.- 022-49186000, 49186270

Email : rnt.helpdesk@linkintime.co.in

k. Share Transfer System:

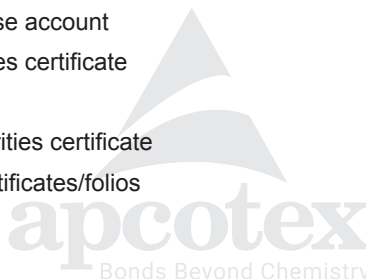
Company's shares are compulsorily traded in the demat segment on the stock exchange(s), and most transfers of shares take place in electronic form.

Share Transfers

In accordance with SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated 7th September 2020 all share transfers needs to be carried out in the dematerialised form with effect from 1st April 2021 compulsorily. Hence no transfer of shares in physical form is allowed.

Further, in compliance with SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022 /8 dated 25th January 2022, the following requests received by the Company from the shareholders holding shares in physical form will be processed and the shares will be issued in dematerialization form only:

- i. Issue of duplicate share certificate
- ii. Claim from unclaimed suspense account
- iii. Renewal/Exchange of securities certificate
- iv. Endorsement
- v. Sub-division / splitting of securities certificate
- vi. Consolidation of securities certificates/folios
- vii. Transmission
- viii. Transposition



SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service requests.

For this purpose, the securities holder/claimant shall submit a duly filled-up Form ISR-4 which is hosted on the website of the company as well as on the website of RTA.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest.

Nomination facility for shareholding

SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March 2023 which is issued in suppression of circular no SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021 has made it mandatory for all shareholders holding shares in physical form to furnish nomination details to the Company / RTA.

Shareholders can register their nomination details in Form SH-13 or they can choose to give declaration to opt out of Nomination by filing Form ISR-3.

In case the shareholder holding shares in physical form wishes to change the nominee or cancel the nomination then Form SH-14 needs to be filled.

The aforementioned forms are available on the website of the Company as well as the Registrar and Share Transfer Agent and which shall be furnished in hard copy form or through electronic mode with e-signature to the company / Registrar and Share Transfer Agent.

Permanent Account Number (PAN) and KYC details

SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March 2023 which is issued in suppression of circular no SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021, has made it mandatory for all holders holding shares in physical form to furnish the following documents / details to the RTA:

- a) PAN
- b) Contact details, Postal address with PIN, Mobile number, E-mail address
- c) Bank account details (bank name and branch, bank account number, IFS code)
- d) Specimen signature

For furnishing the above mentioned details, shareholder shall send the hard copy of Form ISR-1 and/or ISR-2, available on the website of the company as well as on the website of Registrar and Transfer Agent.

I. Distribution of Shareholding as on 31st March 2023:

No. of Shares held			No. of Shareholders	% of Total	Shares	% of Total
1	--	500	34064	87.72	3996807	7.71
501	--	1,000	2199	5.67	1825732	3.52
1,001	--	2,000	1147	2.95	1763404	3.40
2,001	--	3,000	438	1.12	1117082	2.15
3,001	--	4,000	215	0.55	767902	1.48
4,001	--	5,000	177	0.47	825363	1.59
5,001	--	10,000	279	0.72	2066376	3.98
10,001	--	above	312	0.80	39482294	76.15
Total			38831	100	51,844,960	100.00

DISTRIBUTION OF SHAREHOLDING (RUPEES)						
Nominal value of Shares held			No. of Shareholders	% of Total	Share amount in ₹	% of Total
1	--	1000	34064	87.72	7993614	7.71
1001	--	2000	2199	5.67	3651464	3.52
2001	--	4000	1147	2.95	3526808	3.40
4001	--	6000	438	1.12	2234164	2.15
6001	--	8000	215	0.55	1535804	1.48
8001	--	10000	177	0.47	1650726	1.59
10001	--	20000	279	0.72	4132752	3.98
20001	--	above	312	0.80	78964588	76.15
Total			38831	100	103,689,920	100.00

m. Dematerialisation of Shares and liquidity:

The shares of the Company are available for dematerialisation (holding of shares in electronic form) on both the depositories viz. NSDL and CDSL.

Equity Shares of the company are to be compulsorily traded in the dematerialised form. As on 31st March 2023, 5,04,44,122 equity shares comprising of 97.30% of paid up capital of the company, have been dematerialised by the investors and bulk of transfers take place in the demat segment.

n. Outstanding Stock

The Company does not have any outstanding GDRs/ ADRs/ Warrants/Convertible Instruments as on 31st March 2023.

o. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company is not dealing / trading in any commodities / exchanges, hence does not have any exposure to commodity price risk.

Company imports couple of bulk materials for which Options / Forward covers are taken immediately on crystallisation of the liability.

The Company has a dynamic risk management framework to identify, monitor, mitigate and minimize foreign currency risk.

p. Plant Locations

Taloja Plant: Plot No.3/1, MIDC Industrial Area Taloja – 410 208, Dist. Raigad	Valia Plant: Village – Dungri, Tal- Valia, Ankleshwar – 393135. Dist – Bharuch, Gujarat
---------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------

q. Address for correspondence

Investor correspondence may be addressed to any of the following:

Registered Office	Registrar & Share Transfer Agent
49-53, Mahavir Centre, Sector 17 Vashi, Navi Mumbai - 400 703 Tel. No: 022 27770800	Link Intime India Pvt Ltd C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083 Tel. No.- 022-49186000, 49186270
Website: www.apcotex.com E-mail: redressal@apcotex.com	Website: www.linkintime.co.in E-mail: rnt.helpdesk@linkintime.co.in

r. Credit Rating

ICRA has affirmed the credit rating of ICRA AA- (stable) for the long term and ICRA A1 + for short term for working capital limits availed by the Company from the banks. This reaffirms the high reputation and trust the Company has earned for its sound financial management and its ability to meet financial obligations.

s. Categories of Shareholding as on 31st March 2023:

Sr. No.	Category	No. of Shares	% of shareholding
1	Promoters' Holding		
	Indian Promoters	3,01,88,720	58.23
2	Non promoters' Holding		
	Mutual Funds	6,650	0.01
	Alternate Investment Funds	44007	0.08
	Banks	2600	0.00
	NBFCs Registered with RBI	23310	0.04
	Other Financial Institution	250	0.00
	Institutions (Foreign)	249966	0.48
	Director	25000	0.05
	Key Managerial Personnel	2000	0
	Indian Public	1,81,88,424	35.13
	Hindu Undivided Family	564262	1.09
	Non Resident Indians	840934	1.62
	Foreign National	200	0.00
	Body Corporate	983262	1.90
	IEPF Authority	232483	0.45
	Clearing Member	29923	0.05
	Trust	3931	0.00
	Body Corporate - LLP	189943	0.36
	Unclaimed Shares	269095	0.52
	Total	51,844,960	100.00

t. Electronic Clearing Service (ECS): The Company has extended the ECS facility to shareholders to enable them to receive dividend through electronic mode in their bank account. The Company encourages members to avail of this facility as ECS provides adequate protection against fraudulent interception and encashment of dividend

warrants, apart from eliminating loss/damage of dividend warrants in transit and correspondence with the Company on revalidation/issuance of duplicate dividend warrants.

- u. Bank Details for electronic shareholding: Members are requested to notify their depository participant (DP) about the changes in bank details. Members are requested to furnish complete details of their bank accounts, including the MICR codes of their banks, to their DPs.
- v. Furnish copies of Permanent Account Number (PAN): The members are requested to furnish their PAN which will help us to strengthen the compliance with KYC norms and provisions of prevention of Money Laundering Act, 2002.
- w. ISIN allotted to Equity Shares is **INE116A01032**
- x. Corporate Identification Number (CIN No.): **L99999MH1986PLC039199**

12. Other Disclosures:

a. Related Party Transactions:

During the year, there were no material related party transactions i.e. transactions of the Company of a material nature with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large. The details of Related Party Transactions are given in Annexure to the Directors Report.

b. Compliances:

The Company believes that it has complied with all the regulations of Stock Exchanges, SEBI or other statutory authority/ties on matters related to capital markets. No fines/penalty has been imposed or strictures passed during the year against the Company by SEBI, Stock Exchange(s), or any other statutory authority.

c. Vigil Mechanism or Whistle-Blower Policy:

Pursuant to Section 177 of the Companies Act, 2013 and the Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company - <https://apcotex.com/uploads/documents//NzQzNzc5-23-12-22.pdf>

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015 relating to Corporate Governance.

Non-Mandatory Requirements

a. The Board

The Non-Executive Chairman of the Company has been provided with a Chairman's Office at the Corporate Office of the Company.

b. Shareholder Rights

The quarterly results are uploaded on the website of the Company. The Company discusses with the Institutional Investors and Equity Analysts on the Company's performance on a periodic basis and earning presentations / Investor presentations / Transcripts are also available on the website of the Company.

c. Modified opinion(s) in audit report

During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.

d. Reporting of internal auditor

The Internal Auditors report to the Audit Committee of the Company. They participate in the meetings of the Audit Committee of the Board of Directors of the Company and present their internal audit observations to the Audit Committee.

e. Web link where policy for determining 'material' subsidiaries is disclosed; - <https://apcotex.com/uploads/documents//MzA2NTEy-23-12-22.pdf>

- f. Web link of policy on dealing with related party transactions:
The web link of policy on dealing with related party transactions is provided in Directors Report.
- g. Details of preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)
The Company has not raised funds through preferential allotment or Qualified Institutional Placement.
- h. Certificate from company secretary in practice regarding Non-disqualification of Directors
The Company has obtained a certificate from M/s. D. S. Momaya & Co. LLP, Company Secretaries that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Certificate of Non-Disqualification of Directors

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

To,
The Members
Apcotex Industries Ltd
49-53, Mahavir Centre, Sector 17,
Vashi, Navi Mumbai- 400703

We have examined the relevant registers, records, forms, returns and disclosures received from **Apcotex Industries Limited, (CIN L99999MH1986PLC039199)** having registered office at **49-53, Mahavir Centre, Sector 17, Vashi, Navi Mumbai – 400703** (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 /information available on the websites of Ministry of Corporate Affairs/SEBI/Stock Exchanges/ other regulatory authorities. We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on **31st March 2023**, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in company
1.	Amit Champaklal Choksey	00001470	21/11/1997
2.	Atul Champaklal Choksey	00002102	23/01/1991
3.	Abhiraj Atul Choksey	00002120	26/11/2002
4.	Shailesh Shankarlal Vaidya	00002273	21/01/2012
5.	Sivaram Swaminathan	00009900	27/03/1996
6.	Kamlesh Shivji Vikamsey	00059620	25/01/2013
7.	Priyamvada Ashesh Bhumkar	00726138	31/10/2014
8.	Udayan Dileep Choksi	02222020	27/07/2018
9.	Ravishankar Lakshmanam Sharma	08739672	21/05/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. This certificate is not an assurance to the future qualification / disqualification of Directors of the Company.

For D. S. Momaya & Co. LLP
Company Secretaries
FRN No. L2022MH012300

Date: 27th April 2023
Place: Navi Mumbai
UDIN:A040723E000203842

CS Abbas Jawadwala
Designated Proprietor
ACS No.40723, CP No.24937

i. Recommendation of Committee

All the recommendations of the committees are accepted by the Board.

j. Total fees paid to Statutory Auditors of the Company

The details of total fees, for all services paid to the statutory auditors for financial year 2022-23.

Particulars	Amount in ₹ (Lakhs)
Auditor's remuneration and expenses:	
Statutory audit fees	15.00
Fees for other audit related services:	
Fees for certification and other services	0.05
Reimbursement of out-of-pocket expenses	0.62
Total	15.67

SGDG & Associates LLP, statutory auditors is not part of any network firm.

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

The Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided in Director's Report.

l. Risk Management

The Company has since 2004-05, undertaken the exercise of identifying risks being faced by the company and ways for mitigating such risks. Risk minimisation is being built up in the operating systems. Risks are periodically reviewed at both Audit committee level and Board of Directors of the company. The company had constituted the Risk Management Committee of Board comprising of Dr. S. Sivaram, Mr. Abhiraj Choksey and Mr. Ravi Shankar Sharma.

m. Meeting of Independent Directors

The company's Independent Directors met on 20th March 2023 without the presence of the Managing Director, Non-Executive Non-Independent Directors, and the Management representatives. The meeting was attended by all the Independent Directors and was conducted to enable the Independent Directors to review the performance of Non-Independent Directors and the Board as a whole, assess the performance of the Chairman of the Company and discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

n. Code of Conduct

The Company has adopted a Code of Conduct for Directors and members of Senior Management which was revised and approved by Board at the their Meeting held on 28th March 2019 in compliance with amended SEBI (Prohibition of Insider Trading) Regulations. The Code is available on the Company's Website at <https://apcotex.com/uploads/documents/NTE4OTQ4-16-01-23.pdf>. All Board members and senior management personnel have affirmed compliance with the code. A declaration to that effect signed by Mr. Abhiraj A. Choksey, Managing Director is appearing in the Annual Report.

o. Prohibition of Insider Trading

In compliance with the provisions of SEBI (Prohibition of Insider Trading Regulations) 2015, as amended from time to time, to preserve the confidentiality and prevent misuse of unpublished price sensitive information (UPSI)/leak of UPSI, the Company has adopted a Code of Conduct for Insider Trading for prohibition of Insider trading which was revised and approved by Board at their meeting held on 28th March 2019, for Promoters, Member of Promoter group, directors, Designated Person/ Employees, their immediate relatives, designated persons of material subsidiary Company and substantial shareholders in the listed Companies. This policy also provides for periodical disclosures from the designated person as well as pre-clearances of transactions by such persons. The Code is available on the Company's Website at <https://apcotex.com/uploads/documents/NTg5MTcw-23-12-22.pdf>

p. MD and CFO Certification

Certificate from Mr. Abhiraj Choksey, Managing Director and Mr. Sachin Karwa, Chief Financial Officer, in terms of Regulation 17 of SEBI (LODR) Regulations, 2015, was placed before the Board of Directors of the Company in its meeting held on 27th April 2023.

- q. Management Discussion and Analysis forms part of the Directors Report.
- r. Certification of Corporate Governance Report
Certificate from M/s. D. S. Momaya & Co. LLP, Company Secretaries on Corporate Governance, as required under Regulation 34 of SEBI (LODR) Regulations, 2015, is incorporated in this Annual Report.
- s. Disclosures on the compliance with Corporate Governance requirements
The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46 (2) of the SEBI (LODR) Regulations, 2015.

13. Unclaimed Dividend

Under the Companies Act, 2013, dividends that are unclaimed for a period of seven years are to be transferred to the Investors Education and Protection Fund, administered by the Central Government. The table given below gives the dates of dividend declaration or payment and the corresponding date when unclaimed dividends will be due to be transferred to the IEPF.

Year	Dividend Account No.	Bank Name	Date of Declaration	Date due for transfer to IEPF
2015-16	35933618597	State Bank of India	10/08/2016	09/08/2023
2016-17	37018745044		17/08/2017	16/08/2024
2017-18	37799003587		27/07/2018	26/07/2025
2018-19	38459644556		04/06/2019	03/06/2026
2019-20 (Interim Dividend)	39138426434		12/02/2020	11/02/2027
2020-21 (Interim Dividend)	39966916006		28/01/2021	27/01/2028
2020-21 (Final Dividend)	40218355450		09/07/2021	08/07/2028
2021-22 (Interim Dividend)	40746228601		27/01/2022	26/01/2029
2021-22 (Final Dividend)	50200069005747	HDFC Bank	14/06/2022	13/06/2029
2022-23 (Interim Dividend)	50200077561188		25/01/2023	24/01/2030

The concerned shareholders are requested to claim their unclaimed dividend amount at the earliest.

Transfer of the 'Shares' into Investor Education and Protection Fund (IEPF) (in cases where dividend has not been claimed for seven consecutive years.)

In terms of Section 124(6) of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, and Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government. As required under the said Rules, the Company has transferred 9,154 equity shares to the IEPF Authority account during the financial year.

Guidelines for Investors to file claim in respect of the Unclaimed Dividend or Shares transferred to the IEPF

With effect from 7th September 2016, Investors / Depositors whose unpaid dividends, matured deposits or debentures, etc. have been transferred to IEPF under Companies Act, 1956 and/or the Companies Act, 2013 can claim the amounts. In addition, claims can also be made in respect of shares which have been transferred into the IEPF, as per the procedures/ guidelines stated below:

First Step – Register yourself on IEPF website: www.iepf.gov.in

Second Step – Fill the new web form IEPF-5 online.

Third Step – Attach scan copy of requisite documents with form.

Fourth Step – Take printout of auto generated advance receipt, indemnity bond, etc.

Fifth Step – Send all original documents to the Company.

Sixth Step – Company to e-verify the claim in 30 days.

Seventh Step – On the basis of verification report, refund of shares and amount by IEPF Authority to the claimant.

The Nodal Officer of the Company for IEPF refund process is Mr. Jeevan Mondkar, whose e-mail id is jeevan.mondkar@apcotex.com.

Dealing with securities returned undelivered which have remained unclaimed

Under Regulation 39(4) of SEBI (LODR) Regulations, 2015 read with Schedule VI "Manner of dealing with Unclaimed Shares", Companies are required to dematerialize such physical shares which have been returned as "Undelivered" by the postal authorities and hold these shares in an "Unclaimed Suspense Account" to be opened with either one of the Depositories viz. NSDL or CDSL and for the shares in demat form, the unclaimed shares shall be credited to "Unclaimed Suspense Account" opened with either one of the Depositories viz. NSDL or CDSL.

All corporate benefits on such shares viz. bonus, dividends, etc. will be credited to the unclaimed suspense account as applicable for a period of seven years and thereafter the same will be transferred to Investor Education and Protection Fund in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Companies Act, 2013.

In compliance with Regulation 39(4) of SEBI (LODR) Regulations, 2015, the Company had opened a demat account titled **"Apcotex Industries Limited Unclaimed Securities Suspense Account"** and has transferred in it all the shares which were returned undelivered to the shareholders.

Apcotex Industries Limited Unclaimed Securities Suspense Account is held by the company on behalf of the shareholders who are entitled to the shares and such shares shall not be transferred in any manner except for the purpose of crediting the shares to the shareholder in dematerialized form, as and when shareholder approaches the company.

When the shareholder approaches the company, the company shall, after proper verification of the identity following the request letter from the shareholder, credit the shares lying in the Apcotex Industries Limited Unclaimed Securities Suspense Account, to the demat account of the shareholder to the extent of their entitlement.

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

The concerned shareholders are requested to contact the Company/Link Intime India Pvt Ltd, Registrar and Share Transfer agent of the Company, to claim the shares back which are already transferred to Apcotex Industries Limited Unclaimed Securities Suspense Account.

Number of shareholders at the beginning of the year	Outstanding shares at the beginning of the year	Number of shareholders who approached Company for transfer of shares during the year	Number of shareholders to whom shares were transferred during the year	Number of shareholders at the end of the year	Outstanding shares at the end of the year
1853	284630	18	18	1835	269095

Declaration – Code of Conduct

The Board has laid down the code of conduct for the all the Board Members and Senior Management of the company, which is posted on the Company's Website. All the Board Members and Senior Management personnel of the company, for the financial year ended 31st March 2023, have affirmed compliance with code of conduct.

For Apcotex Industries Limited

Date : 27th April 2023
Place : Mumbai

Abhiraj Choksey
Managing Director
DIN: 00002120

COMPLIANCE CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members
Apcotex Industries Limited
49-53, Mahavir Centre, Sector 17,
Vashi, Navi Mumbai - 400703

We have examined all the relevant records of Apcotex Industries Limited (CIN:L99999MH1986PLC039199) for the purpose of certifying compliance of conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31st March 2023. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate 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.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the requirements of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31st March 2023.

For D. S. Momaya & Co. LLP
Company Secretaries

CS Abbas Jawadwala
Designated Proprietor
ACS No.40723, CP No.24937

Date : 27th April 2023
Place: Navi Mumbai
UDIN:A040723E000203908

Managing Director and Chief Financial Officer (CFO) Certification

We the undersigned, in our respective capacities as Managing Director and CFO of Apcotex Industries Ltd to the best of our knowledge and belief certify that:

- A. We have reviewed the Financial Statements for the financial year ended 31st March 2023 and that to the best of our knowledge and belief:
1. These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These Statements together present a true and fair view of the Company and are in compliance with existing Indian Accounting Standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
1. significant changes in internal control over financial reporting during the financial year;
 2. significant changes in accounting policies during the financial year and that the same have been disclosed in the notes to the accounts; and
 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Abhiraj Choksey
Managing Director

Sachin J. Karwa
Chief Financial Officer

Date: 27th April 2023
Place: Mumbai

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	L99999MH1986PLC039199
2	Name of the Listed Entity	Apcotex Industries Limited
3	Year of incorporation	1986
4	Registered office address	49-53, Mahavir Centre, Plot no. 77, Sector 17, Vashi, Navi Mumbai - 400703
5	Corporate address	NKM International House, 178, Backbay Reclamation, Babubhai M. Chinai Marg, Mumbai - 400020, India
6	E-mail	redressal@apcotex.com
7	Telephone	022-27770800
8	Website	www.apcotex.com
9	Financial year for which reporting is being done	FY 2022-23
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited, National Stock Exchange of India Limited
11	Paid-up Capital	₹ 1,036.90 Lakhs
12	Contact Person	
	Name of the Person	Ravishankar Sharma Sachin J Karwa
	Telephone	+91-22 27770800
	Email address	redressal@apcotex.com
13	Reporting Boundary	
	Type of Reporting	Standalone

II. Product/Services

14	Details of business activities	S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
		1	Manufacturing	Manufacturing of synthetic rubber and lattices	100%

15	Products/Services sold by the entity	S. No.	Product/Service	NIC Code	% of Total Turnover contributed
		1	Manufacture of Synthetic Rubber	20132	42%
		2	Manufacture of other products or preparations of kind used in the textile, paper, leather and the like industries	20297	58%

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	2	2	4
		International	0	0	0

17	Market served by the entity	Locations	Numbers
	No. of Locations	National (No. of States)	28
		International (No. of Countries)	45
	What is the contribution of exports as a percentage of the total turnover of the entity?	21%	
	A brief on types of customers	<p>Our customers are manufacturers of downstream products derived from synthetic latex and synthetic rubber.</p> <ul style="list-style-type: none"> Synthetic latex products are used by manufacturers engaged in activities of tyre cord dipping, paper and paperboard coating, carpet backing, concrete modification/water proofing, non-woven, textile finishing, paints, gloves, etc. Synthetic rubber is used by manufacturers of footwear, automotive components, rice rolls, moulded items, v-belts, conveyor belts, hoses, etc. 	

V. Employees

18 Details as at the end of Financial Year:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees and workers (including differently abled)						
Employees						
1	Permanent (D)	359	345	96%	14	4%
2	Other than Permanent (E)	15	13	87%	2	13%
3	Total Employees (D+E)	374	358	96%	16	4%
Workers						
4	Permanent (F)	194	194	100%	0	NA
5	Other than Permanent (G)	665	665	100%	0	NA
6	Total Workers (F+G)	859	859	100%	0	NA
Differently abled employees and workers						
Employees						
7	Permanent (D)	1	1	100%	0	NA
8	Other than Permanent (E)	0	0	NA	0	NA
9	Total Employees (D+E)	1	1	100%	0	NA
Workers						
10	Permanent (F)	1	1	100%	0	NA
11	Other than Permanent (G)	0	0	NA	0	NA
12	Total Workers (F+G)	1	1	100%	0	NA

19 Participation/Inclusion/Representation of women

Sr. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	9	1	11%
2	Key Management Personnel [Excluding EDs]	2	0	0%

20 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	7.2%	0.07%	7%	7%	0%	7	6%	0	6%
Permanent Workers	0	0	0	0	0	0	0	0	0

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

21	Names of holding / subsidiary / associate companies / joint ventures	Not Applicable
----	----------------------------------------------------------------------	----------------

VI. CSR Details

22	a. Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes
	Turnover (in ₹)	INR 1,07,992.88 Lakhs
	Net worth (in ₹)	INR 47,601.31 Lakhs

VII. Transparency and Disclosures Compliances

23	Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct	Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If Yes, then provide web-link for grievance redress policy	FY 2022-23 Current FY			FY 2021-22 Previous FY		
					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	Yes	Currently, we are in the process of updating our grievance redressal policy and mechanism	0	0	NA	0	0	NA
		Investors (other than shareholders)	Yes		0	0	NA	0	0	NA
		Shareholders	Yes		15	0	NA	23	0	NA
		Employees and workers	Yes		0	0	NA	0	0	NA
		Customers	Yes		0	0	NA	0	0	NA
		Value Chain Partners	Yes		0	0	NA	0	0	NA

24	Overview of the entity's material responsible business conduct issues	Material Issue Identified	Indicate whether risk or opportunity	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)
		Water Stewardship	Risk	Our operations are in Maharashtra and Gujarat which fall under water stressed regions as per WRI Water Risk Assessment. Water is an integral part of our products and is needed as utility in our operations. Therefore, water scarcity is a risk for our business	We have worked towards achieving water efficiency in our operations. We have established zero-liquid discharge system at Valia to maximize recycling and reuse of water.	Negative impact due to expenditure on building zero-liquid discharge system at Valia plant
		Occupational Health and Safety	Risk	Our operations include working with heavy machinery and hazardous chemicals. These conditions pre-dispose employees towards safety hazards.	<p>We have adopted a structured programme to achieve goal of no-harm workplace. The focus of this programme is on behavior-based safety, asset integrity, and automation.</p> <p>All employees and contractors are trained on safety. They are provided with adequate protective gears.</p> <p>We conduct annual health examinations of all employees to identify occupational illnesses and treat them adequately.</p>	Negative impact due to training cost and capex on automation and asset management.
		Ethical Business Conduct	Risk	Due to multi-stakeholder and multi-geography operations, the company is exposed to risks of corruption, conflict of interest, and other unethical practices. Any such event can substantially harm Company's reputation.	<p>All our directors, KMPs, and employees are trained on ethical business practices. The Company has instituted robust systems and processes to conduct its business in an ethical and fair manner.</p> <p>We take annual independence declaration from directors and KMPs to ensure non conflict of interest.</p>	Positive impact due to good reputation with customers.

		Regulatory Compliance	Risk	External regulatory environment is dynamic. Due to multi-geography operations, variety of regulations are applicable on our operations. Any violations can result in substantial impact on the business.	We have adopted a compliance tool which tracks all applicable compliances and helps in ensuring adherence with the same.	Negative impact due to cost incurred on tracking and managing compliances through the software tool.
		Climate Change and Energy Management	Risk	Climate change poses physical and transitional risk on business. Furthermore, due to resource scarcity the cost of fossil fuel is expected to increase.	The Company has adopted several process improvement and energy efficiency initiatives. Furthermore, we are focusing on increasing share of renewables into total energy mix.	Negative impact in short run due to capex involved, positive impact in long-run due to energy security and lower opex.
		Local Community Engagement	Opportunity	The nature of the Company creates a major impact on the surrounding environment and the local communities making it one of the crucial topics for the Company. Local community engagement helps the Company to build trust in the community and avoid conflicts.	We engage with local communities near our areas of operation in Gujarat and Maharashtra on a regular basis to understand their expectations and concerns. We also contribute through CSR in our local communities	Positive impact due to goodwill and reputation.
		Materials	Opportunity	The Company's major raw materials are sourced from the crude oil value chain. Risk to oil & gas sector due to climate change can affect our supply chain and business.	We have focused on increasing yield and achieving material efficiency. The Company is also partnering with other organizations to conduct research on bio-materials to create long terms options away from fossil fuels	Positive impact due to higher yield in the short run and positive in the long-run if we are successful in derisking from crude oil.
		Product Stewardship	Opportunity	With technological advances product quality and safety can be enhanced. It helps in minimizing lifecycle impact of products.	We have implemented TPM at our operating sites. We have adhered with the standards prescribed by Responsible Care.	Positive impact due to better plant management, excellent customer service and enhancing strategic relationships.
		Human Capital Management	Opportunity	Due to the demographic dividend, India has a large pool of talented workforce. It provides an opportunity for business to scale-up and expand.	We engage with employees through several initiatives to keep them motivated. We focus on building a great place to work with an inclusive culture. We have planned to conduct employee engagement surveys on periodic basis.	Positive impact due to higher productivity.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The Company is committed to operate in responsible manner as prescribed by the National Guidelines on Responsible Business Conduct (NGRBC). The nine principles are listed below:

- Principle 1: Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.
- Principle 2: Businesses should provide goods and service in a manner that is sustainable and safe.
- Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.
- Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.
- Principle 5: Businesses should respect and promote human rights.
- Principle 6: Businesses should respect and make efforts to protect and restore the environment.
- Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- Principle 8: Businesses should promote inclusive growth and equitable development.
- Principle 9: Businesses should engage with and provide value to their 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								
	b. Has the policy been approved by the Board? (Yes/No)	Yes								
	c. Web Link of the Policies, if available.	https://apcotex.com/uploads/documents//NDMxNzcw-23-12-22.pdf								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4	Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"> • P2: Responsible Care • P-3: ISO 45001:2018 • P-6: ISO 14001:2015 								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>During FY 2021-22, we formulated an enterprise-level sustainability strategy and have adopted various qualitative and quantitative targets. The Company will be reporting progress on those targets in upcoming years. Details of our targets are described below:</p> <ul style="list-style-type: none"> • 100% coverage of directors, KMPs, and employees under training on ESG • 3% year-on-year reduction in energy consumption till the year 2030 • Reduction on GHG (scope 1 and 2) emission by 25% by the FY 2032 from baseline of the FY 2022 • Screening of all suppliers on ESG criteria • 100% diversion of incinerable hazardous waste from landfill. 								
6	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.									

Governance, leadership, and oversight	
7	<p>Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements:</p> <p>Apcotex believes that moving towards environmentally friendly processes and products is imperative. We have recently embarked on our ESG journey and over the next 10 years set short, medium, and long-term targets on several KPIs such as increasing green energy consumption at our plants, reducing hazardous waste, reducing energy consumption/MT, reducing water consumption/MT, planting trees at our plant sites, etc. We will also work with our vendors and customers to reduce GHG emissions across the supply chain. We have always believed in giving back to society even before CSR became the norm. Over the last 3 years, the Company has undertaken several strategic projects in healthcare and education. These projects are in the areas surrounding our factories and offices. For example, the Company is working with Edelgive Foundation, Mumbai and NGO Utthan to conduct strategic, long-term CSR activities in water and sanitation around its Valia plant in Gujarat.</p>
8	<p>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/ies.</p> <p>The Managing Director, Executive Director, Chief Financial Officer, and Company Secretary are jointly and severally responsible for implementing the Business Responsibility Policy. The Executive Director and Chief Financial Officer are the Heads of Business Responsibility Committee and will oversee the implementation of the Policy</p>
9	<p>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.</p> <p>Yes. The Company has established ESG steering committee for decision making on sustainability related issues. This committee is led by ED and CFO. Other SMPs participate on the management of ESG aspects on need-basis.</p>

10. Details of Review of NGRBCs by the Company																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action					Yes					Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances					Yes					Annually								
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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9									
	No	No	No	No	No	No	No	No	No									
	The Company has not carried out independent assessment/evaluation of the working of its policies by an external agency. We have developed plans to get third-party evaluation of our BRR Policy with effect from FY 2024.																	

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	2	Code of Conduct, Business Ethics, Corporate Governance, Information Security	100%
Key Management Personnel	2	Ethical business conduct, Fire & Safety Awareness, Medical Counselling, Cyber Security, POSH	100%
Employees other than BODs and KMPs	4	Fire & Safety Awareness, First Aid, Medical Counselling, Cyber Security, Ethical business conduct, POSH	100%
Workers	Continuous training	Fire & Safety Awareness, First Aid, Medical Counselling, POSH	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

a. Monetary

Type	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	NIL				
Settlement					
Compounding fee					

b. Non-Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL			
Punishment				

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
NIL	

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 has Business Responsibility Policy / HR Policy through which it endeavors to protect / prevent practices that are abusive, corrupt, or anti-competition.

Web-link: <https://apcotex.com/uploads/documents//NDMxNzcxw-23-12-22.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:

Category	FY 23 (Current FY)	FY 22 (Previous FY)
KMPs	NIL	
Employees		
Workers		

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

Topic	FY 23 (Current FY)		FY 22 (Previous FY)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Not Applicable			
Number of complaints received in relation to issues of Conflict of Interest of KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

LEADERSHIP INDICATORS

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

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in value chain covered by the awareness programmes
2	Product quality and safety	NA

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, the Company has processes in place to avoid/manage conflict of interest involving members of the Board. The Code of Conduct for Board Members and Senior Management Person clearly elucidates the clauses on conflict of interest and highlights the disclosure mechanism of the same to the Board/Chairman/Managing Director /Whole-Time Director. The Company takes independence declaration from the Independent Directors on annual basis.

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.

Type	Current Financial Year	Previous Financial Year	Details of improvement in social and environmental aspects
R&D	100%	100%	<ul style="list-style-type: none"> Yield improvement Waste reduction Energy conservation Product quality and safety
CAPEX	100%	100%	<ul style="list-style-type: none"> Energy conservation Air emission reduction Zero liquid discharge

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) b. If yes, what percentage of inputs were sourced sustainably?

The Company has adopted sustainable procurement practices which includes suppliers code of conduct and screening and assessment of new and existing suppliers on ESG criteria.

- b. If yes, what percentage of inputs were sourced sustainably?

2%-3% Approx.

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.

The Company does not reclaim any products for reusing, recycling, and disposing at the end of life. Considering our nature of business, reclamation of products from customers and consumers after useful life is not material and feasible. Furthermore, reclaiming packaging materials from customers has operational challenges due to diverse industries. We encourage our customers to recycle packaging materials. The Company does dispose e-waste to authorized vendors and continues to work to find useful applications for the hazardous waste and other waste products that are either incinerated or used in landfills.

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.

We are compliant with EPR Regulation and registered with CPCB. Details of EPR registration are provided below:

- Taloja:2023042508544822699
- Valia:2023042708544823314

LEADERSHIP INDICATORS

1. 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?

The Company has not conducted Life Cycle Assessment for any of its products. The Company has identified top products for undertaking life-cycle impact assessment study. This exercise should be completed in next three years.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1A. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	345	345	100%	345	100%	NA	NA	0	0%	0	0%
Female	14	14	100%	14	100%	14	100%	NA	NA	14	100%
Total	359	359	100%	359	100%	14	3.9%	0	0%	14	3.9%
Other than Permanent Employees											
Male	13	13	100%	13	100%	NA	NA	0	0%	0	0%
Female	2	2	100%	2	100%	2	100%	NA	NA	2	100%
Total	15	15	100%	15	100%	2	13%	0	0%	2	13%

1B. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Workers											
Male	194	194	100%	194	100%	NA	NA	0	0%	0	0%
Female	0	0	NA	0	NA	0	NA	NA	NA	NA	NA
Total	194	194	100%	194	100%	0	NA	0	0%	0	0%
Other than Permanent Workers											
Male	665	665	100%	665	100%	NA	NA	0	0%	0	0%
Female	0	0	NA	0	NA	0	NA	NA	NA	NA	NA
Total	665	665	100%	665	100%	0	NA	0	0%	0	0%

2. Details of retirement benefits, for Current FY and Previous FY:

Sr. No.	Benefits	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	96%	100%	YES	96%	100%	YES
2	Gratuity	96%	25%	YES	96%	25%	YES
3	ESI	6%	78%	YES	6%	78%	YES

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, the Company is committed to the well-being of people with special needs. Our sites have accessibility features such as ramps, wheelchair and toilets for people with special needs. The Company is in the process of enhancing these facilities at all locations.

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.

The Company is an equal opportunity employer and does not discriminate on grounds of gender, race, religion, caste, creed, ethnicity, disability, etc. The Company is in process of developing a policy to respect in accordance with the Rights of Persons with Disabilities Act, 2016.

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	NA	NA	NA	NA
Total	NA	NA	NA	NA
Total	NA	NA	NA	NA

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

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	Designated workmen committee has been established at Taloja and Valia Plants to address the grievances of the workers.
Other than Permanent Workers	Yes	The grievances are raised with respective contractors which is escalated to HR department, which is further thoroughly investigated by the department and resolved
Permanent Employees	Yes	The grievances are raised to respective managers and HR department, which is further thoroughly investigated by the department and resolved.
Other than Permanent Employees	Yes	The grievances are raised to respective managers and HR department, which is further thoroughly investigated by the department and resolved.

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

Category	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	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)
Permanent Employees						
Male	345	0	0%	323	0	0%
Female	14	0	0%	10	0	NA
Others	0	0	NA	0	0	NA
Total	359	0	0%	333	0	0%
Permanent Workers						
Male	194	194	100%	189	189	100%
Female	0	NA	NA	0	0	NA
Others	0	NA	NA	0	0	NA
Total	194	194	100%	189	189	100%

*The Company respects the rights of employees and workers to form unions and associations and prescribe to membership of any trade union or equivalent body.

8. Details of training given to employees and workers:

	FY 2022-23 (Current FY)					FY 2021-22 (Previous FY)				
Category	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	%(F/D)
Permanent Employees										
Male	345	345	100%	345	100%	323	290	90%	290	90%
Female	14	14	100%	14	100%	10	9	90%	9	90%
Total	359	359	100%	359	100%	333	299	90%	299	90%
Permanent Workers										
Male	194	194	100%	194	100%	189	189	100%	189	100%
Female	0	0	NA	0	NA	0	0	NA	0	NA
Total	194	194	100%	194	100%	189	189	100%	189	100%

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

Category	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
Permanent Employees						
Male	345	345	100%	323	323	100%
Female	14	14	100%	10	10	100%
Total	359	359	100%	333	333	100%
Permanent Workers						
Male	194	194	100%	189	189	100%
Female	0	0	NA	0	0	NA
Total	194	194	100%	189	189	100%

10. Health and Safety Management System:

The Company has established a Health and Safety Management System at both the plants and is conducting regular audits for ensuring the effectiveness of the systems. The Company encourages active participation of all employees in HSE related activities e.g., Safety committee meetings, Hazard's identification, incident Investigations etc. The Company is providing the regular awareness for handling of chemicals and providing the appropriate PPEs to all the employees. The Company has conducted root caused analysis for all the incidents at the sites and corrective actions are implemented for elimination of the root causes. Occupational Health centre is available with visiting factory medical officer and 24x7 availability of paramedical staff. A fully equipped ambulance is available 24x7 with driver for emergency. The pre-employment and periodic health check-up is conducted for all the employees including contract employees. The outputs of the medical check-ups are being analysed for identification of abnormalities in the health of the employees. The Company maintains the data related to sickness and occupational diseases, analysed by the HSE department.

a.	Whether an occupational health and safety management system has been implemented by the entity? (Yes/No) What is the coverage of such system?	Yes, the Company has implemented an occupational health and safety management system (OHSMS) across its plants. The OHSMS of the Company covers the physical boundaries of both its plants and all employees, contractors, and visitors. The Company has implemented ISO 45001:2018 across its operations.
b.	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	Valia: Qualitative Risk Assessment has been carried out by the third-party agency. It includes HAZOP and HIRA for existing products to check robustness of the process. Taloja: The Company has carried out HAZOP studies, job safety analysis for identification of the work-related hazards, monitoring of the air quality monitoring and other parameters monitoring, review of Material Safety Data Sheet (MSDS) and Safety Data Sheet, technical information, process review, medical surveillance, review of the daily OPD records, and incident records.
c.	Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	Yes
d.	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes, the Company provides access to non-occupational medical and healthcare services for all its employees/workers.

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

Safety Incident/Number	Category	FY 2022-23 Current FY	FY 2021-22 Previous FY
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0.9
	Workers	0	3
Total recordable work-related injuries	Employees	0	0
	Workers	0	1
No. of fatalities	Employees	0	0
	Workers	0	1
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 workplace

Valia:

- Engineering control provided in process areas like interlocks, safety relief valve, rupture disc provided on critical operation, assessment carried out of above ground and underground solvent tank farm.
- Scrubber provided to CPP plant to control the gas emission.
- Fire extinguishers, fire hydrant system, smoke detector and fire alarm provided in critical areas.
- EHS induction Training is mandatory for all the Company and contractor employees.
- Training provided to all contractor workers & Company employees on different topics like emergency preparedness, basic fire and safety, safe operation etc.
- Hazop study carried out by third-party to assess the hazards for new process and product, also HAZOP study carried out by third party for various products and their stages.
- Safety signage provided in vernacular language.
- EHS policy displayed in vernacular language at main gate, which is signed by CMD.
- PPEs provided to all Company and contractor workers like helmet, safety shoes, safety goggles, and other PPEs as per operation requirement.

Taloja:

The EHS department regularly conducts safety audits, safety rounds and safety surveys for identification of the workplace hazards and risk. Each department has established system for identification of hazards and associated risks for each activity and implemented controls for eliminating or reducing the hazards. The Company has adopted the hierarchy of elimination, substitution, engineering, administration and providing PPE while implementing the Operational controls department conducts regular monitoring of the air quality, illumination and implementing corrective actions for abnormal results. The Company has established system for reporting of the incidents (Including first aid cases, near miss incidents and unsafe conditions) which are investigated for root cause. Regular trainings are provided for the workers/employees regarding the material handling, use of pre-scheduling of emergencies.

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

Topic	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

1. Mandatory EHS induction training is conducted for all the Company and contractor employees.
2. Training provided to all contractor workers & Company employees on different topics like emergency preparedness, basic fire and safety, safe operation etc.
3. HAZOP Study carried out by third-party to assess the hazards.
4. All the rotating equipment is guarded.
5. Safety signage provided in vernacular language.
6. EHS policy displayed in vernacular language at main gate, which is signed by CMD.

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).

Employees (Yes/No): Life insurance coverage has been provided to all employees as per Gratuity Act, 1972. In addition, the Company has a benevolent fund. In event of death of an employee, family is provided with financial support through this fund. We are in the process of exploring coverage for all employees under term insurance policy

Workers (Yes/No): Yes, for both plants insurance is provided as per Workmen Compensation Act, 1923.

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

Yes, internal audits are conducted to ensure that statutory liabilities are deducted and deposited by our contractors.

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 rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	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 2022-23 (Current FY)	FY 2021-22 (Previous FY)	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
Employees	0	0	0	0
Workers	0	1	0	0

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).

Yes, general counselling is provided to the employees during retirement in terms of employability after retirement.

5. Details on assessment of value chain partners:

Topic	% 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.

The Company has a structured supply chain sustainability program comprising elements of supplier code of conduct, supplier screening on ESG criteria, and supplier engagement on ESG. We have two quality meets every year which is attended by select suppliers and customers. Aspects such as product safety, quality, EHS, etc., are deliberated during this meet.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

The Company defines stakeholders as an individual, group of individual, entity, authority, body, or organization, those are affected by operations of our business or/and have an impact on our business.

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 & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Providers of capital	No	Email, Newspaper, Website, Letters, Submission of Data to Stock Exchanges	<ul style="list-style-type: none"> • Quarterly : Earnings call • Annually : AGM As and when required- Analyst calls, investor presentations 	<ul style="list-style-type: none"> • Statutory dissemination of information • Feedback on our performance and business model • Understand expectation and concerns • Other matters of significance
Employees	No	Email, personal meetings, Intranet, notice board	Continuous	<ul style="list-style-type: none"> • Understand expectation and concerns • Performance management and Career Planning • Learning and Development • Workplace safety • Ethical business conduct • Other matters of significance
Vendors/Suppliers	No	Email, personal meetings, website	Need basis	<ul style="list-style-type: none"> • Contract negotiations • Evaluation at the time of on-boarding • Feedback on supplies and services • Other matters of significance
Customers	No	Email, website, personal meetings	Need basis	<ul style="list-style-type: none"> • Contract negotiations • Customer satisfaction survey • Other matters of significance
Community	Yes	Through site CSR committee meetings, direct engagement	Monthly & need basis	<ul style="list-style-type: none"> • Local developmental needs • Understanding concerns and expectations • Feedback on ongoing projects • Other matters of significance

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.**

The Board interacts with senior leadership on ESG aspects. The senior leadership team is delegated with the responsibility to interact with internal and external stakeholders on various ESG aspects.

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.**

Yes, stakeholders' consultation is used to support the identification and management of environmental and social topics. A comprehensive stakeholder consultation was conducted during the materiality assessment exercise. Qualitative and quantitative information was collected from several stakeholders to identify significant ESG topics those have critical impact on the business.

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

Details of our interactions with and support to the local communities are provided below:

- A. The Company is working with EdelGive Foundation, Mumbai, who assisted the Company in the selection of NGOs and to recommend, implement and oversee the CSR activities. One of the strategic projects that EdelGive and the Company are working on is with an NGO called Utthan who is carrying out strategic, long-term CSR activities around our Valia Plant, Dist. Bharuch, Gujarat. Village Dungri and Naldhari surrounding the Valia plant have been covered in this project. A strategic plan was made to utilize the CSR funds for Water and Sanitation activities which included building water sources, toilets and several training and health & hygiene awareness sessions. The Company has supported for Total amount spent between 2019 to 2023 is around ₹ 166.61 Lakhs.
- B. The Company has supported Collaborators for Transforming Education Program of Edelgive Foundation to enhance learning outcomes of children, building stakeholders' capacities and engineering process improvements and community engagement for strengthening demand for quality education. The Collaborators programme has been recognized as Public Private Partnership (PPP) in Maharashtra and has earned the Government of India's recognition for being among the best practices in CSR.
- C. Through Catalysts for Social Action, the Company provided support to children & youths at 3 Child Care institution (CCI) in Navi Mumbai, by providing necessities in the areas of hygiene & sanitation, safe living spaces for children, improving developmental aspects around education, aftercare initiatives for 18 plus year-olds, vocational training & mentoring support and building the capacity of CCI management & staff for sustained outcomes. The CCI's supported were as below:
CCI 1-Rays of Hope –Kharghar, Navi Mumbai
CCI 2-Swapnalaya-Panvel, Navi Mumbai
CCI 3-Panchdeep–Panvel, Navi Mumbai.
- D. The Company worked with Deepak Foundation at Taloja, Navi Mumbai for providing Skills training (classroom & practical) of Facility Management & Services/Housekeeping Cum Cooking Services to 76 youths in 4 batches. The training was given to candidates who had passed 8th standard at primary school level. Out of 76 youths, 48 trainees have secured employment or have opted for self-employment. A fund of ₹ 8 lakhs were released for the same.
- E. The Company provided ₹ 14 Lakhs to Secondary School Education (Standards 5 to 7 in the academic year 2022-23) at Seva Sadan Society's English Medium School through Seva Sadan Society for 61 students. To improve the academic progress remedial teaching that is one-on-one teaching to the identified students is provided after school hours. Enrollment of Education Consultant, new recruitment of teachers, introduction of library period are few steps undertaken to provide quality education.
- F. The Company has contributed to constructing canteen building at Vedic school - Bhagwan Yagnyavalkar Ved Tatvagyan Yogashram Trust, Sabarkantha, Gujarat.
- G. As a part of the agreement with Bombay International School Association (BISA), Mumbai, the Company released ₹ 5.00 lakhs to provide 50% of financial aid towards education of 4 children per year from economically weaker sections of the Society.
- H. The Company has contributed for the fencing of Ghora village Aganwari building at Gujarat. The fencing has been done by iron rods.
- I. The Company has contributed to Jai Vakeel Foundation & Research Centre which serves children & adults with Intellectual & Developmental Disabilities (IDD) by aiding in education/healthcare/skill development.
- J. To protect, educate and empower disadvantaged girls and women the Company has contributed to Seva Sadan society via West Wind Society.

PRINCIPLE 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 202-23 Current FY			FY 2021-22 Previous FY		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	359	359	100%	333	333	100%
Other than permanent	15	15	100%	26	26	100%
Total Employees	374	374	100%	359	359	100%
Workers						
Permanent	194	194	100%	189	189	100%
Other than permanent	665	665	100%	589	589	100%
Total Workers	859	859	100%	778	778	100%

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

Category	FY 2022-23 Current FY					FY 2021-22 Previous FY				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E /D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	345	0	0	345	100%	323	0	0%	323	100%
Female	14	0	0	14	100%	10	0	0%	10	100%
Other than Permanent										
Male	13	0	0	13	100%	24	0	0%	24	100%
Female	2	0	0	2	100%	2	0	0%	2	100%
Workers										
Permanent										
Male	194	0	0	194	100%	189	0	0%	189	100%
Female	0	0	0	0	NA	0	0	NA	0	NA
Other than Permanent										
Male	665	0	0	665	100%	589	0	0%	589	100%
Female	0	0	0	0	NA	0	0	NA	0	NA

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)	6*	9,50,000	1	8,60,000
Key Managerial Personnel	4	78,26,100	0	NA
Employees other than BoD and KMP	341	4,81,800	14	4,17,500
Workers	194	6,07,443	0	NA

*Total Board strength is 9, however, 2 executive directors are KMPs. Therefore, they have been included under KMPs and not Board to avoid double counting

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

Yes

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

Chief Human Resources Officer is entrusted with the responsibility to receive and dispose of all cases related to human rights violation. All such complaints are either made directly to CHRO or forwarded through appropriate channels. The identity of complainant is kept confidential to promote reporting of such cases.

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

	FY 2022-23 Current FY			FY 2021-22 Previous FY		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

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

We have Internal Complaints Committee established in accordance with Preventions of Sexual Harassment at Workplace Act. All cases of sexual harassment are forwarded to this committee. Furthermore, whistle blower protection mechanism can also be leveraged to file any cases of discrimination and harassment.

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

Yes, the human rights requirements form part of the Company's business agreements and contracts.

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

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

Regular factory inspections are conducted by the Company to ensure there is no child labour, involuntary labour, and discrimination.

LEADERSHIP INDICATORS

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

The Company has not received any grievances/complaints of human rights.

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

The Company has not conducted any Human Rights due diligence during the reporting period..

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, the premises of the entity are accessible to differently abled visitors as per the requirements of the Rights of Persons with Disabilities Act, 2016. The Company has provision of accessibility features such as ramps, wheelchairs, toilets, etc as required.

4. Details on assessment of value chain partners:

The Company conducts supplier audits on aspects including health, safety, forced labour, child labour, product quality, etc. During the reporting period, Nine suppliers were audited on these aspects.

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

The Company has not identified any significant risks/concerns.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

LEADERSHIP INDICATORS

1. Details of total energy consumption (in Giga Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
Total electricity consumption (A) (GJ)	40,294	34,745
Total fuel consumption (B) (GJ)	6,62,572	5,68,529
Energy consumption through other sources (C) (GJ)	5,574	4,921
Total energy consumption (A+B+C) (GJ)	7,08,440	6,08,195
Energy intensity GJper rupee of turnover (Total energy consumption/turnover in rupees)	0.00006566	0.0000636

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.

We have planned to conduct third-party assessment and assurance in accordance with ISAE 3000/AA1000AS standards with effect from FY 2023-24

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company has not been identified as Designated Consumer under PAT scheme

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

Parameter	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water*	7,56,188	5,77,942
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	7,56,188	5,77,942
Total volume of water consumption (in kilolitres)	7,11,813	5,37,059
Water intensity per rupee of turnover (Water consumed / turnover)	0.0000659	0.0000561

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

We have planned to conduct third-party assessment and assurance in accordance with ISAE 3000/AA1000AS standards with effect from FY 2023-24.

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

We have installed ZLD infrastructure at Valia plant. The Valia plant operates a ZLD facility during monsoon season in accordance with the regulatory requirements.

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

Parameter	MT	FY 2022-23 (Current FY)
NOx	MT	16
SOx	MT	21
Particulate matter (PM)	MT	25

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.

We have planned to conduct third-party assessment and assurance in accordance with ISAE 3000/AA1000AS standards with effect from FY 2023-24.

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

Parameter	Unit	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	6,29,654	5,37,334
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	8,003	7,624
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO ₂ e	6,37,657	5,44,958
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity	tCO ₂ e/INR	0.0000590	0.0000570

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 :

We have planned to conduct third-party assessment and assurance in accordance with ISAE 3000/AA1000AS standards with effect from FY 2023-24.

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide detail-**

During FY 2021-22, the Company formulated an enterprise-level sustainability strategy and have adopted various qualitative and quantitative targets to reduce GHG emissions. The details of initiative undertaken are:

Sr. No.	Details	Savings (GJ of Energy)
1	To reduce power consumption by replacing higher efficient pump instead of inefficient pumps In Raw water system Pumps	299.4
2	To replace air compressor with higher efficient compressor with VFD to reduce cost of compressed air system	1539.6
3	To reduce power consumption by replacing higher efficient pump instead of inefficient pumps in Thermax Boiler feed water pumps	14.6
4	Installed IE3 Energy efficient motor at cooling tower pump (G804B)	262.3
5	To reduce power cost by utilization of GEB power (1.25 MVA Transformer) instead of 1000 KVA DG during CPP start up or tripping.	15.1
6	Power distribution modified to reduce power cost by utilization of GEB power instead of Gas Engine power when ask to load reduce on CPP	751.7

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

Parameter	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	8.54	14.60
E-waste (B)	3.04	3.26
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify if any(G)		
(G) 1. ETP Sludge	519.49	783.54
(G) 2. Other Waste	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	2,024.00	1,540.00
Total (A+B + C + D + E + F + G+ H)	2,555.07	2,341.40
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	258	278
(ii) Re-used	0	0
(iii) Other recovery operations (Co-processing)	1,823	1,475
Total	2,081	1,753
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	163	167
(ii) Landfilling	403	533
(iii) Other disposal operations	0	0
Total	566	700

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.

a. Plastics (including packaging)	<p>Valia: The waste generated is disposed off through an authorised vendor.</p> <p>Taloja: The raw materials received in drums are converted into bulk supply in tankers, resulting into the reduction of the plastic drum generation. The chemicals having less consumption, are received in drums which are disposed to the authorised agency after decontamination. The plastic waste generated from other sources of packaging is recycled to authorised agency.</p>
b. E-Waste	<p>Valia: The waste generated is disposed off through an authorised vendor.</p> <p>Taloja: The E-waste generated is being disposed to the authorised recycling agency.</p>
c. Hazardous Waste	<p>Valia: The waste generated is disposed off through an authorised vendor.</p> <p>Taloja: The hazardous waste generated is treated at Effluent Treatment Plant (ETP). The hazardous waste generated out of Wastewater treatment is being disposed to Mumbai Waste Management Limited, Taloja. Furthermore, the contaminated clothes, hand gloves, etc are sent to Mumbai Waste Management Ltd for disposal.</p>
d. Other Waste	<p>Valia: The waste generated is disposed off through an authorised vendor.</p> <p>Taloja: a) Used spent oil is recycled through authorised agency b) Paper waste (Non-hazardous waste) is disposed to paper recycler.</p>

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:

Not applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and Brief Details of the Project	Date and EIA Notification Number	Whether Conducted by independent Agency	Results Communicated to Public
<p>Name: Proposed expansion of Synthetic Rubber and Lattices Manufacturing Plant (Valia, Bharuch, Gujarat)</p> <p>Description: In proposed expansion, increase production capacity of Synthetic Rubber from 30,000 MT/Annum to 32000 MT/Annum to fulfil major growth of automobile sector. Additionally, to newly produce Synthetic lattices (dry basis) of capacity 38000 MT/Annum which used in Nitrile Gloves applicable to various applications especially in medical field.</p>	June 2022 EC22A021GJ199495	Yes, EIA has been conducted by Kadam Environmental Consultants	Yes

Relevant Weblink : https://environmentclearance.nic.in/onlineSearchnewrk.aspx?autoid=41982&proposal_no=IA/GJ/IND3/268140/2005&typep=EC

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

Yes, the Company is compliant with applicable environmental laws and regulations.

LEADERSHIP INDICATORS

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

Parameter	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
From renewable sources		
Total electricity consumption (A) GJ	5,574	4,921
Total fuel consumption (B) GJ	0	0
Energy consumption through other sources (C) GJ	0	0
Total energy consumed from renewable sources (A+B+C) GJ	5,574	4,921
From non-renewable sources		
Total electricity consumption (D) GJ	40,294	37,745
Total fuel consumption (E) GJ	6,62,572	5,68,529
Energy consumption through other sources (F) GJ	0	0
Total energy consumed from non-renewable sources (D+E+F) GJ	7,02,866	6,06,274

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

The Company has not conducted any independent assessment

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of Treatment (Tertiary Treatment)	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment (Tertiary Treatment)	44,375	40,883
Total water discharged (in kilolitres,)	44,375	40,883

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

The Company has not conducted any independent assessment of non-financial data. We have planned to conduct independent assurance in accordance with ISAE 3000/AA1000AS Standards.

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

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

- Name of the area: Gujarat and Maharashtra, India
- Nature of operations: Chemical Manufacturing
- Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	7,56,188	5,77,942
(iv) Seawater / desalinated water	0	0
Total volume of water withdrawal (in kilolitres)	7,56,188	5,77,942
Total volume of water consumption (in kilolitres)	7,11,813	5,37,059
Water intensity per rupee of turn over (Water consumed / turnover)	0.0000659	0.0000561
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0

Parameter	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
(iii) Into Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment (Tertiary treatment)	44,375	40,883
Total water discharged (in kilolitres)	44,375	40,883

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

The Company has not conducted any independent assessment of non-financial data. We have planned to conduct independent assurance in accordance with ISAE 3000/AA1000AS Standards.

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

The Company has not estimated scope-3 GHG emission in the reporting period. The Company plans to do so in next two years.

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

The Company has not conducted any independent assessment of non-financial data. We have planned to conduct independent assurance in accordance with ISAE 3000/AA1000AS Standards.

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

Not Applicable

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:

- **Manufacturing Technology:** The Company has adopted advanced manufacturing technologies and automation. As a result of such initiatives, yield has improved significantly which has resulted in reduced waste generation.
- **Co-generation Power Plant:** The Company has installed a Co-generation power plant at the Valia site with a steam recovery system. Co-generation technology has helped in achieving higher efficiency. Stacks connected have ESPs to reduce air emissions.
- **Zero-liquid Discharge (ZLD):** ZLD system has been installed at Valia site. The site operates as ZLD facility during monsoon period

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

Yes. The Company has identified potential disasters and has developed an appropriate disaster mitigation plan. Furthermore, it has formulated and adopted appropriate Business Continuity and Disaster Resilience Plan (BCP/DR). BCP/DR focuses on the following aspects.

- **Major risks considered:** Natural disasters, industrial accidents, infectious diseases, social unrest, cyber attacks, and other unforeseen events
- **Plans for effective rescue to minimize damage**
- **Data Continuity:** Establishing back-up servers at far location to ensure data continuity and integrity
- **Handling of hazardous materials:** Safety measures to prevent leakage/spillage of hazardous materials

- Supply Chain: Identification of alternative vendors and logistics routes in case of disruption of supply chain
- Operations: Measures to resume operations at the earliest including provisions for inventory management, resumption of human resources, staggered shifts, work-from-home if needed subject to feasibility, etc

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?

The Company's operations are energy and water intensive and are dependent on crude oil derivatives. Furthermore, raw materials are hazardous in nature. These have potential to cause adverse impacts on the environment. As mitigation strategy, the Company has developed plans to increase share of renewable energy in its energy mix and reuse and recycle waste water wherever possible. The Company have also developed plans to store rainwater for use. We have developed a 70 acre green belt in our Valia plant.

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

The Company has recently developed a structured supply chain sustainability program comprising elements of supplier code of conduct, supplier screening on ESG criteria and supplier engagement on ESG.

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

ESSENTIAL INDICATORS

- 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 a member of/ affiliated to.

Sr.no	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Bombay Chamber of Commerce and Industry	National
2	Confederation of Industry association	National
3	Indian Chemical Council, etc	National
4	Member of Chemicals and Petrochemicals Manufacturers Association	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Not applicable

LEADERSHIP INDICATORS

3. Details of public policy positions advocated by the entity

S.no	Public policy advocated	Method resort for such advocacy	Whether the information is available in public domain? (Yes/No)	Frequency of review by board (Annually/ Half yearly/ Quarterly/ Other-please specify)	Web Link, if available
1	EXIM Policy of Latex and Synthetic Rubber	Through participation in policy advocacy of CPMA	No	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.

Not applicable.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Not applicable

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

The Company maintains a register at the entrance of its manufacturing site for recording grievances or communications from the community. The visits of the elected representatives from nearby villages, teachers, opinion makers are arranged for understanding the expectations and concerns of the respective stakeholders.

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

	FY 2022-23 Current FY	FY 2021-22 Previous FY
Directly sourced from MSMEs/ Small producers	7.3%	5.6%
Sourced directly from within the district and neighbouring districts	43.4%	34.9%

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):

Not applicable

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

Not applicable

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

The Company is in process of revising its procurement policy to include principles of inclusivity and sustainability.

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

The Company follows a transparent and fair process of procurement. MSMEs are preferred on a case-to-case basis.

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

Not applicable

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

Not applicable

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

Not applicable

6. Details of beneficiaries of CSR Projects.

Sr.no	CSR Projects	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1	EdelGive Foundation – Utthan	2,500	100 %
2	Catalysts for Social Action	a) Adopt a Home Project - 107 Children b) Livelihood & Aftercare Support Project - 19 Young Adults	100 %
3	The Society for the Rehabilitation of Crippled Children	The Company has supported for setup of in-house RT-PCR Laboratory	100 %
4	Seva Sadan Society	Funded Secondary School Education (Standards 5 to 7 in the academic year 2022-23) at Seva Sadan Society's English Medium School for 61 students	100 %
5	Deepak Foundation	Training was imparted to 76 youths/women in 4 batches	100 %

6	Bhagwan Yagnyavalkar Ved Tatvagyan Yogashram Trust	All the students/staff of the trust school	100 %
7	Bombay International School Association	Part of tuitions fees & expenses for 4 students	100 %
8	Distribution of Nutrition Kits to TB Patients	Several beneficiaries	100 %
9	The Fencing of Ghora village Anganwari building through iron rods	All the children/staff of Anganwari	100 %
10	Jai Vakeel Foundation & Research Centre	Serves children & adults with Intellectual & Developmental Disabilities (IDD) by aiding in education/healthcare/skill development	100 %
11	West Wind Association - Seva Sadan Society	Protects, educates and empowers disadvantaged girls and women	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner.

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

- All consumer complaints are received through e-mails which are communicated to QC/ QA dept through mail.
- QC/ QA registers the complaint and does the investigation. After thorough investigation they send the CAPA (Corrective action preventive action) to Sales & marketing department.
- S & M dept communicates the CAPA to the customers & checks the effectiveness of CAPA after 3 continuous supplies. After 3 continuous supplies, if there is no issue, the complaint is closed.

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

Business	As a percentage to total turnover
Environment and Social parameters relevant to product	NA
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints

	FY 2022-23 Current FY		Remarks	FY 2021-22 Previous FY		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Others	60	0	NA	82	0	NA

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

	Number	Reason for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

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.

The Company has a robust information security framework. It covers aspects of data protection and prevention from cyber-attacks. Salient features of the policy are as follows:

- Adoption of end-to-end encryption technology
- Periodic Vulnerability Assessment and Penetration Testing
- Training and capacity building of all directors, KMPs, SMPs, and employees
- Adherence with the norms prescribed by ISO 27001 standards
- Access control mechanisms

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

Not applicable

LEADERSHIP INDICATORS

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

Details of product offerings are provided on our website: www.apcotex.com

We also provide product information in brochures and product catalogues which are provided upon specific requests.

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

The majority of our products are not used by end consumers. We provide relevant product information to our customers through Material Safety Data Sheet (MSDS) and product labels developed in accordance with Globally Harmonized System (GHS).

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

We inform the customers through circulars about force majeure, delay in supplies, etc.

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. 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)

We follow the Globally Harmonized System of product labelling which comprehensively covers all aspects of relevant product information. We regularly engage with customers to understand their expectations, and take feedback on our product quality and service delivery. During this financial year, we have conducted a Customer Survey through an independent agency to better understand our strengths and areas of weaknesses.

5. Provide the following information relating to data breaches:

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

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

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Apcotex Industries Limited
Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Apcotex Industries Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as 'the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, the profit and total comprehensive income, 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 Standards are further described in the *Auditors Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the

matters described below to be the key audit matters to be communicated in our report.

Sr No.	Key Audit Matter	How our audit addressed the key audit matter
1.	Capitalisation of Property Plant and Equipment (PPE): The Company has invested in PPE during the year ended 31 st March 23. The significant level of capital expenditure requires consideration to ensure that the capitalisation of PPE meets the specific recognition criteria in Indian Accounting Standard (Ind AS) 16 Property, Plant and Equipment.	<ul style="list-style-type: none"> Our audit included assessing the nature of PPE capitalised by the Company to test the validity of the amounts capitalised with source documentation and evaluating whether assets capitalised meet the recognition criteria in Ind AS 16. We have tested the design, implementation and operating effectiveness of controls in respect of capital work in progress and capitalisation of PPE. We have physically verified the existence of PPE.
2.	Revenue from Sales of Goods and Services: The Company recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the transaction price, the Company considers the effects of rebates and discounts (variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications including incoterms, create complexity and judgment in determining sales revenues.	<ul style="list-style-type: none"> Assessed the appropriateness of Company's accounting policy for revenue recognition as per the relevant Indian Accounting Standard. Evaluated the design and implementation of key internal financial controls and processes including relevant information technology systems in relation to the timing of revenue recognition for a sample of transactions with special reference to controls over revenue recognised throughout the year and at the year end. Tested the operating effectiveness of such controls for a sample of transactions for revenue recognised throughout the year and at the year end. Tested sample revenue transactions by using sampling in order to examine whether revenue has been recognised in the correct period taking into account the relevant underlying documentation and records.

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

The Company's Board of Directors is responsible for the

preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance, Business Responsibility and Sustainability Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on matters specified in paragraphs 3 and 4 of the order
- 2) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements

comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in "**Annexure B**"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 39(a) to the financial statements;
 - (ii) The Company has made provision, as required under the applicable law or Indian Accounting Standard, for material foreseeable losses, if any on long-term contracts including derivative contracts – Refer Note 42 to the financial statements;
 - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or

- entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in Note 17(b) to the financial statements
- (a) The final dividend for the year 2021-22, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
- (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For S G D G & Associates LLP
Chartered Accountants
Firm's Registration No: W100188

Sharad Gupta
Partner
Membership No: 116560

Place: Mumbai
Dated: 27th April 2023
UDIN: 23116560BGXUXN6002

ANNEXURE – A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) i. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets;
- ii. The Company has maintained proper records showing full particulars of intangible Asset
- (b) The Company has a program of verification to cover all items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. Pursuant to the programme, a portion of the property, plant and equipment have been physically verified by the management during the year and no material discrepancies have been 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 and/or lease agreements where immovable properties are taken on lease are held in the name of the Company, except:

Sr No	Description of property	Gross carrying value as at 31 st March, 2023	Held in name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in name of Company (dispute if any)
1	Lease Hold Land	484.55 Lakhs	Company has received the allotment letter from GIDC. GIDC is in the process of transferring the title deeds in the name of the Company	NA	06-Feb-2016	Company has received the allotment letter from GIDC. GIDC is in the process of transferring the title deeds in the name of the Company

- (d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company the Management has conducted physical verification of the inventories at reasonable intervals. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed during such verifications.
- (b) The Company has been sanctioned working capital limits in excess of Rs five crores in aggregate from a bank on the basis of security of the current assets. Quarterly returns or statements filed by the Company with such bank are in agreement with the books of accounts of the Company.
- (iii) The Company has made investments in shares of various companies and units of mutual funds and granted unsecured loans to employees during the year, in respect of which:
 - (a) The Company has not provided any loans and advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - (b) In our opinion and according to the information and explanations given to us, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the interest of the Company.
 - (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments are regular as per the stipulation.

- (d) In respect of loans granted by the Company, there are no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3(iii)(f) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loans to the parties covered under Section 185 of the Act. The Company has not given any loans and guarantees but has made investments in the securities of other body corporate in respect of which provisions of Section 186 of the Act have been complied with.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of Section 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Excise Duty, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Excise Duty, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable were in arrears as at 31st March 2023 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues of Income Tax, Service Tax, Sales Tax, Excise Duty, Custom Duty, Value Added Tax, Goods and Service Tax, Cess and other statutory dues as at 31st March 2023 which have not been deposited on accounts of any disputes are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Financial Year for which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	620.43	2010-11, 2011-12, 2012-13, 2016-17 & 2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	8.00	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	105.55	2009-10	Bombay High Court
Customs Act	Custom Duty	142.09	2000-01 to 2004-05	Supreme Court
Central Excise Act	Service Tax	140.38	2005-06 to 2017-18	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act	Service Tax	11.62	2017-18	Commissioner (Appeals)
GST Act	Goods and Service Tax	1,206.55	2017-18	Commissioner (Appeals)

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Financial Year for which amount relates	Forum where the dispute is pending
Maharashtra Municipal Corporation Act 1949	Local Body Tax	152.17	2016-17	Bombay High Court
Maharashtra Municipal Corporation Act 1949	Property Tax	102.00	2021-22 & 2022-23	Bombay High Court

- (vii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to the bank. The Company does not have dues to financial institution, government or debenture holders as at the balance sheet date.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) The term loans obtained during the year by the Company have been applied for the purposes for which they were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company does not have subsidiaries, associates or joint ventures. Hence the reporting requirements of paragraph 3(ix)(e) of the Order are not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence the reporting requirements of paragraph 3(ix)(f) of the Order are not applicable.
- (x) (a) In our opinion, and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) According to the information and explanations given to us and based on 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.
- (xi) (a) No material fraud on or by the Company has been noticed or reported during the year nor have we been informed of any such case by the Management.
- (b) No report under Sub-Section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report
- (c) As represented by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company Accordingly, reporting as per paragraph 3(xii) of the Order is not required.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

- (xiv) (a) 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 for the year under audit, issued to the Company, in determining nature, timing and extent of our audit procedure.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, reporting as per paragraph 3(xv) of the Order is not required.
- (xvi) (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, hence reporting requirement of paragraph 3(xvi) (a), (b) and (c) of the Order are not applicable to the Company.
- (b) The Company does not have any Core Investment Companies which are part of the group.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to Sub-Section (5) of Section 135 of the said Act. Further the Company has not undertaken any ongoing project as a part of CSR Accordingly, reporting under clause 3(xx) (a) and (b) of the Order are not applicable for the year.

For S G D G & Associates LLP
Chartered Accountants
Firm's Registration No: W100188

Sharad Gupta
Partner
Membership No: 116560

Place: Mumbai
Dated: 27th April 2023
UDIN: 23116560BGXUXN6002

ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT

The Annexure referred to in paragraph 2(f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date,

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

We have audited the internal financial controls over financial reporting of **Apcotex Industries Limited** (“the Company”) as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI (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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of

internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial

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

For S G D G & Associates LLP
Chartered Accountants
Firm's Registration No: W100188

Sharad Gupta
Partner
Membership No: 116560

Place: Mumbai
Dated: 27th April 2023
UDIN: 23116560BGXUXN6002



BALANCE SHEET AS AT 31ST MARCH 2023

		(₹ in Lakhs)	
	Notes	As at 31st March 2023	As at 31st March 2022
I ASSETS			
NON CURRENT ASSETS			
a) Property, Plant and Equipment	2	38,336.40	15,598.80
b) Capital Work in Progress	2	1,232.80	3,859.61
c) Investment Properties	3	151.21	-
d) Intangible Assets	4	43.67	57.88
e) Financial Assets:			
i) Investment	5	7,316.08	8,219.60
ii) Other Financial Assets	6	0.56	7.47
f) Non Current tax Assets (Net)	7	472.18	281.80
g) Other Non-Current Assets	8	539.78	2,114.95
		48,092.68	30,140.11
CURRENT ASSETS			
a) Inventories	9	10,508.97	8,711.74
b) Financial Assets:			
i) Investment	10	1,479.70	1,531.93
ii) Trade Receivables	11	13,706.48	16,175.67
iii) Cash and Cash Equivalents	12	1,527.06	195.12
iv) Other Bank Balances	13	707.44	694.05
v) Loans	14	51.44	40.43
vi) Others	15	742.57	928.73
c) Other Current Assets	16	3,527.77	2,067.75
		32,251.43	30,345.42
TOTAL ASSETS		80,344.11	60,485.53
II EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	17	1,036.90	1,036.90
b) Other Equity	18	46,564.41	38,579.45
		47,601.31	39,616.35
LIABILITIES			
NON CURRENT LIABILITIES			
a) Financial Liabilities:			
i) Term Loan	19	12,476.46	2,636.25
ii) Lease Liabilities	20	-	9.27
iii) Other Financial Liabilities	21	702.95	596.58
b) Provisions	22	341.54	332.07
c) Deferred Tax Liabilities (Net)	23	1,224.92	810.27
		14,745.87	4,384.44
CURRENT LIABILITIES			
a) Financial Liabilities:			
i) Borrowings	24	2,702.68	2,375.30
ii) Lease Liabilities	25	-	5.57
iii) Trade Payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	26	525.91	1,035.44
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	26	9,685.67	8,968.82
iv) Other Financial Liabilities	27	3,596.70	2,559.42
b) Provisions	28	158.46	156.50
c) Other Current Liabilities	29	1,327.51	1,383.69
		17,996.93	16,484.74
TOTAL EQUITY AND LIABILITIES		80,344.11	60,485.53
Significant Accounting policies	1		
The accompanying notes 1 to 54 are an integral part of these financial statements			

As per our Report of even date
For SGD & ASSOCIATES LLP
Chartered Accountants
Firm Registration Number: W100188

SHARAD GUPTA
Partner
Membership Number: 116560
Mumbai, Date : 27th April, 2023

For and on behalf of Board of Directors
ATUL C. CHOKSEY Chairman (DIN00002102)
ABHIRAJ A. CHOKSEY Managing Director (DIN00002120)
KAMLESH S. VIKAMSEY Director (DIN00059620)

SACHIN J. KARWA Chief Financial Officer
JEEVAN MONDKAR Company Secretary

Mumbai, Date : 27th April, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ in Lakhs)

		Notes	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
I	Revenue from Operations	30	1,07,992.88	95,689.09
II	Other Income	31	728.96	789.08
III	Total Income (I + II)		1,08,721.84	96,478.17
IV	EXPENSES			
	a) Cost of Material Consumed	32A	72,367.64	63,208.68
	b) Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress.	32B	(1,569.16)	(845.18)
	c) Employee benefits expense	33	5,639.86	5,086.73
	d) Finance Costs	34	505.82	325.47
	e) Depreciation and amortisation expense	35	1,523.33	1,409.47
	f) Other expenses	36	15,702.88	14,257.00
	Total Expenses (IV)		94,170.37	83,442.17
V	Profit before Tax (III - IV)		14,551.47	13,036.00
VI	Tax Expense			
	a) Current Tax	37	3,311.50	3,482.00
	b) Deferred Tax		446.09	(326.61)
	Total Tax Expense (VI)		3,757.59	3,155.39
VII	Profit for the year from Continuing Operations		10,793.88	9,880.61
VIII	Other Comprehensive Income			
	- Items that will not be reclassified to profit and loss			
	Actuarial gains/(losses) on defined benefit plans		(21.29)	(39.04)
	Gain / (Loss) on fair valuation of investments		(226.82)	1,392.89
	Deferred tax relating to Other Comprehensive Income		31.44	(84.65)
	Total Other Comprehensive Income for the year		(216.67)	1,269.20
IX	Total Comprehensive Income for the year		10,577.21	11,149.81
X	Earnings per Equity share of Face value ₹ 2/- each (from continuing operation)			
	- Basic & Diluted		20.82	19.06
	Significant Accounting policies	1		
	The accompanying notes 1 to 54 are an integral part of these financial statements			

As per our Report of even date
For SGD& ASSOCIATES LLP
Chartered Accountants
Firm Registration Number: W100188

SHARAD GUPTA
Partner
Membership Number: 116560
Mumbai, Date : 27th April, 2023

For and on behalf of Board of Directors
ATUL C. CHOKSEY Chairman (DIN00002102)
ABHIRAJ A. CHOKSEY Managing Director (DIN00002120)
KAMLESH S. VIKAMSEY Director (DIN00059620)

SACHIN J. KARWA Chief Financial Officer
JEEVAN MONDKAR Company Secretary

Mumbai, Date : 27th April, 2023

STATEMENT OF CASH FLOW THE YEAR ENDED 31ST MARCH 2023

		(₹ in Lakhs)	
		For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
A.	CASH FLOW FROM OPERATING ACTIVITIES :		
	Profit Before Tax	14,551.47	13,036.00
	Adjustments for :		
	Depreciation and Amortization Expense	1,523.33	1,409.47
	Finance Cost	505.82	325.47
	Foreign Exchange Fluctuation Difference	18.98	(14.75)
	Loss / (Profit) on Sale of Assets/Written off	5.44	(8.19)
	Provision for Bad and Doubtful Debts / Expected Credit Loss	72.32	218.71
	Net gain on financial assets measured at fair value through Profit and Loss	(78.06)	(59.11)
	Loss / (Surplus) on Sale of Investment	(15.04)	(4.54)
	Dividend Income	(22.69)	(24.17)
	Interest received	(46.88)	(40.44)
	Income from Rent	(15.82)	(1.76)
	Excess Provision written back	(89.61)	(72.52)
	Operating Profit Before Working Capital Changes	16,409.26	14,764.17
	Adjustments for :		
	(Increase) / Decrease in Inventories	(1,797.23)	(3,128.95)
	(Increase) / Decrease in Trade Receivable and Other Current Assets	1,098.59	(6,854.09)
	(Increase) / Decrease in Non Current Assets	(1,454.17)	23.74
	Increase / (Decrease) in Non Current Liabilities	106.57	186.98
	Increase / (Decrease) in Trade Payable and Current Liabilities	1,274.42	2,793.16
	Cash Flow Generated from Operations	15,637.44	7,785.01
	Direct taxes paid	(3,501.88)	(3,030.63)
	Net Cash Flow from Operating Activities	(a) 12,135.56	4,754.38
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant and Equipment and Intangible Assets	(18,698.92)	(6,795.23)
	Proceeds on sale of Property, Plant and Equipment and Intangible Assets	6.21	29.84
	Purchase of Investments	(2,477.53)	(1,911.43)
	Sale of Investments	3,153.62	1,899.62
	Dividend Income	22.69	24.17
	Interest received	44.39	44.90
	Income from Rent	15.82	1.76
	Net Cash Used in Investing Activities	(b) (17,933.72)	(6,706.37)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds / (Repayment) of Short Term Borrowings (Net)	653.78	1,538.08
	Proceeds from Long Term Borrowings	10,183.73	2,034.38
	Repayment of Long Term Borrowings	(669.92)	-
	Finance Cost paid	(505.82)	(325.47)
	Dividends paid	(2,583.90)	(2,054.26)
	Net Cash Used in Financing Activities	(c) 7,077.87	1,192.73
	Net Increase/ (Decrease) in Cash and Cash Equivalents	(a+b+c) 1,279.71	(759.27)
	Cash and Cash Equivalents as at 1st April	1,727.05	2,486.32
	Cash and Cash Equivalents as at 31st March	3,006.76	1,727.05

STATEMENT OF CASH FLOW THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

1 The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - Cash Flow Statement and presents cash flows by operating, investing and financing activities.

2 Cash and cash equivalents comprises of: (₹ in Lakhs)

	As at 31st March, 2023	As at 31st March, 2022
Cash and Cash Equivalents	1,527.06	195.12
Current Investment	1,479.70	1,531.93
Cash and cash equivalent in cash flow statement	3,006.76	1,727.05

3 Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities are as below:

(₹ in Lakhs)

	As at 31st March, 2022	Cash Flow	Non-Cash Changes		As at 31st March, 2023
			Fair Value changes	Current / Non Current classification	
Borrowing- Non Current	2,965.99	9,510.47	-	-	12,476.46
Borrowing- Current	2,045.56	657.12	-	-	2,702.68

4 Figures of the previous year have been regrouped / rearranged wherever necessary to make it comparable to the current year presentation.



As per our Report of even date
For SGD & ASSOCIATES LLP
 Chartered Accountants
 Firm Registration Number: W100188

SHARAD GUPTA
 Partner
 Membership Number: 116560
 Mumbai, Date : 27th April, 2023

For and on behalf of Board of Directors
ATUL C. CHOKSEY Chairman (DIN00002102)
ABHIRAJ A. CHOKSEY Managing Director (DIN00002120)
KAMLESH S. VIKAMSEY Director (DIN00059620)

SACHIN J. KARWA Chief Financial Officer
JEEVAN MONDKAR Company Secretary

Mumbai, Date : 27th April, 2023

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31ST MARCH 2023

A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

	Note	Balance
Balance as at 31st March 2021		1,036.90
Changes in Equity Share Capital during the Year	17	-
Balance as at 31st March 2022		1,036.90
Changes in Equity Share Capital during the Year	17	-
Balance as at 31st March 2023		1,036.90

B) OTHER EQUITY

	Note	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earning	FVTOCI Reserve	Total
Balance as at 31st March, 2021	18	4,370.20	0.32	2,599.95	5,222.22	15,722.00	1,588.75	29,503.44
Profit for the period ended 31st March 2022		-	-	-	-	9,880.61	-	9,880.61
Other Comprehensive Income - Remeasurement of net defined benefits plan		-	-	-	-	(39.04)	-	(39.04)
Deferred tax relating to Other Comprehensive Income		-	-	-	-	9.83	(94.48)	(84.65)
Gain / (Loss) on fair valuation of investments		-	-	-	-	-	1,392.89	1,392.89
Realised Profit & Loss on Sale of Investments		-	-	-	-	533.86	(533.86)	-
Total Comprehensive Income for the year		-	-	-	-	10,385.26	764.55	11,149.81
Transfer to Retained Earnings		-	-	-	(5,222.22)	5,222.22	-	-
Final Dividend on Equity Shares for FY 2020-21		-	-	-	-	(1,036.90)	-	(1,036.90)
Interim Dividend on Equity Shares for FY 2021-22		-	-	-	-	(1,036.90)	-	(1,036.90)
Balance as at 31st March, 2022	18	4,370.20	0.32	2,599.95	-	29,255.68	2,353.30	38,579.45
Profit for the period ended 31st March 2023		-	-	-	-	10,793.88	-	10,793.88
Other Comprehensive Income - Remeasurement of net defined benefits plan		-	-	-	-	(21.29)	-	(21.29)
Deferred tax relating to Other Comprehensive Income		-	-	-	-	5.36	26.08	31.44
Gain / (Loss) on fair valuation of investments		-	-	-	-	-	(226.82)	(226.82)
Realised Profit & Loss on Sale of Investments		-	-	-	-	528.36	(528.36)	-
Total Comprehensive Income for the year		-	-	-	-	11,306.31	(729.10)	10,577.21
Final Dividend on Equity Shares for FY 2021-22		-	-	-	-	(1,555.35)	-	(1,555.35)
Interim Dividend on Equity Shares for FY 2022-23		-	-	-	-	(1,036.90)	-	(1,036.90)
Balance as at 31st March, 2023	18	4,370.20	0.32	2,599.95	-	37,969.74	1,624.20	46,564.41

The accompanying notes 1 to 54 are an integral part of these financial statements

As per our Report of even date
For SGD& ASSOCIATES LLP
Chartered Accountants
Firm Registration Number: W100188

For and on behalf of Board of Directors
ATUL C. CHOKSEY Chairman (DIN00002102)
ABHIRAJ A. CHOKSEY Managing Director (DIN00002120)
KAMLESH S. VIKAMSEY Director (DIN00059620)

SHARAD GUPTA
Partner
Membership Number: 116560
Mumbai, Date : 27th April, 2023

SACHIN J. KARWA Chief Financial Officer
JEEVAN MONDKAR Company Secretary
Mumbai, Date : 27th April, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE: 1

1.1 COMPANY INFORMATION:

Apcotex Industries Limited. is one of the leading producers of Synthetic Lattices (VP Latex, SBR and Acrylic Latex, Nitrile Latex) and Synthetic Rubber (HSR, NBR) in India. The Company has one of the broadest ranges of products based on Styrene – Butadiene Chemistry and Acrylonitrile-Butadiene Chemistry available in the market today. Company's product range is used, among other applications, for Tyre Cord Dipping, Paper/Paper Board Coating, Concrete Modification/Water Proofing, Textile Finishing, Hand Gloves etc. The various grades of Synthetic Rubber find application in products such as Footwear, Automotive Components, V-belts, Conveyor Belts and Hoses. The Registered office of the Company is situated at 49-53 Mahavir Centre, Sector 17, Vashi, Navi Mumbai -400703.

1.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Indian Accounting Standards (herein referred to as 'IND AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015 (as amended).

The financial statements have been prepared and presented under historical cost convention, on accrual and going concern basis of accounting except certain financial asset and liabilities that are measured at fair value at the end of each accounting period as stated in the accounting policies below. The Accounting policies are applied consistently in presenting these financial statements.

The classification of assets and liabilities of the Company into current or non-current is based on the criterion specified in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The financial statements are approved by the Audit Committee and Board of Directors at their meeting held on 27th April 2023. The Board of Directors of the Company has authorized to issue the financial statements as per decision taken in their meeting held on 27th April 2023.

(a) Functional and Presentation currency:

The financial statements are prepared in Indian Rupees, which is the Functional and Presentation currency for the Company.

(b) Use of Estimates:

The preparation of Financial Statement in accordance with IND AS requires use of estimates and assumptions for some items, which might have effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized, and if material, their effects are disclosed in the notes to financial statements.

Estimates and assumptions are required for:

i. Useful life of Property Plant and Equipment:

Determination of estimated useful life of Property Plant and Equipment and the assessments as to which components of cost may be capitalized. Useful life of Property Plant and Equipment is based on life prescribed in Schedule II of the Companies Act, 2013. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalized.

ii. Recognition and measurement of defined benefit obligations:

The obligation arising from the defined benefit plan is determined on basis of actuarial assumptions. Key actuarial assumptions include discount rate, salary escalation rate, attrition rate, and life expectancy. The discount rate is determined with reference to market yields at the end of reporting period on the government bonds.

iii. Recognition of deferred tax assets:

A deferred tax asset is recognized for all the deductible temporary differences to the extent that is probable that taxable profits will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profits will be available while recognizing deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

iv. **Recognition and measurement of other provisions:**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the Balance Sheet date. The actual outflow of resources at future date may vary from the figure included in other provisions.

v. **Discounting of long-term financial liabilities:**

All financial liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities, which are subsequently measured at amortized cost, interest is accrued using the effective interest method.

vi. **Determining whether an arrangement contains a lease:**

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset; subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Company's incremental borrowing rate.

vii. **Fair value of financial instruments:**

Derivatives are carried at fair value. Derivatives include Foreign Currency Forward Contracts and options. Fair value of Foreign Currency Forward Contracts is determined using the rates published by Reserve Bank of India / State Bank of India.

viii. **Current Vs. Non-Current classification:**

I. An asset is classified as current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle
2. Held primarily for purpose of trading
3. Expected to be realized within twelve months after the reporting period or
4. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non – current

II. A liability is classified as current when it is:

1. Expected to be settled in normal operating cycle
2. Held primarily for purpose of trading
3. Due to be settled within twelve months after the reporting period or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current.

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

1.3 **Significant accounting policies:**

I. **Property Plant and Equipment**

a) **Initial and subsequent recognition and CWIP:**

Property Plant and Equipment are carried at the cost of acquisition or construction, less accumulated depreciation and accumulated impairment, if any. The cost of items of Property Plant and Equipment includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Know-how related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant asset heads.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Capital work-in-progress comprises of the cost of Property Plant and Equipment that are not ready for their intended use at the reporting date. Any gain or loss on de-recognition (calculated as difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the Statement of Profit and Loss when the asset is derecognized.

b) Depreciation & Amortization:

Depreciation is provided on a pro-rata basis on the straight-line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

c) Impairment:

The carrying amounts of the Company's tangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognized in the Statement of Profit and Loss in the period in which impairment takes place.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior accounting periods.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

II. Intangible Assets:

a) Initial and subsequent recognition:

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Separately purchased intangibles are initially measured at cost. Intangible assets acquired in a business combination are recognized at fair value at the acquisition date. Subsequently intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

The useful lives of intangible assets is assessed as either finite or infinite. Finite-life intangible assets are amortized on a straight-line basis over the period of their expected useful lives. Estimated useful lives of finite-life intangible assets is as follows:

Computer Software – 3 years

b) Amortization:

The amortization period and the amortization method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

III. Investments property

a) Initial and subsequent recognition:

Investment properties are properties that are held to earn rentals and /or for capital appreciation (including property under construction for such purposes) and not occupied by the Company for its own use.

Investment properties are measured initially at cost, including transaction costs and net of recoverable taxes. The cost includes the cost of replacing parts and borrowing costs if recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

b) Depreciation:

Depreciation on Investment property, wherever applicable, is provided on straight line basis as per useful lives prescribed in Schedule II to Companies Act, 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

c) **De-recognition:**

Investment properties are derecognized either when they have been disposed of or when they are being occupied by the Company for its own use or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

IV. **Inventories:**

Inventories are valued at lower of Cost and Net Realizable Value.

The cost is determined as follows:

- a) Raw and Packing Materials are valued at cost or market value, whichever is lower, computed on weighted average basis. The cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties and taxes, which are subsequently recoverable.
- b) The finished goods inventory is valued at cost or net realizable value whichever is lower. Cost includes material cost, conversion, appropriate factory overheads, any tax or duties (as applicable) and other costs incurred in bringing the inventories to their present location and condition.
- c) Work-in-Process is valued at material cost and cost of conversion appropriate to their location in the manufacturing cycle.
- d) Stores, Spares and consumables are valued at cost, computed on First in First out (FIFO) basis. The cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties and taxes that are subsequently recoverable, if any.

Slow-moving and damaged, unserviceable stocks are adequately provided wherever considered necessary.

V. **Cash and Cash Equivalents:**

Cash and cash equivalents for the purposes of Cash Flow Statements includes cash in hand, deposits with banks and short term highly liquid investments, which are readily convertible into cash and have original maturities of three months or less and which are subject to an insignificant risk of changes in value.

VI. **Non-current Assets held for sale:**

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met:

- (i) decision has been made to sell
- (ii) the assets are available for immediate sale in its present condition
- (iii) the assets are being actively marketed
- (iv) sale has been agreed or expected to be concluded within 12 months of the Balance Sheet date

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less cost to sell. Non-current assets held for sale are not depreciated or amortized.

VII. **Borrowing costs:**

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an qualifying asset (net of income earned on temporary deployment of funds) that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are charged to statement of profit and loss. Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing cost.

General Borrowing cost incurred in connection with qualifying assets is capitalized by applying the capitalization rate on the quantum of such borrowings utilized for such assets.

VIII. **Revenue recognition:**

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes or other amounts collected from customers in its capacity as an agent. If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Dividend income is recognized in statement of profit and loss only when the right to receive payment is established, which is generally when shareholders approve dividend.

Export incentives receivable under Duty Drawback Scheme and MEIS are accounted on accrual basis.

Interest income is recognized using the effective interest rate (EIR) method.

Insurance claims are recognized post filing of the claim with the insurer.

IX. Foreign Currency Transactions:

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currencies at the year end are re-measured at the exchange rate prevailing on the balance sheet date. Non-monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on restatement is recognized in the Statement of Profit and Loss.

The Exchange Rate Difference and the forward premium on the loan taken for capital assets are being capitalized along with Interest till the date of commissioning of the said capital assets.

X. Employee Benefits:

a) Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

b) Long term employee benefits:

i) Defined contribution plans:

Contributions to defined contribution schemes such as employees state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution is made to a government administered fund and is charged as an expense in the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

ii) Defined benefit plans:

The Company operates a defined benefit gratuity plan, which required contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognized immediately, in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- the date of the plan amendment or curtailment or
- the date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of Profit and Loss:

- service costs comprising current service costs, pasts service costs, gains and losses on curtailments and non-routine settlements.
- Net Interest expense or income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

c) Termination benefits:

Termination benefits in the nature of voluntary retirement benefits or termination benefits arising from restructuring are recognized in the Statement of Profit or Loss. The Company recognizes termination benefits at the earlier of the following dates:

- when the Company can no longer withdraw the offer of these benefits
- when the Company recognizes costs for restructuring that is within the scope of IND AS 37 and involves the payment of termination benefits.

XI. Fair Value Measurement:

The Company measures financial instruments at fair value on each Balance Sheet date. Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on 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 absence of principal market, in the most advantageous market for asset or liability. The principal or the most advantageous market should be accessible to the Company.

The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company uses valuation techniques, that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:-

- Level 1 – Quoted market prices in active market for identical assets or liabilities.
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties, unquoted financial assets etc. Involvement of independent external valuers is decided upon annually by the Company. Further such valuation is done annually at the end of the financial year and the impact if any on account of such fair valuation is taken in the annual financial statements.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

XII. Leases:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

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 end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

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 Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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 (assets of less than ₹ 1,00,000 in value). The Company recognises the lease payments associated with these leases as an expense over the lease term.

In the comparative period, leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

XIII. Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets:

i) Initial recognition and measurement:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets are recognized at fair value. In case of financial assets which are recognized at Fair Value through Profit and Loss (FVTPL), its transaction costs are recognized in the statement of profit and loss. In other cases, transaction costs are attributable to the acquisition value of the financial asset are added to the value of financial asset.

Financial assets are not reclassified subsequent to their recognition, except and if and in the period the Company changes its business model for managing financial assets.

ii) Subsequent measurement:

Financial assets are subsequently classified and measured at:

- Amortized cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVTOCL)

Investments in Debt Instruments:

A debt instrument is measured at amortized cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

a) Financial Assets measured at amortized cost:

Financial assets are measured at amortized cost when the asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the assets are such that they give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR). The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument. The losses from impairment are recognized in the statement of profit and loss.

b) Financial Assets measured at fair value through OCI (FVTOCI):

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

c) Financial Assets measured at fair value through profit and loss:

Financial Assets under this category are measured initially as well as at each reporting date at fair value, with all changes recognized in statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Investments in Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value. The Company may, on initial recognition, chooses to measure the same either at FVTOCI or FVTPL, which is done on an instrument-by-instrument basis.

Fair value changes on an equity instrument is recognized as other income in the Statement of Profit and Loss unless the Company has elected to measure irrevocably such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognized in OCI. Amounts recognized in OCI are not subsequently reclassified to the Statement of Profit and Loss even on the sale of investment. Dividend income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.

Investment in Subsidiary, Joint Venture and Associate

Investments in equity instruments of Subsidiaries are measured at costs. Provision for impairment loss on such investment is made only when there is a diminution in the value of investment which is other than temporary.

iii) Derecognition of Financial Assets:

A financial asset is derecognized only when the contractual rights to receive cash flows from the asset have expired or the Company has transferred the financial asset and substantially all the risks and rewards of ownership of the asset.

iv) Impairment of Financial Assets:

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies simplified approach which requires lifetime ECL allowances to be recognized from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analyzed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk lifetime ECL is used.

The impairment losses and reversals are recognized in Statement of Profit and Loss.

b) Financial Liabilities:

i) Initial recognition and measurement:

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs, if any.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

ii) Subsequent measurement:

Financial liabilities are subsequently measured at amortized cost using the EIR method. Financial liabilities carried at fair value through profit or losses are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

Loans and borrowings:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit and loss when the liabilities are derecognized.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

iii) **Derecognition:**

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

XIV. Derivatives:

The Company enters into various derivative financial instruments to manage its exposure to interest and foreign exchange rate risks, like foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognized at fair value on the date the derivative contracts are entered into and are subsequently re-measured to their fair value (Mark to Market) at the end of each reporting period. The resulting gain or loss is recognized in the Statement of profit and loss. Company does not designate any of its derivative instruments as hedge instruments. Derivatives are carried as financial assets when fair value is positive and as financial liabilities when the fair value is negative.

XV. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized 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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

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

Contingent Assets are not recognized but disclosed in the Financial Statements when economic inflow is probable.

XVI. Segment Information:

The Managing Director (MD) is designated as Company's Chief Operating Decision Maker (CODM). The MD reviews the Company's internal financial information for the purpose of evaluating performance and assigning resources to segments. The Company has determined the operating segment based on structure of reports reviewed by MD. The Company operates in a single primary business segment, i.e. Synthetic Lattices & Rubber.

XVII. Income taxes:

Income tax expense for the year comprises of current tax and deferred tax, recognized in the Statement of Profit and Loss, except to the extent it relates to a business combination, or items recognized directly in equity or in other Comprehensive Income. Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/expenses and penalties, if any, related to income tax are included in current tax expense.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. A deferred tax liability is recognized based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets deriving from carry forward of unused tax credits (including MAT) and unused tax losses are recognized to the extent that it is probable that future taxable profit will be available in future against which the deductible temporary differences, unused tax losses and credits can be utilized. Deferred tax relating to items recognized in other comprehensive income and directly in equity is recognized in correlation to the underlying transaction.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

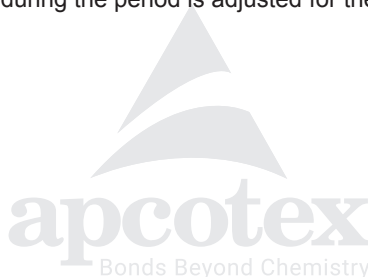
XVIII. Research and Development:

Expenditure on research and development is charged to statement of profit and loss in the year in which it is incurred, with the exception of:

- expenditure incurred in respect of major new products where the outcome of these projects is assessed as being reasonably certain as regards viability and technical feasibility. Such expenditure is capitalized and depreciated over useful life. Capital expenditure in respect of assets used for conducting research activities are capitalized under respective heads of Property Plant and Equipment. These assets are depreciated over their useful life.

XIX. Earnings per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 2 : NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

	Land-Leasehold	ROU Lease Assets	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipments	Vehicles	Scientific Equipments	Electric & Pipe Fittings	Wind Turbine Generator	Total	Capital work in progress
Gross carrying amount:												
Balance as at 31st March, 2021	918.54	26.88	4,287.34	12,415.55	103.55	265.22	366.16	252.29	1,170.92	430.29	20,236.73	1,155.95
Additions	-	-	416.57	1,697.09	54.39	13.03	4.26	27.08	354.28	-	2,566.70	-
Deductions	-	-	(9.82)	(276.74)	(10.05)	(4.20)	(12.16)	(7.50)	-	-	(320.48)	-
Balance as at 31st March, 2022	918.54	26.88	4,694.09	13,835.90	147.89	274.05	358.26	271.87	1,525.20	430.29	22,482.95	3,859.61
Additions	-	-	2,946.51	17,119.84	11.45	91.96	6.73	140.47	4,089.64	-	24,406.60	-
Transfer to Investment Property	-	-	(204.75)	-	-	-	-	-	-	-	(204.75)	-
Deductions	-	(26.88)	-	(119.02)	-	(17.39)	(4.82)	(0.30)	(1.29)	-	(169.70)	-
Balance as at 31st March, 2023	918.54	-	7,435.85	30,836.72	159.34	348.62	360.17	412.04	5,613.55	430.29	46,515.12	1,232.80
Accumulated Depreciation:												
Balance as at 31st March, 2021	53.87	8.07	683.46	3,485.44	26.13	148.71	98.67	99.86	1,089.68	132.56	5,826.43	-
Additions	12.40	5.38	202.42	874.36	10.48	37.67	47.41	22.63	118.74	26.52	1,358.00	-
Deductions	-	-	(4.74)	(262.28)	-	(14.09)	(11.75)	(7.42)	-	-	(300.28)	-
Balance as at 31st March, 2022	66.27	13.45	881.14	4,097.52	36.61	172.29	134.33	115.07	1,208.42	159.08	6,884.15	-
Additions	12.39	2.69	207.46	970.85	11.61	51.81	47.37	23.56	139.05	26.52	1,493.31	-
Transfer to Investment Property	-	-	(53.54)	-	-	-	-	-	-	-	(53.54)	-
Deductions	-	(16.14)	-	(105.69)	-	(17.08)	(4.77)	(0.26)	(1.28)	-	(145.21)	-
Balance as at 31st March, 2023	78.66	-	1,035.06	4,962.68	48.22	207.02	176.93	138.37	1,346.19	185.60	8,178.72	-
Net carrying amount:												
Balance as at 31st March, 2021	864.67	18.81	3,603.88	8,930.11	77.42	116.51	267.50	152.43	81.24	297.73	14,410.30	1,155.95
Balance as at 31st March, 2022	852.27	13.43	3,812.95	9,738.38	111.29	101.75	223.94	156.80	316.78	271.21	15,598.80	3,859.61
Balance as at 31st March, 2023	839.88	-	6,400.79	25,874.04	111.12	141.60	183.24	273.69	4,267.36	244.69	38,336.40	1,232.80

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Note:

The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

Description of Property	Gross Carrying Value as at 31st March, 2023 (₹ in Lakhs)	Gross Carrying Value as at 31st March, 2022 (₹ in Lakhs)	Title Deeds held in the name of	Whether title deed holder is a Promoter, director or relative of promoter*/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company, (*also indicate if in dispute)
Lease Hold Land (At Valia)	484.55	484.55	Company has received the allotment letter from GIDC. GIDC is in the process of transferring the title deeds in the name of the Company	N.A	06-Feb-16	Company has received the allotment letter from GIDC. GIDC is in the process of transferring the title deeds in the name of the Company

PART A:

(₹ in Lakhs)

CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
As at 31st March 2022	1,167.60	2,670.81	21.20	-	3,859.61
As at 31st March 2023	936.29	142.05	154.46	-	1,232.80
Projects temporarily suspended					
As at 31st March 2022	-	-	-	-	-
As at 31st March 2023	-	-	-	-	-

Note: There are no projects whose completion is overdue or has exceeded the cost compared to its original budget.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 3: NON-CURRENT ASSETS INVESTMENT PROPERTY

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Buildings given on Operating Lease:		
Opening Gross Carrying Amount	-	-
Add: Transfer from PPE during the year	204.75	-
Closing Gross Carrying Amount	204.75	-
Less:		
Opening Accumulated Depreciation	-	-
Add: Transfer from PPE during the year	50.26	-
Add: Depreciation for the year	3.28	-
Closing Accumulated Depreciation	53.54	-
Net Carrying Amount	151.21	-

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Information regarding income and expenditure of Investment property:		
Rental income derived from Investment Properties during the year	5.12	-
Less:		
Direct operating expenses (including repairs and maintenance) generating rental income	0.95	-
Less:		
Direct operating expenses (including repairs and maintenance) that did not generate rental income	1.39	-
Profit arising from Investment Properties before depreciation and indirect expenses	2.78	-

Note:

The Company's Investment properties consist of residential property given on rentals.

As at **31st March, 2023**, the fair value of all properties is ₹ **538 Lakhs**. These valuations are performed by Chartered Surveyors - AH Pandit & Associates, an accredited independent government registered valuer.

The fair value was derived using the market comparable approach based on recent market price without any significant adjustments being made to the market observable data in the neighbourhood. Observed by the valuers for similar properties in the locality and adjusted basis on the valuer's knowledge of the factors specification to the respective properties. Fair valuation is based on market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. In estimating the fair value of properties, the highest and best use of the properties is their current use.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 4: NON-CURRENT ASSETS INTANGIBLE ASSETS

(₹ in Lakhs)

	Computer Software	Total
Gross carrying amount:		
Balance as at 31st March , 2021	281.78	281.78
Additions	44.59	44.59
Deductions	(1.44)	(1.44)
Balance as at 31st March , 2022	324.93	324.93
Additions	13.74	13.74
Deductions	(23.97)	(23.97)
Balance as at 31st March , 2023	314.70	314.70
Accumulated Amortisation:		
Balance as at 31st March , 2021	215.58	215.58
Additions	51.47	51.47
Deductions	-	-
Balance as at 31st March , 2022	267.05	267.05
Additions	26.74	26.74
Deductions	(22.76)	(22.76)
Balance as at 31st March , 2023	271.03	271.03
Net carrying amount:		
Balance as at 31st March , 2021	66.20	66.20
Balance as at 31st March , 2022	57.88	57.88
Balance as at 31st March , 2023	43.67	43.67

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 5: NON-CURRENT ASSETS - FINANCIAL ASSETS -INVESTMENTS

(₹ in Lakhs)

		As at		As at	
		31st March 2023		31st March 2022	
		Units	Amount	Units	Amount
A	QUOTED INVESTMENTS				
i)	INVESTMENTS IN EQUITY INSTRUMENTS (at Fair Value Through Other Comprehensive Income)				
1	3M INDIA LTD of the face value of ₹ 10/- fully paid	-	-	4	0.79
2	Aarti Industries Limited of the face value of ₹ 5/- fully paid	614	3.18	765	7.32
3	Aarti Pharma Labs Limited of the face value of ₹ 5/- fully paid	177	0.49	-	-
4	ABB India Limited of the face value of ₹ 2/- fully paid	2,955	99.44	2,243	48.40
5	Abbott India Ltd of the face value of ₹ 10/- fully paid	-	-	7	1.24
6	Ajanta Pharma Ltd of the face value of ₹ 2/- fully paid	-	-	31	0.56
7	APL Apollo Tubes Ltd of the face value of ₹ 2/- fully paid	875	10.55	1,024	9.37
8	Asian Paints Ltd of the face value of ₹ 1/- fully paid	40,972	1,131.50	41,160	1,267.70
9	Astral Poly Technik Ltd of the face value of ₹ 1/- fully paid	457	6.11	497	10.05
10	Atul Ltd of the face value of ₹ 10/- fully paid	-	-	88	9.06
11	AU Small Finance Bank Ltd of the face value of ₹ 10/- fully paid	1,450	8.40	725	9.04
12	Avenue Supermarts Ltd of the face value of ₹ 10/- fully paid	304	10.34	1,213	48.56
13	Axis Bank of the face value of ₹ 2/- fully paid	5,000	42.93	6,910	52.60
14	Bajaj Finance Ltd of the face value of ₹ 2/- fully paid	354	19.88	689	50.02
15	Bajaj Finserv Ltd of the face value of ₹ 5/- fully paid	8,640	109.43	694	118.39
16	Bajaj Holdings & Investments Ltd of the face value of ₹ 10/- fully paid	-	-	108	5.41
17	BEML Land Assets Limited of the face value of ₹ 10/- fully paid	35	0.11	-	-
18	BEML of the face value of ₹ 10/- fully paid	-	-	35	0.64
19	Bharat Heavy Electricals Limited of the face value of ₹ 2/- fully paid	26,262	18.40	-	-
20	Bharti Airtel Limited of the face value of ₹ 5/- fully paid	699	5.24	-	-
21	Bharti Airtel Ltd PP of the face value of ₹ 5/- fully paid	531	1.95	-	-
22	Blue Dart Express Ltd of the face value of ₹ 10/- fully paid	1,203	74.74	569	39.05
23	BOSCH Ltd of the face value of ₹ 10/- fully paid	-	-	91	13.14
24	Cartrade Tech Limited of the face value of ₹ 10/- fully paid	-	-	21	0.12
25	Chemplast Sanmar Limited of the face value of ₹ 5/- fully paid	-	-	1,352	8.99
26	Cholamandalam Investment and Finance Company of the face value of ₹ 2/- fully paid	1,163	8.85	1,960	14.08
27	Cipla Ltd. of the face value of ₹ 2/- fully paid	-	-	1,694	17.25
28	Coal India Ltd of the face value of ₹ 10/- fully paid	9,192	19.64	-	-
29	COFORGE Ltd of the face value of ₹ 10/- fully paid	-	-	39	1.74
30	Computer Age Management Services Ltd of the face value of ₹ 10/- fully paid	-	-	49	1.13
31	Coromandel International Limited of the face value of ₹ 1/- fully paid	-	-	386	3.09
32	Crompton Greaves Consumer Electricals Ltd of the face value of ₹ 2/- fully paid	-	-	1,581	5.91
33	Dabur India Ltd of the face value of ₹ 1/- fully paid	-	-	256	1.37

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 5: NON-CURRENT ASSETS - FINANCIAL ASSETS -INVESTMENTS (CONTD.)

(₹ in Lakhs)

		As at 31st March 2023		As at 31st March 2022	
		Units	Amount	Units	Amount
34	Dalmia Bharat Ltd. of the face value of ₹ 2/- fully paid	-	-	795	11.89
35	DCM Shriram Ltd of the face value of ₹ 2/- fully paid	-	-	198	2.24
36	Deepak Nitrite Limited of the face value of ₹ 2/- fully paid	-	-	450	10.10
37	Divi's Laboratories Limited of the face value of ₹ 2/- fully paid	166	4.69	1,927	84.82
38	Dixon Technologies (India) Limited of the face value of ₹ 2/- fully paid	2,214	63.35	1,065	45.89
39	Dodla Dairy Limited of the face value of ₹ 10/- fully paid	-	-	233	1.04
40	Dr Lal Pathlabs Ltd of the face value of ₹ 10/- fully paid	-	-	19	0.50
41	Eicher Motors of the face value of ₹ 1/- fully paid	-	-	22	0.54
42	FDC Ltd of the face value of ₹ 1/- fully paid	-	-	1,971	5.07
43	Fine Organic Industries Ltd of the face value of ₹ 5/- fully paid	-	-	41	1.64
44	FSN E-Commerce Ventures Ltd of the face value of ₹ 1/- fully paid	-	-	655	11.07
45	Garware Technical Fibres Ltd of the face value of ₹ 10/- fully paid	-	-	46	1.30
46	Gland Pharma Limited of the face value of ₹ 1/- fully paid	-	-	475	15.55
47	Grasim Industries Ltd of the face value of ₹ 2/- fully paid	-	-	1,746	29.05
48	Greenply Industries Ltd of the face value of ₹ 1/- fully paid	-	-	9,744	21.43
49	Havells India Ltd. of the face value of ₹ 1/- fully paid	658	7.82	634	7.31
50	HCL Technologies Limited of the face value of ₹ 2/- fully paid	-	-	1,606	18.69
51	HDFC Bank Limited of the face value of ₹ 1/- fully paid	340	5.47	783	11.51
52	HDFC Life Insurance Company Ltd of the face value of ₹ 10/- fully paid	-	-	71	0.38
53	HIL Limited of the face value of ₹ 10/- fully paid	-	-	666	26.46
54	Hindalco Industries Ltd of the face value of ₹ 1/- fully paid	-	-	300	1.71
55	Hindustan Aeronautic of the face value of ₹ 10/- fully paid	991	27.07	-	-
56	Housing Development Finance Corporation Limited of the face value of ₹ 2/- fully paid	1,660	43.58	1,284	30.69
57	ICICI Bank Ltd of the face value of ₹ 2/- fully paid	13,795	121.02	10,453	76.33
58	ICICI Lombard General Insurance Company Ltd of the face value of ₹ 10/- fully paid	-	-	66	0.88
59	ICICI Securities Ltd of the face value of ₹ 5/- fully paid	-	-	837	5.20
60	IDFC First Bank Ltd of the face value of ₹ 10/- fully paid	31,157	17.15	-	-
61	Indian Energy Exchange Ltd of the face value of ₹ 10/- fully paid	-	-	12,657	28.44
62	Indigo Paints Limited of the face value of ₹ 10/- fully paid	-	-	103	1.65
63	Info Edge India Ltd of the face value of ₹ 10/- fully paid	-	-	21	0.95
64	Infosys Ltd of the face value of ₹ 10/- fully paid	1,659	23.69	530	10.11
65	Intellect Design Arena Ltd of the face value of ₹ 5/- fully paid	-	-	185	1.75
66	Kalpataru Power Transmission Ltd of the face value of ₹ 2/- fully paid	2,162	11.55	-	-
67	Kirloskar Ferrous Industries Ltd of the face value of ₹ 5/- fully paid	1,706	7.93	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 5: NON-CURRENT ASSETS - FINANCIAL ASSETS -INVESTMENTS (CONTD.)

(₹ in Lakhs)

		As at 31st March 2023		As at 31st March 2022	
		Units	Amount	Units	Amount
68	KNR Constructions Limited of the face value of ₹ 2/- fully paid	-	-	170	0.48
69	Kotak Mahindra Bank of the face value of ₹ 5/- fully paid	326	5.65	410	7.19
70	KPIT Technologies Ltd of the face value of ₹ 10/- fully paid	11,941	110.47	-	-
71	LNT Technology Services Ltd of the face value of ₹ 10/- fully paid	-	-	21	1.07
72	Mahindra and Mahindra Limited of the face value of ₹5/- fully paid	1,638	18.98	-	-
73	Maruti Suzuki of the face value of ₹ 5 /- fully paid	-	-	32	2.42
74	Max Healthcare Insititute Ltd of the face value of ₹ 10/- fully paid	16,780	74.02	16,408	57.04
75	Menon Bearings Limited of the face value of ₹ 1/- fully paid	1,200	1.16	1,200	1.07
76	Metropolis Healthcare Limited of the face value of ₹ 2/- fully paid	204	2.55	242	4.93
77	MPHASIS Ltd of the face value of ₹ 10/- fully paid	-	-	79	2.67
78	Multi Commodity Exchange of India Ltd of the face value of ₹ 10/- fully paid	-	-	28	0.40
79	Natco Pharma Ltd. of the face value of ₹ 2/- fully paid	-	-	766	5.79
80	Navin Fluorine International Ltd of the face value of ₹ 2/- fully paid	-	-	45	1.84
81	Nestle India Ltd of the face value of ₹ 10/- fully paid	-	-	26	4.52
82	Newgen Software Technologies Ltd of the face value of ₹ 10/- fully paid	-	-	156	0.73
83	NIIT Ltd of the face value of ₹ 2/- fully paid	-	-	669	4.16
84	Orient Electric Ltd of the face value of ₹ 1/- fully paid	-	-	237	0.76
85	Page Industries Ltd of the face value of ₹ 10/- fully paid	15	5.69	21	9.07
86	PCBL Ltd of the face value of ₹ 1/- fully paid	8,929	10.37	-	-
87	Persistent Systems Ltd of the face value of ₹ 1/- fully paid	-	-	68	3.24
88	Phillips Carbon Black Ltd of the face value of ₹ 1/- fully paid	12,824	14.89	11,675	26.70
89	Phoenix Mills Ltd of the face value of ₹ 2/- fully paid	-	-	62	0.68
90	PI Industries of the face value of ₹ 1/- fully paid	261	7.91	282	7.95
91	Piramal Enterprises Ltd. of the face value of ₹ 2/- fully paid	-	-	1,021	22.33
92	Poly Medicure Ltd of the face value of ₹ 5/- fully paid	-	-	53	0.50
93	Polycab India Limited of the face value of ₹ 10/- fully paid	-	-	1,294	30.60
94	Prestige Estates Projects Limited of the face value of ₹ 10/- fully paid	-	-	5,009	24.73
95	Reliance Industries of the face value of ₹ 10/- fully paid	5,393	125.71	2,327	61.30
96	Ruchi Soya Industries Ltd of the face value of ₹ 2/- fully paid	620	6.01	-	-
97	Saregama India Limited of the face value of ₹ 10/- fully paid	-	-	35	1.69

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 5: NON-CURRENT ASSETS - FINANCIAL ASSETS -INVESTMENTS (CONTD.)

(₹ in Lakhs)

		As at 31st March 2023		As at 31st March 2022	
		Units	Amount	Units	Amount
98	Sequent Scientific Limited of the face value of ₹ 2/- fully paid	-	-	657	0.88
99	Shree Cements Ltd of the face value of ₹ 10/- fully paid	-	-	21	5.05
100	Sona Blw Precision Forgings Limited of the face value of ₹ 10/- fully paid	1,034	4.28	952	6.47
101	Sonata Software Ltd of the face value of ₹ 1/- fully paid	-	-	649	4.80
102	State Bank of India of the face value of ₹ 1/- fully paid	7,674	40.19	13,419	66.22
103	Suprajit Engg Ltd of the face value of ₹ 1/- fully paid	-	-	817	2.80
104	Suven Pharmaceuticals Ltd of the face value of ₹ 1/- fully paid	-	-	746	4.61
105	Syngene International Limited of the face value of ₹ 10/- fully paid	6,184	36.76	-	-
106	Tata Chemicals Ltd of the face value of ₹ 10/- fully paid	-	-	2,375	23.14
107	Tata Communications Ltd of the face value of ₹ 10/- fully paid	-	-	257	3.16
108	Tata Consultancy Services Limited of the face value of ₹ 1/- fully paid	1,001	32.09	1,170	43.76
109	Tata Consumer Products Limited of the face value of ₹ 1/- fully paid	2,731	19.36	1,971	15.32
110	Tata Elxsi of the face value of ₹ 10/- fully paid	981	58.46	1,699	150.18
111	Tata Motors of the face value of ₹ 2/- fully paid	15,877	37.34	19,009	49.04
112	Tata Steel Ltd of the face value of ₹ 10/- fully paid	-	-	1,711	22.37
113	Tech Mahindra of the face value of ₹ 5/- fully paid	-	-	2,101	31.50
114	Titan Company Ltd of the face value of ₹ 1/- fully paid	201	5.05	449	11.39
115	Torrent Pharmaceuticals Limited of the face value of ₹ 5/- fully paid	420	6.46	237	6.62
116	Torrent Power Limited of the face value of ₹ 10/- fully paid	142	0.72	142	0.70
117	Trent Limited of the face value of ₹ 1/- fully paid	1,640	22.55	-	-
118	TV Today Network Ltd of the face value of ₹ 5/- fully paid	-	-	855	3.18
119	TVS Motor Company Ltd of the face value of ₹ 1/- fully paid	4,922	53.02	-	-
120	United Spirits LTD of the face value of ₹ 2/- fully paid	7,885	59.63	2,062	18.32
121	Varun Beverages of the face value of ₹ 10/- fully paid	1,174	16.28	1,540	14.50
122	Vedant Fashions Ltd of the face value of ₹ 1/- fully paid	-	-	80	0.77
123	Videocon Industries Limited of the face value of ₹ 10/- fully paid	129	0.01	129	0.01
124	WIPRO of the face value of ₹ 2/- fully paid	-	-	725	4.29
125	Zee Entertainment Enterprise of the face value of ₹ 1/- fully paid	48	0.10	48	0.14
126	Zomato Limited of the face value of ₹ 1/- fully paid	61,940	31.59	-	-
			2,741.14		2,982.29

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 5: NON-CURRENT ASSETS - FINANCIAL ASSETS -INVESTMENTS (CONTD.)

(₹ in Lakhs)

		As at 31st March 2023		As at 31st March 2022	
		Units	Amount	Units	Amount
ii)	INVESTMENTS IN MUTUAL FUNDS (at Fair Value Through Other Comprehensive Income)				
1	Aditya Birla Sun Life Banking & PSU Debt Fund - Growth-Direct Plan	-	-	31,338	95.37
2	Aditya Birla Sun Life Corporate Bond Fund - Growth-Direct Plan	-	-	95,492	87.09
3	Axis Bluechip Fund-Direct Growth	-	-	1,54,173	76.98
4	Axis Focused 25 Fund-Direct Plan-Growth	-	-	10,21,139	491.99
5	Axis Small Cap Fund Direct Growth	-	-	4,42,813	302.31
6	Bandhan Banking & Psu Debt Fund Direct Plan Growth	8,86,567	189.31	8,86,567	180.85
7	Canara Robeco Flexi Cap Fund	-	-	20,289	48.52
8	Canara Robeco Small Cap Fund-Direct Growth	11,83,570	299.44	-	-
9	Edelweiss Greater China Equity Off-shore Fund - Direct Plan Growth-	-	-	57,342	25.05
10	HDFC Index Fund-Nifty 50 Plan-Direct Plan	1,18,147	194.07	1,18,147	193.43
11	HSBC BANKING and PSU Debt Fund	8,95,798	192.86	8,95,798	188.27
12	ICICI PRUDENTIAL BOND FUND-DIRECT PLAN-GROWTH	8,32,183	291.55	8,32,183	276.88
13	ICICI Prudential Nifty 50 Index Fund-Direct Plan Growth	8,24,770	286.99	7,81,690	294.69
14	ICICI Prudential Nifty Index Fund-Direct Plan Growth	85,170	151.27	70,864	125.43
15	ICICI Prudential Nifty Low Vol 30 ETF FOF Direct Plan Growth	-	-	5,29,078	60.23
16	Kotak Corporate Bond Fund Direct Growth	5,751	188.40	2,692	84.32
17	Kotak Emerging Equity Fund-Direct Plan-Growth	6,23,358	522.72	8,08,264	643.53
18	Kotak Equity Opportunites Fund-Direct Plan-Growth	78,698	179.06	1,01,393	219.86
19	Kotak Nasdaq 100 FoF - Dir - Growth	9,22,797	100.72	3,62,624	41.74
20	Mirae Asset Large Cap Fund-Direct Plan-Growth	2,22,164	187.67	1,99,120	168.13
21	Motilal Oswal Nasdaq 100 Fund of Fund-Direct Plan Growth	13,09,343	292.26	13,09,343	306.30
22	Motilal Oswal S&P 500 Index Fund-Direct Growth	24,46,204	372.11	22,48,109	355.37
23	Nippon India Gold Savings Fund - Direct Growth Plan Growth Option	-	-	1,52,114	32.53
24	Nippon India Nifty Midcap 150 Index Fund-Direct Growth Plan	15,38,345	200.81	12,72,979	162.32
25	PGIM India Global Equity Opportunities Fund-Direct Plan-Growth	-	-	8,94,960	315.47
26	SBI Focused Equity Fund Direct Growth	90,104	215.99	90,104	229.42
27	Tata Equity Plus Absolute Returns Fund	49,998	501.07	-	-
			4,366.31		5,006.08

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 5: NON-CURRENT ASSETS - FINANCIAL ASSETS -INVESTMENTS (CONTD.)

(₹ in Lakhs)

		As at 31st March 2023		As at 31st March 2022	
		Units	Amount	Units	Amount
iii)	INVESTMENTS IN BONDS OR DEBENTURES (at Fair Value Through Other Comprehensive Income)				
1	Muthoot Finance Ltd Nifty 50 Index Linked Secured Rated Listed Principal Protected Linked Redeemable Non Convertible Debentures Series 2A Option I of the face Value of ₹ 1,000,000/- per unit. Date of Maturity 08th July,2022	-	-	20	231.23
2	Shriram City Union Finance Limited Gsec Linked Secured Rated Listed Redeemable Non Convertible Debenture. Series XXXII. Date of Maturity 18th November,2024	20	208.63	-	-
			208.63		231.23
B	UNQUOTED INVESTMENTS				
i)	INVESTMENTS IN EQUITY INSTRUMENTS (at Fair Value Through Other Comprehensive Income)				
1	Narmada Clean Tech Limited of ₹ 10/- each fully paid up	2,47,500	-	2,47,500	-
2	Bharuch Enviro Infrastructure Limited of ₹ 10/- each fully paid up	1,751	-	1,751	-
3	Kesoram Textile Mills Ltd of the face value of ₹ 10/- fully paid	300	-	300	-
4	Computech International Ltd of the face value of ₹ 5/- fully paid	100	-	100	-
5	Consortex Karl Doelitz (India) Ltd of the face value of ₹ 10/- fully paid	2,000	-	2,000	-
6	Skylid Telecom Equipments Ltd of the face value of ₹ 10/- fully paid	1,000	-	1,000	-
7	Cybele Paradise Pvt Ltd. of ₹ 10/- fully paid	1,20,000	-	1,20,000	-
			-		-
	TOTAL INVESTMENTS		7,316.08		8,219.60
	Aggregate amount of quoted investments		7,316.08		8,219.60
	Aggregate amount of unquoted investments		-		-

Note:

All investments classified under financial assets are initially measured at fair value. The Company, on initial recognition, chooses to measure the same either at FVTOCI or FVTPL, which is done on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognized as other income in the Statement of Profit and Loss unless the Company has elected to measure irrevocably such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognized in OCI. Amounts recognized in OCI are not subsequently reclassified to the Statement of Profit and Loss even on the sale of investment. Dividend income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.

NOTE 6 :NON CURRENT ASSETS- FINANCIAL ASSETS-OTHER FINANCIAL ASSETS

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Security Deposits		
Considered Good, Unsecured	0.56	7.47
Total	0.56	7.47

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 7 : NON CURRENT ASSETS- CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
i. Income Tax paid against disputed liability	208.33	208.33
ii. Advance payments of Income Tax (Net of Provisions)	263.85	73.47
Total	472.18	281.80

NOTE 8: NON CURRENT ASSETS- OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
(i) Capital Advances		
Considered Good, Unsecured	56.39	1,594.47
	56.39	1,594.47
(ii) Advances other than capital advances		
a.Security Deposits		
Considered Good, Unsecured	365.91	381.50
b.Other Advances		
i. Balance with Excise & Service Tax	4.64	4.64
ii. Pre Deposits under Appeal-Excise Duty, Sales Tax, GST	112.84	38.40
iii. VAT Tax Refund Receivable	-	95.95
Total	539.78	2,114.95

NOTE 9 : CURRENT ASSETS - INVENTORIES

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
i. Raw Materials	5,553.07	5,420.94
ii. Packing Materials	145.98	141.78
iii. Stores and Spares	895.56	803.82
iv. Finished Goods	3,914.36	2,345.20
Total	10,508.97	8,711.74
Inventory includes:		
In Transit		
- Raw Materials	1,127.98	785.55
- Finished Goods	561.86	176.59
Note :		
Inventory is valued at cost or net realisable value whichever is lower		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 10 : CURRENT ASSETS FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Investment in Liquid Mutual Funds	1,479.70	1,531.93
Total	1,479.70	1,531.93

(₹ in Lakhs)

	As at 31st March 2023		As at 31st March 2022	
	Unit	Amount	Unit	Amount
Details of investment in Liquid Mutual funds (At Fair value Through Profit & Loss)				
Axis Corporate Debt Fund-Direct Growth	-	-	5,56,806	79.40
Axis Liquid Fund-Direct Plan-Daily Dividend Reinvestment	-	-	3,200	75.66
Axis Short Term Fund-Direct Plan-Growth	8,63,029	241.85	8,63,029	230.28
Bandhan Bond Fund Short Term Plan Growth Direct Plan	2,57,834	131.58	2,57,834	126.33
Bandhan Corporate Bond Fund Direct Plan Growth	12,02,122	199.58	7,50,181	120.33
Bharat Bond Fof - April 2025 - Direct Plan Growth	-	-	5,93,818	64.26
Canara Robeco Liquid Fund-Direct Growth	61	1.65	-	-
Dsp Bond Fund - Direct Plan - Growth	-	-	1,13,888	79.13
Edelweiss Liquid Fund-Regular Plan Growth	2,684	76.73	2,684	72.74
ICICI Prudential Liquid Fund - Direct Plan - Growth	1,16,105	386.85	57,746	182.05
Kotak Bond Fund (Short Term) - Direct Plan - Growth	3,76,794	179.82	3,76,794	172.18
Kotak Liquid Fund Direct Plan Growth	1,317	59.88	1,266	54.50
Motilal Oswal Liquid Fund-Direct Growth	16,14,262	193.67	34,072	3.88
Nippon India Liquid Fund-Direct Plan Growth Plan-Growth Option	147	8.09	5,029	261.90
PGIM India Insta Cash Fund-Direct Plan-Growth	-	-	3,349	9.29
		1,479.70		1,531.93

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 11 : CURRENT ASSETS- FINANCIAL ASSETS - TRADE RECEIVABLES

	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
A) Undisputed Trade Receivable-considered good		
Not due	12,356.30	15,765.42
Less than 6 months	1,747.16	738.04
6 months-1 year	3.98	0.33
1-2 years	-	0.52
2-3 years	-	-
More than 3 years	-	-
Less : Provision for expected credit loss*	(400.96)	(328.64)
B) Undisputed Trade Receivable-which have significant increase in credit risk	-	-
C) Undisputed Trade Receivable-credit impaired	-	-
D) Disputed Trade Receivable-considered good	-	-
E) Disputed Trade Receivable-which have significant increase in credit risk	-	-
F) Disputed Trade Receivable-credit impaired		
Not due	-	-
Less than 6 months	-	-
6 months-1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	377.90	377.90
Less : Provision for Doubtful Debt / Credit Impaired	(377.90)	(377.90)
Total	13,706.48	16,175.67
Note:		
* The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix, which takes into account historical credit loss experience. The expected credit loss (ECL) allowance is based on total receivables that are due and the rate given in provisional matrix. Movement in ECL allowance at the end of the reporting period is as follows:		
Movement in ECL allowance (₹ lakhs)		
Balance at beginning of year	328.64	109.50
Movement	72.32	219.14
Balance at end of the year	400.96	328.64

NOTE 12 : CURRENT ASSETS- FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Cash on hand	7.62	10.02
A. Balances with Banks:		
i. In current accounts	114.68	135.98
ii. EEFC	1,404.76	49.12
Total	1,527.06	195.12
Note:		
The above cash and bank balances have not been pledged		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 13 : CURRENT ASSETS- FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Other Bank Balances		
Earmarked balances with banks:		
Margin money deposits	535.24	530.19
Unpaid dividend*	172.20	163.86
Total	707.44	694.05
Note:		
* No amounts due to Investor Education & Protection Fund		

NOTE 14 : CURRENT ASSETS- FINANCIAL ASSETS - LOANS

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Considered good, Unsecured		
Loans to Employees	51.44	40.43
Total	51.44	40.43

NOTE 15 : CURRENT ASSETS- FINANCIAL ASSETS - OTHERS

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Considered good, Unsecured		
Interest Receivable	5.68	3.19
Others	736.89	925.54
Total	742.57	928.73

NOTE 16 : CURRENT ASSETS- OTHER CURRENT ASSETS

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Considered good, Unsecured		
Advances to Vendors	930.55	718.99
GST Receivable (Net)	2,387.71	1,198.68
Export benefits receivable	175.07	137.76
Other Receivable	34.44	12.32
Total	3,527.77	2,067.75

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 17 : EQUITY- EQUITY SHARE CAPITAL

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Authorised		
157,900,000 Equity Shares of ₹ 2/- each (157,900,000 Equity Shares of ₹ 2/- each)	3,158.00	3,158.00
500 Preference Shares of ₹ 100/- each (500 Preference Shares of ₹ 100/- each)	0.50	0.50
1,25,000 Unclassified Shares of ₹ 2/- each (1,25,000 Unclassified Shares of ₹ 2/- each)	2.50	2.50
	3,161.00	3,161.00
Issued, Subscribed and Paid up capital		
51,844,960 Equity Shares of ₹ 2/- each fully paid (51,844,960 Equity Shares of ₹ 2/- each-Refer Note 17(a))	1,036.90	1,036.90
	1,036.90	1,036.90
Notes:		
i. Pursuant to the sub-division of the Equity Shares of the Company, the 63,160,000 Authorised Equity Shares of the nominal value of ₹ 5/- each have been sub-divided into 157,900,000 Equity Shares of the nominal value of ₹ 2/- each.		
ii. 50,000 Unclassified shares of nominal value ₹ 5/- each of have been subdivided into 1,25,000 Unclassified shares of ₹ 2/- each.		

a) Reconciliation of the number of shares

Equity Shares :	As at 31st March 2023		As at 31st March 2022	
	Number of Shares	Amount (₹ in Lakhs)	Number of Shares	Amount (₹ in Lakhs)
Balance as at the beginning of the year	5,18,44,960	1,036.90	5,18,44,960	1,036.90
Balance as at the end of the year	5,18,44,960	1,036.90	5,18,44,960	1,036.90

b) Shareholders holding more than 5% shares in the Company

Shares held by:	As at 31st March 2023		As at 31st March 2022	
	Number of Shares	% Holding	Number of Shares	% Holding
Atul Choksey	68,81,514	13.27	74,00,014	14.27
Parul Atul Choksey	73,97,566	14.27	73,97,566	14.27
Abhiraj Choksey (including Abhiraj Choksey HUF)	68,99,570	13.31	68,99,570	13.31
Devanshi Anant Veer Jalan	59,67,924	11.51	54,49,424	10.51

Notes:

- The Company paid Final Dividend of ₹ 3/- per share (on fully paid up share of ₹ 2/- each) for FY 2021-22 in compliance with Section 123 of the Companies Act, 2013 approved by the shareholders in the Annual General Meeting.
- Pursuant to the approval of the Board of Directors on 25th January 2023, the Company paid an interim dividend @ ₹ 2/- (previous year interim dividend @ ₹ 2/-) per equity share of the face value of ₹ 2/- each in compliance with Section 123 of the Companies Act, 2013 to the Shareholders who were on the register of members as on 7th February 2023, being the record date fixed for this purpose. Interim Dividend absorbed a sum of ₹ 1,036.90 lakhs out of the net profits after tax for the financial year 2022-23.
- The Board of Directors have recommended a Final Dividend of ₹ 3.5/- per share (on fully paid up share of ₹ 2/- each) for FY 2022-23 in compliance with Section 123 of the Companies Act, 2013 and is subject to approval of shareholders in the ensuing Annual General Meeting.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

c) Shareholding of Promoters at the end of the year

Promoter Name:	As at 31st March 2023			As at 31st March 2022		
	No of shares	% of total shares	% change during the year	No of shares	% of total shares	% change during the year
Promoters:						
Atul Choksey	68,81,514	13.27	-7%	74,00,014	14.27	-7%
Parul Atul Choksey	73,97,566	14.27	-	73,97,566	14.27	-
Abhiraj Choksey (including Abhiraj Choksey HUF)	68,99,570	13.31	-	68,99,570	13.31	-
Devanshi Anant Veer Jalan	59,67,924	11.51	10%	54,49,424	10.51	-5%
Biyash A Choksey	3,49,000	0.67	-	3,49,000	0.67	288%
Alekha Abhiraj Choksey	2,59,000	0.50	-	2,59,000	0.50	100%
Tarika Abhiraj Choksey	2,59,000	0.50	-	2,59,000	0.50	100%
Atul Choksey Trust	100	-	-	100	-	-
Parul Atul Choksey Trust	100	-	-	100	-	-
Promoter Group:						
Rita Ashok Parekh	3,19,250	0.64	20%	2,66,850	0.52	-
Abhiraj Trading And Investment Pvt Ltd	2,91,170	0.56	-	2,91,170	0.56	-
Aquamarine Trading & Investments Private Limited	2,50,315	0.48	1%	2,47,000	0.48	-
Bhuvantray Investments And Trading Company Private Ltd	2,49,460	0.48	-	2,49,460	0.48	-
Namrata Nihal Doshi	2,45,540	0.47	-	2,45,540	0.47	72%
Amit Champaklal Choksey (including Amit Champaklal Choksey HUF)	1,72,275	0.33	-	1,72,275	0.33	-37%
Gauriputra Investments And Trading Company Private Ltd	1,36,160	0.26	4%	1,31,000	0.25	-
Ankita Rohan Khatau	1,35,220	0.26	-	1,35,220	0.26	-
Priti Amit Choksey	1,17,835	0.23	-	1,17,835	0.23	-
Hmp Minerals Private Limited	48,310	0.09	-	48,310	0.09	-
Girish Champaklal Choksey	44,500	0.09	-	44,500	0.09	-
Ankur Girish Choksey	34,000	0.07	-	34,000	0.07	-
Prashant Girish Choksey	33,000	0.06	-	33,000	0.06	-
Sunita Girish Choksey	23,000	0.04	-	23,000	0.04	-
Colortek India Limited	21,893	0.04	-	21,893	0.04	-
Balasesh Leafin Limited	16,314	0.04	NA	-	-	-
Devaki Anand Trivedi	16,000	0.03	-	16,000	0.03	-
Janaki Ashok Parekh	12,500	0.02	4%	12,000	0.02	-
Cons Holdings Limited	5,089	0.01	NA	-	-	-
Hiloni Ankur Choksey	2,425	-	NA	-	-	-
Choksey Chemicals Private Ltd	690	-	-	690	0.00	-
Haridwar Enterprises LLP	-	-	-100%	21,500	0.04	-
Jareepa Trading LLP	-	-	-100%	21,500	0.04	100%
Total	3,01,88,720.00	58.23		3,01,46,517.00	58.15	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

d) Rights, Preference & Restrictions attached to Equity Shares

The Company has one class of share having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

NOTE 18 : EQUITY- OTHER EQUITY

	As at 31st March 2023	As at 31st March 2022
Capital Reserve	4,370.20	4,370.20
Capital Redemption Reserve	0.32	0.32
Securities Premium	2,599.95	2,599.95
General Reserve	-	-
Retained earnings	37,969.74	29,255.68
FVTOCI Reserve	1,624.20	2,353.30
Total	46,564.41	38,579.45

Note:

Refer Statement of Changes in Equity for detailed breakup.

Nature and purpose of reserves :

- Capital Reserve** : During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.
- Capital Redemption Reserve** : The Company has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.
- Securities Premium** : The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity settled based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.
- Retained Earning** : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- FVTOCI Reserve**: Gain / (Loss) on fair valuation of Non Current Investments classified under FVTOCI

NOTE 19 : NON CURRENT LIABILITIES

FINANCIAL LIABILITIES- TERM LOAN

	As at 31st March 2023	As at 31st March 2022
Term Loan from Bank-Secured	12,476.46	2,636.25
Total	12,476.46	2,636.25

Note:

- Term Loans from banks is secured by first parri passu charge over Plant and Machinery at plants located in Taloja, Maharashtra and Valia, Gujarat. Immovable fixed assets (Factory Land and Building) on the plant located at Taloja Maharashtra and second parri passu charge on stock, book debts and current assets of the Company. The credit facilities availed by the Company carry interest rate in the range of 5.45 % p.a. to 7.95% p.a.
- Term Loan have been applied for the purpose of capacity expansion of the plant and various other capex plans.
- Registration of charges or satisfaction with registrar of companies has been complied within the statutory period.
- Quarterly return/statement of current assets filed by the Company with bank are in agreement with the books of accounts. The Company has not been declared as willful defaulter by any bank or financial institution.

Term Loan Repayment:

Term Loan of ₹ 12,500 Lakhs, repayable in quarterly installments upto January 2028.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 20 : NON CURRENT LIABILITIES FINANCIAL LIABILITIES -LEASE LIABILITIES

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Lease Liabilities	-	9.27
Total	-	9.27

NOTE 21 : NON CURRENT LIABILITIES FINANCIAL LIABILITIES -OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Security Deposits	702.95	596.58
Total	702.95	596.58

NOTE 22 : NON CURRENT LIABILITIES- PROVISIONS

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Employee Benefit Obligations		
Compensated Absences	341.54	332.07
Total	341.54	332.07
Notes:		
Details of provisions for Compensated Absences		
Opening balance - Long Term	332.07	307.94
Opening balance - Short Term	47.66	44.45
Add:Provision made during year	49.65	53.67
Less:Utilisation during the year	(30.94)	(26.33)
Closing Balance - Long Term	341.54	332.07
Closing Balance - Short Term	56.90	47.66

NOTE 23 : NON CURRENT LIABILITIES-DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Deferred tax Liabilities		
Depreciation on Fixed Assets (other than Scientific Research Assets)	1,442.12	968.18
Depreciation on Scientific Research Assets	25.52	25.43
Unrealised Long Term Capital Gain	292.18	318.26
Total Deferred tax Liabilities	1,759.82	1,311.87
Deferred tax Assets		
Provision for doubtful debts	196.04	177.94
Provision for leave encashment	100.29	95.59
Expenditure allowed on payment basis	238.57	228.07
Total Deferred tax Assets	534.90	501.60
Net Deferred tax Liability/(Assets)	1,224.92	810.27

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 24 : CURRENT LIABILITIES- FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Secured Loans		
Working Capital Loans		
Cash Credit facilities from Banks*	2,702.68	2,045.57
Current Maturities of Long term debt	-	329.73
Total	2,702.68	2,375.30

Note:

* Cash Credit and Working Capital Demand Loans from banks are secured by hypothecation of Inventories, Account Receivables on parri passu basis and exclusive charge on land and building and second parri passu charge on plant and machinery. The credit facilities availed by the Company carry interest rate in the range of 7.00 % p.a. to 9.00 % p.a.

NOTE 25 : CURRENT LIABILITIES FINANCIAL LIABILITIES -LEASE LIABILITIES

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Lease Liabilities	-	5.57
Total	-	5.57

NOTE 26 : CURRENT LIABILITIES- FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
A) MSME		
Not due	518.16	1,010.94
Less than 1 year	7.75	24.50
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
B) Others		
Not due	8,593.98	7,191.75
Less than 1 year	1,091.24	1,765.36
1-2 years	0.14	4.51
2-3 years	0.31	7.20
More than 3 years	-	-
Disputed dues-MSME	-	-
Disputed dues-Others	-	-
Total	10,211.58	10,004.26

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Notes:

i. Dues to Micro Enterprises and Small Enterprises

Micro & Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Sundry creditors include total outstanding dues of Micro Enterprises and Small Enterprises amounting to ₹ 1,224.08 lakhs (Previous Year: ₹ 1,035.44 lakhs). The disclosure pursuant to MSMED Act based on the books of account is as under:

	As at 31st March 2023	As at 31st March 2022
Principal amount due and remaining unpaid(including capital creditors ₹ 698.17 Lakhs)	1,224.08	1,035.44
Interest due on above and the unpaid interest	0.25	1.41
Interest paid in terms of Section 16 of MSMED Act	0.53	2.67
Amount of payments made to supplier beyond the appointed day(including capital creditors ₹ 3.71 Lakhs)	11.46	41.36
Amount of interest due and payable for the period of delay on payment made beyond the appointed day during the year without adding interest specified under MSMED Act,2006	-	-
Amount of Interest accrued and remaining unpaid	0.25	1.41
Amount of further interest remaining due and payable in succeeding years for the purpose of disallowance under Section 23 of the MSMED Act,2006	-	-

NOTE 27 : CURRENT LIABILITIES- FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Unpaid/Unclaimed Dividend*	172.20	163.86
Unclaimed Fixed Deposits and Interest thereon	0.70	0.70
<u>Other Liabilities:</u>		
Payable for Expenses	1,925.64	2,323.72
Payable for Capital goods	1,498.16	71.14
Total	3,596.70	2,559.42

Note:

* No amounts are due and payable to Investor Education & Protection Fund

NOTE 28 : CURRENT LIABILITIES-PROVISIONS

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Employee Benefit Obligations:		
Compensated Absences	56.90	47.66
Gratuity	101.56	108.84
Total	158.46	156.50

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 29 : CURRENT LIABILITIES - OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Statutory Liabilities -		
i. TDS under Income Tax	113.55	102.94
ii. Provident Fund, Profession Tax and ESIC	31.61	31.52
Payable to Employees	686.94	577.37
Advance received from Customers	463.53	515.28
Others	31.88	156.58
Total	1,327.51	1,383.69

NOTE 30 : REVENUE FROM OPERATIONS

(₹ in Lakhs)

	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Sale of Products		
Domestic	84,914.13	74,838.54
Exports	22,012.63	20,277.94
Total Sale of Products	1,06,926.76	95,116.48
Other Operating Revenue		
Export Incentives	855.00	345.27
Scrap Sales	210.83	219.74
Others	0.29	7.60
Total Operating Revenue	1,066.12	572.61
Total Revenue from Operations	1,07,992.88	95,689.09

NOTE 31 : OTHER INCOME

(₹ in Lakhs)

	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Interest Income on Bank Deposits and Others	46.88	40.44
Dividend Income from Investments	22.69	24.17
Profit on Sale of Assets	3.98	24.43
Income from Rent	15.82	1.76
Foreign Exchange Fluctuation difference	524.32	518.90
Net gain/(loss) on Sale of Investments	15.04	4.54
Net gain/(loss) on Financial Assets measured at Fair Value through Profit and Loss	78.06	59.11
Excess Provision Written Back	14.90	105.07
Other Income	7.27	10.66
Total	728.96	789.08

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 32A : COST OF MATERIALS CONSUMED

(₹ in Lakhs)

	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Raw Materials Consumed		
Opening Stock	5,420.94	3,399.04
Add : Purchases	71,242.07	63,682.33
	76,663.01	67,081.37
Less : Sale of Raw Materials	(1,391.25)	(709.61)
Less : Closing Stock Raw Materials	(5,553.07)	(5,420.94)
	69,718.69	60,950.82
Packing Materials Consumed		
Opening Stock	141.78	131.93
Add : Purchases	2,653.33	2,267.71
	2,795.11	2,399.64
Less : Sale of Packing Materials	(0.18)	-
Less : Closing Stock Packing Materials	(145.98)	(141.78)
	2,648.95	2,257.86
Total	72,367.64	63,208.68

NOTE 32B : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS

(₹ in Lakhs)

	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Opening Inventories		
Finished Goods	2,345.20	1,500.02
Total (A)	2,345.20	1,500.02
Closing Inventories		
Finished Goods	3,914.36	2,345.20
Total (B)	3,914.36	2,345.20
Total (B-A)	(1,569.16)	(845.18)

NOTE 33 : EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Salaries, Wages, Allowances and Bonus	4,335.48	3,917.04
Wages and allowances to Contract Labour	721.38	721.99
Contribution to Provident Funds and Other funds	299.66	261.08
Workmen and staff welfare expenses	283.34	186.62
Total	5,639.86	5,086.73

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 34 : FINANCE COST

(₹ in Lakhs)

	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Interest Expense	452.82	286.64
Other Finance Cost*	53.00	38.83
Total	505.82	325.47
Note: *Includes ₹ 0.57 Lakhs (Previous Year ₹ 1.48 Lakhs) on account of adoption of IND AS 116, Leases, being Lease payments discounted using the interest rate implicit in the lease (Refer Note 41).		

NOTE 35 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Depreciation on Property, Plant and Equipments*	1,493.31	1,358.00
Depreciation on Investment Property	3.28	-
Amortisation on Intangible assets	26.74	51.47
Total	1,523.33	1,409.47
Note: *Includes depreciation on ROU Assets ₹ 2.69 Lakhs (Previous Year ₹ 5.38 Lakhs) (Refer Note 41)		

NOTE 36 : OTHER EXPENSES

(₹ in Lakhs)

	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Stores and Spares consumed	558.10	503.92
Power and fuel	5,716.91	4,057.41
Repairs and Maintenance		
i. Buildings	636.51	893.77
ii. Machinery	1,115.10	837.75
iii. Other Assets	12.72	44.72
Rent	9.93	14.35
Rates and Taxes	67.88	199.32
Water Charges	255.70	239.42
Insurance	254.67	212.49
Freight and transport charges	3,195.61	3,418.05
Printing, Stationary, & Communication charges	138.51	99.99
Travelling Expenses	571.40	469.23
Commission on sales	548.09	379.40
Provision / ECL for Bad & Doubtful Debts	72.32	218.71
Corporate Social Responsibility expenses (Refer Note 36.2)	140.15	93.08
Commission to Non Executive Directors	158.50	143.50
Auditors Remuneration (Refer Note 36.1)	15.67	15.47
Professional Fees	514.94	450.06
Miscellaneous expenses	1,720.17	1,966.36
Total	15,702.88	14,257.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 36.1: BREAKUP OF AUDITORS REMUNERATION

	(₹ in Lakhs)	
	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Auditor's remuneration and expenses:		
Statutory audit fees	15.00	15.00
Fees for other audit related services:		
Fees for certification and other services	0.05	0.20
Reimbursement of out of pocket expenses	0.62	0.27
Total	15.67	15.47

NOTE 36.2: CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

The Company was required to spend an amount of ₹ 138.85 Lakhs (Previous Year ₹ 92.34 Lakhs) being 2% of the average net profits of the three immediately preceding financial years on CSR as per the provisions of Section 135 of the Companies Act, 2013. The Company has during the year spent ₹ 140.15 Lakhs.

	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Amt required to be spent by the Company during the year	138.85	92.34
Amt of expenditure incurred	140.15	93.08
Excess/(Shortfall) at the end of the year	1.30	0.74
Total of previous years shortfall	-	-
Reason for shortfall	N.A	N.A

Nature of CSR Activities

Name of the Project	Amount spent for the project (₹ in Lakhs)	Implementing Agency
Community development work through Utthan,Baseline survey,Education	78.83	Edelgive Foundation
Support to children & Youths at 3 child care institution (CCI) in Maharashtra under the 'Adopt a Home & Livelihood & Aftercare Support' project for 1 year	25.00	Catalysts for Social Action
Education expenses	14.00	Seva Sadan Society
Skill Development & Facility Management Services	8.00	Deepak Foundation
Education expenses	5.25	Bhagwan Yagnyavalkar Ved Tatvagyan Yogashram Trust
Provided financial aid towards education of children from economically weaker sections of the Society	5.00	The Bombay International School Association,Mumbai
Education/Fencing of Anganwari Building	1.36	Fencing of Anganwari Building
Serving children & adults with Intellectual & Developmental Disabilities (IDD)	0.25	Jai Vakeel Foundation & Research Centre
To protect, educate and empower disadvantaged girls and women	0.20	West Wind Association - Seva Sadan society
Distribution of Nutrition Kits to TB patients	2.26	Directly by Company - Valia Plant
Total	140.15	
Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 37: INCOME TAX EXPENSES

(₹ in Lakhs)

	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
a) Income Tax Expense		
Current Tax:		
Current Tax on profits for the year	3,311.50	3,482.00
Total Current Tax Expense	3,311.50	3,482.00
Deferred Tax		
Increase/(Decrease) in Deferred Tax Liabilities	446.09	(326.61)
Income Tax Expense	3,757.59	3,155.39
	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
b) Reconciliation of Tax Expense and Accounting Profit		
Profit before Income tax expense	14,551.47	13,036.00
India's statutory Income Tax rate	25.17%	25.17%
Amount at the Indian tax rate	3,662.61	3,281.16
Tax effects of amounts which are not deductible/(allowable) in calculating taxable income		
Tax on Capital Gain Income	67.88	51.44
Donation/Corporate Social Responsibility Expenses	35.75	29.92
Others	(8.65)	(207.13)
Income Tax Expense	3,757.59	3,155.39

NOTE 38: EARNINGS PER SHARE

	Year 2022-23	Year 2021-22
Profit after Tax as per statement of profit and loss (₹ in Lakhs)	10,793.88	9,880.61
Weighted average number of equity shares used as the denominator in calculating Basic and Diluted earnings per share	5,18,44,960.00	5,18,44,960.00
Basic & Diluted earnings per share attributable to equity share holders of the Company (Face value-₹ 2 per share)	20.82	19.06

NOTE 39(a) : CONTINGENT LIABILITIES

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Disputed tax demands / claims:		
Income tax	733.98	733.98
Goods and Service Tax	1,206.55	-
Service tax	113.02	113.02
Customs duty	142.09	142.09
Open letters of Credit	1,670.50	1,392.80
Bank guarantee	2,336.50	3,107.51

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Notes:

- i. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above Contingent Liabilities pending resolution of the respective proceedings, as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
- ii. 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 results.
- iii. Income tax liability of ₹ **733.98 Lakhs** (FY 21-22 ₹ 733.98 Lakhs) is in respect of certain disallowances for R&D / Section 80IA Deductions/LTCG on Sales Office/ Depreciation on Rented Flats and some transfer pricing adjustments by Income tax authorities disputed by the Company
- iv. Customs authorities have raised vide notice dated 22-07-2005 a demand and penalty of ₹ **142.09 Lakhs** each for a dispute regarding high seas sale. The Company has paid the demand of ₹ **142.09 Lakhs** in the FY 2011-12 and has claimed as deduction in the FY 2011-12. Balance penalty of ₹ **142.09 Lakhs** has been disclosed as Contingent.
- v. Order from GST department for FY 17-18 demand of ₹ **1,207.20 Lakhs** in respect of ITC claimed not reflecting in GSTR 2A/Inconsistency in GSTR 1 and GSTR 3B for a month. Appeal filed with Commissioner Appeals with payment of demand ₹ **0.65 Lakhs** and balance ₹ **1,206.55 Lakhs** disclosed as Contingent.

NOTE 39(b) : COMMITMENTS

	As at 31st March 2023	As at 31st March 2022
Capital commitments		
Estimated amounts of contracts remaining to be executed on capital account and not provided for	278.29	9,259.46

NOTE 40: RESEARCH AND DEVELOPMENT EXPENDITURE

	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Capital Expenditure	140.47	27.08
Revenue Expenditure (Refer details below)	633.59	431.22
Total	774.06	458.30
Total revenue expenditure on Research and Development (R & D) eligible for deduction under Section 35(2AB) of the Income Tax Act, 1961 aggregated to ₹ 633.59 Lakhs (Previous Year FY 2021-22 ₹ 431.22 Lakhs). The details are as below:		
Revenue expenditure eligible u/s 35(2AB):		
Salaries & Wages	582.59	370.32
Materials, consumables and spares	23.24	24.66
Utilities	12.77	10.93
Other expenditure directly related to R & D	14.99	25.31
Total	633.59	431.22

NOTE 41: LEASES

	Year 2022-23	Year 2021-22
Company as a Lessee:		
Depreciation for right to use asset	2.69	5.38
Interest expense on lease liabilities	0.57	1.48
Expenses relating to Short term leases / low value assets	-	-
Repayment of lease liabilities	-	5.12
Additions to Right to Use Assets	-	-
Carrying amount of Right to Use Assets	-	13.43

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 42: DETAILS ON DERIVATIVES INSTRUMENTS AND UN-HEDGED FOREIGN CURRENCY EXPOSURES

(i) Exposure in foreign currency- hedged:

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

Particulars	As at 31st March 2023		As at 31st March 2022	
	Purchase	Sales	Purchase	Sales
Total number of contracts outstanding	-	-	-	1.00
USD	-	-	-	13,50,000
INR Equivalent (₹ in Lakhs)	-	-	-	1,039.26

(ii) Exposure in foreign currency- unhedged:

The Foreign Currency (FC) Exposures not hedged as at 31st March 2023 are as under:

Particulars	As at 31st March 2023		As at 31st March 2022	
	Foreign Currency	₹ in Lakhs	Foreign Currency	₹ in Lakhs
Trade and Other Payables (in USD)	13,37,255	1,099.27	9,85,466	746.37
Trade and Other Payables (in EURO)	-	-	1,17,600	98.70
Trade and Other Payables (in GBP)	1,822	1.85	413	0.41
Trade Receivables (in USD)	38,34,377	3,140.76	39,84,523	3,007.48
Trade Receivables (in EURO)	42,072	36.13	74,492	62.52

NOTE 43: SEGMENT REPORTING

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Managing Director of the Company. The CODM examines the Company's performance from a geographical perspective and has identified two of its following business as identifiable segments:

- India
- Outside India

The amount of the Company's revenue from external customer and Trade Receivable is shown in the table below:

Particulars	(₹ in Lakhs)			
	Revenue for the year ended 31st March 2023	Trade Receivable as at 31st March 2023	Revenue for the year ended 31st March 2022	Trade Receivable as at 31st March 2022
India	84,914.13	10,529.59	74,838.54	13,101.97
Outside India	22,012.63	3,176.89	20,277.94	3,073.70
Total	1,06,926.76	13,706.48	95,116.48	16,175.67

Note:

No Single Customer contributes 10% or more to the Company's revenue during the year ended 31st March 2023 and 31st March 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 44: RELATED PARTY TRANSACTION DISCLOSURES

(I) Disclosures under IND AS 24 on Related Party Transactions:

A. Names of Related Parties and nature of relationship:

(Related Parties and the transactions with Related Parties are identified by the management and relied upon by Auditors).

(i) Key Management Personnel and their relatives:

- a) Atul Choksey-Chairman and Non-Executive Director
- b) Abhiraj Choksey-Managing Director
- c) Parul Atul Choksey-Relative of Chairman and Non-Executive Director
- d) Ravishankar Sharma-Executive Director
- e) Sachin J Karwa-Chief Financial Officer
- f) Jeevan Mondkar- Company Secretary & Compliance Officer (Appointed w.e.f 1st November 2022)
- g) Anand Kumashi - Company Secretary (Upto 31st October 2022)

(ii) Non-Executive Directors and Independent Directors:

- a) Atul Choksey-Chairman and Non-Executive Director
- b) Amit Choksey-Non Executive Director
- c) Dr Sivaram-Independent Director
- d) Shailesh Vaidya-Independent Director
- e) Kamlesh Vikamsey-Independent Director
- f) Priyamvada Bhumkar-Independent Director
- g) Udayan Choksi-Independent Director

(iii) Entities in which some of the Directors are interested:

- a) Abhiraj Trading & Investments Pvt. Limited
- b) Amisha Habitat Private Limited
- c) Apco Enterprises LLP
- d) Aquamarine Trading & Investments Pvt. Limited
- e) Balasesh Leafin Limited
- f) Bhuvantray Investments & Trading Co. Pvt. Limited
- g) Choksey Chemical Pvt. Limited
- h) Cons Holdings Limited
- i) Jareepa Trading LLP
- j) Gauriputra Investments & Trading Co. Pvt. Limited
- k) Haridwar Enterprises LLP
- l) HMP Mineral Pvt. Limited
- m) Mazda Colours Limited
- n) Colortek India Ltd
- o) Sammelan Investments & Trading Limited
- p) Shyamal Fin-vest (India) Limited
- q) The Hindustan Mineral Products Co. Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

B. Transactions with Related Parties

(i) Key Managerial Personnel Compensation

(₹ in Lakhs)

Short Term and Post-Employment Benefits	Year 2022-23	Year 2021-22
Remuneration		
Abhiraj A. Choksey - Managing Director	193.40	149.03
Ravishankar Sharma - Executive Director	87.31	74.47
Sachin J Karwa-Chief Financial Officer	69.13	36.88
Jeevan Mondkar- Company Secretary & Compliance Officer *	11.98	-
Anand Kumashi - Company Secretary**	25.54	36.91
Total	387.36	297.29

* Appointed w.e.f 1st November, 2022

** Upto 31st October, 2022

Key Managerial Personnel who are under the employment of the Company are entitled to post-employment benefits and other long term employee benefits recognized as per Ind AS 19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

(ii) Transactions with other Related parties

(₹ in Lakhs)

Particulars	Relationship	Year 2022-23	Year 2021-22
a. Sale of Goods			
Choksey Chemicals Pvt. Ltd	Entities in which some of the Directors are interested	101.06	110.64
b. Rent and Other expenses (Reimbursement)			
Apco Enterprises LLP	Entities in which some of the Directors are interested	7.55	14.78
c. Professional Fees for Services rendered for Accounting and Investment Consultancy			
Apco Enterprises LLP	Entities in which some of the Directors are interested	9.00	-
d. Reimbursement of Medical Expenses			
Atul C. Choksey	Chairman and Non-Executive Director	2.11	1.43
e. Leasing of Premises and allied expenses			
Parul Atul Choksey	Relative of Chairman and Non-Executive Director	23.67	40.47
f. Sitting Fees			
Atul C. Choksey	Chairman and Non-Executive Director	2.70	2.55
Others	Non-Executive Director and Independent Directors	15.00	16.05
g. Commission paid during the year			
Atul C.Choksey	Chairman and Non-Executive Director	111.00	77.50
Others	Non-Executive Director and Independent Directors	32.50	22.50

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

		(₹ in Lakhs)	
Particulars	Relationship	Year 2022-23	Year 2021-22
h. Outstanding as at 31st March			
Trade and Other Payable			
Abhiraj A. Choksey – Remuneration Payable	Managing Director	4.39	3.38
Trade and Other Receivable			
Choksey Chemicals Pvt Ltd	Entities in which some of the Directors are interested	12.68	27.15
Rent Deposits			
Apco Enterprises LLP	Entities in which some of the Directors are interested	-	7.02

NOTE 45: EMPLOYEE BENEFIT

a) Contribution to Defined Contribution Plan:

- i) Employers Contribution to Provident Fund including contribution to Pension Fund amounting to ₹ **203.38 lakhs** (Previous Year – ₹ 182.57 lakhs) has been included under Contribution to Provident and other Funds. (Refer Note – 33)

ii) Compensated absences:

The Company provides for encashment of 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.

iii) Superannuation:

The Company makes contribution to Superannuation Scheme, a defined contribution scheme administered by Insurance Companies. The Company has no obligation to the scheme beyond its annual contribution.

b) Contribution to Defined Benefit Plans:

i) Gratuity:

The Company provides for gratuity as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. Amount of gratuity payable on retirement /termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service. The Company accounts for the liability for gratuity benefits payable in future based on an actuarial valuation.

These plans typically expose the Company to actuarial risks such as, Investment risk, Interest rate risk, longevity risk, salary escalation rate risk etc.

a) Investment risk:

The present value of defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

b) Interest rate risk:

A decrease in the bond interest rate will increase the plan liability. However this will be partially offset by an increase in the return on plans debt investments.

c) Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment.

An increase in the life expectancy of the plan participants will increase the plan's liability.

d) Salary Escalation Rate risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As an increase in the salary of plan participants will increase the plans liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

The following table sets out the status of the Gratuity Plan as required under IND AS 19.

The principal assumption used for the purposes of the actuarial valuation is as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
Discount Rate	7.50%	7.30%
Expected rate of salary increase-first year	9.00%	9.50%
Thereafter	9.00%	9.50%

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as under:

Particulars	Gratuity (Funded Plan) (₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Present value of defined benefit obligation	979.09	914.89
Fair value of plan assets	877.53	806.05
Net defined liability recognized in balance sheet	101.56	108.84

Amount recognized in profit and loss account in respect of these defined benefit plans are as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Current Service Cost	76.31	66.83
Past Service Cost	-	-
Interest on net defined benefit liability/ (asset)	3.97	2.98
Components of defined benefit costs recognized in profit and loss account	80.28	69.81

Amount recognized in other comprehensive income in respect of these defined benefit plans are as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<u>Remeasurement on the net defined benefit liability comprising:</u>		
Actuarial (gain) / loss arising from changes in financial assumptions	16.13	25.45
Actuarial (gain) / loss on demographic assumption	-	-
Actuarial (gain) / loss arising from experience adjustments	(30.92)	(6.16)
Actuarial (gain) / loss on plan assets from experience adjustments	40.23	19.75
Actuarial (gain) / loss on plan assets from financial assumptions	(4.15)	-
Components of defined benefit costs recognized in other comprehensive income	21.29	39.04

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

The movements of net liability / (asset) from the beginning to the end of the accounting period as recognized in the balance sheet of the Company are as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening net defined benefit liability/ (asset)	108.84	87.78
Expenses charged to profit and loss account	80.27	69.81
Amounts recognized in Other Comprehensive Income	21.29	39.04
Employer contributions	(108.84)	(87.79)
Closing net defined liability / (asset)	101.56	108.84

Movements in the present value of the defined benefit obligation in the current year are as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening of defined benefit obligation	914.89	831.33
Current Service cost	76.31	66.83
Interest on defined benefit obligation	64.48	54.59
Actuarial (gain) / loss arising from changes in financial assumptions	16.13	25.45
Actuarial (gain) / loss arising from experience adjustments	(30.92)	(6.16)
Benefits paid	(61.80)	(57.15)
Closing defined benefit obligation	979.09	914.89

Movement in fair value of the plan assets in the current year are as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening fair value of plan assets	806.05	743.55
Employer Contributions	108.84	87.79
Interest on plan assets	60.54	51.60
Remeasurements due to Actual return on plan assets less interest on plan assets	(36.10)	(19.75)
Benefits paid	(61.80)	(57.14)
Closing fair value of plan assets	877.53	806.05

A split of plans asset between various asset classes as well as segregation between quoted and unquoted values is presented below:

(₹ in Lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	Quoted Value	Non Quoted Value	Quoted Value	Non Quoted Value
Insurer managed funds	-	877.53	-	806.05

The plan does not invest directly in any property occupied by the Company or in any financial securities issued by the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

The estimates of future salary increases, considered in actuarial valuations, taking account of inflation, seniority, promotions, and other relevant factors, such as supply demand in the employment market.

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in market scenario.

(₹ in Lakhs)

Experience Adjustments	Year Ended 31st March 2019	Year Ended 31st March 2020	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2023
Defined Benefit Obligations	(652.38)	(737.27)	(831.33)	(914.89)	(979.09)
Plan Assets	546.01	691.66	743.55	806.05	877.53
Surplus / (Deficit)	(106.37)	(45.61)	(87.78)	(108.84)	(101.56)

Maturity Analysis of Projected Benefit Obligation: From the fund projected benefits payable in future years from the date of reporting:

Maturity profile	(₹ in Lakhs)
Expected benefits for year 1 FY 2024	157.95
Expected benefits for year 2 FY 2025	103.81
Expected benefits for year 3 FY 2026	129.74
Expected benefits for year 4 FY 2027	87.91
Expected benefits for year 5 FY 2028	136.49
Expected benefits for year 6-10 FY 2029-2033	673.19

Sensitivity Analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Impact of change in discount rate when base assumption is decreased/increased by 50 basis point

	Year Ended 31st Mar 2023
Discount Rate	Present value of obligation (₹ In Lakhs)
7.00%	1,016.21
8.00%	879.93

Impact of change in salary increase rate when base assumption is decreased/increased by 50 basis point.

	Year Ended 31st Mar 2023
Salary Increment Rate	Present value of obligation (₹ In Lakhs)
8.50%	949.43
9.50%	1,010.55

Impact of change in withdrawal rate when base assumption is decreased/increased by 50 basis point

	Year Ended 31st Mar 2023
Withdrawal Rate	Present value of obligation (₹ In Lakhs)
1.50%	982.14
2.50%	976.21

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 46: UTILISATION OF BORROWED FUNDS, SHARE PREMIUM OF ANY OTHER SOURCE OF FUNDS

- i. No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries").
- ii. No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties").

NOTE 47: FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks i.e. Liquidity risk, Market risks and Credit risk. The Company's senior management has overall responsibility for establishing and governing the Company's risk management framework.

The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of the Company.

a) Liquidity Risk:

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital limits from its bankers.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet its daily operational needs. Any short-term surplus cash generated, over and above the normal requirement for working capital is invested in Bank Fixed deposits and Mutual funds, which carry minimal mark to market risks.

The below table summarizes the maturity profile at the balance sheet date for its non-derivative financial liabilities based on undiscounted cash flows:

	Undiscounted Amount (₹ in Lakhs)			
	Carrying Amount	Payable within 1 year	More than 1 year	Total
As at 31st March 2023				
Term Loan and Borrowings (Refer Notes 19 and 24)	15,179.14	2,702.68	12,476.46	15,179.14
Trade Payables (Refer Note 26)	10,211.58	10,211.58	-	10,211.58
Financial liabilities-Other Financial Liabilities (Refer Notes 21 and 27)	4,299.66	3,596.70	702.95	4,299.66
Financial liabilities - Lease liabilities (Refer Notes 20 and 25)	-	-	-	-
As at 31st March 2022				
Term Loan and Borrowings (Refer Notes 19 and 24)	5,011.55	2,375.30	2,636.25	5,011.55
Trade Payables (Refer Note 26)	10,004.26	10,004.26	-	10,004.26
Financial liabilities-Other Financial Liabilities (Refer Notes 21 and 27)	3,156.00	2,559.42	596.58	3,156.00
Financial liabilities - Lease liabilities (Refer Notes 20 and 25)	14.84	5.57	9.27	14.84

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

b) Market Risks:

Market risk is the risk of changes in market prices, liquidity and other factors that could have an adverse effect on realizable fair values of financial assets and financial liabilities and future cash flows to the Company. The Company's activities expose it to risk from movements in foreign currency exchange rates, interest rates, and market prices that affect its assets, liabilities and future transactions.

l) Foreign currency risk:

i. Potential impact of risk:

The Company undertakes transactions denominated in foreign currency and is thus exposed to foreign currency risk from transactions and translation.

The Company's exposure to foreign currency risk at the end of reporting period expressed in INR as on 31st March 2023:

(₹ in Lakhs)

Particulars	USD	EUR	GBP
Financial Assets:			
Foreign currency debtors for exports of goods	3,140.76	36.13	-
Bank balances	1,404.43	0.33	-
Derivative Assets:			
Foreign exchange forward contract (sale) foreign currency	-	-	-
Net exposure to foreign currency risk - assets	4,545.19	36.46	-
Financial Liabilities:			
Foreign currency creditors for import of goods & services	1,099.27	-	1.85
Derivative Liabilities:			
Foreign exchange forward contract (purchase) foreign currency	-	-	-
Net exposure to foreign currency risk – liabilities	1,099.27	-	1.85

The Company's exposure to foreign currency risk at the end of reporting period expressed in INR as on 31st March 2022:

(₹ in Lakhs)

Particulars	USD	EUR	GBP
Financial Assets:			
Foreign currency debtors for exports of goods	3,007.48	62.52	-
Bank balances	48.91	0.21	-
Derivative Assets:			
Foreign exchange forward contract (sale) foreign currency	1,039.26	-	-
Net exposure to foreign currency risk - assets	2,017.13	62.73	-
Financial Liabilities:			
Foreign currency creditors for import of goods & services	746.37	98.70	0.41
Derivative Liabilities:			
Foreign exchange forward contract (purchase) foreign currency	-	-	-
Net exposure to foreign currency risk – liabilities	746.37	98.70	0.41

ii. Management policy:

The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. The use of derivative instruments is subject to limits and regular monitoring by Management.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

iii. Sensitivity to risk:

The sensitivity of profit and loss to changes in the exchange rates arises mainly from un hedged foreign currency denominated financial instruments. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of currency and a parallel foreign exchange rates shift in the foreign exchange rates of each currency by 5% which represents Management's assessment of the reasonably possible change in foreign exchange rates.

The Company's exposure to foreign currency risk at the end of the reporting period as on 31st March, 2023 are as follows:

Currency	Trade Receivables	Trade Payables	Net Exposure	Exchange Rate	5% strengthening in exchange rate	Difference in Exchange Rate	Net Gain/ (Loss) (₹ in Lakhs)
USD	38,34,377	13,37,255	24,97,122	82.15	78.05	4.11	(102.57)
EURO	42,072	-	42,072	89.35	84.88	4.47	(1.88)
GBP	-	1,822	(1,822)	101.47	96.39	5.07	0.09
Net gain/(loss)							(104.36)

The Company's exposure to foreign currency risk at the end of the reporting period as on 31st March 2022 are as follows:

Currency	Trade Receivables	Trade Payables	Net Exposure	Exchange Rate	5% strengthening in exchange rate	Difference in Exchange Rate	Net Gain/ (Loss) (₹ in Lakhs)
USD	39,84,523	9,85,466	29,99,057	75.52	71.74	3.78	(113.24)
EURO	74,492	1,17,600	(43,108)	83.93	79.74	4.20	1.81
GBP	-	413	(413)	99.18	94.22	4.96	0.02
Net gain/(loss)							(111.41)

A 5% weakening of the INR against these currencies would have led to an equal but opposite effect

II) Price risk:

i. Potential impact of risk:

The Company is mainly exposed to the price risk due to its investments in equities & mutual funds. The price risk arises due to uncertainties about the future market value of these investments.

As at 31st March 2023, the investments in equities and mutual funds amount to ₹ 7,316.08 lakhs (as at 31st March 2022- ₹ 8,219.60 lakhs) which are exposed to price risk.

ii. Management policy:

The Company has laid policies and guidelines which it adheres to in order to minimize price risk arising from Investments in Equities & Mutual funds.

iii. Sensitivity to risk:

A 10% increase in prices would have led to approximately an additional ₹ 731.61 lakhs gain in the Statement of Other Comprehensive Income for the year ended 31st March 2023 (for the year ended 31st March 2022 ₹ 821.96 lakhs). A 10% decrease in prices would have led to an equal but opposite effect.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

III) Interest rate risk:

i. Potential impact of risk:

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because the Company borrows funds at both fixed and variable interest rates.

As at **31st March 2023**, the Company has variable rate borrowings to the extent of ₹ **12,337.62 lakhs** (average borrowings for the year) (As at 31st March 2022, ₹ 3,779.58 lakhs). These are exposed to Interest rate risk.

ii. Management policy:

The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings. The Company has laid policies and guidelines which it adheres to in order to minimize the interest rate risk.

iii. Sensitivity to risk:

The sensitivity analysis has been determined based on exposure to interest rates at the end of reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of liability as on the end of reporting period was outstanding for the entire year. A 25 basis point increase or decrease is used when reporting interest rate risk internally and represents Managements assessment of the reasonable possible change in interest rates.

If Interest rates had been 25 basis point higher, the Company's profit would decrease by approximate ₹ **30.84 lakhs** (For the year ended 31st March 2022, profit would decrease by ₹ 9.45 lakhs). A 25 basis point decrease in Interest rates would have led to an equal but opposite effect.

c) Credit Risk:

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, wherever appropriate, as a means of mitigating the risk of financial loss from defaults. Trade receivables consist of a large number of customers, across geographies, hence is not exposed to concentration risk. Ongoing credit evaluation is performed on the financial condition of its customers.

The Company makes an allowance for doubtful debts using Expected Credit Loss (ECL) model.

Movement in expected credit loss allowance:

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Trade Receivables	13,706.48	16,175.67
Allowance for doubtful debt at beginning of the year	328.64	109.50
Incremental expected credit loss allowance	72.32	219.14
Allowance for doubtful debt at end of the year	400.96	328.64

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 48: FAIR VALUE MEASUREMENT

The Management has assessed that its financial assets and liabilities like cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying values largely due to the short-term maturities of these instruments.

The carrying amounts and fair values of financial instruments by class are as follows: (₹ in Lakhs)

	Notes	As at 31st March 2023			As at 31st March 2022		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Long Term Investments							
- Equity instruments	5		2,741.14			2,982.29	
- Mutual Funds	5		4,366.31			5,006.08	
- Redeemable Non-Convertible Debentures	5		208.63			231.23	
Short Term Investments-Mutual Funds	10	1,479.70			1,531.93		
Trade receivables	11			13,706.48			16,175.67
Cash and cash equivalents	12			1,527.06			195.12
Other Bank balances	13			707.44			694.05
Loans to employees	14			51.44			40.43
Other receivables (unsecured)	6 & 15			743.14			936.20
Total Financial Assets		1,479.70	7,316.08	16,735.56	1,531.93	8,219.60	18,041.47
Financial Liabilities							
Term Loan	19			12,476.46			2,636.25
Lease Liabilities	20 & 25			-			14.84
Short Term Borrowings	24			2,702.68			2,375.30
Trade payables	26			10,211.58			10,004.25
Other financial liabilities	21 & 27			4,299.66			3,156.00
Total Financial Liabilities				29,690.38			18,186.64

(i) Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial statements that are (a) recognized and measured at fair value and (b) measured at amortised cost. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into three levels prescribed under accounting standard. An explanation of each level follows the underneath table:

Financial Assets & Liabilities measured at fair value: (₹ in Lakhs)

As at 31st March 2023	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Instruments at FVTOCI					
Long Term Investment					
- Equity	5	2,741.14	-	-	2,741.14
- Mutual Funds	5	4,366.31	-	-	4,366.31
- Redeemable Non-Convertible Debentures	5	208.63	-	-	208.63
Financial Instruments at FVTPL					
Short Term Investment					
- Mutual Funds	10	1,479.70	-	-	1,479.70
Total Financial Assets		8,795.78	-	-	8,795.78
Financial Liabilities		-	-	-	-
Total Financial Liabilities		-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Assets and Liabilities which are measured at amortised cost:

(₹ in Lakhs)

As at 31st March 2023	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Loans to employees	14	-	-	51.44	51.44
Total Financial Assets		-	-	51.44	51.44
Financial Liabilities		-	-	-	-
Total Financial Liabilities		-	-	-	-

Financial Assets & Liabilities measured at fair value:

(₹ in Lakhs)

As at 31st March 2022	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Instruments at FVTOCI					
Long Term Investment					
- Equity	5	2,982.29			2,982.29
- Mutual Funds	5	5,006.08	-	-	5,006.08
- Redeemable Non-Convertible Debentures	5	231.23			231.23
Financial Instruments at FVTPL					
Short Term Investment					
- Mutual Funds	10	1,531.93	-	-	1,531.93
Total Financial Assets		9,751.53	-	-	9,751.53
Financial Liabilities		-	-	-	-
Total Financial Liabilities		-	-	-	-

Assets and Liabilities which are measured at amortised cost:

(₹ in Lakhs)

As at 31st March 2022	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Loans to employees	14	-	-	40.43	40.43
Total Financial Assets		-	-	40.43	40.43
Financial Liabilities		-	-	-	-
Total Financial Liabilities		-	-	-	-

Level 1: Level 1 hierarchy included financial instruments measured using quoted prices. This included listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 49: CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the returns to stakeholders through optimization of debt and equity ratios.

The Company determines the amount of capital required on the basis of annual budgets and three years corporate plan for working capital, capital outlay and long-term strategies. The funding requirements are met through internal accruals and a combination of long-term and short-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Company.

		Year 2022-23	Year 2021-22	Variance (%)	Ratio Formula	Explanation for Variance
(a)	Current Ratio	1.79	1.84	-3%	Current Assets/Current Liabilities	
(b)	Debt-Equity Ratio	0.26	0.07	294%	Long Term Debt/Equity Shareholders Fund	Additional Term Loan availed for new projects
(c)	Debt Service Coverage Ratio	27.20	18.32	48%	(Profit after Tax+Non Cash Items)/ (Interest+Installment)	Current maturities of long term debt is nil hence Company is in a better position to service their debts in the short term.
(d)	Return on Equity Ratio	22.7%	24.9%	-9%	Profit after Tax/ Equity Shareholders Fund	
(e)	Inventory turnover ratio	6.74	7.16	-6%	Cost of goods sold/ Inventory	
(f)	Trade Receivables turnover ratio	7.88	5.92	33%	Credit Sales/ Accounts Receivables	Collections have improved considerably due to efficient credit control mechanism.
(g)	Trade payables turnover ratio	8.75	8.00	9%	Credit Purchase/ Accounts payable	
(h)	Net capital turnover ratio	2.27	2.42	-6%	Revenue from Operations/Equity Shareholders Fund	
(i)	Net profit ratio	10.0%	10.3%	-3%	Profit after Tax/Revenue from Operations	
(j)	Return on Capital employed	24.2%	30.4%	-21%	Earnings before Interest and Tax/Capital Employed	
(k)	Return on investment	-1.85%	14.46%	-113%	Income Generated from Investments/Total Investments	Successive Rates hike by RBI and the ongoing geopolitical uncertainty lead to fall in valuation including Mark to Market of Long Term Investments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 50 :RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company does have transactions or balances with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March 2023.

Name of stuck off Company	Nature of Transaction with Struck off Company	Relationship with the Struck-off Company,if any,to be disclosed
Vaishak Shares Limited	Company's shares held 10 shares @ face value ₹ 2/- each	Shareholder

NOTE 51:The Company does not have any transactions not recorded in books of accounts that has been surrendered or disclosed as income during the year and previous year in the tax assessments under the Income Tax Act, 1961.

NOTE 52:The Company has not traded or invested in any crypto currency or virtual currency during the year and previous year.

NOTE 53:There has been no fraud by the Company or on the Company during the year and previous year.

NOTE 54: Previous year's figures have been have been regrouped / restated wherever necessary to confirm to current year's presentation.

As per our Report of even date
For SGD & ASSOCIATES LLP
Chartered Accountants
Firm Registration Number: W100188

SHARAD GUPTA
Partner
Membership Number: 116560
Mumbai, Date : 27th April, 2023

For and on behalf of Board of Directors
ATUL C. CHOKSEY Chairman (DIN00002102)
ABHIRAJ A. CHOKSEY Managing Director (DIN00002120)
KAMLESH S. VIKAMSEY Director (DIN00059620)

SACHIN J. KARWA Chief Financial Officer
JEEVAN MONDKAR Company Secretary

Mumbai, Date : 27th April, 2023

NOTICE

NOTICE is hereby given that the Thirty Seventh (37th) Annual General Meeting (AGM) of the Members of **apcotex industries limited** will be held on **Monday, 19th June 2023 at 11:00 am, through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statement of the Company for the year ended 31st March 2023 together with the Reports of the Board of Directors and Auditor thereon.
2. To declare a final dividend on equity shares, for the financial year ended 31st March 2023.
3. To appoint a director in place of Mr. Atul Choksey (DIN: 00002102) who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Manubhai & Shah LLP, Chartered Accountants (Firm Registration No 106041W/W100136) be and is hereby appointed as Statutory Auditors of the Company in place of the retiring auditors M/s. SGDG & Associates LLP, Chartered Accountants (Firm Registration No. W100188) for a term of 5(five) years to hold office from the conclusion of this Annual General Meeting till the conclusion of the forty second Annual General Meeting to be held in the year 2028, at an annual remuneration / fees of ₹ 18,00,000/- (Rupees Eighteen Lakhs only) plus any other outlays and taxes at the applicable rates, with the power to the Board including Audit Committee(s) thereof to alter and vary the terms and conditions.”

SPECIAL BUSINESS:

5. **Re-Appointment of Mr. Ravishankar Sharma as an Executive Director**

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 as amended from time to time the consent of the Company be and is hereby accorded for the re-appointment and terms of remuneration of Mr. Ravishankar Sharma (DIN: 08739672) as an Executive Director of the Company for a further period of 3 years with effect from 1st May 2023 to 30th April 2026, upon the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors ('Board') and as set out in the Statement annexed to this Notice, with liberty to the Board (which includes a duly constituted Committee of the Board) to alter and vary the terms and conditions of the said re-appointment as it may deem fit and in such manner as may be agreed to between the Board and Executive Director.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Mr. Ravishankar Sharma, remuneration by way of salary, perquisites and allowances, not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013, as may be decided by the Board of Directors, on recommendation of its Nomination and Remuneration Committee.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to enhance, enlarge, alter or vary the scope and quantum of salary, perquisites, allowances and incentive of Mr. Ravishankar Sharma, which revision shall be in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and/or the rules and regulations made there under and/or such guidelines as may be announced by the Central Government from time to time.”

6. **Approval of annual remuneration payable to single Non-Executive Director**

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

“RESOLVED THAT pursuant to the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013 and Rules thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with Regulation 17 (6) (ca) of SEBI (LODR) Regulations, 2015, as amended, approval of the members of the Company be and is hereby accorded for payment of Commission of ₹ 121 Lakhs to Mr. Atul Choksey – Chairman of the Company, out of total commission of ₹ 158.50 Lakhs for Non-Executive Directors of the Company, being about 1% of net profits, as computed under Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT any of the Directors and Company Secretary and Chief Financial Officer be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary,

proper or desirable for the purpose of giving effect to this resolution.”

7. **Ratification of remuneration to Cost Auditors of the Company**

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

“**RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s V J Talati & Co., Cost Accountants, who have been appointed by the Board of Directors at their meeting held on 27th April 2023, as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2023-24, on a remuneration of ₹ 65,000/- only (Rupees Sixty Five Thousand only) plus taxes as applicable and re-imbursement of expenses incurred by them in connection with the audit, be and is hereby ratified.

RESOLVED FURTHER THAT Mr. Abhiraj Choksey, Managing Director, Mr. Sachin Karwa, Chief Financial Officer or Mr. Jeevan Mondkar, Company Secretary of the Company, be and are hereby authorized severally to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

8. **Authorization for Borrowing power of the Company and creation of charge/providing of security**

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

“**RESOLVED THAT** in supersession of the Special Resolution passed at 28th Annual General Meeting held on 4th June 2019 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications(s) or re-enactments thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time, such sums of monies as they may deem requisite for the purposes of business of the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) notwithstanding that such borrowings may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount up to which the monies may be borrowed by the Board of Directors shall not exceed the sum of ₹ 500 crores only (Rupees Five Hundred Crores only) from its existing limit of ₹ 300 Crores only (Rupees Three Hundred Crores only).

RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded, in terms of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company to mortgage, pledge, create charges or hypothecate and to provide securities for the sum borrowed or to sell, lease or otherwise dispose off, the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) on such terms and conditions and in such form and manner and with such ranking as to priority, as the Board in its absolute discretion thinks fit, on the assets of the Company, both present and future as may be agreed to between the Company and the Lenders so as to secure the borrowings by the Company, together with interest costs, charges, expenses and all other monies payable by the Company to the concerned Lenders / Institutions, under the respective arrangements entered into/to be entered by the Company and/or Board.

RESOLVED FURTHER THAT the securities to be created by the Company for its borrowing as aforesaid shall rank with the security already created in the form of mortgage, pledge, hypothecation and/or charges, mortgages, pledge, hypothecation already created or to be created in future by the Company as may be agreed to between the Board and concerned parties.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, Shri Abhiraj Choksey, Managing Director, Shri Sachin J Karwa, Chief Financial Officer, Shri Jeevan Mondkar, Company Secretary and Shri Ravishankar Sharma, Executive Director, be and is/ are hereby authorised to finalise, settle and execute such documents/deeds/writings/papers/agreements as may be required and to do all acts, deeds, matters and things as may in its/his/their absolute discretion deem necessary, proper or desirable and to settle any question(s), difficulty(ies) or doubt(s) that may arise in regard to creating security (ies)/borrowing(s) as aforesaid or other considered to be in the best interest of the Company.”

BY ORDER OF THE BOARD

For apcotex industries limited

Jeevan Mondkar
Company Secretary

Date: 27th April 2023
Place: Mumbai

Registered Office:
49-53, Mahavir Centre,
Sector 17, Vashi,
Navi Mumbai - 400 703

NOTES:

1. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and General Circular No. 10/2022 and General Circular No. 11/2022, dated December 28, 2022 and all other relevant circulars issued from time to time (collectively referred to as "MCA Circulars"), MCA has permitted holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. A statement giving the relevant details of the Directors seeking re-appointment under item no. 3 and 5 of the accompanying Notice, as required under Regulation 26(4) and 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed herewith.
3. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. In accordance with SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated 7th September 2020 all share transfers shall be carried out compulsorily in the dematerialised form with effect from 1st April 2021. Hence no transfer of shares in physical form are allowed.

Further, in compliance with SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in dematerialization form only:-

- i. Issue of duplicate share certificate
- ii. Claim from unclaimed suspense account
- iii. Renewal/Exchange of securities certificate
- iv. Endorsement
- v. Sub-division / splitting of securities certificate

- vi. Consolidation of securities certificates/folios
- vii. Transmission
- viii. Transposition

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the company as well as on the website of Link Intime India Pvt Ltd, Registrar and Share Transfer Agent (RTA). The aforementioned form shall be furnished in hard copy.

In view of the above and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, members are advised to dematerialise the shares held by them in physical form. Members can contact the Company's RTA, Link Intime India Private Limited for assistance.

5. SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March 2023 which is issued in suppression of circular no SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021 has made it mandatory for all shareholders holding shares in physical form to furnish nomination details to the Company/RTA.

Shareholders can register their nomination details in Form SH-13 or they can choose to give declaration to opt out of Nomination by filing Form ISR-3.

In case of shareholder holding shares in physical form wishes to change the nominee or cancel the nomination then Form SH-14 needs to be filled.

The forms mentioned above are available on the website of the Company as well as on the website of RTA.

6. SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March 2023 which is issued in suppression of circular no SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021, has made it mandatory for all holders holding shares in physical form to furnish the following documents / details to the RTA

- a) PAN
- b) Contact details, Postal address with PIN, Mobile number, E-mail address
- c) Bank account details (bank name and branch, bank account number, IFSC)
- d) Specimen signature

For furnishing the above-mentioned details, shareholder must submit Form ISR-1 and/or ISR-2 in hard copy form to the company/RTA. The forms are available on the website of the company as well as on the website of RTA.

7. To support the 'Green Initiative', members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC, etc., to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.
9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
10. Members are requested to participate on first come first serve basis, as participation through VC/OAVM is limited and will be closed on expiry of 15 minutes from the schedule time of the AGM. However, the participation of members holding 2% or more is not restricted on first come first serve basis. Members can login and join 30 minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 minutes after the schedule time. Participation is restricted upto 1000 members only.
11. Dividend on Equity Shares if declared at the AGM will be credited/dispatched within the prescribed time-limit mentioned in section 126 of the Companies Act, 2013 –
 - to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') as on the end of the day of 12th June 2023; and
 - to all those Shareholders holding shares in physical form, whose names stand registered in the Company's Register of Members as Members as on the end of the day of 12th June 2023.

In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1st April 2020, dividend declared and paid by the Company is taxable in the hands of shareholders and the Company is required to deduct tax at source (TDS) from dividend paid to the shareholders at the applicable rates. The Company has sent a detailed communication to the Members in this regard. The shareholders are requested to refer to the same and comply to ensure appropriate deduction of tax and in any case update Residential status, PAN, Category of holding, etc. with their DP or in case shares are held in physical

form, with the Company's RTA. Further, shareholders who have not registered their email address are requested to register the same with the RTA. Shareholders are further requested to update their Bank details with the Depository/ Company for enabling the Company to make timely credit of dividend in respective bank account.

12. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.
13. Under Regulation 39(4) of SEBI (LODR) Regulations, 2015 read with Schedule VI "Manner of dealing with Unclaimed Shares", Companies are required to dematerialize such shares which have been returned as "Undelivered" by the postal authorities and hold these shares in an "Unclaimed Suspense Account" to be opened with either one of the Depositories viz. NSDL or CDSL.

All corporate benefits on such shares viz. bonus, dividends etc. will be credited to the unclaimed suspense account as applicable for a period of seven years and thereafter same will be transferred to Investor Education and Protection Fund in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Companies Act, 2013.

In compliance with Regulation 39(4) of SEBI (LODR) Regulations, 2015 the Company has a demat account titled "Apcotex Industries Limited Unclaimed Securities Suspense Account" and transferred all the shares which were returned undelivered.

The concerned shareholders are requested to open a demat account and approach the Company/RTA of the Company to get their shares in dematerialised form. For more details, members are requested to refer the Corporate Governance Report.

14. In compliance with the aforesaid MCA Circulars and SEBI Circular **SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023**, notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2022-23

will also be available on the Company's website www.apcotex.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.

15. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
16. The relevant Statement pursuant to Section 102 of Companies Act, 2013 is annexed hereto.
17. The Register of Members/Shareholders and Share Transfer Books of the Company will remain closed from **Tuesday, 13th day of June 2023 to Monday, 19th day of June 2023** (inclusive of both days).
18. Relevant documents referred to in the accompanying Notice and Directors' Report will be available for electronic inspection without any fee by the Members from the date of Circulation of this Notice upto the date of AGM i.e. **19th June 2023**. Members seeking to inspect such documents can send an email to cs@apcotex.com.
19. Pursuant to the provisions of Section 124 of Companies Act, 2013 the Company has transferred the unclaimed dividends upto the financial year 2014-15 from time to time on due dates to the Investors Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of IEPF (Uploading of Information regarding unpaid/unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 14th June 2022 (date of last AGM) on the website of the Company viz. www.apcotex.com, as also on the website of the Ministry of Corporate Affairs viz. www.mca.gov.in.
20. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
21. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company at www.apcotex.com and on the website of NSDL at www.evoting.nsdl.com after the declaration of Results by

the Chairman or a person authorized by him. The Results shall also be forwarded to the BSE Limited and NSE within the stipulated timeline.

22. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on 16th June 2023 at 9:00 A.M. IST and ends on 18th June 2023 at 5:00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. The members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. 12th June 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date being 12th June 2023. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

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





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

Step 1: Access to NSDL e-Voting system

- A) Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode.

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/ Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (i) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address, etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs@apcotex.com/divya.dsmco@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) can also upload their Board Resolution/ Power of Attorney/Authority Letter, etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and

e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 and 022 - 2499 7000 or send a request at evoting@nsdl.co.in

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

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

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name, demat account number/ folio number, email id, mobile number and PAN at cs@apcotex.com from 5th June 2023 to 9th June 2023. The same will be replied by the company suitably. Please note that those members who have registered themselves as a speaker will only be allowed to express their views/ raise queries during the AGM. The company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.

ANNEXURE TO NOTICE

STATEMENT (Pursuant to section 102(1) of the Companies Act, 2013)

Item No.4

M/s. SGD & Associates LLP, Chartered Accountants (Firm registration no. W100188) were appointed as the Statutory Auditors of the Company at the Thirty Second Annual General Meeting (AGM) of the Company held on 27th July 2018 till the conclusion of this AGM. M/s. SGD & Associates LLP, Chartered Accountants (Firm registration no. W100188) has been the Statutory Auditors of the Company since financial year 2018-19.

As per the provisions of the Companies Act, 2013 and based on the recommendation of the Audit Committee, the Board of

Directors in its meeting held on 27th April 2023 have decided to recommend the appointment of M/s. Manubhai & Shah LLP, Chartered Accountants (Firm Registration No 106041W/ W100136), as Statutory Auditors of the Company, for a period of 5 years from the financial year 2023-24, to hold the office till the conclusion of the AGM during the year 2028, in place of retiring Auditors viz. M/s. SGD & Associates LLP, Chartered Accountants. Presently, the annual fee is proposed at ₹ 18,00,000/- (Rupees Eighteen Lakhs only) plus any other outlays and taxes at the applicable rates, for the purpose of audit. However, the Board and audit committee(s) thereof be given the power to alter and vary the terms and conditions.

M/s. Manubhai & Shah LLP have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013.

Manubhai & Shah LLP (the firm) was established in 1945 and has Head Office at Ahmedabad and branches at Ghaziabad (NCR), Mumbai, Vadodara, GIFT City (Gandhinagar), Rajkot, Vadodara and Udaipur. The firm has 17 partners with a staff strength of more than 700.

The firm's audit services are reviewed by Peer Reviewers appointed by The Institute of Chartered Accountants of India. The firm has also been accredited with ISO 9001 certifications for its Quality Management Systems.

The firm is on the panel of consultants/auditors maintained by Asian Development Bank, Reserve Bank of India, Comptroller and Auditor General of India, Government Departments, various regulatory bodies, and institutions.

The firm provides services to clients in a broad spectrum of trade and industries as well as non-profit organizations catering to industry sectors such as banking & finance, infrastructure, manufacturing, and services. The client groups include private and public sector corporates, government and semi government agencies, partnership firms and high net worth individuals.

Your Directors recommend the resolution for this appointment. None of the Directors and Key Managerial Personnel and their relatives of the Company are concerned or interested in the said resolution.

Item No.5

The Board of Directors at their meeting held on 21st May 2020 had appointed Mr. Ravishankar Sharma as an Executive Director of the Company for a term of 3 years effective from 1st May 2020 in accordance with the provisions of Articles of Association of the Company and subject to the approval of the shareholders in General Meeting and that of the Central Government, if required, under the applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force. The shareholders approved the appointment on 4th August 2020. The term of Mr. Ravishankar Sharma will end on 30th April 2023 and is eligible to be re-appointed.

Mr. Ravishankar Sharma is not disqualified from being appointed as an Executive Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as an Executive Director and he has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad.

The Board of Directors of the Company at their meeting held on 27th April 2023 have in accordance with the provisions of Articles of Association of the Company and subject to the approval of the shareholders in General Meeting and that of the Central Government, if required, under the provisions of the Companies Act, 2013 and on the recommendation of Nomination and Remuneration Committee of Board, have decided to re-appoint Mr. Ravishankar Sharma as an Executive Director of the Company, for a further period of 3 (Three) Years, effective from 1st May 2023. Mr. Ravishankar Sharma is a Bachelor of Chemical Engineering from Laxminarayan Institute of Technology, Nagpur, passed out in 1988 and PGDBM from Goa Institute of Management, Goa (Executive MBA) in 2009 and worked with the following companies:

Sr. No.	Tenure	Company	Designation
1	July 1988 to Oct 1992	Gharda Chemicals Ltd., Dombivali	Shift In-charge
2	Nov 1992 to April 2007	Ciba Specialty Chemicals Ltd., Goa	Head of Production
3	April 2007 to Dec 2009	Syngenta India Ltd., Goa	Sr. Manager – Projects
4	Jan 2010 to July 2010	Sequent Scientific Ltd., Mumbai	VP–Specialty Chemicals
5	Aug 2010 to Nov 2014	Atul Ltd., Valsad	GM – MFG, PI Division
6	Nov 2014 to July 2015	Teva API Ltd	VP Operations–Site Head
7	Aug 2015 to March 2018	Atul Ltd., Valsad	GM – MFG, PI Division
8	April 2018 to July 2019	SRF Ltd., Dahej	Sr. VP – MFG

Mr. Ravishankar Sharma is not related to any of the Board Members, KMPs of the Company. The appointment and remuneration of the Executive Director is approved by the Nomination and Remuneration Committee, comprising of Dr. S. Sivaram, Mr. Kamlesh Vikamsey and Mrs. Priyamvada Bhumkar, Independent directors of the Company and Mr. Atul Choksey - Chairman, in their meeting held on 27th April 2023.

The Board, while re-appointing Mr. Ravishankar Sharma considered his contributions to the Company. Under the leadership of Mr. Ravishankar Sharma the company has implemented multiple CAPEX Projects, increased production substantially and improved EHS norms at both plants.

The terms and conditions of the remuneration to be entered into by the Company with Mr. Ravishankar Sharma are as under:

Salary: ₹ 2,65,185 only (Rupees Two lakh sixty five thousand one hundred and eighty five only) per month, with an increment to be determined by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee.

Allowances: House Rent Allowance and Bonus as per the rules in force in the Company from time to time.

Management Development Allowance/Managerial Allowance: ₹ 3,55,908 only (Rupees Three lakh fifty five thousand nine hundred and eight only) per month, with rise to be determined by the Board of Directors, including committee thereof.

Variable Pay Plan (VPP) : VPP as per the rules in force in the Company, from time to time.

Perquisites: Perquisites are classified into three categories “A”, “B” and “C” as follows:

Part “A”

Housing:

(1) Rent-free furnished residential accommodation or (2) in case of his own flat on ownership basis, then House Rent Allowance of an amount as may be fixed by the Board of Directors, or (3) in case of occupation of the rented premises then reimbursement of actual rent paid in respect of such premises. In case of all the above amenities such as gas, electricity, water, servants, painting, repairs, upkeep and general maintenance of the premises as are desired by the Director to be provided at the Company’s expenses. In case of (2) & (3) such furniture or benefits in respect of furniture as may be required by Director, to be provided at the Company’s expense as may be decided by the Board of Directors.

The expenditure incurred if any, by the Company on gas, electricity, water and furnishings, furniture etc; to be made available to the Executive Director shall be valued as per the Income Tax Rules, as are in force from time to time.

Reimbursement of Expenses:

Payment of Medical Insurance premium and reimbursement of expenses as per rules of the Company applicable to all senior management personnel.

Leave Travel Concession:

Leave Travel Concession for the Executive Director and his family, once in a year incurred in accordance with the Rules of the Company, in force from time to time.

Personal Accident Insurance:

Personal Accident insurance, the annual premium of which will not exceed ₹ 20,000/- or coverage under the Group Personal Accident Insurance Policy taken / as may be taken by the Company every year during the tenure of this appointment.

Part “B”**Provident Fund:**

Company's contribution towards Provident Fund, subject to a ceiling of 12% of the salary.

Gratuity, Pension and Superannuation:

Benefits in accordance with the rules and regulations in force in the Company from time to time.

Part “C”**Car:**

Provision of a car and driver for both official and personal use of the Executive Director in accordance with company's policy.

Telephone:

Provision of telephone at residence of the Executive Director. Personal long distance calls on telephone shall be billed by the Company to the Executive Director in accordance with company's policy.

Other Benefits:

- 1 Leave: Leave with full pay and allowance in accordance with the rules and regulations in the Company in force from time to time. Leave encashment in accordance with the rules and regulations in the Company in force from time to time, to be permitted at the end of the term, after obtaining such approvals as may be necessary.
- 2 Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
- 3 Such other benefits and amenities as are provided to Senior Officers of the Company from time to time.

The remuneration as aforesaid of the Executive Director shall be subject to such limits of remuneration as are laid down by the Central Government in the Companies Act, 2013, it's Schedule V and/or amendments made/as may be made therein from time to time.

Notwithstanding anything to the contrary contained herein, where in any financial year during the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay the Executive Director remuneration by way of salary, allowances and perquisites not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors of the Company, after obtaining suitable recommendation from the Nomination & Remuneration Committee of the Board of Directors of the Company.

The scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors on the recommendation of the Nomination and Remuneration Committee, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and/or the rules and regulations made there-under and/or such guidelines as may be announced by the Central Government from time to time.

The Company shall pay to or reimburse the Executive Director and he shall be entitled to be paid and/or to be reimbursed by the Company all costs, charges and expenses that may have been or may be incurred by him for the purposes of or on behalf of the Company.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders for re-appointment of Mr. Ravishankar Sharma for further period of 3 years with effect from 1st May 2023.

None of the Directors except Mr. Ravishankar Sharma nor the Key Managerial Personnel and their relatives, are concerned or interested in the said resolution.

Item No.6

As per Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires companies to obtain approval of the Members by passing of a special resolution, every year, for payment of remuneration to a Non-Executive Director exceeding 50% (fifty percent) of the total annual remuneration payable to all Non-Executive Directors.

Mr. Atul Choksey is the Promoter, Non-Executive Director/ Chairman of the Company since 1991. He plays an important role in guiding the Managing Director and Executive Director for long term strategy and for continual growth of profitability of the Company. In view of role played by him in the functioning of the Company, the proposed remuneration structure of the Chairman is devised so as to be commensurate with the efforts and inputs that he provides to the Company and accordingly he is entitled to an additional remuneration for his engagement beyond Board meetings which is based on industry standards.

The Board of Directors in their meeting held on 27th April 2023, have approved the payment of commission of ₹ 121 Lakhs only to Mr. Atul Choksey – Chairman of the Company, out of the total Commission of ₹ 158.50 Lakhs only available for Non-Executive Directors of the Company, as computed under Section 198 of the Companies Act, 2013, which is about 1% of net profits of the Company for the financial year, which is subject to approval of the shareholders in the ensuing AGM. In the AGM held on 4th June 2019, the shareholders have approved the payment of commission upto 3% of net profits of the Company to Non-Executive Directors.

Since the amount of Commission payable to Mr. Atul Choksey – Chairman, as proposed by the Board of Directors, exceeds 50% of the total Commission amount available for Non-Executive Directors of the Company, the approval of Shareholders is required by way of a Special Resolution.

Mr. Atul Choksey, Non-executive Director/Chairman of the Board and his relatives' viz. Mr. Amit C Choksey and Mr. Abhiraj Choksey, are deemed to be interested in the resolution set out at Item No.6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No.6


Your Board recommends the passing of Special Resolution set out at Item No.6 of the Notice.

Item No.7

The Company is required to have its costs records audited by a Cost Accountant in practice. Accordingly, the Board of Directors at their meeting held on 27th April 2023, have appointed M/s. VJ Talati & Co., Cost Accountants, as Cost Auditor for conducting the audit of the cost records of the Company, for the financial year 2023-24 on a remuneration of ₹ 65,000/- (Rupees Sixty Five Thousand only) plus taxes as applicable and re-imbursement of expenses incurred by them in connection with the audit.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, members of the company are required to ratify the remuneration proposed to be paid to the Cost Auditors.

Accordingly, consent of the members is sought for passing the Ordinary Resolution as set out at Item No.7 of the Notice for ratification of the remuneration payable to the Cost Auditors.

None of the Directors, Key Management Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise, in the resolution. 

The Board of Directors recommends the Ordinary Resolution set out at Item No.7 of the accompanying Notice for approval by the Members.

Item No. 8

Pursuant to the provisions of clause (c) of sub-section (1) of Section 180 of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up share capital and free reserves of the Company, except with the consent of the shareholders of the Company. The Shareholders of the company had given their consent to borrow not more than ₹ 300 Crores only (Rupees Three

Hundred Crores only) in their 33rd Annual General Meeting held on 4th June 2019. As the Company is in the expansion phase and with a view to augment the funds required by the Company, the Board of Directors deems it advisable to raise long term finance by borrowing, whenever necessary. It is proposed to increase the limit of borrowings to ₹ 500 Crores only from the existing limit of ₹ 300 Crores only. To obviate the need for the Company to obtain permission of shareholders every time before such transaction(s) takes place, it is proposed to obtain a general sanction from the Shareholders by a Special Resolution.

It shall be necessary to mortgage/pledge/charge/hypothecate create charge/provide security on the assets of the company both present and future for the purpose of borrowing funds. In terms of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors can exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertaking, only with the consent of the Company, by passing a special resolution.

Keeping in view the above provisions, the Company proposes to obtain shareholders' consent to the proposed Special Resolution of Borrowing powers of the company and creation of charge /providing of security.

None of the Directors, Key Management Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the resolution under this item of the Notice.

BY ORDER OF THE BOARD
For apcotex industries limited

Jeevan Mondkar
Company Secretary

Date: 27th April 2023
Place: Mumbai

Registered Office:
49-53, Mahavir Centre,
Sector 17, Vashi,
Navi Mumbai - 400 703

Annexure to Notice of the AGM

Details of Directors seeking appointment/re-appointment at the forthcoming AGM in pursuance of Regulation 36 of SEBI (LODR) Regulations, 2015 and SS 2-Secretarial Standards on General Meetings issued by Institute of Company Secretaries of India (ICSI).

Name of the Director	Mr. Atul Choksey	Mr. Ravishankar Sharma
Director Identification Number	00002102	08739672
Date of Birth	17/10/1951	13/05/1966
Nationality	Indian	Indian
Date of appointment on Board	23/01/1991	21/05/2020
Qualification	Chemical Engineer	Chemical Engineer
Shares held	68,81,514	NIL
Experience / Expertise	Mr. Atul Choksey has more than four decades of experience in managing the affairs of the Company. He worked with Asian Paints Ltd in various capacities viz. whole time Director and as Managing Director from 1984 to 1997.	Mr. Ravishankar Sharma has over 34 years of experience in Production, Projects, Specialty Chemicals and Manufacturing.
Remuneration last drawn	Not Applicable	₹ 87.31 lakhs p.a. (Includes Variable)
Remuneration proposed to be paid	Not Applicable	₹ 115.71 lakhs p.a. (Includes Variable)
List of Directorship held in other listed Companies	CEAT Limited	-/-
Membership / Chairmanships of Audit and Stakeholders Relationship Committees across Public Companies	-/-	-/-
Relationship with other Board Members	Related to Mr. Amit Choksey and Mr. Abhiraj Choksey	Not related to any Board Member or Key Managerial Personnel

PERFORMANCE SUMMARY										
	2022-23	2021-22	2020-21	2019-20^	2018-19***	2017-18	2016-17 #	2015-16 ***	2014-15	2013-14*
Revenues	108,721.84	96478.17	54582.22	50191.52	63335.65	53331.35	41792.93	27570.36	36065.63	29946.68
Gross Sales	106,926.76	95,116.49	53,788.05	49,152.19	62,307.63	53,635.82	42,951.38	29,772.37	39,114.46	33,035.43
Net Sales	106,926.76	95,116.49	53,788.05	49,152.19	62,307.63	52,428.96	38,654.81	26,700.26	35,336.86	29,537.81
Other Income	1,795.08	1,361.68	794.17	1,039.33	1,028.02	902.39	3,138.12	870.10	728.77	408.87
Cost										
Material Consumed	70,798.48	62,363.50	33,938.02	34,722.53	44,300.95	36,058.19	26,922.05	17,552.65	25,020.39	22,663.67
Employee's Remuneration and Benefits	5,639.86	5,086.73	4,306.98	3,939.71	3,829.22	3,383.42	2,916.38	1,521.63	1,410.26	1,158.82
Other Expenses (Incl Finance Cost)	16,208.70	14,582.47	9,212.41	7,729.15	7,859.21	7,097.95	6,401.72	3,911.68	5,254.42	3,782.25
Gross Profit	16,074.80	14,445.47	7,124.81	3,800.13	7,346.27	6,791.79	5,552.78	4,584.40	4,380.57	2,341.94
Depreciation	1,523.33	1,409.47	1,451.19	1,339.74	1,179.26	1,214.24	1,210.03	894.43	897.71	676.81
Earning Before Interest, Tax, Depreciation and Amortization (EBITDA)	16,580.62	14,770.94	7,505.89	4,062.36	7,526.57	6,948.77	5,840.39	4,826.41	4,704.83	2,756.43
Profit before tax	14,551.47	13,036.00	5,673.61	2,460.38	6,167.01	5,577.55	4,342.75	3,689.96	3,482.85	1,665.12
Profit after tax	10,793.88	9,880.61	4,415.88	1,662.72	4,660.48	3,863.64	3,498.52	2,814.31	2,468.06	1,314.32
Earnings Per Share	20.82	19.06	8.52	3.21	8.99	18.63	16.87	13.57	23.80	12.68
Capital Accounts										
Share Capital	1,036.90	1,036.90	1,036.90	1,036.90	1,036.90	1,036.90	1,040.80	1,040.80	522.35	522.35
Reserves and Surplus	46,564.41	38,579.45	29,503.44	24,090.46	26,738.29	23,601.80	21,251.04	26,125.70	9,452.95	8,005.18
Net Worth	47,601.31	39,616.35	30,540.34	25,127.36	27,775.19	24,638.70	22,291.84	27,166.50	9,975.30	8,527.53
Net Block of Fixed Assets	38,531.28	15,656.68	14,476.51	12,487.53	7,641.73	7,852.96	8,778.68	8,985.27	6,325.26	6,779.16

* Equity shares of Rs 10 each subdivided into 2 equity shares of Rs 5 each on 17th August 2013 (Record date)

** Bonus Share Capital allotted in the ratio of 1:1 on 25th September 2015

The financials for FY 2015-16 and FY 2016-17 have been restated as per IND-AS.

^Equity share of Rs 5/- each subdivided into Equity share of face value of Rs 2/-each with effect from 5th July 2019 (Record date).

***EPS figure restated for comparability on account of subdivision of equity shares.

NOTES







GET IN TOUCH

📍 49-53, 3rd Floor, Mahavir Centre, Plot No. 77, Sector - 17,
Vashi, Navi Mumbai - 400703, Maharashtra, India

☎ +91 22 2777 0800 ✉ info@apcotex.com 🌐 www.apcotex.com