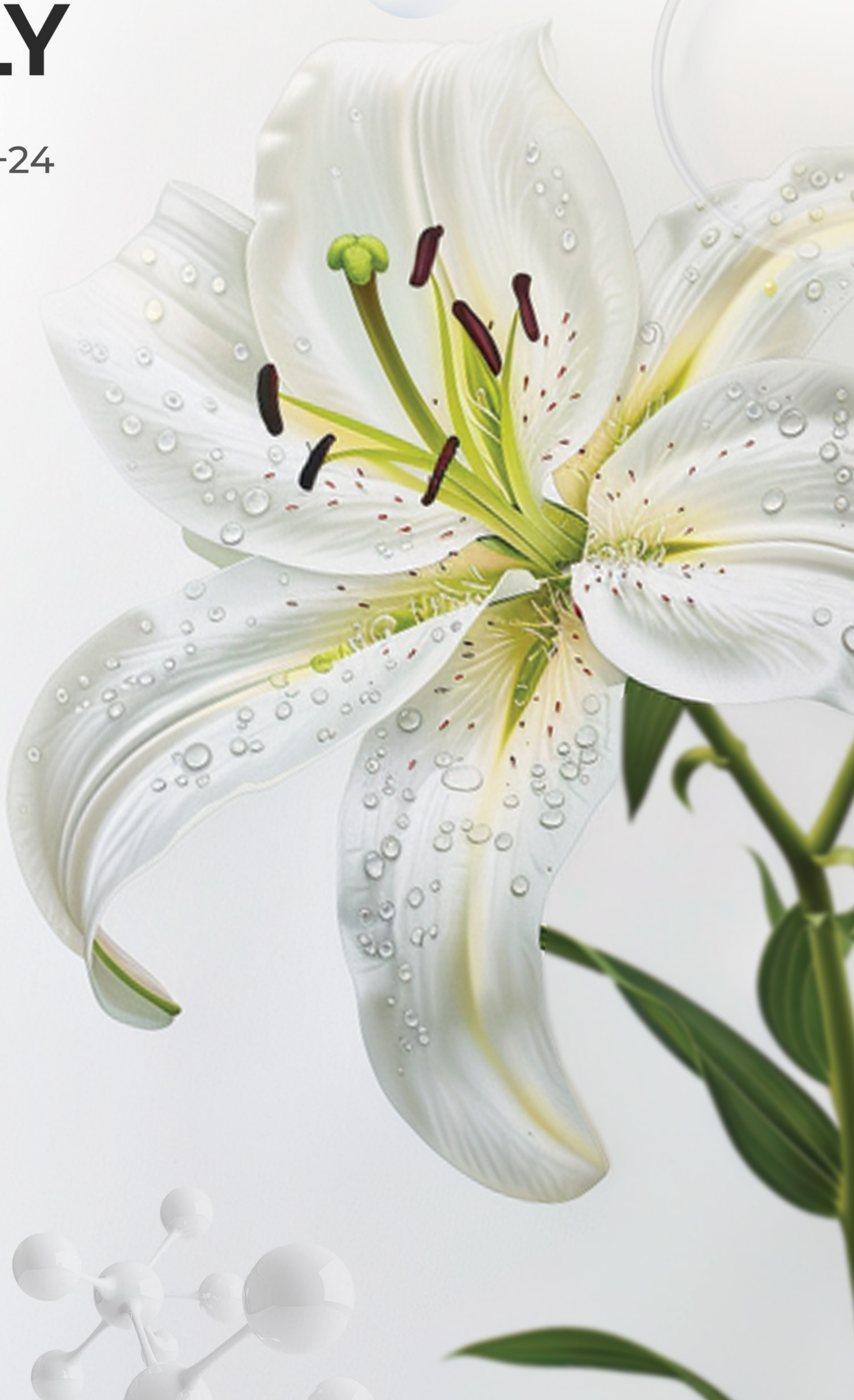
eternis

PIONEERING **SUSTAINABILITY** EXPANDING **GLOBALLY**

ANNUAL REPORT 2023-24



ETERNIS FINE CHEMICALS LIMITED

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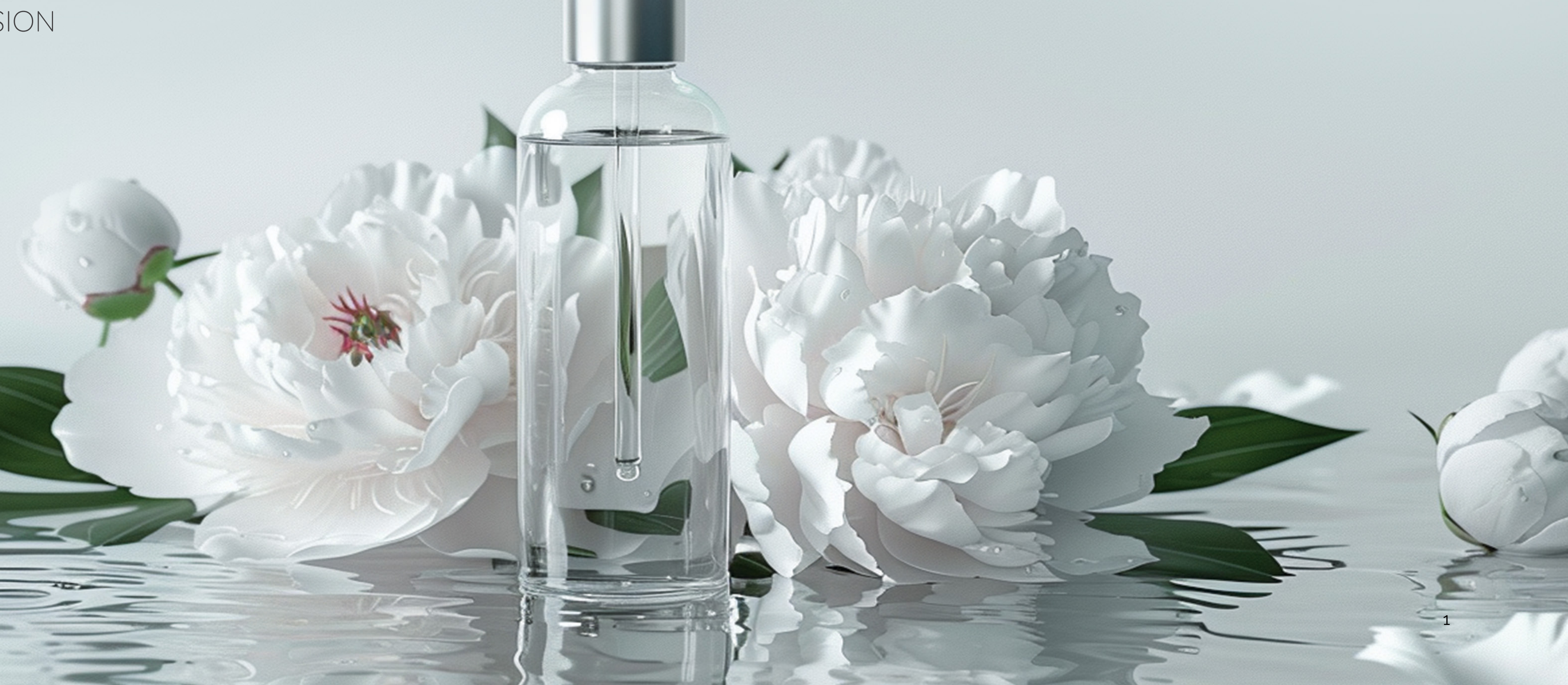
PIONEERING **SUSTAINABILITY,** EXPANDING **GLOBALLY**

"No Elegance Is Possible Without Perfume. It Is The Unseen, Unforgettable, Ultimate Accessory."

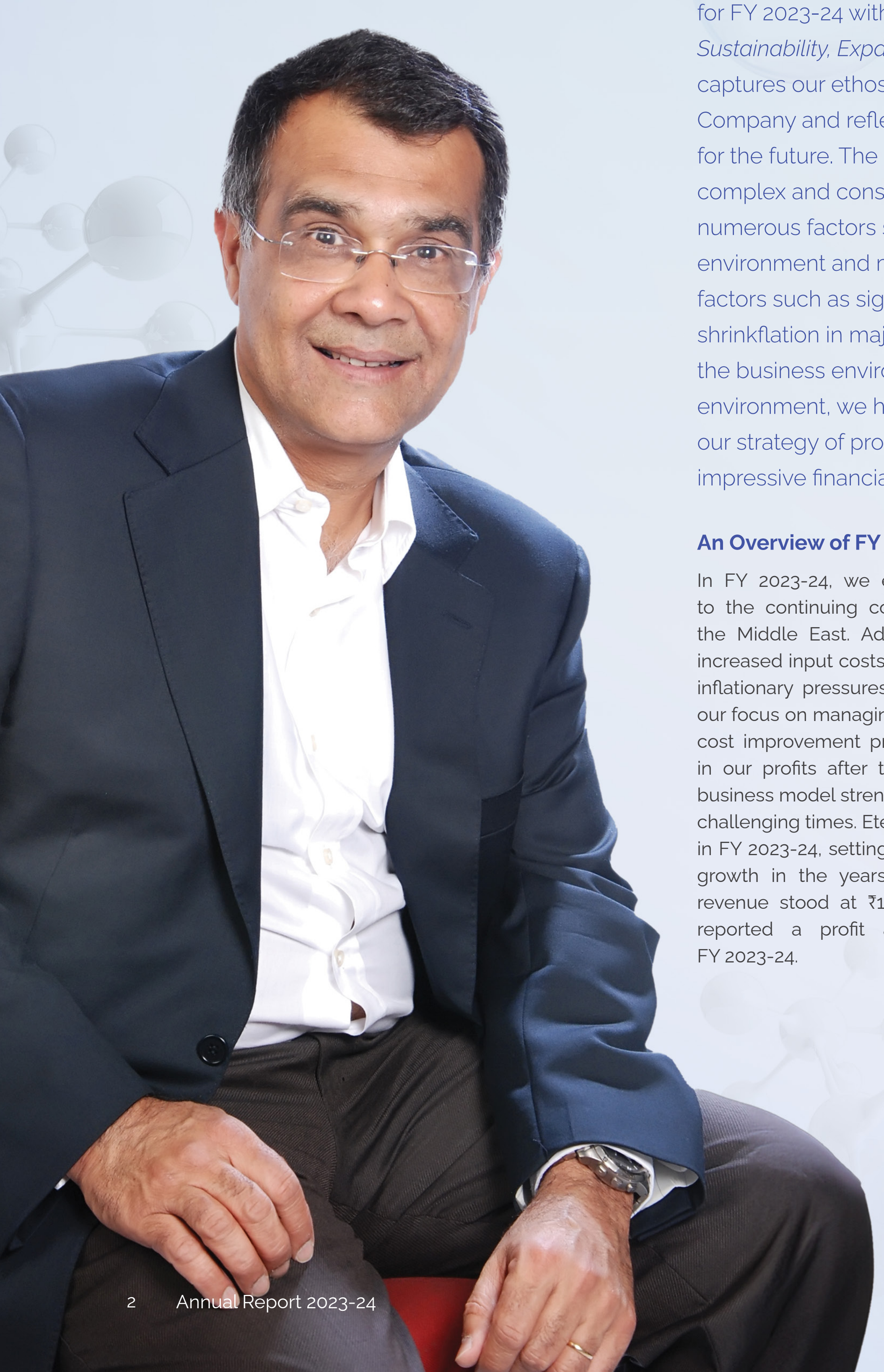
— Coco Chanel

Aroma is a sensory experience evoking powerful memories and emotions. Eternis Fine Chemicals Limited specialises in supplying ingredients through which fragrances blossom and create an invigorating sensorial experience. The nature of our business is such that sustainability is inherent to our manufacturing processes but we're taking this even further and making a mindful effort to inculcate sustainable practices in everything we do. As the market and demand for aroma chemicals is on the rise, Eternis is ready to embark on global expansion and we're looking forward to sharing this exciting journey with all our stakeholders.

The values that drive our Environmental, Social, and Governance initiatives allow us to create positive change on a micro and macro level. We nurture the environment using modern technology for waste reduction, water conservation and energy-use in our production processes. We adhere to the highest standards of health and safety for our people and our planet. Our social efforts focus on the well-being of our employees by promoting diversity and inclusivity. On a larger scale, we actively engage with underserved communities to empower and uplift them. Our governance decisions are founded on ethical leadership and transparency, keeping mind the long-term interests of all our stakeholders.



MESSAGE FROM OUR **MANAGING DIRECTOR**



To all Stakeholders,

I'm delighted to share with you our Annual Report for FY 2023-24 with the theme of - *Pioneering Sustainability, Expanding Globally* which captures our ethos, gives an overview of our Company and reflects our ambition and vision for the future. The global economy is incredibly complex and constantly evolving, influenced by numerous factors such as unstable geo-political environment and more specifically to our industry factors such as significant de-stocking and shrinkflation in major parts of the world impact the business environment. In this dynamic environment, we have remained focussed on our strategy of profitable growth and delivered impressive financial performance.

An Overview of FY 2023-24

In FY 2023-24, we experienced ongoing volatility due to the continuing conflict in Ukraine and the crisis in the Middle East. Additionally, we also had to combat increased input costs, disruptions in global supply chains, inflationary pressures, and rising interest rates. Through our focus on managing cost through strategic buying and cost improvement projects, we delivered a 35% growth in our profits after tax. These results demonstrate our business model strength and resilience for growth even in challenging times. Eternis delivered a robust performance in FY 2023-24, setting the foundation for transformational growth in the years ahead. On a consolidated basis, revenue stood at ₹19,341.23 Million, and the Company reported a profit after tax of ₹936.78 Million for FY 2023-24.

During the year, we successfully commissioned the Patas manufacturing facilities. We have other important projects in pipeline such as Green Hydrogen, capacity expansion at our Kurkumbh and Patas facility that will be executed in the phased manner and support to volume growth in coming years.

We continue to remain focus on our Sustainability agenda. We have established ambitious goals aligned with global standards such as the UN Sustainable Development Goals and we have put initiatives in place to achieve these goals. All of our actions towards sustainability will be carried out with transparency as we will report and communicate our sustainability efforts to all our stakeholders.

We encourage a customer-centric culture and a customer-first mind-set throughout our organisation. This is achieved with the implementation of effective customer service processes and metrics to ensure satisfaction.

Our people are one of our strongest assets and we continually invest in employee development initiatives. We're committed to ensuring an inclusive work environment and we have implemented programmes like Eternis Care which focuses on the overall well-being of our people. During the year, our organization conducted an organization-wide employee engagement survey, with an exceptional 99% participation rate among our employees. It was encouraging to see the results showed a strong pride in Eternis and Management competence. We also saw the areas we need to improve on.

AI is the future and we are moving in the direction of AI integration and AI-driven solutions for predictive maintenance, quality control, and supply chain optimisation. We have embraced digital tools and platforms for streamlined operations and enhanced customer experiences, and we've strengthened cybersecurity measures to safeguard our data and intellectual property.

The global and Indian aroma chemical industry is experiencing rapid growth forecasted to grow at a CAGR of 4.6% till 2029. Similarly, the Indian market is also expected to grow in the next five years. The industry is also at an advantage with technological advancements as recent innovations have led to improved efficiency, reduced costs, and increased availability of aroma chemicals, which are essential for various industries such as food and beverages, cosmetics, and personal care. Technological advancements in extraction methods, such as the use of green chemistry and biotechnology, have led to the development of more sustainable and cost-effective methods for producing aroma chemicals.

Eternis is at the forefront of these developments, and we are leveraging every opportunity to create lasting value for our stakeholders while creating positive change for the global community and environment. Our stakeholders have a lot to look forward to given the rising demand for essential oils and natural extracts in various applications as this translates to more growth opportunities for us. Eternis will use these opportunities to their full potential and we plan to expand and grow through sustainability initiatives, digital transformation and with strategic partnerships and alliances.

We already have a manufacturing presence in the UK and our trading hub in Singapore which allows us to sell our products in Singapore, Indonesia and surrounding countries. We have now made a foray into the European Union (EU) by incorporating a company in the Netherlands and we have a new subsidiary in the US, too. Through these subsidiaries we will be closer to our customers and help them service better.

Lastly, we're extremely excited with the appointment of our new Group CEO, Wilfrid Gambade, who will spearhead Eternis' growth as a global ingredients partner with industry leading sustainability and safety. Wilfrid will focus on global expansion of our existing business through capacity building and customer partnerships and help us build new platforms in adjacency businesses. As we expand globally with sustainability at its core, we do so with enthusiasm for a bright future for Eternis and all our stakeholders

Yours,

Rajendra Mariwala
Managing Director
Eternis Fine Chemicals Limited

MESSAGE FROM OUR **CHIEF FINANCIAL OFFICER**

To all Stakeholders,

I'm glad to begin on a positive note that we have delivered resilient performance this year despite the many global challenges. Our EBIDTA of ₹2589 Million has increased 22% on a y-o-y basis. Profit After Tax stood at ₹936.78 Million in FY 2023-24 as against ₹696.60 Million showcasing an incredible 35% y-o-y increase. The cashflow from operating activities stood at ₹3318.9 Million registering a growth of 71% over previous year. This resulted in a net debt reduction of ₹165 Crore in FY 2023-24 and significant improvement on Return on Capital Employed.

Eternis' strong financial performance has been driven by various strategic initiatives of building and expanding capacities, improving operational efficiencies, focus on capital management and cash flow and most importantly by embedding environmental, social, and governance (ESG) considerations into our financial decision-making processes.

While delivering strong financial performance, the Company continues to progress in its sustainability agenda by adopting initiatives to reduce environmental impact, promoting social responsibility, and enhancing corporate governance. More than 60% of the Company's energy consumption is from renewable sources. The Company recorded zero fatal accidents during FY 2023-24.

Governance and risk mitigation are fundamental pillars of Company's corporate framework, ensuring that the Company operates ethically, transparently, and resiliently in pursuit of its strategic goals. For this the Company has a well-defined governance structure in place, consisting of the Board of Directors with crucial role in strategy and legal regulation. This governance structure also comprises executive management, and various committees.

Eternis has developed robust Enterprise Risk Managment (ERM) framework which identifies and creates mitigation plan for key business risks. The ERM framework ensures that all Business functions consider risks involved while making business decisions and setting up processes and create an action plan to mitigate such risks.

The Company recognises that engaged employees are key drivers for profitable and sustainable growth. Towards this the Company has implemented number of employee engagement initiatives to create diverse and inclusive work environment. During the year, the employees of the Company underwent training of more than 3 days on an average.

The Company engages with various institutions and local communities to fulfil its commitment to Corporate Social Responsibility. During the year, the Company has spent ₹ 22.54 Million towards CSR initiatives with the focus on Education, Healthcare and Environment Sustainability.

Our unwavering dedication to excellence, integrity and sustainable growth remain the core values and strengths of our business and as we expand operations globally, we create long-term value for our stakeholders and fortify our financial position.

Yours,

Chetan Chowatia
Chief Financial Officer
Eternis Fine Chemicals Limited

Corporate Overview

ETERNIS: BORN OF A DREAM

In the early 1900s, a visionary Bombay-man, Shri Kanji Morarji, founded a pepper trading company that grew to become Bombay Oil Industries in 1940. Within a decade, the company set up a factory for coconut oil in Mumbai and established one of India's most iconic brands, **Parachute**.

The company grew from strength-to-strength and by the swinging 60s, the company made an entry into Oleo chemicals and Spice Oleoresinsm and by the 90s, Marico Ltd (another Indian icon) was born. This was also when Eternis came into being but back then, it was called Hindustan Polyamides & Fibres Limited. From pepper to perfumes, the company has come a long way. Even though Eternis came into being in 1988, its legacy is almost a century-old and at present, it is India's leading manufacturer of aroma chemicals all set to expand globally with subsidiaries already established in the UK, the EU and the US.

STRATEGY

A Leader In The Aroma Chemicals Industry

Our success is not accidental but results from a well-defined strategy focusing on innovation, quality and sustainability. Our continuous investment in research & development enhances technological advancements, ensuring that our products meet the needs of our customers.

GOAL

To Be The Preferred Choice For Flavour And Fragrance (F&F) Companies Worldwide

To uphold our commitment to quality and compliance, all our products undergo mandatory registration. This ensures that our products meet stringent regulatory standards, giving our customers confidence that they are receiving products of the highest calibre.

VISION

Make People Feel Better Everywhere

Eternis does not just look at business objectives but commits to positively impacting people's lives worldwide. This vision is our guiding light, inspiring every action and decision we make.

PRODUCTS

Quality + Innovation + Reliability

As leaders in their category, our products are crafted to exceed industry standards. The rigorous processes we employ in production are not just about meeting requirements but surpassing them, earning us a reputation as a trusted partner for F&F companies globally.

VALUES

Act On Oaths | Authencity, Collaboration, Think Global, Openness, Trust, Humility And Speed

Our values have been distilled into an actionable statement (ACT on OaTHS) that encapsulates the essence of our principles. This clear call to action guides each organisation member, directing our collective efforts towards success.

BUSINESS FOCUS

Aroma Chemicals

Corporate Social Responsibility

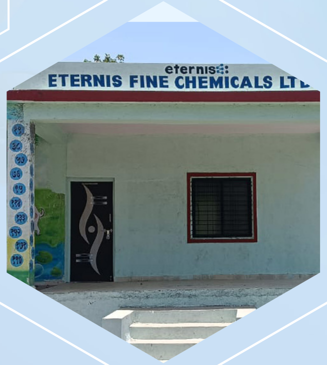
PAYING IT FORWARD

Progress is not insular. For an individual to Prosper, a community has to prosper; for a Community to prosper; society has to prosper; For society to prosper, a country has to prosper.

In this spirit, Eternis' CSR initiatives focus on education, environment sustainability and empowering the youth because they are the future of the country. We have spent ₹ 22.54 Million to uplift and upgrade various schools in Nashik and Pune. To ensure that this empowered youth has a safe planet to live on, we're also invested in environment well-being and collaborated with the Sinnar Taluka Industrial Co-Op Estate Limited (STICE) to plant over 600 trees. Here's an overview of our efforts to create positive change.

NASHIK

Eternis has upgraded the existing infrastructure at different schools located in rural areas that are maintained by local bodies. By constructing extra classrooms, we have ensured that students have ample space to study. Additionally, we supported the construction of separate toilets for girls and boys, along with a RCC water tank and pipeline to provide clean drinking water.

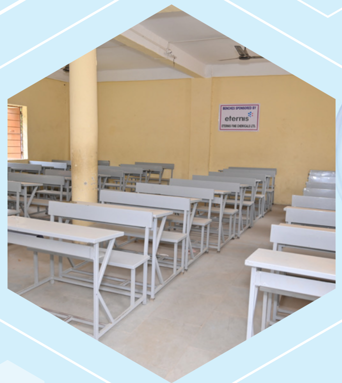


PUNE

Eternis has been actively involved in enhancing educational infrastructure across Pune district in schools managed by Gram Panchayats. Our contributions include:

- Setting up a computer lab equipped with furniture and a LED screen.
- Construction of a sanitary block.
- Building a stage for school events.
- Constructed an RCC room.
- Supported the construction of separate toilets for boys and girls.
- Furnished the school with benches and chairs.

These efforts by Eternis have significantly contributed to improving the educational facilities and environment in these schools, benefiting the students and the community.



GREEN BELT DEVELOPMENT

The Sinnar Taluka Industrial Co-Op Estate Limited (STICE) had been using an open plot spanning 12,227 sq. mts. for industrial waste disposal adjacent to our factory. Recognising the opportunity to contribute to environmental stewardship, we approached STICE with a proposal to transform this land into a green belt area. Following STICE's allocation of the land for tree planting, Eternis remediated the site and has planted over 600 trees. This initiative not only beautifies the surroundings but also underscores our dedication to sustainable practices and community well-being..

Before

After

OUR PRESENCE:

REGISTERED OFFICE

1004, Peninsula Tower, Peninsula Corporate Park, GK Marg, Lower Parel, Mumbai- 400 013

DOMESTIC:

MANUFACTURING UNIT:

HPFL Estate, 555, Pune-Nagar Road, Koregaon Bhima, Taluka: Shirur, District: Pune. PIN – 412 216, Maharashtra

Plot No. D-9/1, 9/2, 9/3 & D-15, M.I.D.C., Industrial Area, Kurkumbh, Pune- Solapur Highway, Taluka- Daund, District- Pune

Plot no. 948/2, STICE, Musalgaon, Sinnar Dist: Nashik, 422112

Plot No 2 and 2/1 Additional Kurkumbh - Patas Industrial Area, Kurkumbh MIDC, Additional Kurkumbh (Patas), Daund, Pune, Maharashtra, 413801 (wholly subsidiary company)

R&D CENTRE:

Plot No. R668, T.T.C. Industrial Area, MIDC Industrial Area, Rabale, Navi Mumbai, Maharashtra 400701

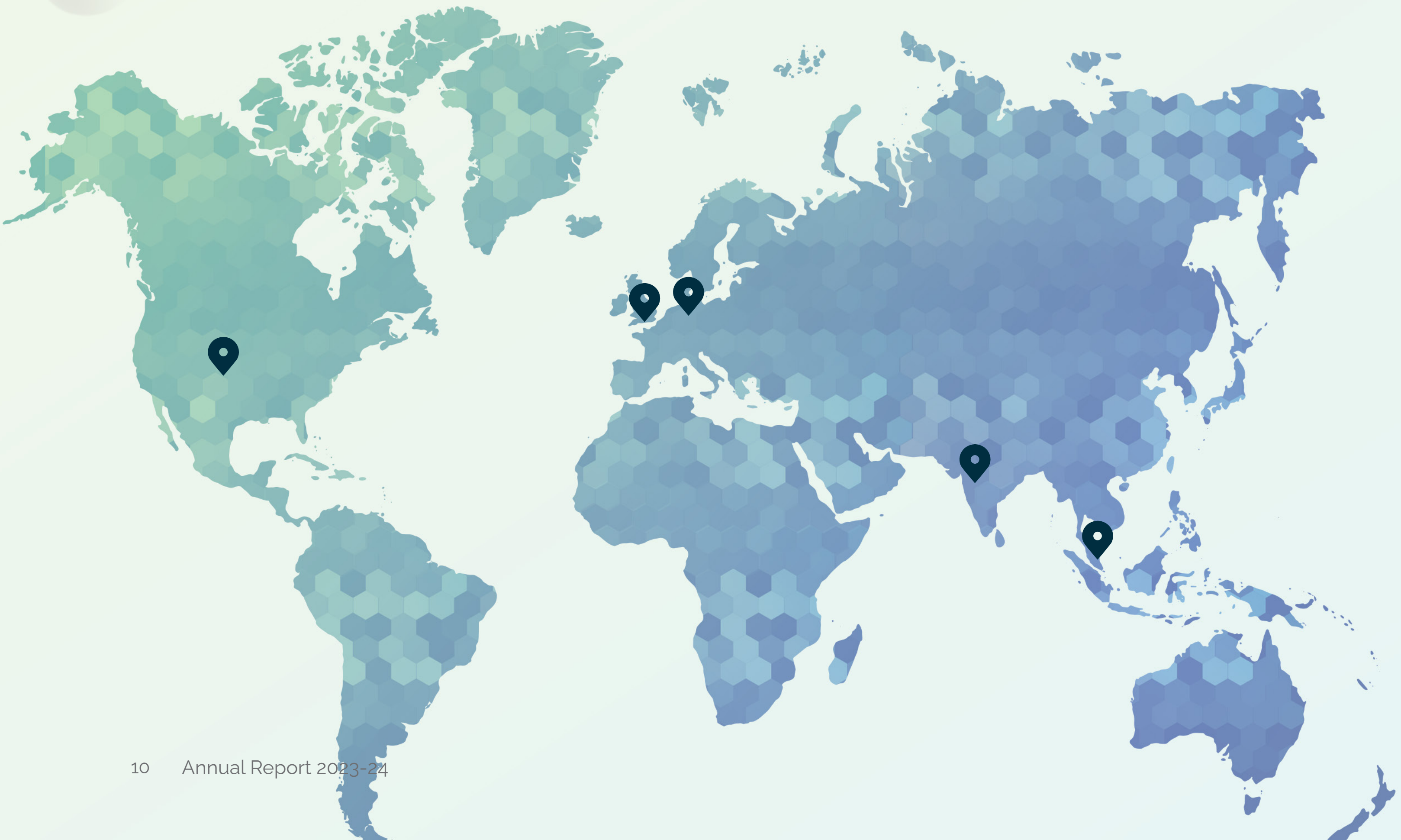
INTERNATIONAL:

Manufacturing Unit

Eternis Fine Chemicals UK Limited
Macclesfield Road, Leek,
Staffordshire, ST13 8LD

Hubs & Offices

USA
Netherlands
Singapore



CORPORATE INFORMATION

BOARD OF DIRECTORS

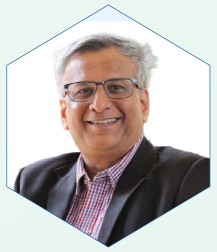
Mr. Harsh Mariwala
(Chairman & Non- Executive Director)

Mr. Rajendra Mariwala
(Managing Director)

Mr. Arun Bewoor
(Independent Director)

Mr. Milind Sarwate
(Independent Director)

Ms. Anita Belani
(Independent Director)



Mr. Ketan Dalal
(Independent Director)

Dr. (Mr.) Ravindra Mariwala
(Non- Executive Director)

Mr. Krishan Kumar Sharma
(Whole-time Director)

Executive Committee Members

Mr. Wilfrid Gambade,
Group CEO (w.e.f. 08th April, 2024)

Mr. Billy Gittins,
Managing Director,
Eternis Fine Chemicals
UK Limited

Mr. Krishan Kumar Sharma,
Whole-time Director &
Vice President- Operation

Mr. Chetan Chowatia,
Chief Financial Officer

Mr. David Whitaker,
Vice President- Marketing,
Eternis UK Limited

Mr. K P Suresan,
Vice President- Technical

Company Secretary & Legal Manager

Mr. Sandesh Pokhriyal

Bankers

Citibank N.A.

Standard Chartered Bank

HDFC Bank Limited

HSBC Limited

DBS Bank India Limited

JP Morgan Chase Bank, N.A.

Statutory Auditors

SRBC & Co. LLP

Internal Auditors

Deloitte Touche Tohmatsu India LLP

RSM Astute Consulting Private Limited

Secretarial Auditors

R.S. Padia & Associates

Cost Auditors

M/s. V. J. Talati & Co.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report covers the operations and financial performance of the Company for the year ended 31st March, 2024 and forms part of the Annual Report.

Overall Review:

During the year under review, the Company's earnings before interest, tax, and depreciation (EBIDTA) showed remarkable growth as compared to the previous year primarily due to improved margins and volumes. EBIDTA stood at ₹2589 Million, up from ₹2,116.30 Million the previous year, marking an increase of 22% on y-o-y basis. The Company's Profit After Tax for FY 2023-24 was ₹936.78 Million compared to ₹696.6 Million, a significant increase of 35% on y-o-y basis. In FY 2023-24, the average capacity utilisation was 70% and, working and operational parameters at all our plants were satisfactory. The Company's operating profits generated surplus cash by focusing on efficient working capital management.

In FY 2023-24, your Company faced ongoing volatility due to several challenges. These challenges include increased input costs, disruptions in global supply chains, inflationary pressures, and rising interest rates. Additionally, the impact of broader geopolitical and economic conditions, such as the continuing conflict in Ukraine and the crisis in the Middle East, further exacerbated the uncertainty in the current environment.

This combination of conditions has created a highly uncertain near-term outlook with many moving parts. Planning is challenging when visibility is low. Despite this uncertain environment, your Company is confident in our business model strategy. These elements continue to offer opportunities to support the growth of the Company's customers across various segments and markets we target.

Our market-leading innovation and creative capabilities, coupled with our global excellence in execution, provide a strong foundation and a set of natural hedges. This enables us to effectively meet external challenges and deliver successful outcomes for our customers, employees, and all our other stakeholders.

ECONOMIC REVIEW:

Global Economy:

The global economy demonstrated remarkable resilience in the post-pandemic scenario, although expansion remained slow. After absorbing the impacts of the Ukraine- Russia conflict, the world struggled with inflation and faced challenges in sustaining economic activity. Another potential disruption in the supply chain is due to disturbances caused by the Red Sea. The intricacies of supply chain management have become more pronounced, with delayed deliveries potentially slowing the crucial order conversion process and escalating logistical costs.

According to the International Monetary Fund (IMF) estimate, global growth was steady at 3.1% in the year 2023. The projection in the year 2024 remains the same at 3.1%. As the world advances, global headline inflation is expected to fall to 5.8% in 2024 and 4.4% in 2025. As per the IMF, the US and Euro areas will likely face slow growth even in 2024.

With disinflation and steady growth, the risk of a hard landing has receded, and risks to global growth are now broadly balanced. On the upside, faster disinflation could lead to an easing of financial conditions. A looser fiscal policy than necessary and then assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers.

Indian Economy:

In FY 2023-24, the Indian economy continues to show strength and resilience, outpacing the global average significantly. According to the latest estimate of the Reserve Bank of India, the economy will likely to register a real GDP growth of around 8% in the FY 2023-24, even as the favourable base effect begins to wane. Thus, it remains one of the fastest-growing major economies in the world. The Indian economy now stands at USD 3.73 trillion, firmly on track to become a USD 7.3 trillion economy by 2030. This growth is bolstered by steady domestic demand, an uptick in the manufacturing and service sectors, and focused spending on infrastructure by both the government and private sectors. However, consumption was skewed in favour of households in the upper-income bracket.

According to the Centre for Monitoring Indian Economy (CMIE), inflation may decline for two consecutive years. It is likely to fall to 4.3% in the FY 2024-25 from 5.4% in the FY 2023-24. The Reserve Bank of India also projected inflation to stabilise at 4.5% in the FY 2024-25.

As per IMF, growth in India is projected to remain strong at 6.5% in both 2024 (FY 2024-25) and 2025 (FY 2025-26), reflecting strong domestic demand.

Faced with inflationary pressures, the Reserve Bank of India tightened the monetary policy by increasing its repo rate to 6.50% in FY 2023-24, making borrowing more expensive. However, the repo rate has not increased for the past nine months and is expected to decrease in the second half of FY 2024-25.

At the close of FY 2022-23, the Rupee stood at ₹82.181 against the US Dollar, depreciating approximately 1.42% over the year.

UK Economy

Although the United Kingdom is expected to avoid a recession this year, the country faces a challenging economic outlook. The energy price shock resulting from Russia's war in Ukraine has disrupted recovery efforts, with growth projected at a modest 0.4% in the year 2023 and 1% in the year 2024, down from 4.1% in in the year 2022. The terms of trade shock, combined with historically tight labour markets, have also pushed inflation to 10.5% in 2022. Inflation is expected to fall to 5.2% in the year 2023, further easing to 2.6% in the year 2023.

In March 2020, the Bank of England introduced measures in response to COVID-19, cutting interest rates to 0.1% – the lowest they have ever been. These rates remained at this level until December 2021. However, the Bank of England increased the interest rate to contain inflation from the Russia -Ukraine conflict and the aftermath of COVID-19. As of 31st March, 2024, the rate stood at 5.25%. With inflation taming down to a projected 5.2% for in the year 2023 from the high of 10.5% in the year 2022, a downward interest rate is expected.

At the close of the year 2022, the GBP stood at 1.21 against one US Dollar. However, by the close of the year 2023 GBP stood at 1.27 against one US Dollar an annual change of 5.22%.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Aroma Chemicals are compounds that possess complex scents to enhance fragrances' diffusive properties. Natural Aroma chemicals are extracted from natural sources, whereas synthetic aroma chemicals are created in laboratories to mimic natural aromas.

INDIAN AROMA CHEMICALS MARKET

[1]The Indian aroma chemicals market is currently valued at USD 265.15 Million. It is projected to reach USD 346.21 Million over the next five years, with a CAGR of 5.48% during the forecast period.

Unlike many other chemicals, the demand for aroma chemicals experienced a positive impact from the COVID-19 outbreak, specifically due to the growth in demand for soaps, sanitisers and detergents. Lifestyle changes, which necessitated more frequent hand washing and improved hygiene, led to heightened use of soaps, hand washes, and related products.

India is one of the largest producers of essential oils and fine fragrances. It is known globally for various oils and fragrances that are widely sought after for their healing and rejuvenating properties.

There is a growing trend in the Indian aroma chemicals market towards natural and organic ingredients. Consumers are increasingly seeking products made from natural and sustainable sources, prompting the adoption of natural aroma chemicals in the fragrance industry. Additionally, the rising popularity of exotic and unique fragrances drives demand for innovative aroma chemicals to create differentiated products.

In India, aroma chemicals are predominantly applied to the following sectors:

a) Cosmetic and Toiletries

b) Food and Beverages products

c) Home care products

d) Fragrances

e) Soap and Detergents

GLOBAL AROMA CHEMICALS

[2]The Global Aroma Chemicals Market size is Valued at USD 4.66 billion in 2024, and is expected to reach USD 5.85 billion by 2029, growing at a CAGR of 4.65% during the forecast period. The global aroma ingredients market is experiencing robust growth, driven by increasing consumer demand for scented products across industries such as perfumes, cosmetics, and food. However, the industry is facing challenges in chemical value chains worldwide. Europe is dealing with supply-driven inflation, while North America is experiencing a demand-driven downturn due to decreased consumer sentiment and willingness to spend.

GLOBAL FLAVOUR AND FRAGRANCES

[3]The global flavours and fragrances market was estimated at USD 30.61 Billion in 2023 and is anticipated to grow at a compound annual growth rate (CAGR) of 5.4% from 2024 to 2030. The market is anticipated to be driven by rising global demand and consumption of processed food, personal care, and cosmetic products.

The healthcare and pharmaceutical industries are increasingly using flavors and scents to give drugs that would normally taste & odour bitter a more pleasing flavor and aroma. These factors are fuelling the expansion of the flavors & fragrances industry.

The global industry was dominated by the Asia Pacific Region contributing the highest share of more than 31% of the overall revenue.

[1]https://www.mordorintelligence.com/industry-reports/india-aroma-chemicals-market
[2]https://www.mordorintelligence.com/industry-reports/aroma-chemicals-market
[3]https://www.grandviewresearch.com/industry-analysis/flavors-fragrances-market

OPPORTUNITIES AND THREATS

Growth of Perfumery Industry:

The perfumery industry has experienced significant growth over recent years, driven by an increased need for sanitisation (due to COVID-19), rising disposable incomes, increased brand consciousness among consumers, and changing lifestyle trends. This expanding perfume market has fuelled the demand for aroma chemicals which are the primary components used in perfume formulations.

Aroma chemicals help impart different fragrances and smells to perfumes and thus play a vital role in the perfumery business. As more consumers embrace luxury personal care products and invest in high-end fragrances from domestic and international brands, the need for natural and synthetic aroma compounds has increased.

Your Company is well prepared to capitalise on the rising demand and drive significant growth. Your Company has expanded our geographical presence by setting up subsidiaries in European Union and the USA, enhancing its ability to meet additional demands.

Growing Food & Beverages Industry:

With more disposable income, there is a growing demand for innovative and exotic flavours in the food and beverages sector, which will contribute significantly to the rising demand for aroma chemicals. Companies from the food and beverage industry are launching new product lines, enticing consumers with different flavours, fragrances and tastes. This drives them to use more aroma chemicals in formulating various food products and beverages. Aroma chemicals play a vital role in emulating natural flavours and masking other flavours in food products. They also help manufacturers develop consistent flavours across different production batches. The expanding processed and packaged food market in India has particularly bolstered the usage of aroma chemicals.

To capitalize on this opportunity, your Company has obtained an FSSAI license to ensure that our manufacturing locations and practices comply with global standards on food safety.

Technological Advancement in the extraction of Aroma Chemicals:

Technological innovations have improved efficiency, reduced costs, and increased availability of aroma chemicals, which are essential for various industries such as food and beverages, cosmetics, and personal care. Technological advancements in extraction methods, such as the use of green chemistry and biotechnology, have led to the development of more sustainable and cost-effective methods for producing aroma chemicals.

Your Company actively explore emerging technologies relevant to our sector to enhance our manufacturing efficiency and improve the quality of products. Your Company has implemented an in-house 'Cost Improvement Programme' for improving the cost of manufacturing through process improvement and increasing its manufacturing headspace.

Increasing Demand for Natural Aroma Chemicals in Cosmetics and Toiletries

Your Company sees a significant growth opportunity in the natural aroma chemicals segment, driven by a shift in consumer demand for natural aroma chemicals in cosmetics and toiletries. Consumers are becoming more aware of the ingredients in their personal care products and are seeking natural alternatives to harsh chemicals. This has increased demand for natural aroma chemicals derived from plant sources such as esters and terpenes.

THREATS/RISKS AND CONCERNS:

Changes in Regulatory Landscape and safety concerns:

The aroma ingredients market is subject to rigorous regulations and safety standards, particularly in industries like food, cosmetics, and personal care. Owing to the nature of industry, your Company is governed by strict regulations, environmental, health and safety standards that are continually evolving to mitigate any health or safety hazard posed by these chemicals. Recently, the discontinuation of the export promotion scheme known as the Merchandiser Export Incentive Scheme resulted in a financial loss to your company.

Your Company primarily cater to the Fragrance and Flavours (F&F) segment, which is guided by the International Fragrance Association (IFRA). There are frequent amendments made by IFRA, mainly concerning regulations on the quantity and concentration level of chemicals usage. Your Company's products are chemical in nature and thus are exposed to risk of adverse classification by regulatory bodies/ regulations such as the Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and the European Chemicals Agency (ECHA). Regulation on wastewater and air emissions is getting more stringent for environmental protection.

Regulatory agencies & governing bodies are proactively imposing bans on chemicals or raw materials due to their carcinogenic attributes or links to chronic health concerns.

Your Company has a dedicated Compliance cell that monitors all external developments in the regulatory landscape. Your Company has adopted a zero-liquid discharge policy for water treatment at our manufacturing facilities in India to prevent pollution of surface water, groundwater and other water resources, as higher Total Dissolved Solids (TDS) levels in treated water can have an impact on water quality and aquatic life. Your Company did not emit any ozone-depleting substances. Throughout the year, all measured air pollutants were within the National Ambient Air Quality Standards (NAAQS) emission limits.

High R & D Cost:

Your Company manufacture synthetic chemicals for fragrances derived from petroleum-based chemicals such as benzene, aldehydes, and others, subject to stringent government regulations. There has been a shift in trend from synthetic chemicals to more sustainable and greener chemicals. Migrating from manufacturing synthetic chemicals to natural source chemicals will result in high R&D costs, which may hamper the growth of the global aroma chemicals market.

Your Company has a dedicated R&D Centre equipped with state-of-the-art technology and infrastructure to complement our growth strategy. It continues to invest in this centre and on-board technical talent to further its agenda of new product development. In addition, it partners with technical institutes to identify and develop new technical platforms.

Fluctuating Prices of Raw Materials:

Fluctuations in raw material prices or disruptions in the supply chain caused by geo-political situations or natural causes, such as COVID-19, can significantly increase operational costs of aroma ingredients and a delay in production, thereby impacting your Company's operational margin and profitability.

As a strategic response, your Company continuously enters into quarterly contracts with suppliers for raw materials and maintain adequate levels of inventories to mitigate this risk.

Forex Risk

The extended global presence of your Company makes it vulnerable to financial risk in the event of sharp cross-currency fluctuations. Over 70% of its total revenue is in US Dollars. Therefore, any fluctuations in exchange rates, including the exchange rate between the Indian Rupee and the U.S. Dollar, due to economic instability, geopolitical issues, political instability and downturns in the regions where it operates, may lead to changes in regulations by governments. All these factors may potentially lead to losses in the forex.

Your Company has a Forex risk management policy in place to protect the contribution margins through hedging of foreign exchange. It provides flexibility to conduct discretionary hedges to take advantage of exchange rate movements.

OUTLOOK

CHANGE IN CONSUMER PREFERENCE:

Consumers are increasingly seeking products with natural and clean label ingredients. Your Company expects this trend to drive the demand for aroma ingredients derived from natural sources such as essential oils, botanical extracts, and plant-based materials.

The aroma ingredients industry is moving towards more sustainable and traceable sourcing practices, fuelled by growing consumer awareness of environmental and social issues.

Customisation and personalisation are gaining traction in the aroma ingredients market. Consumers seek unique and tailored scent experiences in various products, including perfumes, cosmetics, and household products.

Your Company understands changing consumer sentiments and is making strides in manufacturing/extracting chemicals from natural sources to meet these changing consumer preferences.

GLOBAL REACH

Eternis in UK

As a part of the growth and expansion strategy, through our subsidiary Eternis UK, we acquired 100% shareholding of Tennants Fine Chemicals Limited (now known as Eternis Fine Chemicals UK Limited) along with its wholly owned subsidiaries in Singapore and China. This acquisition was intended to expand and complement our range of aroma chemicals whilst leveraging the multi-location manufacturing and distribution platforms to better service our customers regionally and de-risk our supply chain.

Eternis in Singapore

Through its subsidiary in Singapore, your Company sells its products in Singapore, Malaysia and other nearby countries. This allows us to maintain the stocks at its Singapore hub and cater to the demands of customers in Singapore and surrounding regions, which results in better customer service.

Eternis in European Union (EU)

To enhance the quality of its service, during the year under review, your Company incorporated a Company in the Netherlands, EU. This has gained faster market access in EU region, along with noticeable improvement in customer service and meeting one of its main requirements for 'just in time' stock.

Eternis in the USA

Eternis Fine Chemicals limited have incorporated a wholly-owned subsidiary in the USA to gain faster market access and improve customer service across the USA and nearby regions.

TECHNOLOGY INITIATIVES:

Your Company continues to invest in various initiatives for process improvement, waste reductions and greener technologies.

The following initiatives are under review:

a) **Green Hydrogen:**

   Your Company is actively working on multiple projects to transition to green hydrogen. For this purpose, it has partnered with National Chemical

Laboratory to set up the Pune Hydrogen Valley, and the proposal has received in-principle approval from the Department of Science and Technology. In a second initiative, it is collaborating with a technology startup to scale up novel technology for green hydrogen generation.

b) Maximising the use of solar energy:

i) Your Company installed and commissioned a 13.5 MW Solar plant in Maharashtra in 2022-23, which currently caters to approximately 60% of the total energy required for its operations in India. In FY 2023-24, a total of 19.52 GWh of electricity was used from renewable energy sources.

ii) Your Company has achieved a 93% use of low-carbon fuel—biomass—instead of fossil fuel to produce steam.

c) Recovery of heat material or fuel from waste stream:

i) Your Company commissioned a waste heat recovery system (1 Million kcal/hr) at our HP-04 (Sinnar) plant.

ii) Eternis has commissioned a pusher centrifuge with settler for Salt valorisation (value added product from waste).

iii) Your Company has implemented de-carbonation of intermediate production for one of the key products at our site at Patas.

In addition to the initiatives mentioned above, your Company is strongly focused on maximising the use of biofuels.

Eternis is also a member of the Carbon Disclosure Project (CDP) and have received the following grades in focus areas such as, Climate Change, Water Security and Forests:

	UK		India	
	2022	2023	2022	2023
Climate change	CD	B-	D	C
Water security	B	C	C	B
Forests	C	CD	C-D	C

Your Company will strive to improve these ratings.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Eternis has maintained and designed adequate, robust, and effective Internal Financial Controls with reference to financial statements commensurate with its nature, complexity, size, geographical spread, and business operations. Your Company believes that these systems provide, among other things, reasonable assurance that transactions are executed with management authorisation.

During the year under review, such controls were tested and no reportable material weakness in the design or operations were observed. Your Company's internal financial controls have been designed to provide reasonable assurance regarding the recording and providing reliable financial and operational information, complying with applicable accounting standards. An independent service provider, having expertise in the field, has performed the current year's Internal Financial Control effectiveness testing. Eternis has an effective statutory & legal compliance system in place.

An independent internal audit function is a crucial element of our Internal Control System. Hence, your Company's internal control systems are also supplemented by an extensive programme of internal audits conducted by an independent firm of Chartered Accountants. Recommendations from these audits are presented to the Audit Committee, which reviews the internal financial control systems continuously.

HUMAN RESOURCES/ INDUSTRIAL RELATIONS

Eternis recognise human capital as a vital element for growth. Your Company emphasise nurturing talent across all functions and geographies, committing to safe and sustainable practices that align with our long-term viability. It invests in its people's empowerment through learning and development, wellness, and safety, in addition to providing contemporary workplace facilities. Industrial relations in all units of the Company continue to be cordial. The skills, experience, and passion of our people facilitate deeper customer understanding and engaging relationships and strengthen our brand value as a preferred employer.

Eternis places high impetus on diversity, inclusion and equity for overall development of our business and to provide its employees safe and secure environment where they can optimise their performance efficiently. Your Company empower employees at all levels through a robust Rewards & Recognition (R&R) programme and ensure mandatory annual training. It encourage higher studies sponsorship programme for its employees to promote technical education. Your Company believes that Well-trained employees are a pivotal success factor in the competitive landscape. Its learning and personnel development programmes are strategically aligned with future business needs. Your Company offers various types of training, encompassing Behavioural, Technical, Environmental Health and Safety (EHS), Compliance, and Values training. This training scope extends to permanent and contract employees, addressing diverse needs.

Eternis continue to step up efforts to accelerate its value-based growth strategy and the overall development of human capital. As a part of its commitment towards sustainability your Company has set specific goals and targets with varied timelines as follows, which will provide technical trainings to its employees and ensure employee participation in community development:

a) Average 3 training days and a minimum of 1 training day per annum for all employees - An ongoing goal.

b) Contribution of 100 employee days to local community development- to be achieved in FY 2024-25.

c) Contribution of 300 employee days to local community development- to be achieved by FY 2029-30.

Eternis values the dignity and respect of its employees regardless of their gender or position and expect responsible conduct and behaviour at all levels. Providing a safe and congenial work environment for all employees is integral to its Code of Conduct.

Your Company has adopted a Policy for Prevention of Sexual Harassment at Workplace (POSH) and have constituted an Internal Committee (IC). This policy covers all employees, as well as contract staff and trainees. Allegations of sexual harassment are expeditiously and discreetly investigated, and disciplinary action, if required, is taken in accordance with the policy.

All the employees must undergo a refresher or familiarisation training for POSH.

The total number of employees as on 31st March, 2024 was 624, up from 604 on 31st March, 2023, making an increase of 20 during the year.

OTHER PRODUCT AND MANAGEMENT SYSTEM CERTIFICATION:

India

Most of the Company's manufacturing facilities in India have obtain following certifications:

➢ ISO 45001-Occupational Health and Safety Management

➢ ISO 9001 -Quality Management System

➢ ISO 14001 -Environmental Management

➢ RSPO Supply Chain Certification

➢ Kosher

➢ FSSAI

Your Company continues to promote and practice Responsible Care® together with the Indian Chemical Council (ICC).

Eternis UK

Our subsidiary in the UK has also obtained the following certifications:

➢ ISO- 14001 Environmental Management

➢ ISO 9001 -Quality Management System

➢ ISO 45001-Occupational Health and Safety Management

➢ RSPO Supply Chain Certification

➢ Kosher and Halal

➢ ISCC PLUS (International Sustainability and Carbon Certification)

The above-stated certificates are issued by prominent bodies after stringent audits and checks.

STATUS OF COMPLIANCE TO REGISTRATION, EVALUATION, AUTHORIZATION AND RESTRICTION OF CHEMICALS (REACH):

FOR INDIA BUSINESS:

EU REACH:

Your Company has registered 11 products under EU REACH Regulation.

UK REACH:

EU REACH ceased to apply in Great Britain on 1st January 2021, because of the United Kingdom's effective withdrawal from the European Union. Great Britain manufacturers, importers, distributors, and downstream users of chemical substances must now comply with UK REACH, to place any product in GB-market in qty ≥ 1 MTPA after Calendar Year 2021, need to submit a Downstream User Import Notification (DUIN) to HSE (Health and Safety Executive). Your Company has registered 12 products by Grandfathering (transfer from EU REACH to UK REACH) under UK REACH.

TURKEY REACH:

To place any product in Turkey in qty ≥ 1 MTPA after the calendar year 2020, the product is required to be preregistered under Turkey REACH Regulation (KKDIK regulation) by December 2020. Your Company has pre-registered 13 products in Turkey REACH and propose to register 9 products by December 2030.

FOR ETERNIS FINE CHEMICALS UK LIMITED:

Number of Products registered are:

EU REACH:

Eternis UK has registered 18 products under EU REACH Regulation.

UK REACH:

Eternis UK has registered 19 products under UK REACH through Grand Fathering (transfer from EU REACH to UK REACH).

TURKEY REACH:

Eternis UK hold pre-registration in KKDiK for 18 substances. However, it will only proceed with full registration for 10 substances by December 2030.

HEALTH, SAFETY AND SECURITY MEASURES:

Eternis continues to accord the highest priority to the health and safety of its employees and the communities in which it operates. Your Company is fully committed to complying with all applicable laws and regulations, maintaining the highest Occupational Health and Safety standard, and ensuring safer plants by conducting safety audits, risk assessments and periodic safety awareness campaigns and employee training. Your Company believes in the good health of our employees. Modern occupational health and medical services are accessible to all employees through well-equipped occupational health centres at its manufacturing units.

Your company provides extensive training on protective equipment and conducts periodic inspections to maintain high standards of safety and awareness among its employees.

As a part of its commitment to health and safety, your Company has set targets with varied timelines which include:

a) Achieving certification of ISO 45001 by FY 2024-25 at all operating sites.

b) Consistently managing the Total Record-able Injury Rate (TRIR) below 0.3; in FY 2023-24. Eternis achieved (TRIR) of 0.06, as against 0.22 in FY 2022-23 for India business. Similarly, the Global TRIR, which includes all the sites of Eternis globally, stood at 0.13.

c) Safety has always been one of your Company's key focus areas, and we strive to continuously improve in this area.

HIGHLIGHTS OF THE COMPANY'S FINANCIAL PERFORMANCE:

There was an overall improvement in the liquidity scenario in the market due to a stable & growing market. Your Company continued hedging our foreign currency exposure on a net basis, strictly following its forex hedging policy.

(₹ in Million)

Particulars	Standalone		Consolidated	
	2023-24	**2022-23**	**2023-24**	**2022-23**
Total Income	12,276.49	12,667.73	19,341.23	20,350.07
Earnings before finance cost, tax, depreciation and Amortization (EBITDA)	2,403.62	2,017.45	2,589.00	2,116.30
Less: Finance Cost	314.89	442.44	353.85	484.19
Profit before depreciation, amortization and taxation.	**2,088.73**	**1,575.01**	**2,235.15**	**1,632.11**
Less: Depreciation and Amortization	519.17	490.78	525.19	651.03
Less: Impairment of Investment / non-current assets	208.50	0.00	190.00	0.00
Profit / (Loss) before taxation	**1,361.07**	**1,084.23**	**-1,329.82**	**-976.02**
Add: Adjustment of tax relating to earlier periods	9.59	7.37	0.60	4.59
Less: Deferred Tax Debit /(Credit)	(21.54)	17.72	(60.87)	(46.25)
Profit / (Loss) after tax from continuing operations	**937.86**	**801.66**	**936.78**	**696.60**

DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE AS COMPARED TO IMMEDIATE PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS:

Ratios	F.Y. 2023-24	F.Y. 2022-23	Change (%)	Explanation for change (if change > than 25%)
Debtors Turnover Ratio	4.11	4.23	-2.82	-
Inventory Turnover Ratio	3.50	3.62	-3.37	-
Interest Coverage Ratio	5.67	3.78	49.83	Note -1
Current Ratio	1.56	1.52	2.63	-
Debt Equity Ratio	38.13	60.12	-36.58	Note -2
Operating Profit Margin (%)	9.80	7.22	2.58	-
Net Profit Margin (%)	4.90	3.44	42.29	Note -3

Notes:

1. Interest coverage ratio improved due to reduction in borrowings and higher EBITDA.
2. Debt Equity ratio has improved on account of repayment of long-term borrowings.
3. Net profit margin ratio has improved due to higher operating profit margin and reduced finance costs.

(i) **Debtors Turnover:** It is calculated by dividing turnover by average trade receivables.

(ii) **Inventory Turnover:** It is calculated by dividing turnover by average inventory.

(iii) **Interest Coverage Ratio:** It is calculated by dividing earnings before interest and taxes (EBIT) by the total amount of interest expense on all of the company's outstanding debts.

(iv) **Current Ratio:** It is calculated by dividing the current assets by current liabilities.

(v) **Debt Equity Ratio:** It is calculated by dividing a company's total liabilities by shareholders' equity.

(vi) **Operating Profit Margin (%):** It is calculated by dividing the PBIT by turnover.

(vii) **Net Profit Margin (%) :** It is calculated by dividing the profit for the year by turnover.

CAUTIONARY STATEMENT:

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations, or predictions may be forward-looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include finished goods prices, raw materials costs and availability, global and domestic demand-supply conditions, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts. The Company assumes no responsibility for the forward-looking statements herein, which may undergo changes in the future based on subsequent developments, information, or events.

BOARD'S REPORT

To the members,

The Board of Directors take pleasure in presenting the 58th Annual Report of the Company together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2024.

1) FINANCIAL RESULTS OVERVIEW

The Company's Standalone and Consolidated financial performance for the year under review along with previous year's figures is given hereunder:

(₹ in Million)

Particulars	Standalone		Consolidated	
	Year Ended 31st March, 2024	Year Ended 31st March, 2023	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Revenue from Operations & other income	12,276.49	12,667.73	19,341.23	20,350.07
Profit before Tax	1,361.06	1084.23	13,929.82	976.02
Profit after Tax	937.86	801.66	936.78	696.60
Other Comprehensive Income/ expenses for the year (net of tax)	0.31	(0.11)	110.01	55.67
Total Comprehensive Income	938.17	801.55	1,056.97	752.27

2) BUSINESS PERFORMANCE REVIEW

During the year under review, the Company's revenue decreased by 5% and stood at ₹19341.23 Million as against ₹20350.07 Million in the previous year. Cash Operating Profit (EBITDA) has increased by 22% from ₹2116.3 Million in the previous year to ₹2589 Million in the current year. Profit after tax has increased from ₹696.60 Million in the previous year to ₹936.78 Million in the current year which is an increase of 35%.

3) DIVIDEND

The Company wishes to re-invest its earnings in the business for further growth. Accordingly, no dividend is proposed for the year ended 31st March, 2024.

4) TRANSFER TO RESERVES

During the year under review, there is no transfer proposed to the Reserves.

5) CAPITAL STRUCTURE

During the financial year ended on 31st March, 2024 there was no change in the authorised share capital and paid-up share capital of the Company.

Authorised Equity Share Capital as on 31st March, 2024 was 5,45,000 equity shares having face value of ₹100/- each amounting to ₹5,45,00,000/-

Paid up Equity Share Capital as on 31st March, 2024 was 10,679 equity shares having face value of ₹100/- each amounting to ₹10,67,900/-

Authorised Redeemable Preference Share capital as on 31st March, 2024 was 2,50,000 Redeemable Preference Shares of ₹10/- each amounting to ₹25,00,000/-. Such Redeemable Preference Shares were not paid up as on date.

Your Company has only one class of Equity Shares and it has neither issued shares with differential rights for dividend, voting or otherwise, nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme.

During the financial year ended on 31st March, 2024, your Company has not issued any debentures, convertible bonds, warrants, convertible securities, Sweat Equity or any shares under any ESOP Scheme.

Your directors draw attention of the members to **Note no 15** to the standalone financial statements which sets out details of capital structure of the Company.

6) INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the financial year under review, the Company was not required to transfer any amount, shares or securities to the Investor Education and Protection Fund.

7) SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATE COMPANIES

As on 31st March, 2024, the Company has seven (7) subsidiaries and one associate company.

Name of the Subsidiaries-Direct	Remarks
Eternis UK Limited	100% Subsidiary
Eternis Chemicals Private Limited	100% Subsidiary

Name of the Subsidiaries Step-down	Remarks
Eternis Fine Chemicals UK Limited	100% Subsidiary
Eternis Fine Chemicals Singapore Pte. Limited	100% Subsidiary
Eternis Fine Chemicals (Shanghai) Co Ltd	100% Subsidiary
Eternis Fine Chemicals USA LLC	100% Subsidiary
Eternis Fine Chemicals B.V.	100% Subsidiary

Name of the Associate	Remarks
AMP Energy Green Twelve Private Limited	Associate Company

8) CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Ind-AS viz. Ind-AS 110, Ind-AS 111, Ind-AS 112 and Ind-AS 28 issued by MCA of India and forms an integral part of this Report.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/Associate Companies is given in Form AOC-1 and forms integral part of this Report.

9) CREDIT RATING

As on the date of this Report, the CRISIL Ratings Limited has reaffirmed company rating for long term borrowings as CRISIL A+/Stable (Upgraded from 'CRISIL A/Positive') and reaffirmed CRISIL A1 for short term borrowings. The said ratings signify a high degree of safety regarding the timely servicing of financial obligations.

10) PUBLIC DEPOSIT

During the year under review, the Company has not accepted or renewed any public deposits in terms of Sections 73 and 74 of the Act read with rules framed thereunder.

11) DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As on 31st March, 2024, the Board comprises of 8 (Eight) Directors out of which 2 (Two) Directors are Executive, 4 (Four) Directors are Non-Executive Independent including one woman Independent Director and 2 (Two) Directors are Non-Executive Non-Independent.

All Directors are competent and experienced personalities in their respective fields. The Board is chaired by Mr. Harsh Mariwala, Non- Executive Director of the Company.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, as required under the provisions of Section 152 of the Companies Act, 2013, Mr. Harsh Mariwala (DIN: 00210342) retired by rotation, as Director, at the Annual General Meeting held on 25th May, 2023 and being eligible, offered himself for reappointment.

Details of Key Managerial Personnel:

During the year under review, the Company had following Key Managerial Personnel:

Name of the Key Managerial Personnel	Designation
Mr. Rajendra K. Mariwala	Managing Director
Mr. Krishan Kumar Sharma	Whole-time Director
Mr. Chetan Chowatia	Chief Financial Officer (appointed w.e.f. 25th May, 2023)
Mr. Sandesh R. Pokhriyal	Company Secretary (appointed w.e.f. 16th February, 2024)

RETIREMENT BY ROTATION

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Dr. (Mr.) Ravindra Mariwala, (DIN:00032825) Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment and the Board recommends his re-appointment.

A detailed profile of Dr. (Mr.) Ravindra Mariwala, (DIN:00032825) along with additional information required under Secretarial Standard on General Meetings is provided separately by way of an Annexure to the Notice of the AGM

PERFORMANCE EVALUATION

Pursuant to Section 134 a Public Company with a paid-up capital of ₹25 crore or more shall include, in the report by its Board of directors, a statement indicating the way a formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors.

As a part of good governance practice your Company has voluntarily undertaken an effective evaluation process of the Board and its committees. The Nomination and Remuneration Committee ('NRC') of the Board of Directors has put in place a robust evaluation framework for conducting the performance evaluation exercise.

The evaluation exercise is carried out through a structured questionnaire circulated to the Directors covering various aspects of evaluation of the Board and committees.

The Performance evaluation of the Board was done on key attributes such as composition, administration, governance, independence from Management etc. Similarly, committees were evaluated on parameters such as adherence to the terms of mandate, deliberations on key issues, reporting to the Board etc. The Managing Director of the Company was evaluated on leadership, guidance to the Board and overall effectiveness.

The responses submitted by Members of Nomination and Remuneration Committee were collated and analysed and a report on the evaluation process and the results of the evaluation was presented to the Board.

DECLARATION BY INDEPENDENT DIRECTORS:

The Independent Directors of the Company have submitted a declaration of Independence confirming that they meet the criteria of independence under Section 149(6) of the Companies Act, 2013.

There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold the highest standards of integrity to discharge the assigned duties and responsibilities as mandated by Act.

The names of all Independent Directors are available in the databank maintained with the Indian Institute of Corporate Affairs, ('IICA'). Accordingly, the Independent Directors of the Company have registered themselves with the IICA for the said purpose.

In terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 Independent Directors of the Company have already undertaken requisite steps towards the inclusion of their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs

12) CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of corporate governance. The Company has formed statutory committees as prescribed by the Companies Act, 2013. As a part of good governance practice, the Company has voluntarily prepared a Report on Corporate Governance which forms part of this Annual Report.

A. MEETING OF THE BOARD

The Board met six times during the year viz; 25th May, 2023, 22nd August, 2023, 06th October, 2023, 17th November, 2023, 16th February, 2024 and 08th March, 2024. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013.

The Details of attendance of Directors at Board Meetings, Last Annual General Meeting (AGM) and Extra-Ordinary General Meeting (EGM) number of other Directorships of each Director in other companies are provided in the Report of Corporate Governance.

B. COMMITTEES OF THE BOARD:

Composition of Board Committees:

Audit Committee	Corporate Social Responsibility Committee	Nomination & Remuneration Committee
Ketan Dalal Independent Director (Chairman of the Committee)	**Arun Bewoor** Independent Director (Chairman of the Committee)	**Anita Belani** Independent Director (Chairperson of the Committee)
Milind Sarwate Independent Director	**Milind Sarwate** Independent Director	**Milind Sarwate** Independent Director
Anita Belani Independent Director	**Rajendra K. Mariwala** Managing Director	**Arun Bewoor** Independent Director

Audit Committee	Corporate Social Responsibility Committee	Nomination & Remuneration Committee
Arun Bewoor Independent Director		**Dr. Ravindra K. Mariwala** Director
Rajendra K. Mariwala Managing Director		

*Mr. Sandesh Pokhriyal was appointed as the Secretary of Audit committee, CSR Committee and Nomination and Remuneration Committee constituted under the Companies Act, 2013 w.e.f. 16th February, 2024.

Meetings of the Board Committees held during the year:

Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee
25th May, 2023	25th May, 2023	25th May, 2023
22nd August, 2023	06th October, 2023	-
17th November, 2023	17th November, 2023	-
16th February, 2024	16th February, 2024	-

C TERMS OF REFERENCE AND OTHER DETAILS OF BOARD COMMITTEES:

i) AUDIT COMMITTEE:

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia performs the following functions.

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company and 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,
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing and monitoring the auditors' 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, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function,
- Discussion with internal auditors of any 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;
- 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;
- Review of the functioning of the Whistle Blower mechanism and all redressal

mechanisms and forums required under the Companies Act 2013;

- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

- Review the Management discussion and analysis of financial condition and results of operations.

- Review Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.

- Review Management letters / letters of internal control weaknesses issued by the statutory auditors.

- Review Internal audit reports relating to internal control weaknesses; and

- Review of the appointment, removal, performance, independence, and terms of remuneration of the internal Auditor

- Review of the regular internal reports to management prepared by the internal auditor as well as management's response there to;

- Review of 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;

- Evaluating internal financial controls and risk management systems;

  The Internal Auditors of the Company report directly to the Audit Committee. All the recommendations of the Audit Committee were accepted by the Board of Directors. The Audit Committee shall act in accordance with the Terms of Reference specified by the Board.

ii) NOMINATION & REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee shall

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

iii) CORPORTAE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee shall,

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013

- Recommend the amount of expenditure to be incurred on the activities referred to in the CSR Policy.

- Monitor the Corporate Social Responsibility Policy of the company from time to time.

- Perform any other duties and responsibilities that are consistent with the Committee's purpose, and as the Board or the Committee deems necessary or appropriate.

- Assess the independence of any outside counsel and advisers (whether retained by the Committee or management) that provide advice to the Committee, before selecting or receiving advice from them,

- At least annually, assess whether the work of CSR consultants involved in determining or recommending executive or director remuneration has raised any conflict of interest.

- Carry out additional functions as are contained in any regulatory requirements applicable to the Company or in the terms of reference of the Committee.

- Perform such other activities related to this Charter as may be requested by the Board of Directors.

13) AUDITORS:

STATUTORY AUDITORS:

As per Section 139 of the Companies Act, 2013, the Members at the 56th Annual General Meeting had re-appointed M/s. S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration no. 324982E/ E300003) as the Statutory Auditors of the company to hold office for a term of five years i.e. until the conclusion of 61st Annual General Meeting.

The Statutory Audit Report for FY 2023 - 24 does not contain any qualification, reservation or adverse remark and is annexed herewith.

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or to the Board as required under Section 143(12) of the Act and the rules made thereunder.

SECRETARIAL AUDITORS:

Pursuant to Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, based on the recommendation of the Audit Committee approved appointment of **R.S. Padia & Associates** Practicing Company Secretary to conduct Secretarial Audit for the FY 2023-24. The Secretarial Audit Report for FY 2023- 24 is enclosed as **Annexure I** of this Board's Report and does not contain any qualification, reservation or adverse remark.

COST AUDITORS

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of The Companies (Audit and Auditors) Rules, 2014 and rule 6(2) of the Companies (Cost Records and Audit Rules) 2014 the Board, based on the recommendation of the Audit Committee approved appointment of M/s V.J Talati & Associates Practicing Cost Accountant to conduct Cost Audit for the FY 2023-24.

The Cost Audit Report for FY 2023 - 24 does not contain any qualification, reservation or adverse remark and is annexed herewith and will be filed within the due date prescribed by law.

INTERNAL AUDITORS

M/s. Deloitte Touche Tohmatsu India LLP, Chartered Accountants, Mumbai and M/s. RSM Astute were the Company's Internal Auditor's and had carried out Internal Audits for the FY 2023 - 24. The Internal Auditors monitor and evaluate the efficiency and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Significant audit observation, if any and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

14) SEGMENT

The company is engaged in manufacturing and sales of aroma chemical products which is considered as only business segment and all other activities of the Company are incidental to this business segment.

15) VIGIL MECHANISM

Your Company has a robust vigil mechanism in the form of the Code of Conduct and Whistle blower policy which enables employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Code. These can be accessed on its website using the link http://www.eternis.com/.

This mechanism also provides adequate safeguards against victimization of employees who avail themselves of the mechanism and provides for direct access to the senior management in exceptional cases. The guidelines are meant for all members of the Company from the day they join and are designed to ensure that they may raise any specific concern on integrity, value adherence without fear of being punished for raising that concern. The guidelines also cover our associates who partner us in our organizational objectives and customers for whom we exist. For administration and governance of the Code, the following sub-committees have been constituted namely:

- Whistle Blower Committee – with an objective to appoint an investigation team for investigation into whistle blower complaints.
- The Board and the Audit Committee are informed periodically on the matters and the status of resolution of such cases.

16) PARTICULARS OF LOANS OR INVESTMENT MADE OR GUARANTEES GIVEN OR SECURITY PROVIDED

The details of Loans, Guarantees, and Investments within the meaning of Section 186 of the Act are given in the notes to the Financial Statements for the year under review.

17) CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All the transactions with related parties are placed before the Audit Committee for its approval, an omnibus approval from Audit Committee is obtained for the related party transactions which are repetitive in nature.

All the transactions with related parties entered during FY 2023-24 were at arm's length basis and in the ordinary course of business and in accordance with the provision of the Act and Rules made thereunder.

Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, there are no material related party's transaction at arm's length basis and in ordinary course of business in Form AOC-2 as prescribed pursuant to Section 134 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 is not applicable to the Company.

The details of the transactions with related parties are provided in notes to the Financial Statements.

The attention of the Member is drawn to Note **no 40** to the Standalone Financial Statement setting out related party transaction disclosures, for FY 2023-24.

18) CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The statutory obligation of the Company was ₹19.50 Million for FY 2023-24. During the year under review, your Company has spent ₹7.8 Million on CSR activities and set-off of ₹14.81 Million from the excess spent during FY 2022-23. Considering the above, the aggregate amount spent for FY 2023-24 was ₹22.61 Million as against the statutory obligation of ₹19.50 Million resulting in an excess amount spent of ₹3.1 Million for FY 2023-24.

The particulars required to be disclosed pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in **Annexure II** forming part of this Annual Report.

19) INTERNAL FINANCIAL CONTROL

Your directors draw attention to the members that adequate internal financial controls with reference to financial statements were in place.

During the year under review, such controls were tested and no reportable material weakness in the design or operations were observed, and internal financial controls have been designed to provide reasonable assurance with regards to the recording and providing reliable financial and operational information complying with applicable Accounting Standards.

Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015

20) DIRECTORS REMUNERATION:

Your directors draw the attention of the members to Note **no 41** to the standalone financial statements which sets out details of Directors remuneration.

REMUNERATION POLICY OF THE COMPANY:

Pursuant to Section 178 of the Act, NRC has formulated policy on Director's Appointment and Remuneration" which deals inter-alia with appointment and remuneration of Directors, Key Managerial Personnel, Senior Management, and other employees of the Company. The remuneration policy is guided by the principles and objectives as enumerated in Section 178 of the Act. The said policy has been hosted on the Company's website at the link https://www.eternis.com/.

The salient features of the policy are as under:

- NRC to identify persons who are qualified to become Directors, Key Managerial Personnel and Senior Management Personnel of the Company.
- NRC to guide Board in relation to appointment, retention and removal of Directors, Key Managerial Personnel and Senior Management Personnel of the Company.
- NRC to evaluate the performance of the Members of the Board including Independent Directors to provide necessary information/ report to the Board for further evaluation.
- NRC to recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial person and create competitive advantage.
- To devise a policy on Board diversity.
- To develop a succession plan for the Directors, Key Managerial Personnel and Senior management Personnel and to regularly review the plan.

21) HUMAN RESOURCES:

Human resources are a key asset capital and an important business driver for the Company's sustained growth and profitability. The Company continues to place significant importance on its Human Resources and enjoys cordial relations at all levels. The well-disciplined workforce which has served the Company for over a decade lies at the very foundation of the Company's major achievements and shall continue for the years to come. The management has always carried out a systematic appraisal of performance and imparted training at periodic intervals. The Company has always recognized talent and has judiciously followed the principle of rewarding performance.

22) DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(a) in the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2024 and of the profit and loss of the company for year ended on that date;

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

(d) the Directors have prepared the annual accounts on a going concern basis; and

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

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure III to this Report.

24) PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company has a policy for the prevention of sexual harassment. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has constituted POSH Committee.

Prevention of Sexual Harassment Committee (POSH Committee) – with an objective to ensure a harassment free work environment including but not limited to appointment of investigation team for investigation of sexual harassment concerns/complaints.

During the financial year under review, there are no complaints pertaining to sexual harassment was reported to the ICC of the Company.

25) RISK MANAGEMENT

For your Company, Risk Management is an integral and important component of Corporate Governance. Your Company believes that a robust Risk Management ensures adequate controls and monitoring mechanisms for a smooth and efficient running of the business. A risk-aware organization is better equipped to maximize the shareholder value.

The key cornerstones of your Company's Risk Management Framework are:

- Periodic assessment and prioritization of risks that affect the business of your Company.
- Development and deployment of risk mitigation plans to reduce the vulnerability to the prioritized risks;
- Defined review and monitoring mechanism to review the progress of the mitigation plans;

26) CHANGE IN NATURE OF BUSINESS

During the year under review, there was no change in the nature of business of the Company.

27) RESEARCH & DEVELOPMENT CENTRE

The Company has state-of-the-art R&D facilities, which are recognized by the Department of Scientific & Industrial Research, Government of India as an approved in-house R&D facility.

During the FY 2023-24 R&D continued to contribute to improving quality and yields of new as well as existing products. R&D also played a significant role in process improvement and equipment design.

The Company continues to invest in human resources in R&D.

28) ANNUAL RETURN

In accordance with the Companies Act, 2013, the draft annual return in Form MGT-7 is available at www.eternis.com.

29) INSURANCE

Your Company has taken appropriate insurance for all assets against foreseeable perils.

30) COMPLIANCE WITH SECRETARIAL STANDARD

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

31) NO PENDING PROCEEDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Your Board confirms that there is no proceeding pending under the Insolvency and Bankruptcy Code, 2016 and that there is no instance of onetime settlement with any Bank or Financial Institution during the year under review.

32) GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. The Company has not bought back any of its securities during the year under review.
5. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
6. No material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
7. The Company does not have any scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees.
8. The provisions of Section 197(12) are not applicable to the Company and hence the details thereunder are not reported.
9. There was no instance of one-time settlement with any bank or financial institution.

33) MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of the report.

ACKNOWLEDGEMENT

The Board takes this opportunity to thank all its employees for their dedicated service and firm commitment to the goals of the Company. The Board also wishes to place on record its sincere appreciation for the wholehearted support received from shareholders, bankers and all other business associates, and from the neighborhood communities of the various Eternis locations. We look forward to continued support from all these partners in progress.

On behalf of the Board of Directors

Rajendra K. Mariwala	**Dr. (Mr.) Ravindra K. Mariwala**
Managing Director	Director
DIN 00007246	DIN 00032825

Place: Mumbai
Date: 16th May, 2024

ANNEXURE I

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and rules made thereunder]

To,

The Members,

Eternis Fine Chemicals Limited,

1004, Peninsula Tower,

Peninsula Corporate Park,

G.K. Marg, Lower Parel,

Mumbai-400013

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Eternis Fine Chemicals Limited,** (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 Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

a) The Companies Act, 2013 (the Act) and the rules made thereunder;

b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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

d) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **(Not Applicable to the Company during Audit Period as it is an Unlisted Public Company)**

1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
4. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
6. 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;
7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

f) 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) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; **(Not Applicable to the Company during Audit Period as it is a Unlisted Public Company)**

We further report that, based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, and also review on compliance reports by respective department heads taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the company to monitor and ensure compliance with applicable general laws like labour laws, competition laws and environment laws.

We further report that, the compliance by the company of applicable Financial Laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

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. There were no changes in the composition of the Board of Directors during the period under review.

All the Board meetings and General meetings were conducted in hybrid mode and notices of all the meetings were sent through e-mail and proper recordings are maintained for subsequent reference.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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:

- The Company continuously endeavours to update the Company websites with all information required to be posted on its website.
- The Company has taken appropriate Board / Members approvals for Borrowings, Investments and Related Party Transactions during the year.

UDIN:F006804F000386293
Place: Mumbai
Date: 16/05/2024

CS. Rajshree Padia
R.S. PADIA & ASSOCIATES
Company Secretaries
FCS NO.:6804
CP NO.:7488
PR:1117/2021

Annexure-I to the Secretarial Audit Report for the Financial Year Ended 31st March 2024

To,

The Members of Eternis Fine Chemicals Ltd.,

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Compliances of provisions of all laws, rules, regulations, standards applicable to the Company, is the responsibility of the Management of the Company. Our Examination was limited to the verification of records and procedures on test check basis for the purpose of the issue of the Secretarial Audit report.

2. Maintenance of the secretarial and other records of the applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with the explanations where so required.

3. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the process and practices we followed, provides reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.

5. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events during the Audit period.

Date : 16/05/2024
Place: Mumbai

UDIN: F006804F000386293

For R.S. Padia & Associates
Company Secretaries

Rajshree Padia
FCS: 6804; CP: 7488
PR: 1117/2021

Note: Annual Secretarial audit was conducted based on the documents, records and information along with explanations provided through hybrid mode.

ANNEXURE II

Report on Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules,2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website at https://eternis.com/ and the web-link for the same is as under:

https://www.eternis.com/sites/all/themes/eternis/pdf/Corporate-Governance-R1.pdf

2. COMPOSITION OF CSR COMMITTEE

Sr. No	Name of the Directors	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Arun Bewoor	Chairperson	1	1
2	Milind Sarwate	Member	1	1
3	Rajendra K. Mariwala	Member	1	1

3. Provide the Web links where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company: www.eternis.com

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 sub-section (5) of section 135 - ₹97,41,33,948 /-

(b) Two percent of average net profit of the company as per sub-section (5) of section 135. – ₹1,94,82,679/-

(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. -₹1,48,16,439/-

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]. - **₹46,66,240/-**

6. **(a)** Amount spent on CSR Projects (both Ongoing Project and other and other than Ongoing Project). – **₹77,64,768/-** (Other than ongoing)

(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)]. – **₹77,64,768/-**

(e) CSR amount spent or unspent for the financial year 2023-24:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
₹77,68,168/-	-	-	-	-	-

(F.) Excess amount for set-off, if any

Sl. No.	Particulars	Amount in ₹
1.	2.	3.
(I)	Two percent of average net profit of the company as per sub-section (5) of section 135	1,94,82,679
(II)	Total amount spent for the financial year	77,64,768

Sl. No.	Particulars	Amount in ₹
(III)	Excess amount spent for the financial year [(ii)-(i)]	(1,17,17,911)
(IV)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	1,48,16,439*
(V)	Amount available for set off in succeeding financial years [(iii)-(iv)]	30,98,528

*Amount available for set-off from FY 2022-23.

7. Details of Unspent Corporate Social Responsibility amount for preceding three financial years

1	2	3	4	5	6		7	8
Sl. No.	**Preceding three years**	**Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)**	**Balance Amount in Unspent CSR Account under subsection (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 subsection (5) of section 135, if any**		**Amount remaining to be spent in succeeding Financial Years (in ₹)**	**Deficiency, if any**
					Amount (in ₹)	**Date of Transfer**		
1	2022-23	-	-					
2	2021-22	-	-					
3	2020-21	-	-					

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: **Nil**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

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

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

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub section (5) of Section 135.

For and on behalf of Board

Rajendra K. Mariwala

Managing Director

Date: 16th May, 2024

Place: Mumbai

For and on behalf of CSR Committee of Board

Arun Bewoor

Chairperson of CSR Committee of Board

ANNEXURE III

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PRESCRIBED UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A) CONSERVATION OF ENERGY

I. The steps taken or impact on Conservation of Energy:

1. Steam consumption has been reduced in FY 2023-24 through various steps as below:

   - Stream distribution losses reduced through modified the stream network.
   - High TDS Effluent reduction through upgradation of Reverse Osmosis (RO) with installing traditional reverse osmosis membrane systems (Spiral RO).
   - Heat integration in distillation set up at HP-02.
   - Replaced, rectified steam traps, to reduce heat loss.
   - All plant operation on maximum efficiency (>95%).
   - Improve steam condensate recovery.

2. Power consumption has been reduced in FY 2023-24 through following key initiatives.

   - Replaced conversional reciprocating chiller with energy efficient screw chillers.
   - Installed Variable Frequency Drive ('VFD') in cooling towers.
   - Installed low energy efficient pump at cooling tower as per cooling load.
   - Energy efficient dry vacuum pumps installed to save Power consumption & reduce the oil & Waste.
   - Replaced the regular and CFL lighting with energy efficient LED lighting across all plants.
   - Replace IE1 motor for hydrogenation reactor with energy efficient IE3 motors (4 Nos).
   - Power monitoring through energy management system (software- green energy).
   - Installed Auto timer system for Streat light & operation plant instead of manual operation.
   - Installed motion sensors for indoor lightning at sinner site.
   - Improve diesel generator fuel efficiency through timely overhauling and maximum utilisation of load during the power cut off.
   - All plant operation on maximum efficiency (>95%).
   - Combined single vacuum pump for two systems instead two separates pump as per vacuum requirement.

ii. The steps taken by the Company for utilising alternate sources of energy:

- Installation and commissioning of 13.5 MW Solar plant in Maharashtra in 2022-23, it caters ~60% the total energy required for Eternis India operations. Total 19.52 GWH electricity has been used from renewable energy in FY 2023-24.
- 93% use of low carbon fuel- Biomass instead of fossil fuel for producing steam.

iii. Capital Investment on Energy Conservation Equipment's:

A total of ₹37.10 million was spent by your Company as a Capital Investment on Energy Conservation equipments which included upgrading of Reverse Osmosis, salt valorisation using pusher centrifuge, dry vacuum pump etc.

B) TECHNOLOGY ABSORPTION:

i. The efforts made towards Technology Absorption

- Commissioned Multi press screw press (MPSP) followed by low temperature sludge dryer for Waste reduction (Biological sludge).
- Upgradation of Reverse Osmosis (RO) with installing traditional reverse osmosis membrane systems (Spiral RO).
- Commissioned Waste heat recovery (1 million kcal/hr) at HP-04 (Sinner) plant.
- Commissioned Pusher centrifuge with settler for Salt valorisation (value added product from waste).

- De-carbonation- 80 TPM Benzyl Salicylate intermediate production started at HP- 03 site which is consuming CO_2 by 233 tonne's/year.
- Replace IE1 motor for hydrogenation reactor with energy efficient IE3 motors (4 Nos).
- Energy management System (EMS) is under commissioned for steam monitoring and control.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution.

- Utility consumption reduction in FY 2023-24

Sr. No	Utility	% reduction
1	Steam	7
2	Electricity	9

- Value added product recovery from waste for some product
- Yield and material norms reduced through process intensifications in all sites.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

Sr. No.	The details of technology imported	The year of import	Whether the technology has been fully absorbed	If not fully absorbed, areas where absorption has not taken place and the reasons thereof
1	Energy efficient Screw chiller	2021-23	Yes	N/A
2	13.5 MW solar plant.	2022-23	Yes	N/A
3	Waste heat recovery	2023-24	No	Equipment has been commissioned. Stabilisation with OEM is under progress.
4	Replace IE1 motor for hydrogenation reactor with energy efficient IE3 motors (4 Nos).	2023-24	Yes	N/A
5	Upgraded Reverse osmosis membrane systems (Spiral RO).	2023-24	Yes	N/A
6	Multi press screw press (MPSP) followed by low temperature sludge dryer for Waste reduction (Biological sludge).	2023-24	No	Achieved 80% of design capacity. Stabilisation for consistent throughput & desired quality with OEM support is under progress.

iv) the expenditure incurred on Research and Development

(₹ In Million)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Capital expenditure	10.92	3.08
Revenue expenditure	77.81	76.42
Total R&D expenditure	88.73	79.5
Total R&D expenditure as a percentage of revenue from operation	0.74%	0.63%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earned in terms of actual inflows during the year and Foreign Exchange outgo during the year in terms of actual outflows.

(₹ In Million)

Foreign Exchange earned (inflow):	8,764.18
Foreign Exchange used (outflow):	5,445.58

On behalf of the Board of Directors

Rajendra K. Mariwala
Managing Director
DIN 00007246

Dr. Ravindra K. Mariwala
Director
DIN 00032825

Place: Mumbai
Date: 16th May 2024

ANNEXURE IV

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholder	No of Shares as the beginning of the year	No of Shares at the end of the year
Individual	1681	1681
Trusts & Companies	8998	8998
Total	**10679**	**10679**

ii) Shareholding of Promoters

Shareholders Name	No. of shares at the end of the year	% of shareholding
Rajen K. Mariwala	1	0.01
Rajen K. Mariwala with Anjali R Mariwala	239	2.24
Ravindra K Mariwala	1	0.01
Ravindra Kishore Mariwala with Paula Ravindra Mariwala	839	7.86
Harshraj C Mariwala	1	0.01
Harsh C Mariwala with Kishore V Mariwala for Aquarius Family Trust	1830	17.14
Harsh C Mariwala with Kishore V Mariwala for Gemini Family Trust	1830	17.14
Harsh C Mariwala with Kishore V Mariwala for Taurus Family Trust	1830	17.14
Harsh C Mariwala with Kishore V Mariwala for Valentine Family Trust	1830	17.14
Sharrp Ventures Capital Private Limited	1678	15.71
Anjali R Mariwala with Rajen K Mariwala	400	3.75
Taarika Rajen Mariwala with Rajendra K Mariwala	100	0.94
Anandita Arjun Kothari with Rajendra K Mariwala	100	0.94
Total	**10,679**	**100**

iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) -Nil

ANNEXURE V

Shareholding of Directors and Key Managerial Personnel

Shareholders Name	No of Shares as the beginning of the year	No of Shares at the end of the year
Rajendra K Mariwala	840	840
Dr. R. K. Mariwala	840	840
Harsh C Mariwala	1	1
Total	**1,681**	**1,681**

ANNEXURE VI

Indebtedness:

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

(₹ in Million)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2023)				
i) Principal Amount	3,270.51	-	-	3,270.51
ii) Interest due but not paid	-	-	-	0.00
iii) Interest accrued but not due	18.81	-	-	18.81
Total (i+ii+iii)	**3,289.32**	**-**	**-**	**3,289.32**
Change in Indebtedness During the financial year				
Net change	-1,113.72			-1,113.72
Indebtedness at the end of the financial year (31.03.2024)				
i) Principal Amount	2,166.77	-	-	2,166.77
ii) Interest due but not paid	0	-	-	0.00
iii) Interest accrued but not due	8.83	-	-	8.83
Total (i+ii+iii)	**2,175.60**	**-**	**-**	**2,175.60**

ANNEXURE VII

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Salary and value of Perquisites as per section 17 of the Income tax Act, 1961

(₹ in Million)

Name of the Director	2023-2024	2022-2023
Rajendra Kishore Mariwala	58.65	46.18
Krishan Kumar Sharma	18.15	5.49

B. Remuneration of other Directors

(₹ in Million)

Particulars	2023-2024	2022-2023
Sitting fee for the Board meetings for the year	6.06	7.19
Commission for the year	10.80	12.60
Total	**16.86**	**19.79**

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(₹ In Million)

Sr. No.	Name of the subsidiary	Eternis UK Limited	Eternis Chemicals Pvt Ltd	Eternis Fine Chemicals UK Ltd
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2024	31st March, 2024	31st March, 2024
2	The date since when subsidiary was acquired	11th February, 2014	23rd May, 2020	1st February, 2021
3	Reporting currency	GBP	INR	GBP
4	Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	105.40	1.00	105.40
5	Share capital	3,420.63	401.00	632.40
6	Reserves & surplus	-43.06	-68.36	2,813.71
7	Total assets	119.35	1,055.38	4,464.85
8	Total Liabilities	496.56	722.74	1,086.37
9	Investments	3,754.77	-	67.63
10	Turnover	106.45	14.13	6,874.23
11	Profit before taxation	-6.37	-59.48	49.14
12	Provision for taxation	-1.41	-8.45	-37.61
13	Profit after taxation	-4.95	-51.03	86.76
14	Proposed Dividend	Nil	Nil	Nil
15	% of shareholding	100%	100%	100%

(₹ In Million)

Sr. No.	Name of the subsidiary	Eternis Fine Chemicals Singapore PTE Ltd	Eternis Fine Chemicals (Shanghai) Co. ltd	Eternis Fine Chemicals USA LLC	Eternis Fine Chemicals B.V.
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2024	31st March, 2024	31st March, 2024	31st March, 2024
2	The date since when subsidiary was acquired	1st February, 2021	1st February, 2021	3rd August, 2021	16th October, 2023
3	Reporting currency	SGD	CNY	USD	EURO
4	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	61.81	11.64	83.40	90.07
5	Share capital	0.06	46.43	2.09	1.81
6	Reserves & surplus	138.49	17.49	-1.29	0.73
7	Total assets	397.09	64.13	7.46	2.96
8	Total Liabilities	258.54	0.22	6.67	0.42
9	Investments	-	-	-	-
10	Turnover	945.22	24.91	5.39	-
11	Profit before taxation	46.51	-5.16	-1.28	0.73
12	Provision for taxation	10.10	7.22	-	-
13	Profit after taxation	36.42	-12.37	-1.28	0.73
14	Proposed Dividend	Nil	Nil	Nil	Nil
15	% of shareholding	100%	100%	100%	100%

Part "B": Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ In Million)

S. No.	Name of the Associates/Joint Ventures	AMP Energy Green Twelve Pvt Ltd
1	Latest audited Balance Sheet Date	31.03.2024
2	Shares of Associate/Joint Ventures held by the company on the year end	
	No. of shares	515,000
	Amount of Investment in Associates/Joint Venture	51.50
	Extend of Holding %	26%
3	Description of how there is significant Influence	Voting Power
4	Reason why the associate/joint venture is not consolidated	Not Applicable
5	Networth attributable to Shareholding as per latest audited Balance Sheet	22.73
6	Profit / Loss for the year	
	Considered in Consolidation	(0.09)
	Not Considered in Consolidation	(2.21)

Notes

1. Other than Eternis Fine Chemicals (Shanghai) Co. Ltd. no other subsidiary, associates or joint ventures were liquidated or sold or in process of liquidation or sale during the year.

For and on behalf of the Board of Directors

Rajendra K. Mariwala
Managing Director
DIN 00007246

Dr. (Mr.) Ravindra K. Mariwala
Director
DIN 00032825

Chetan Chowatia
Chief Financial Officer

Sandesh Pokhriyal
Company Secretary
Membership No. A40096

Place: Mumbai
Date: 16th May, 2024

REPORT ON CORPORATE GOVERNANCE

I. Eternis's Philosophy on Corporate Governance:

Your Company's Corporate Governance actions are engrained in its value, policies and day to day business operations. Good Corporate Governance emerges from transparency in business dealings and having in place robust systems and processes defining accountability, integrity, fairness and ethics in business practices, thereby fulfilling the responsibilities of corporate citizenship.

II. BOARD OF DIRECTORS:

Your Board sets the tone for inclusion and diversity across the Board to develop businesses and incubate new ideas for continuous business growth and value creation for the Stakeholders. In the opinion of the Board, a diverse and inclusive culture is essential to the longterm success of the Company and therefore it is crucial to have a mix of diverse experience, skill and competence in the Board.

a) Composition of the Board:

Mr. Harsh Mariwala, Chairman of the Board of Directors is a Non-Executive Director.

As on 31st March, 2024, your Board Comprised of eight Directors of which four are Independent Directors including one Woman Independent Director, two Non-Executive Non- Independent Directors and two Executive Directors.

Mr. Rajendra K. Mariwala is the Managing Director of the Company.

Mr. Wilfrid Gambade has been appointed as a Group CEO of the Company in April, 2024 and will be based out in France. Mr. Gambade is a seasoned strategic leader with over 25 years of global management experience in the chemical industry. Prior to this, he was CEO of IGM Resins and previously held leadership positions at DSM, including President of Personal Care & Aroma.

All the Directors of the Board are eminent professionals and have rich experience, skills and expertise in their respective fields.

The composition is as under: -

Name	DIN	Category	Board Positions in other companies*
Mr. Harsh Mariwala	00210342	Non-Executive Non- Independent Director	7
Mr. Arun Bewoor	00024276	Independent Director	3
Mr. Milind Sarwate	00109854	Independent Director	9
Ms. Anita Belani	01532511	Independent Director	7
Mr. Ketan Dalal	00003236	Independent Director	5
Dr. R. K. Mariwala	00032825	Non- Executive Non -Independent Director	5
Mr. Rajendra K. Mariwala	00007246	Managing Director	4
Mr. Krishan Sharma	10043714	Whole-time Director	1

* Board Position excludes Foreign Companies and Companies under Section 8 of the Act.

Notes:

1. In terms of provisions of the Companies Act, 2013, Mr. Rajendra K. Mariwala is related to Dr. Ravindra K. Mariwala being his brother, except this, no director is related to any other director on the Board.

b) **KNOW YOUR BOARD OF DIRECTORS:**

Name of Director	Designation	Qualification & Experience
Mr. Harsh Mariwala (From 21.07.2003)	Director	Graduate from Mumbai University Mr. Mariwala is the Chairman of Marico and Kaya Limited. He established the Marico Innovation Foundation in 2003 which works towards nurturing innovations in India and started ASCENT Foundation in 2012, a peer-learning entrepreneurial platform. Mr. Mariwala founded the Mariwala Health Initiative (MHI), with the philanthropic aim of giving back to society. Sharrp Ventures is their Family Office. He was recently awarded the Lifetime Achievement Award at the Mint India Investment Summit 2024. In the recent past, he received the All India Management Association (AIMA) Life Time Achievement Award 2021 and the EY Entrepreneur of the year award 2020 for India.
Mr. Rajendra Kishore Mariwala (From 01.04.1995)	Managing Director	Masters in Chemical Engineering from Cornell University USA. Mr. Rajendra Mariwala brings with him a rich experience of over 30 years in fragrances and 18 years in leading a competitive business in specialty chemicals. He is on the Board of Marico Limited and Kaya Limited. Additionally, he is President with Indian Chemical Council (ICC)
Dr. (Mr.) Ravindra Kishore Mariwala (From 04.05.2000)	Director	Bachelor of Science (B.S) Chemical Engineering, Doctor of Philosophy (Ph.D.), Chemical Engineering from University of Delaware. Dr. Ravindra Mariwala has 30 years of experience in the chemical and allied industries. He holds a B.S. in Chemical Engineering from the University of Wisconsin and a Ph.D. in Chemical Engineering from the University of Delaware. Currently, he serves as the Managing Director of Scientific Precision Private Ltd. and IVAR Carbons, both companies dedicated to environmental and sustainability initiatives.
Mr. Milind Sarwate (From 01.02.2006) In compliance with the provisions of Companies Act, 2013, Milind Sarwate's initial term of appointment was for five years with effect from 04th November, 2014 and was re- appointed as an Independent Directors by passing of a special resolution for a period 5 years with tenure expiring on 03rd November, 2024.	Independent Director	B. Com, CA, CS, ICWA and CII-Fulbright fellowship, leadership, and Management. Mr. Milind Sarwate, Founder & CEO of Increate (https://increate.in/), is an Advisor, Mentor, Independent Director, & ESG Contributor. Increate means 'Uncreated' or 'Undiscovered'. The firm accordingly works towards business and social value creation, with a focus on capability-building, and the governance & social aspects of ESG. His independent directorships include Asian Paints, Mahindra & Mahindra Financial Services Limited, FSN E-Commerce (Nykaa), Matrimony.com, and Hexaware. He specializes in audit committee roles. He has been on listed company boards since 2005. His previous board memberships include Mindtree and International Paper. His 39-year experience includes long stints as CFO and CHRO in Marico & Godrej. He is a Chartered Accountant (1983), Cost Accountant (1983), Company Secretary (1984), and a CII-Fulbright Fellow (Carnegie Mellon University, USA, 1996). He has been awarded ICAI CFO Award (2011), CNBC TV-18 CFO Award (2012) & CFO India Hall of Fame induction (2013).

Name of Director	Designation	Qualification & Experience
Mr. Arun Bewoor (From 22.09.2012) In compliance with the provisions of the Companies Act, 2013, Mr. Arun Bewoor's initial term of appointment was for five years with effect from 04th November, 2014. He was re- appointed as an Independent Directors by passing of a special resolution for another term of 5 years with tenure expiring on 03rd November, 2024.	Independent Director	Bachelor of Science (B.S), Advance Management Education from IIM, Ahmedabad and Columbia University, New York, USA. Mr. Bewoor is also the Member of the Advisory Board of International Market Assessment India Private Limited. He has worked in the past as Vice President – Sales & Marketing, Procter & Gamble India, Managing Director – Bush Boake Allen India & also as Head South Asia Region for International Flavours & Fragrances & retired as Vice President South Asia Region for International Flavours & Fragrances.
Ms. Anita Belani (From 05.05.2015) In compliance with the provisions of the Companies Act, 2013, Ms. Anita Belani's initial term of appointment was for five years with effect from 05th May, 2020. She was re- appointed as an Independent Directors by passing of a special resolution for a period 5 years with tenure expiring on 04th May, 2025.	Independent Director	B.A., Honors in Economics in 1984 from Miranda House Delhi University, M.B.A. in 1987 from XLRI, India. Ms. Anita Belani is a board director, CEO / CXO coach, a business leader & a well-known HR professional with over 35 years' experience in marquee companies such as American Express, Jardine Fleming, KPMG, Sun Microsystems, Watson Wyatt & Russell Reynolds. She has cross industry business & global experience having worked in various countries.
Mr. Ketan Dalal (From 09.08.2021) In compliance with the provisions of Companies Act, 2013, Mr. Ketan Dalal was appointed for 5 years with tenure expiring on 08th August 2026.	Independent Director	Chartered Accountant Mr. Ketan Dalal, with rich professional experience of 43 years, is the founder of Katalyst Advisors Private Limited, a boutique structuring and advisory firm; he is a veteran in cross border tax issues and investment structuring, including Mergers and Acquisitions. Mr Dalal has also worked closely with regulators / government in several capacities on policy reforms ; he was a member of the "Working group on non-resident taxation" formed by India's Ministry of Finance in 2003. He has been a member of several SEBI committees such as SEBI's High Powered Advisory Committee (HPAC) on Consent orders and Compounding, SEBI (K M CHANDRASHEKHAR) committee on rationalization of foreign portfolio investments, and a member SEBI's committee on matters relating to Financial Sector Legislative Reforms Commission (FSLRC). International tax review has named him as one of India's leading tax advisors. He is also on the boards of HDFC life insurance ltd, Torrent power ltd and Zensar technologies ltd.
Mr. Krishan Kumar Sharma	Whole time Director	IIT Bombay and IIM, Ahmedabad Mr. Krishan Kumar Sharma is a chemical engineer graduate with 20 years of experience in operation management, manufacturing, supply chain, Process engineering and project management.

c) Board Meetings and attendance of Directors:

i) A total of Six Board Meetings were held in FY 2022-23.

ii) The attendance recorded for each of the Directors at the Board Meetings during the year ended as on 31st March, 2024 and of the last Annual General Meeting is as under:-

Name of the Directors	25th May, 2023	22nd August, 2023	06th October, 2023	17th November, 2023	16th February, 2024	08th March, 2024	Attendance at last AGM 25th May, 2023	Attendance at EGM held on 08th March, 2024
Mr. Harsh Mariwala	√	√	√	√	√	√	√	√
Mr. Arun Bewoor	√	√	√	√	√	√	√	-
Mr. Milind Sarwate	√	√	√	√	√	√	√	-
Ms. Anita Belani	√	√	√	√	√	√	√	-
Mr. Ketan Dalal	√	√	√	√	√	√	√	-
Dr. R. K. Mariwala	√	√	√	√	√	-	√	-
Mr. Rajendra K. Mariwala	√	√	√	√	√	√	√	√
Mr. Krishan Sharma	√	√	√	√	√	√	√	-

Average attendance of Board of Directors stood at a commendable 98% for FY 2023-24 displaying their high-level participation in decision making and consistent efforts towards fulfilling their duties and responsibilities.

d) Flow of information to the Board

The Board has unrestricted access to all Company related information including to members of the management. The Board and the Committees of the Board are provided with the relevant information, details and documents required for decision making. All the material information is circulated to the Board well in advance enabling them to take an informed decision at the Board Meeting. All the queries of the Directors on the agenda and explanatory notes circulated thereof to them are duly answered by the Management of the Company.

e) Chart or a Matrix setting out the Skills/Expertise/Competencies of the Board of Directors:

The Board of Directors of the Company possess the requisite skills/expertise/competencies in the context of its businesses to function effectively. The core skills/expertise/competencies that are available with the Directors are as under:

	Skill/ Expertise/ Competencies							
Core Areas of expertise/Skills/ Competencies	**Mr. Harsh Mariwala**	**Mr. Arun Bewoor**	**Mr. Milind Sarwate**	**Ms. Anita Belani**	**Mr. Ketan Dalal**	**Dr. (Mr.) Ravindra Mariwala**	**Mr. Rajendra Mariwala**	**Mr. Krishan Sharma**
Corporate Strategy Planning & Risk	√	√	√	√	√	√	√	√
Leadership	√	√	√	√	√	√	√	√
Entrepreneurship	√			√	√	√	√	
Financial & Accounting		√	√		√			
Corporate Governance, Legal, Compliance	√	√	√	√	√		√	√
M&A & Investment Management	√		√	√	√		√	
Sales & Marketing	√	√					√	
Human Capital Management	√	√		√			√	
Global Business	√	√	√	√			√	

f) **Meeting of Independent directors**

During the FY 2023-24, a meeting of Independent Directors was convened on 15th March, 2024 through video-conferencing. At the said meeting, Independent Directors discussed and reviewed the performance of Chairperson, Non-Independent Directors and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors attended the said meeting.

g) **Confirmation from the Board of Directors in context to Independent Directors:**

A declaration under Section 149(6) of the Companies Act, 2013 have been received by all the Independent Directors of the Company confirming the fulfilment of the conditions of Independence as stipulated thereunder. The Board of Directors after taking the declaration on record have confirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified in the aforesaid section and are independent of the management.

h) **Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his / her tenure along with a confirmation by such director that there are no other material reasons other than those provided:**

No Independent Director has resigned before expiry of his / her tenure.

i) **Completion of tenure of the Independent Directors**

In the FY 2024-25, Mr. Milind Sarwate and Mr. Arun Bewoor will be completing their second consecutive term as Independent Directors on the Board of the Company with effect from 03rd November, 2024.

The Board of Directors and Management place on record their deep appreciation for the contributions made by Mr. Milind Sarwate and Mr. Arun Bewoor during their association with the Company over the years.

III. COMMITTEES OF THE BOARD

a. **Audit Committee:**

The Audit Committee is chaired by Mr. Ketan Dalal and comprises of 5 members. It plays a pivotal role in enhancing Corporate Governance, oversee internal controls and financial reporting, and undertakes various key functions.

The Chairman of the Committee has a professional experience of 43 years and is a veteran in cross border tax issues and investment structuring, including Mergers and Acquisitions.

The Composition of the Committee as on 31st March, 2024 is as under:

Name of the Audit Committee Members	Chairman/ Member
Mr. Ketan Dalal (Independent Director)	Chairman
Mr. Milind Sarwate (Independent Director)	Member
Mr. Arun Bewoor (Independent Director)	Member
Ms. Anita Belani (Independent Director)	Member
Mr. Rajendra Mariwala (Managing Director)	Member

Four out of five members of the Audit Committee are Non-Executive Independent Directors. All the Members of the Committee are Independent Directors and possess strong accounting and financial management knowledge.

The date of Audit Committee meetings held and the attendance of each member on such dates is as under: -

Name of the Audit Committee members	25th May, 2023	22nd August, 2023	17th November, 2023	16th February, 2024
Mr. Ketan Dalal	√	√	√	√
Mr. Milind Sarwate	√	√	√	√
Mr. Arun Bewoor	√	√	√	√
Ms. Anita Belani	√	√	√	√
Mr. Rajendra Mariwala	√	√	√	√

Average Attendance of the members= 100%

Mr. Chetan Chowatia, Chief Financial Officer and Mr. Pravin Agarwal, General Manager & Accounts Control are permanent invitees to the meeting of the Committee. The representatives of the Auditors are invited to the Audit Committee meetings. The Statutory Auditors/ Internal Auditors attend the Audit Committee Meetings for matters relating to discussion on financials results/respective audit reports.

Mr. Sandesh Pokhriyal, Company Secretary is the Secretary to the Committee.

The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under Section 177 of the Companies Act, 2013.

b. Nomination and Remuneration Committee:

The Nomination & Remuneration Committee is chaired by Ms. Anita Belani and comprises of 4 members of which 3 are Independent Directors and 1 being Non-Executive Non- Independent Director.

The Chairperson of the Committee is a seasoned professional with over 30 years of experience as a senior business & human capital leader.

The primary terms of reference of Nomination and Remuneration Committee is to guide the Board in relation to the appointment and removal, identifying persons and to recommend / review remuneration of the directors including Whole-time / Executive Directors and Key Managerial Personnel (KMP).

Name of the Nomination & Remuneration Committee Members	Chairperson/ Member
Ms. Anita Belani (Independent Director)	Chairperson
Mr. Milind Sarwate (Independent Director)	Member
Mr. Arun Bewoor (Independent Director)	Member
Dr. (Mr.) Ravindra Mariwala (Non- Executive Non-Independent Director)	Member

The date of Nomination and Remuneration Committee meetings held, and attendance of each member is as under:

Name of the Nomination and Remuneration Committee members	25th May, 2023	06th October, 2023	17th November, 2023	16th February, 2024
Ms. Anita Belani	√	√	√	√
Mr. Milind Sarwate	√	√	√	√
Mr. Arun Bewoor	√	√	√	√
Dr. (Mr.) Ravindra Mariwala	√	√	√	√

Average Attendance of the Member= 100%

The Committee also evaluates the performance of Independent Directors on the basis of various criteria, inter alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired regarding the Company's business,

Mr. Sandesh Pokhriyal, Company Secretary acts as the Secretary to the Committee.

c. Corporate Social Responsibility (CSR) Committee

The Board of Directors have constituted a CSR Committee which plays pivotal role in discharging Corporate Social Responsibility (CSR) as per the provisions of the Companies Act, 2013 and ensures that the company's CSR initiatives align with its overall business strategy and integrate CSR into core business operations.

CSR Committee is guided by the CSR Policy of the Company formulated and approved by the Board of Directors.

The CSR Policy of your Company, in alignment with the CSR provisions is available on the website of the Company and can be accessed in the Corporate Governance section https://www.eternis.com/sites/all/themes/eternis/pdf/Corporate-Governance-R1.pdf.

The Committee comprises of Mr. Arun Bewoor, Chairman of the Committee, Mr. Milind Sarwate, Independent Director and Mr. Rajendra Mariwala, Managing Director.

During the year under review, a CSR Committee meeting was held on 25th May, 2023 and all the Members of the Committee were present in the said meeting.

d. Administrative Committee (Business & Operations)

The Board of Directors at its meeting held on 16th February, 2024 approved constitution of Administrative Committee (Business & Operations) with an intention to have more focussed approach on the core business agendas at the Board Meeting and for administrative convenience. The Committee functions within the purview of the terms of reference as set by the Board of Directors. The Committee predominantly deals with administrative matters only.

The Committee Comprises of following:

Name of the Committee Members	Designation
Mr. Rajendra K. Mariwala	Managing Director
Mr. Krishan Kumar Sharma	Whole-time Director
Mr. Chetan Chowatia	Chief Financial Officer

During the year under review, no meeting was convened of the Administrative Committee (Business & Operations).

Further, the Minutes/ Summary of resolutions passed by the said Committee will be placed before the Board for its noting.

Mr. Sandesh Pokhriyal, Company Secretary acts as the Secretary to the Committee.

IV. REMUNERATION OF DIRECTORS:

a) Non- Executive Directors:

During year under review, the Non -Executive Directors were paid ₹1,00,000/- for attending each Board Meeting and ₹75,000/- per Committee Meeting. Further, at the Extra-Ordinary General Meeting held on 21st March, 2022 the shareholders of the Company have approved payment of ₹18,00,000/- as the Commission to the Non-Executive Directors till the currency of their tenure.

All the remuneration paid to the Non-Executive Directors are in accordance with Section 197 read with Schedule V and rules made thereunder of the Companies Act, 2013.

b) Managing Directors and Whole-time Directors:

The structure of remuneration payable to the Managing Director, Whole-time Director and CFO is divided into fixed pay and variable component which is linked to achievement of certain year-on-year and long-term targets as determined by the NRC and the Board of the Company.

The remuneration paid to Managing Director, Whole-time Director and CFO is reviewed, revised, and approved by NRC basis their performance evaluation and achievement of goals.

Details of remuneration paid to Directors are reproduced hereunder:

(₹ in Million)

	Name of the Directors	Remuneration paid/ payable for the year 2023-2024	
		Sitting fees paid during the year	Commission
I	Mr. Harsh Mariwala	0.60	1.80 each Director
	Mr. Milind Sarwate	1.28	
	Mr. Arun Bewoor	1.28	
	Ms. Anita Belani	1.20	
	Mr. Ketan Dalal	0.90	
	Dr. (Mr.) Ravindra Mariwala	0.80	
II (i)	Mr. Rajendra Mariwala (Managing Director)		
	Salary and allowances	56.53	
	Contribution to Provident Fund	2.12	
	Total	**58.65**	

(₹ in Million)

	Name of the Directors	Remuneration paid/ payable for the year 2023-2024 Sitting fees paid during the year	Commission
(ii)	Mr. Krishan Sharma (Whole-time Director)		
	Salary and allowances	17.51	
	Contribution to Fund	0.64	
	Total	**18.15**	

Notes:

a) There is no pecuniary or business relationship between the Non-Executive/Independent Directors and the Company, except for the sitting fees for attending meetings of the Board/Committees thereof and remuneration payable to them annually. Certain professional services were rendered to the Company by a entity in which a Non-Executive Independent Director is a director. However, that does not affect the independence of the said director.

b) There is no severance fee or stock option in the case of the aforesaid managerial personnel. The respective tenure of the aforesaid managerial personnel shall be governed by the resolutions passed by the Shareholders in General Meetings with a notice period as mentioned therein.

c) Directors' commission amount is exclusive of applicable Goods and Service Tax (GST) which shall be borne by the Company.

d) Commission for FY 2023-24 has already been paid to the Non- Executive Directors.

V. FOR SHAREHOLDERS' INFORMATION:

General Body Meetings:

Details of the last 3 AGMs of the Company and summary of Special Resolution(s) passed therein, if any, are as under:

AGM	Day	Date	Time	Venue	Summary of Special Resolution
57th	Thursday	25th May, 2023	4.30 P.M.	8th Floor, Marico Board Room, Grande Palladium, Kalina, Santacruz (East), Mumbai- 400 098	i. Approval for revision remuneration of Mr. Rajendra Mariwala, Managing Director u/s. 197 of the Companies Act, 2013. ii. Approval for revision remuneration of Mr. Krishan Sharma, Whole-time Director u/s. 197 of the Companies Act, 2013.
56th	Monday	23rd May, 2022	3.30 P.M	Conducted through Video Conferencing from Mumbai	Approval of remuneration of Mr. Rajendra Mariwala, Managing Director u/s. 197 of the Companies Act, 2013.
55th	Friday	13th August, 2021	3.30 P.M	Conducted through Video Conferencing from Mumbai	None

VI. GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting to be held:

Day : Thursday

Date: 20th June, 2024

Time: 11.30 A.M.

b) Financial Year: 2023-24

c) Depository connectivity: National Securities Depository Limited

d) Registrar and Transfer Agents:

The Company has appointed Link Intime India Private Limited as its Share Transfer Agent for both physical and demat segments of Equity Shares.

Details of the Share Transfer Agent is:

Address:

Link Intime India Private Limited

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

Vikhroli (West), Mumbai- 400 083, Maharashtra

Telephone No. 022 - 4918 6000,
Fax No. 022 - 4918 6060.

e) Dematerialisation of equity shares:

100% of total equity share capital is held in dematerialised form with NSDL.

f) Hedging of Risk:

Your Company has Forex risk management policy in place to protect the contribution margins through hedging of foreign exchange. It provides flexibility to do discretionary hedge to take advantage of exchange rate movement.

g) List of all credit ratings obtained by the Company for financial facilities:

Long-Term Rating	CRISIL A+ / Stable (Upgraded from 'CRISIL A/ Positive')	04th October, 2023
Short-Term Rating	CRISIL A1 (Reaffirmed)	04th October, 2023

h) Plant (Manufacturing Units):

i) HPFL Estate, 555, Pune-Nagar Road, Koregaon Bhima, Taluka: Shirur, District: Pune. PIN – 412 216, Maharashtra

ii) Plot No. D-9/1, 9/2, 9/3 & D-15, M.I.D.C., Industrial Area, Kurkumbh, Pune- Solapur Highway, Taluka- Daund, District- Pune

iii) Plot no. 948/2, STICE, Musalgaon, Sinnar Dist: Nashik, 422112

i) Research & Development Centre of the Company

Plot No. R668, T.T.C. Industrial Area, MIDC Industrial Area, Rabale, Navi Mumbai, Maharashtra 400701.

j) Address for correspondence (Registered Office Address):

1004 Peninsula Tower

Peninsula Corporate Park

G.K. Marg, Lower Parel

Mumbai 400 013, Maharashtra.

VII. OTHER DISCLOSURES

a) All related party transactions have been entered into in the ordinary course of business and were placed before the Audit Committee for obtaining its approval as and when required. Also, at the beginning of financial year, an omnibus approval is also taken from Audit Committee. There were no material individual transactions with related parties which were not in the normal course of business, required to be placed before the Audit Committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm's length basis. Transactions with related parties as per requirements of IND AS 24 - 'Related Party Disclosures' are disclosed in Note 42 to the Financial Statements.

b) The Company has established a Vigil mechanism / Whistle blower policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud etc. and the same has been disclosed on the website of the Company. Further no personnel has been denied access to the Audit Committee.

c) Direct wholly owned subsidiary Companies incorporated under the Companies Act, 2013:

   a) Eternis Chemicals Private Limited

   b) Eternis UK Limited

d) Recommendation of any Committee of the board which is mandatorily required:

   Any recommendations given by the Committees of the Board are required to be placed before the Board:- The Board has accepted all the recommendations by various committees of the Board during the financial year 31st March, 2024.

e) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

   Total fees for all services paid by Eternis Fine Chemicals Limited and its subsidiaries, on a consolidated basis, to SRBC & Co. LLP and other firms in the network entity of which SRBC & Co. LLP is a part of:

(₹ in Million)

Particulars	Amount
Fees for audit and related services paid to SRBC & Co. LLP affiliate firms and to entities of the network of which SRBC & Co. LLP is a part.	6.53
Other fees paid to SRBC & Co. LLP and other firms in the network entity of which SRBC & Co. LLP is a part:	5.40
Total	**11.93**

f) All Accounting Standards mandatorily required have been followed without exception in preparation of the financial statements.

g) No money was raised by the Company through public issue, rights issue etc. in the last financial year.

h) Details of Loans & Advances given by the Company & its subsidiaries in the nature of loans to firms / Companies in which Directors are interested: Details provided at Note 4 to the Financial Statements.

VIII. Additional Compliances

1. **The Board:**

   An office for the use of the Chairman is made available whenever required.

2. **Modified opinion(s) in audit report:**

   There are no qualifications in the Auditor's report on the financial statements to the Shareholders of the Company.

3. **Separate posts of Chairperson and Chief Executive Officer:**

   The Company has a Managing Director in addition to the Non-Executive Chairman of the Board. The Chairman of the Board is Non-Executive Director and is not related to the Managing Director as per the definition of the term 'relative' defined under the Companies Act, 2013.

4. **Reporting of Internal Auditor:**

   Internal Auditors are invited to the meetings ofAuditCommitteewhereintheyreportdirectlytothe Committee.

The above report has been placed before the Board at its meeting held on Thursday, 16th May, 2024 and the same was approved.

Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of Eternis Fine Chemicals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Eternis Fine Chemicals Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 audit opinion on the standalone financial statements.

Other Information

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

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

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

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the 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 except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph i (vi) below on reporting under Rule 11(g);

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 52 to the standalone financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 51 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 51 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for direct changes to data when using certain access rights as described in note 49 to the financial statements. Further, no instance of audit trail feature being tampered with was noted in respect of SAP software.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Sd/-
per Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 24110759BKEBAW6411

Place of Signature: Mumbai
Date: May 16, 2024

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: Eternis Fine Chemicals Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were identified on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held 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 ended 31st March, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2024 and material discrepancies were not noticed in respect of such confirmations. There were no discrepancies of 10% or more in aggregate for each class of inventory noticed.

(b) As disclosed in note 50 (h) to the standalone financial statements, the Company has been sanctioned working capital limits in excess of ₹ five Crores in aggregate from banks or financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone financial statements, the quarterly returns or statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) During the year, the Company has stood guarantee and provided loans as follow: -

(₹ in Million)

Particulars	Guarantee	Loan
Aggregate amount granted/ provided during the year - Subsidiaries and step-down subsidiaries	289.85	100.00
Balance outstanding as at balance sheet date in respect of above cases - Subsidiaries and step-down subsidiaries	1,164.15	100.00

During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to firms, limited liability partnerships or any other parties.

(b) During the year, the investment made in wholly-owned subsidiary and the terms and conditions of loan granted to the wholly-owned subsidiary and guarantee given on behalf of the step-down subsidiary are not prejudicial to the Company's interest.

(c) The Company has granted loans during the year to its wholly-owned subsidiary where the schedule of repayment of principal and payment of interest has been stipulated and the receipts are regular.

(d) There are no amounts of loans and advances in the nature of loans granted to Companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to Companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year.

(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 to Companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of chemical and chemical products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it though there has been a slight delay in few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed dues payable in respect of these statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues that have not been deposited on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Period to which the amount relates	Forum where the dispute is pending	Amount (₹ in Million)
Income Tax Act, 1961	Tax	AY 2011-12	Deputy Commissioner of Income Tax	1.28
Income Tax Act, 1961	Tax	AY 2016-17	Commissioner of Income Tax (Appeals)	26.02
Income Tax Act, 1961	Tax	AY 2018-19	Commissioner of Income Tax (Appeals)	12.21
Income Tax Act, 1961	Tax	AY 2019-20	Deputy Commissioner of Income Tax	18.08
Income Tax Act, 1961	Tax	AY 2021-22	Commissioner of Income Tax (Appeals)	7.60

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of any interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate Company. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

(c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

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

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

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

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 47 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 38 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 38 to the financial statements.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Sd/-
per Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 24110759BKEBAW6411

Place of Signature: Mumbai
Date: May 16, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF Eternis FINE CHEMICALS LIMTED

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 with reference to standalone financial statements of Eternis Fine Chemicals Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 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 with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control with reference to these standalone financial statements 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, adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Sd/-
per Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 24110759BKEBAW6411

Place of Signature: Mumbai
Date: May 16, 2024

BALANCE SHEET

as at 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Sr. No.	Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
I.	**ASSETS**			
1	Non-current assets			
	(a) Property, plant and equipment	2(a)(i)	2,838.47	2,864.05
	(b) Capital work-in-progress	2(c),(d)	31.84	168.66
	(c) Other Intangible assets	2(b)	73.27	50.53
	(d) Right-to-use assets	2(a)(ii)	163.89	186.87
	(e) Financial assets			
	(i) Investments	3	4,002.05	3,906.75
	(ii) Loans	4	148.02	38.79
	(iii) Other non current financial assets	5	13.12	18.43
	(f) Other non-current assets	6	0.70	0.57
	(g) Deferred tax assets (net)	22	46.70	24.96
	Total Non-current assets		**7,318.06**	**7,259.61**
2	**Current Assets**			
	(a) Inventories	7	2,301.64	2,291.54
	(b) Financial assets			
	(i) Investments	8	562.40	457.62
	(ii) Trade receivables	9	2,446.07	2,950.92
	(iii) Cash and cash equivalents	10	115.69	84.03
	(iv) Bank balances other than (iii) above	11	255.50	-
	(v) Loans	12	12.38	10.55
	(vi) Other current financial assets	13	638.89	327.50
	(c) Other current assets	14	355.46	186.56
	Total Current assets		**6,688.03**	**6,308.72**
	TOTAL ASSETS		**14,006.09**	**13,568.33**
II.	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity share capital	15	1.07	1.07
	(b) Other equity	16	8,590.54	7,652.37
	Total Equity		8,591.61	7,653.44
	LIABILITIES			
2	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	17(a)	-	257.65
	(ii) Lease liabilities	39	69.11	85.57
	(b) Other non current liabilities	17(b)	87.55	86.28
	Total Non-current liabilities		**156.66**	**429.50**
3	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	17(c)	2,166.76	3,012.87
	(ii) Lease liabilities	39	16.46	17.05
	(iii) Trade payables			
	- Total outstanding dues of micro enterprises and small enterprises	18	73.71	24.20
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	18	2,443.54	1,933.21
	(iv) Other current financial liabilities	19	244.87	249.20
	(b) Net Employee defined benefit liabilities	20	78.04	97.97
	(c) Other current liabilities	21	85.54	33.30
	(d) Current tax liabilities (net)	22	148.90	117.59
	Total Current liabilities		5,257.82	5,485.39
	TOTAL EQUITY AND LIABILITIES		**14,006.09**	**13,568.33**

Material accounting policies

The accompanying notes are an integral part of standalone financial statements 1.3

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

For and on behalf of the Board of Directors

Sd/-
R.K. Mariwala
Managing Director
DIN: 00007246

Sd/-
Dr. R.K. Mariwala
Director
DIN: 00032825

Sd/-
Per Anil Jobanputra
Partner
Membership No. 110759
Place : Mumbai
Date : May 16, 2024

Sd/-
Chetan Chowatia
CFO

Sd/-
Sandesh Pokhriyal
Company Secretary
Membership No.A40096
Place : Mumbai
Date : May 16, 2024

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Sr. No.	Particulars	Note No.	Year Ended 31st March 2024	Year Ended 31st March 2023
I.	Revenue from contracts with customers	23	12,029.66	12,569.73
II.	Other Income	24	246.83	98.00
III.	**Total Income (I+II)**		**12,276.49**	**12,667.73**
IV.	**Expenses**			
	Cost of raw materials consumed	25	7,235.26	7,511.07
	(Increase)/Decrease in inventories of finished goods and work-in-progress	26	(276.43)	235.66
	Employee benefits expense	27	715.51	632.31
	Depreciation and amortization expense	28	519.17	490.78
	Finance costs	29	314.89	442.44
	Other expenses	30	2,198.53	2,271.24
	Total Expenses		**10,706.93**	**11,583.50**
V.	**Profit before tax and exceptional items (III-IV)**		**1,569.56**	**1,084.23**
VI.	**Exceptional items**	31	**208.50**	**-**
VII.	**Profit before tax (V-VI)**		**1,361.06**	**1,084.23**
VIII.	**Tax expenses:**	22		
	(1) Current tax		435.45	292.92
	(2) Adjustment of tax relating to earlier periods		9.59	7.37
	(3) Deferred tax		(21.84)	(17.72)
	Total tax expenses		**423.20**	**282.57**
IX	**Profit for the year (VII-VIII)**		**937.86**	**801.66**
X.	**Other Comprehensive Income**			
	Other Comprehensive income / (expenses) to be reclassified to profit or loss in subsequent periods:			
	- Net movement on cash flow hedges		0.50	5.91
	- Income Tax effect		(0.12)	(1.49)
			0.38	**4.42**
	Other Comprehensive income / (expenses) not to be reclassified to profit or loss in subsequent periods:			
	- Remeasurement gains/(losses) on defined benefit plans		(0.09)	(6.06)
	- Income Tax effect		0.02	1.53
			(0.07)	**(4.53)**
	Other Comprehensive Income/ (expenses) for the year (net of tax)		0.31	(0.11)
XI.	**Total Comprehensive Income for the year (IX+X)**		**938.17**	**801.55**
XII.	**Earning per equity Share**	32		
	Par value ₹ 100 per share (Previous year ₹ 100 per share)			
	(1) Basic (₹)		87,824.49	75,060.86
	(2) Diluted (₹)		87,824.49	75,060.86

Material accounting policies 1.3

The accompanying notes are an integral part of standalone financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Sd/-
Per Anil Jobanputra
Partner
Membership No. 110759
Place : Mumbai
Date : May 16, 2024

For and on behalf of the Board of Directors

Sd/-
R.K. Mariwala
Managing Director
DIN: 00007246

Sd/-
Dr. R.K. Mariwala
Director
DIN: 00032825

Sd/-
Chetan Chowatia
CFO

Sd/-
Sandesh Pokhriyal
Company Secretary
Membership No.A40096
Place : Mumbai
Date : May 16, 2024

CASH FLOW STATEMENT

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars		Year Ended 31st March 2024	Year Ended 31st March 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,361.06	1,084.23
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses		519.17	490.78
Impairment of non current investment		208.50	-
Interest expenses		314.89	442.44
Interest income on investments		(22.77)	(12.70)
Interest on inter company loan		(1.67)	-
Interest income on bank deposits and corporate deposits		(44.68)	(17.42)
Net Loss/(gain) on disposal of property,plant and equipment		(0.70)	(9.84)
Property, plant and equipment written off		3.14	1.87
Net gain on sale of investments		(24.46)	(21.53)
Fair value gain on financial instruments at fair value through Profit and Loss		(9.91)	(2.85)
Unrealised foreign exchange gain on restatement		(12.55)	(39.64)
Liabilities / Provisions no longer required, written back		(18.27)	(7.45)
Allowances for doubtful assets		0.77	5.09
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**2,272.52**	**1,912.98**
Working capital adjustments:			
(Increase)/decrease in inventories		(10.10)	239.89
(Increase)/decrease in trade receivables		547.00	(172.50)
(Increase)/decrease in financial assets		23.72	(67.24)
(Increase)/decrease in other assets		(163.15)	15.78
Increase in trade payables		534.34	18.94
Increase/(decrease) in other payables		41.23	96.70
CASH GENERATED FROM OPERATIONS		**3,245.56**	**2,044.55**
Income taxes paid (net of refunds)		(413.73)	(284.53)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**(A)**	**2,831.83**	**1,760.02**
CASH FLOWS USED IN INVESTING ACTIVITIES			
Purchase of property,plant and equipment		(394.19)	(432.37)
Proceeds from sale of property,plant and equipment		10.20	0.10
Proceeds from transfer of leasehold land		-	94.50
Puchase of financial instruments		(200.00)	-
Proceeds on maturity of Bonds		50.00	55.16
(Purchase of)/Proceeds from sale of financial instruments		(124.22)	(232.09)
(Increase)/decrease in fixed and margin deposits		(338.48)	(3.19)
Investments in equity instruments of subsidiaries		(100.00)	(300.00)
Loan given to subsidiary		(100.00)	-
Interest received		43.73	28.63

CASH FLOW STATEMENT

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars		Year Ended 31st March 2024	Year Ended 31st March 2023
NET CASH USED IN INVESTING ACTIVITIES	**(B)**	**(1,152.96)**	**(789.26)**
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Net proceeds/(repayments) from short term borrowings		(408.45)	(38.38)
Repayment of long term borrowing		(684.25)	(452.26)
Payment of principal portion of lease liabilities		(17.05)	(15.74)
Interest paid		(281.96)	(438.37)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	**(C)**	**(1,391.71)**	**(944.75)**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**(A)+(B)+(C)**	**287.16**	**26.01**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**84.03**	**58.02**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**371.19**	**84.03**

Disclosure as required by Ind AS 7

Reconciliation of liabilities arising from financing activities

31st March 2024	Opening Balance	Cash Flows	Non-Cash Changes	Closing Balance
Borrowings and lease liabilities	810.38	(701.30)	(23.51)	85.57
Total liabilities from financing activities	810.38	(701.30)	(23.51)	85.57

31st March 2023	Opening Balance	Cash Flows	Non-Cash Changes	Closing Balance
Borrowings and lease liabilities	1,282.53	(469.75)	(2.40)	810.38
Total liabilities from financing activities	1,282.53	(469.75)	(2.40)	810.38

Note to the Cash Flow Statement

The Cash Flow Statement have been prepared under the indirect method as set out in Indian Accounting Standard (IND AS)-7 Statement of Cash Flows.

Material accounting policies 1.3

The accompanying notes are an integral part of standalone financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

For and on behalf of the Board of Directors

Sd/-
R.K. Mariwala
Managing Director
DIN: 00007246

Sd/-
Dr. R.K. Mariwala
Director
DIN: 00032825

Sd/-
Per Anil Jobanputra
Partner
Membership No. 110759
Place : Mumbai
Date : May 16, 2024

Sd/-
Chetan Chowatia
CFO

Sd/-
Sandesh Pokhriyal
Company Secretary
Membership No.A40096
Place : Mumbai
Date : May 16, 2024

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

(A) Equity share capital

Particulars	In Nos.	Amount
Equity shares of ₹ 100 each issued, subscribed and fully paid		
Balance as at 31st March 2023	10,679	1.07
Changes during the year	-	-
Balance as at 31st March 2024	10,679	1.07

(B) Other equity

For the year ended 31st March 2024

Particulars	Share Capital	Other Equity					Total Equity
		Retained Earnings	Capital Redemption Reserves	General Reserves	Securities Premium	Cash flow Hedge reserve	
Balance as at 1st April 2023	1.07	4,968.96	1.34	150.29	2,528.55	3.23	7,653.44
Profit for the year	-	937.86	-	-	-	-	937.86
Other Comprehensive Income/ (Expenses)	-	(0.07)	-	-	-	0.38	0.31
Total Comprehensive Income / (Expenses)	-	937.79	-	-	-	0.38	938.17
Balance as at 31st March 2024	**1.07**	**5,906.75**	**1.34**	**150.29**	**2,528.55**	**3.61**	**8,591.61**

For the year ended 31st March 2023

Particulars	Share Capital	Other Equity					Total Equity
		Retained Earnings	Capital Redemption Reserves	General Reserves	Securities Premium	Cash flow Hedge reserve	
Balance as at 1st April 2022	1.07	4,171.83	1.34	150.29	2,528.55	(1.19)	6,851.89
Profit for the year	-	801.66	-	-	-	-	801.66
Other Comprehensive Income/ (Expenses)	-	(4.53)	-	-	-	4.42	(0.11)
Total Comprehensive Income / (Expenses)	-	797.13	-	-	-	4.42	801.55
Balance as at 31st March 2023	**1.07**	**4,968.96**	**1.34**	**150.29**	**2,528.55**	**3.23**	**7,653.44**

Material accounting policies 1.3

The accompanying notes are an integral part of standalone financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

For and on behalf of the Board of Directors

Sd/-
R.K. Mariwala
Managing Director
DIN: 00007246

Sd/-
Dr. R.K. Mariwala
Director
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Sd/-
Per Anil Jobanputra
Partner
Membership No. 110759
Place : Mumbai
Date : May 16, 2024

Sd/-
Chetan Chowatia
CFO

Sd/-
Sandesh Pokhriyal
Company Secretary
Membership No.A40096
Place : Mumbai
Date : May 16, 2024

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

1 COMPANY OVERVIEW, MATERIAL ACCOUNTING POLICIES AND ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS.

1.1 CORPORATE INFORMATION

Eternis Fine Chemicals Limited ('the Company') is a public limited Company domiciled in India with its registered office located at 1004, Peninsula Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Off. Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

The Company has global leadership in several products in its portfolio and hence enjoys strong customer franchise with the Flavor and Fragrance companies worldwide.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 16th May, 2024.

1.2 BASIS OF PREPARATION

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III).

These financial statements are prepared on accrual basis under the historical cost convention, except for certain financial assets and liabilities which are measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupee (Rs.) and all values are rounded to the nearest Million (INR 000,000), except when otherwise indicated.

1.3 MATERIAL ACCOUNTING POLICIES

a. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified twelve months as its operating cycle for the purpose of current / non-current classification of assets and liabilities.

b. REVENUE RECOGNITION

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

entitled in exchange for those goods or services. Where the Company is principal in its revenue arrangements i.e. where it is the primary obligor, it has pricing latitude and is also exposed to inventory risks, it follows gross accounting . In case of a single contract with one of the customers, the Company is acting as an agent in respect of which the revenue is recognised on net basis. In respect of all arrangements with the Customers, the Company evaluates the arrangement and follows revenue recognition which is in line with accounting principle specified.

However Goods and Service Tax is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly,it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products as per delivery terms agreed. Invoices are payable within contractually agreed credit period.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer, if any. Revenue is net of sales returns and allowances, discounts, volume rebates and cash discounts.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Other income

Other income is accounted for on accrual basis except where the receipt of income is uncertain.

c. PROPERTY, PLANT & EQUIPMENT

Freehold land is carried at carrying value cost. All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipments comprises of purchase price, non-refundable taxes and duties and any directly attributable cost of bringing each asset to its working condition for the intended use. Financing costs relating to borrowed funds attributable to the acquisition of qualifying property, plant and equipment i.e. asset that necessarily takes a substantial period of time to get ready for its intended use or sale, upto the completion of construction,installation or acquisition of such property,plant and equipment are included in the gross book value of the asset.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

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

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use as at the year end. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any.

Depreciation method and estimated useful lives

The Company, based on management estimate, depreciates certain items of property,plant and equipment over estimated useful lives which maybe different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful life of the assets are as follows:

Nature of Tangible Assets	Useful Life (No.of Years)
Plant and Machinery	2 to 20
Building	10 to 60
Laboratory Testing Machines	10
Office Equipments	3 to 5
Furniture, Fixtures & Fittings	10
Computers and Peripherals	3
Vehicles	8
Electrical Installations	10
Right-to-use assets (land)	Amortised over the period of lease ranging from 30 to 99

Assets costing less than ₹ 5,000 are depreciated at the rate of hundred per cent.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Impairment of Property,plant and equipment

The carrying amounts of assets are reviewed at each balance sheet date to assess if there is any indication of impairment based on internal/ external factors. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash flows from continuing that are largely independent of the cash inflows from other assets or group of assets, is considered as cash generating unit (CGU). An impairment loss is recognised whenever the carrying amount of an asset/CGU exceeds its recoverable amount. The recoverable amount is the greater of the assets fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of the money and risks specific to the assets/CGU. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

After recognition of impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the assets revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

d. **INTANGIBLE ASSETS**

Intangible Assets acquired seperately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following intial recognition, intangible assets with finite lives are carried at cost less accumulated amortization and accumulated impairment losses,if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intagible assets with finite lives is reconised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

A summary of the policies applied by the Company to intangible assets is as follows:

Nature of Intangible Assets	Useful Life (No.of Years)	Amortisation method used
Software	3	Amortised on straight-line basis.
Data access and product registrations	10	Amortised on straight-line basis.

e. **INVESTMENT IN SUBSIDIARIES AND ASSOCIATES**

A subsidiary is an entity that is controlled by another entity. An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not control or joint control over those policies.

The Company's investments in its subsidiaries and associate are accounted at cost less impairment.

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is recorded in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the Investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the Investment. A reversal of an impairment loss is recognised immediately in Statement of Profit or Loss

f. **FINANCIAL INSTRUMENTS**

A Financial instrument is any contract that gives rise to a financial assets of one entity and a financial liabilities or equity instrument of another entity.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

Financial assets

i) Initial recognition and measurement

All financial assets are recognized initially at fair value. Further, in the case of financial assets not recorded at fair value through profit and loss, transactions cost that are attributable to the acquisition of the financial assets are also recognised.

ii) Subsequent measurement

For purpose of subsequent measurements, financial assets are classified in following categories:

(a) Debt instruments at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of EIR. The EIR amortisation is included in other income in the profit and loss.

(b) Debt instruments at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value changes are recognised in OCI. However, Company recognises any interest income or impairment losses in profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the OCI to profit and loss.

(c) Debt instruments at fair value through profit and loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss. Debt instruments included within FVTPL category are measured at fair value with all changes recognised in the profit and loss.

iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

iv) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

(b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivable and Other Receivables.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of profit and loss. This amount is reflected under the head 'other expenses' in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 financial instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and borrowings including bank overdrafts.

ii) Subsequent measurement

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instruments. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

iii) Derecognition

A Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

g. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Company uses derivative financial instruments such as forward currency contracts, interest rate swaps to hedge its foreign currency and variable Interest rate risks. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instruments, and if so, the nature of the item being hedged and the type of hedge relationship designated.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged."

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts and interest rate swaps as hedges of its exposure to foreign currency risk and interest rate risks in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

h. FAIR VALUE MEASUREMENT

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a 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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 (unadjusted) market prices in active markets 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 recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

i. INVENTORIES

Raw materials and packing materials are valued at lower of cost and net realisable value. Cost includes material cost and other costs including custom duty in case of import and other non creditable taxes incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished products including work-in-progress are valued at lower of cost and net realisable value. Cost of finished products and work-in-progress includes cost of direct material, labour, direct expenses and production overheads, where applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j. FOREIGN CURRENCIES

The financial statements are presented in Indian Rupees (INR) which is Company's functional and presentation currency.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

Transactions denominated in foreign currency are initially recorded at the exchange rate prevailing on the date of transactions. However, for practical reasons, the Company uses average rate for recording revenue from contracts with customers if the average approximates the actual rate at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in a foreign currency outstanding at the year end are restated at the year-end exchange rates. Non-monetary items including investment in foreign subsidiaries which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

Non-monetary foreign currency items are carried at cost, determined using exchange rate at the date of initial recognition.

k. EMPLOYEE BENEFITS

i) Defined contribution plans

The Company has defined contribution plans for post-employment benefits in the form of provident fund which is administered through Government of India. Provident fund is classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The company's contributions to defined contribution plans are charged to the statement of profit and loss as and when employee renders related service.

ii) Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the defined benefit schemes are calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit are discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plans are determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans are based on the market yields on Government securities as at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding charge or credit to OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises 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, past-

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

service costs, gains and losses on curtailments and non-routine settlements; and

- Net interest expense or income

iii) Other employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment are determined based on actuarial valuation using the Projected Unit Credit Method at the end of financial year.

l. LEASES

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.The determination of whether an arrangement is,or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and machinery 7 to 15 years

Wherever ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease Liabilities:

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

iii) **Short-term leases and leases of low-value assets:**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term."

m. EARNINGS PER SHARE

Basic earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Partly paid equity shares, if any, are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares.

n. INCOME TAXES

i) **Current tax**

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates an item which is recognised directly in equity or in other comprehensive income. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities as per Income Tax Act. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

ii) **Deferred tax**

Deferred tax is recognised 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.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off deferred tax assets against deferred tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

o. PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

p. CONTINGENT LIABILITY AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed 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 is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of benefits is probable, contingent asset are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

q. SEGMENT REPORTING

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Makers evaluate the Company's performance and allocate the resources based on an analysis of various performance indicators by business segments.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

r. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits including other bank balances, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

s. **BORROWING COSTS**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences (i.e. exchange gain or exchange loss, as applicable) to the extent regarded as an adjustment to the borrowing costs.

t. **SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect reported amounts of revenue, expenses, assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the results of operations during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

i) **Defined benefit plans (Gratuity benefits)**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

ii) **Fair value measurement of financial instruments**

When the fair value of financial assets and liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

iii) **Impairment**

An impairment loss is recognised for the amount by which an asset's, investment's or Cash generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected discounted future cashflows from each asset or cash generating unit.

1.4 Standards notified but not yet effective

There are no standards that are notified and not yet effective as on the date.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

2. Property, Plant and equipment and Intangible assets

2(a) (i) TANGIBLE ASSETS

Particulars	All locations except R&D									R&D								Total
	Freehold Land	Buildings	Plant and equipments	Electrical Installations	Laboratory equipments	Office equipments	Furniture and Fixtures	Vehicles	Computers	Buildings	Plant and equipments	Electrical Installations	Laboratory equipments	Office equipments	Furniture and Fixtures	Vehicles	Computers	
Cost or deemed cost																		
Balance as at April 1, 2022	0.40	322.96	4,131.20	74.12	29.01	22.14	20.45	8.48	20.38	82.16	12.44	10.07	73.02	2.45	15.05	1.57	4.02	4,829.92
Additions during the year ended March 31, 2023	-	17.88	329.08	12.34	2.96	3.27	0.98	1.96	8.37	0.33	1.86	-	-	0.69	-	-	0.20	379.92
Less : Deductions	-	1.29	4.34	0.16	6.16	2.12	1.74	0.17	1.36	-	-	-	-	-	-	-	-	17.34
Balance as at March 31, 2023	**0.40**	**339.55**	**4,455.94**	**86.30**	**25.81**	**23.29**	**19.69**	**10.27**	**27.39**	**82.49**	**14.30**	**10.07**	**73.02**	**3.14**	**15.05**	**1.57**	**4.22**	**5,192.50**
Balance as at April 1, 2023	0.40	339.55	4,455.94	86.30	25.81	23.29	19.69	10.27	27.39	82.49	14.30	10.07	73.02	3.14	15.05	1.57	4.22	5,192.50
Additions during the year ended March 31, 2024	-	26.48	383.33	30.67	0.50	5.52	3.15	2.16	13.58	9.00	-	-	0.67	-	-	-	1.03	476.09
Less : Deductions	-	-	37.12	0.97	2.49	0.54	0.41	3.13	1.07	-	0.19	-	0.12	1.80	0.09	-	0.36	48.29
Balance as at March 31, 2024	**0.40**	**366.03**	**4,802.15**	**116.00**	**23.82**	**28.27**	**22.43**	**9.30**	**39.90**	**91.49**	**14.11**	**10.07**	**73.57**	**1.34**	**14.96**	**1.57**	**4.89**	**5,620.30**
Accumulated depreciation and Impairment																		
Balance as at April 1, 2022	-	71.32	1,683.53	18.48	7.72	13.81	6.78	3.85	12.29	6.79	6.66	3.79	30.42	2.09	8.41	1.04	3.40	1,880.38
Depreciation for the year ended March 31, 2023	-	13.03	415.71	7.27	3.07	2.74	1.91	1.05	4.39	1.44	0.87	0.93	6.33	0.20	0.90	0.19	0.15	460.20
Less : Deductions	-	0.06	0.95	0.15	5.85	2.05	1.61	0.17	1.29	-	-	-	-	-	-	-	-	12.13
Balance as at March 31, 2023	**-**	**84.29**	**2,098.29**	**25.60**	**4.94**	**14.52**	**7.08**	**4.73**	**15.39**	**8.23**	**7.53**	**4.72**	**36.75**	**2.29**	**9.31**	**1.23**	**3.55**	**2,328.45**
Balance as at April 1, 2023	-	84.29	2,098.29	25.60	4.94	14.52	7.08	4.73	15.39	8.23	7.53	4.72	36.75	2.29	9.31	1.23	3.55	2,328.45
Depreciation for the year ended March 31, 2024	-	12.12	437.11	9.51	3.27	3.81	2.02	1.23	7.94	1.52	1.06	0.93	6.36	0.19	0.90	0.19	0.32	488.48
Less : Deductions	-	-	26.97	0.93	2.29	0.38	0.28	1.18	0.63	-	0.18	-	0.12	1.71	0.09	-	0.34	35.10
Balance as at March 31, 2024	**-**	**96.41**	**2,508.43**	**34.18**	**5.92**	**17.95**	**8.82**	**4.78**	**22.70**	**9.75**	**8.41**	**5.65**	**42.99**	**0.77**	**10.12**	**1.42**	**3.53**	**2,781.83**
As at March 31, 2024	**0.40**	**269.62**	**2,293.72**	**81.82**	**17.90**	**10.32**	**13.61**	**4.52**	**17.20**	**81.74**	**5.70**	**4.42**	**30.58**	**0.57**	**4.84**	**0.15**	**1.36**	**2,838.47**
As at March 31, 2023	**0.40**	**255.26**	**2,357.65**	**60.70**	**20.87**	**8.77**	**12.61**	**5.54**	**12.00**	**74.26**	**6.77**	**5.35**	**36.27**	**0.85**	**5.74**	**0.34**	**0.67**	**2,864.05**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

2(a) (ii) RIGHT TO USE ASSETS

Particulars	All locations except R&D		R&D	Total
	Leasehold Land	Plant and equipments	Leasehold Land	
Cost or deemed cost				
Balance as at April 1, 2022	165.45	204.58	7.45	377.48
Additions during the year ended March 31, 2023	-	-	-	-
Less : Deductions	86.03	-	-	86.03
Balance as at March 31, 2023	**79.42**	**204.58**	**7.45**	**291.45**
Balance as at April 1, 2023	79.42	204.58	7.45	291.45
Additions during the year ended March 31, 2024	-	-	-	-
Less : Deductions	-	-	-	-
Balance as at March 31, 2024	**79.42**	**204.58**	**7.45**	**291.45**
Accumulated depreciation and Impairment				
Balance as at April 1, 2022	7.42	76.27	0.54	84.23
Depreciation for the year ended March 31, 2023	1.11	21.78	0.09	22.98
Less : Deductions	2.63	-	-	2.63
Balance as at March 31, 2023	**5.90**	**98.05**	**0.63**	**104.58**
Balance as at April 1, 2023	5.90	98.05	0.63	104.58
Depreciation for the year ended March 31, 2024	1.13	21.76	0.09	22.98
Less : Deductions	-	-	-	-
Balance as at March 31, 2024	**7.03**	**119.81**	**0.72**	**127.56**
As at March 31, 2024	**72.39**	**84.77**	**6.73**	**163.89**
As at March 31, 2023	**73.52**	**106.53**	**6.82**	**186.87**

Refer note 39 for further details on right-to-use assets and lease liabilities.

2(b) INTANGIBLE ASSETS

Particulars	All locations except R&D			R&D	Total
	Computer Softwares	Customer contract	Data access and product registrations	Computer Softwares	
Cost or deemed cost					
Balance as at April 1, 2022	12.06	16.00	24.86	3.92	56.84
Additions during the year ended March 31, 2023	0.38	-	37.66	-	38.04
Less : Deductions	-	-	-	-	-
Balance as at March 31, 2023	**12.44**	**16.00**	**62.52**	**3.92**	**94.88**
Balance as at April 1, 2023	12.44	16.00	62.52	3.92	94.88
Additions during the year ended March 31, 2024	1.69	-	28.54	0.22	30.45
Less : Deductions	-	16.00	-	-	16.00
Balance as at March 31, 2024	**14.13**	**-**	**91.06**	**4.14**	**109.33**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars	All locations except R&D			R&D	Total
	Computer Softwares	Customer contract	Data access and product registrations	Computer Softwares	
Accumulated amortisation	.				
Balance as at April 1, 2022	8.91	16.00	8.31	3.53	36.75
Amortisation for the year ended March 31, 2023	1.13	-	6.40	0.07	7.60
Less : Deductions	-	-	-	-	-
Balance as at March 31, 2023	**10.04**	**16.00**	**14.71**	**3.60**	**44.35**
Balance as at April 1, 2023	10.04	16.00	14.71	3.60	44.35
Amortisation for the year ended March 31, 2024	1.03	-	6.60	0.08	7.71
Less : Deductions	-	16.00	-	-	16.00
Balance as at March 31, 2024	**11.07**	**-**	**21.31**	**3.68**	**36.06**
Net Book Value					
As at March 31, 2024	**3.06**	**-**	**69.75**	**0.46**	**73.27**
As at March 31, 2023	**2.40**	**-**	**47.81**	**0.32**	**50.53**

Note 2(c) : Movement of Capital Work in Progress

2(c) (i) TANGIBLE ASSETS

Particulars	Amount
Balance as at April 1, 2022	126.89
Additions during the year ended March 31, 2023	418.66
Less : Capitalised during the year	379.92
Balance as at March 31, 2023	**165.63**
Balance as at April 1, 2023	**165.63**
Additions during the year ended March 31, 2024	342.32
Less : Capitalised during the year	476.11
Balance as at March 31, 2024	**31.84**

2(c) (ii) INTANGIBLE ASSETS

Particulars	Amount
Balance as at April 1, 2022	0.01
Additions during the year ended March 31, 2023	41.06
Less : Capitalised during the year	38.04
Balance as at March 31, 2023	**3.03**
Balance as at April 1, 2023	**3.03**
Additions during the year ended March 31, 2024	25.74
Capitalised during the year	28.77
Balance as at March 31, 2024	**-**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

2(c) Ageing of Capital work in progress

As at 31st March, 2024

Capital-Work-In Progress (CWIP)	Amount in CWIP for a period of				31st March 2024
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	
(i) Projects in Progress	31.50	0.34	-	-	31.84
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**31.50**	**0.34**	**-**	**-**	**31.84**

As at 31st March, 2023

Capital-Work-In Progress (CWIP)	Amount in CWIP for a period of				31st March 2024
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	
(i) Projects in Progress	168.17	0.51	-	-	168.68
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**168.17**	**0.51**	**-**	**-**	**168.68**

2(d) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

Capital Work in Progress as at March 31, 2024	To be completed in				Amount as at March 31, 2024
	<1 year	1-2 year	2-3 year	> 3 year	
Permanent set up for material recovery from coumarin waste stream & Elimination of coumarin side stream material handling through IBCs	5.71	-	-	-	5.71
Revamping of hydrogen compressor to increase pressure from 150 Bar to 200Bar	5.61				5.61
Mitigate R1R2 recommendation of OT,PT and STC Plant	0.68				0.68
Toilet Block near Fabrication Shade	0.65				0.65
Hydraulic Bale press Machine 50 MT capacity for scrap yard	0.55				0.55
Others	0.77	-	-	-	0.77
Total	**13.97**	**-**	**-**	**-**	**13.97**

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

Capital Work in Progress as at March 31, 2023	To be completed in				Amount as at March 31, 2023
	<1 year	1-2 year	2-3 year	> 3 year	
Waste Heat Recovery By Incineration	59.93	-	-	-	59.93
Hydrogen plant DCS Operating system upgradation	9.03	-	-	-	9.03
Phase I Automation @ HP 02 - OT,PT & STAC	89.46	-	-	-	89.46
MPO Yield improvement	5.04	-	-	-	5.04
DMBCA Pilot Trials using assets of HP-04 & HP-01	1.11	-	-	-	1.11
Others	2.38	0.51	-	-	2.89
Total	**166.95**	**0.51**	**-**	**-**	**167.46**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

3 Financial Assets - Non- Current Investments

Particulars	As at 31st March 2024	As at 31st March 2023
Unquoted		
Investment in subsidiaries		
a. Investment in fully paid-up equity instruments (at cost)		
614,339 (614,339) equity shares of GBP 1 each fully paid up of Eternis UK Limited, a company incorporated in UK	3,420.63	3,420.63
Less: Provision for impairment in value of investments (refer note 31)	(208.50)	-
b. Investment in equity instruments (at cost)		
40,10,000 (40,10,000) equity shares of ₹ 100 each fully paid up of Eternis Chemicals Private Limited (Refer note 1 below)	401.00	301.00
Investment in associates		
Investments in fully paid-up equity instruments (at cost)		
515,000 (515,000) equity shares of ₹ 10 each fully paid-up of AMP Energy Green Twelve Pvt. Ltd.	5.15	5.15
Investments in fully paid-up compulsory convertible debenture instruments (at amortised cost)		
46,350 (46,350) compulsory convertible debenture of ₹ 1000 each fully paid-up of AMP Energy Green Twelve Pvt. Ltd	46.35	46.35
(A)	**3,664.63**	**3,773.13**
Investment in bonds (at amortised cost)		
Quoted (non trade)	**337.42**	**129.36**
(B)	**337.42**	**129.36**
Investments in LIC fund (at amortised cost)	**-**	**4.26**
(C)	**-**	**4.26**
Total (D)=(A+B+C)	**4,002.05**	**3,906.75**
Aggregate book value of quoted investments	337.42	129.36
Aggregate market value of quoted investments	337.42	129.36
Aggregate value of unquoted investments	3,664.63	3,777.39
Aggregate amount of impairment in value of investments	208.50	-

Note 1 : Investment in equity instruments of subsidiary (Eternis Chemicals Private Limited)

Particulars	For the year ended 31st March 2024		For the year ended 31st March 2023	
	No of Shares	Value	No of Shares	Value
Opening Shares				
Fully Paid up Shares	10,000	1.00	10,000	1.00
Partly Paid up shares	4,000,000	300.00	-	-
Opening Balance	**4,010,000**	**301.00**	**10,000**	**1.00**
Partly paid-up equity shares issued during the year	-		4,000,000	300.00
Amount received against final call in respect of partly paid up shares issued during the previous year	-	100.00	-	-
Closing Balance	**4,010,000**	**401.00**	**4,010,000**	**301.00**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

List of significant investments in Subsidiaries and Associates

Name and Country of Incorporation	% of equity interest as at	
	31st March 2024	31st March 2023
Subsidiaries		
Eternis UK LTD, United Kingdom	100%	100%
Eternis Chemicals Private Limited, India	100%	100%
Associates		
AMP Energy Green Twelve Pvt. Ltd.	26%	26%

4 Financial assets - Long term loans

Particulars	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good unless otherwise stated)		
At amortised cost		
Loans to wholly owned Subsidiary (Refer note below)		
Unsecured, considered good	100.00	-
	100.00	**-**
Loans to Employees		
Unsecured, considered good	48.02	38.79
Unsecured, considered doubtful	0.29	0.34
	48.31	**39.13**
Less: Allowance for doubtful loans	0.29	0.34
	48.02	**38.79**
	148.02	**38.79**

Note : The above unsecured loan has been given for the business purpose and repayable by December 2028.

5 Other non current financial assets

Particulars	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good unless otherwise stated)		
Security deposits		
Unsecured, considered good	13.06	13.84
	13.06	**13.84**
Deposits with banks with maturity period more than 12 months*	0.06	4.59
	13.12	**18.43**

*Of the above deposits, ₹ 0.06 Million (31st March 2023 : ₹ 4.59 Million) is kept as margin money.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

6 Other non- current assets

Particulars	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good unless otherwise stated)		
Capital advances		
Unsecured considered good	0.70	0.57
Considered doubtful	0.50	0.50
	1.20	1.07
Less: Allowance for doubtful advances	0.50	0.50
	0.70	0.57
Balances with statutory/government authorities		
Considered doubtful	12.98	12.75
	12.98	12.75
Less: Allowance for doubtful balances	12.98	12.75
	-	-
	0.70	**0.57**

7 Inventories (valued at lower of cost or net realisable value)

Particulars	As at 31st March 2024	As at 31st March 2023
Raw materials (Including stock in transit ₹ 36.80 Million (31st March 2023 : NIL))	713.13	940.66
Packing materials	6.79	9.21
Work-in-progress	288.26	319.20
Stores and Spares	86.57	122.95
Finished goods (including stock in transit)	1,206.89	899.52
	2,301.64	**2,291.54**

During the year ended 31st March, 2024 ₹ 34.38 Million (31st March 2023 ₹ 60.59 Million) was recognised as expenses towards write down of inventories

8 Financial assets - Current investments

Particulars	As at 31st March 2024	As at 31st March 2023
Investments in mutual fund at fair value through Profit and Loss		
Quoted	562.40	405.72
Investment in bonds (at amortised cost)		
Quoted (non trade)	-	51.90
	562.40	**457.62**
Aggregate book value of quoted investment	562.40	457.62
Aggregate market value of quoted investments	562.40	457.62
Aggregate amount of impairment in value of investments	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

9 Trade receivables

Particulars	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good unless otherwise stated)		
At amortised cost		
Trade receivable from others		
Unsecured, Considered Good	2,298.26	2,640.86
Considered Doubtful	0.77	0.36
	2,299.03	**2,641.22**
Less: allowances for doubtful debts	0.77	0.36
	2,298.26	**2,640.86**
Trade receivable from related parties (refer note 40)	147.81	310.06
	2,446.07	**2,950.92**

As at 31st March 2024

Particulars	Outstanding for following periods from due date of payments					
	Current but not due	Less than 6 months	6 months to 1 year	1-2 years	More then 2 years	Total Amount
(i) Undisputed trade receivables - considered good	2,016.26	282.00	-	-	-	2,298.26
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	0.77	0.77
(iv) Disputed trade receivable - considered good	-	-	-	-	-	-
(v) Disputed trade receivables -which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-
(vii) Undisputed trade receivables - from related parties	146.45	1.27	0.09	-	-	147.81
Total	**2,162.71**	**283.27**	**0.09**	**-**	**0.77**	**2,446.84**

As at 31st March 2023

Particulars	Outstanding for following periods from due date of payments					
	Current but not due	Less than 6 months	6 months to 1 year	1-2 years	More then 2 years	Total Amount
(i) Undisputed trade receivables - considered good	2,362.95	277.86	0.04	0.01	-	2,640.86
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	0.36	-	-	0.36
(iv) Disputed trade receivable - considered good	-	-	-	-	-	-
(v) Disputed trade receivables -which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-
(vii) Undisputed trade receivables - from related parties	128.30	174.22	7.54	-	-	310.06
Total	**2,491.25**	**452.08**	**7.94**	**0.01**	**-**	**2,951.28**

Note: There are no trade or other receivables which are due from directors or other officers of the Company eitherseverally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member, other than disclosed in note no. 40.

Trade receivables are non-interest bearing and are generally on terms of 10 to 120 days.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

10 Cash and cash equivalents

Particulars	As at 31st March 2024	As at 31st March 2023
Balances with banks:		
In current accounts	15.52	34.03
Deposit with financial institutions other than Banks		
Deposit with original maturity of less than three months	100.00	50.00
Cash on hand	0.17	-
	115.69	**84.03**

Note - Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

11 Bank balances other than Cash and Cash equivalents

Particulars	As at 31st March 2024	As at 31st March 2023
Deposits with banks with original maturity period of more than 3 months and less than 12 months	255.50	-
	255.50	-

12 Financial assets - Short term loans

Particulars	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good unless otherwise stated)		
At amortised cost		
Loans to Employees	12.38	10.55
	12.38	**10.55**

13 Other current financial assets

Particulars	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good unless otherwise stated)		
At Fair value through other comprehensive income		
(i) Derivatives		
Foreign exchange receivable (refer note 46)	4.28	27.79
At amortised cost		
(ii) Others		
Deposits with financial institutions other than banks having original maturity period of more than 3 months and less than 12 months	605.00	261.50
Interest accrued but not due on fixed deposits	29.35	3.96
Security deposits	0.26	0.26
Receivable from related party (refer note 40)	-	33.99
	638.89	**327.50**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

14 Other current assets

(At amortised cost)

Particulars	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good unless otherwise stated)		
Advances to vendors		
Considered good	13.85	8.10
Considered doubtful	0.09	0.09
	13.94	**8.19**
Less: Allowances for doubtful advances	0.09	0.09
	13.85	**8.10**
Balances with Statutory/Government authorities		
Considered good	299.31	133.05
Considered doubtful	15.79	27.83
	315.10	**160.88**
Less: Allowance for doubtful balances	15.79	27.83
	299.31	133.05
Export Incentives Receivable		
Considered good	1.33	0.02
	1.33	**0.02**
Prepaid expenses	40.97	45.39
	355.46	**186.56**

Break up of financial assets carried at amortised cost

Particulars	As at 31st March 2024	As at 31st March 2023
Investments (note 3 and note 8)	383.77	231.87
Loans (note 4 and note 12)	160.40	49.34
Trade Receivables (note 9)	2,446.07	2,950.92
Cash and cash equivalents (note 10)	115.69	84.03
Other bank balances (note 11)	255.50	-
Other financial assets (note 5 and note 13)	647.73	318.14
Total financial assets carried at amortised cost	**4,009.16**	**3,634.30**

15 Share capital

Particulars	As at 31st March 2024	As at 31st March 2023
Authorised share capital		
5,45,000 Equity shares of ₹ 100 each	54.50	54.50
(5,45,000 Equity shares of ₹ 100 each)		
2,50,000 Redeemable Preference Shares of ₹ 10/- each	2.50	2.50
(2,50,000 Redeemable Preference shares of ₹ 10/- each)		
	57.00	**57.00**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars	As at 31st March 2024	As at 31st March 2023
Issued, Subscribed and Paid up shares		
10,679 Equity shares of ₹ 100 each, fully paid-up	1.07	1.07
(10,679 Equity shares of ₹ 100 each, fully paid-up)		
	1.07	**1.07**

Notes:

a. Reconciliation of numbers of the shares outstanding at the beginning and at the end of the year

	As at 31st March 2024	As at 31st March 2023
At the beginning of the period	10,679	10,679
Add: issued during the year	-	-
Outstanding at the end of the period	10,679	10,679

b. Rights, Preferences and restrictions attached to equity shares

The company has only one class of Issued, Subscribed and Paid-up Equity Capital having a par value of ₹ 100 per share. Each holder of equity share is entitled to one vote per share.

The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at 31st March 2024		As at 31st March 2023	
	No.of Shares	%	No.of Shares	%
Equity shares of ₹ 100 each fully paid				
Harsh C Mariwala, Kishore Mariwala C/o Aquarius Family Trust	1,830	17.14	1,830	17.14
Harsh C Mariwala, Kishore Mariwala C/o Gemini Family Trust	1,830	17.14	1,830	17.14
Harsh C Mariwala, Kishore Mariwala C/o Taurus Family Trust	1,830	17.14	1,830	17.14
Harsh C Mariwala, Kishore Mariwala C/o Valentine Family Trust	1,830	17.14	1,830	17.14
Sharrp Ventures Capital Private Limited (Formerly The Bombay Oil Private Ltd.)	1,678	15.71	1,678	15.71
Ravindra Kishore Mariwala	840	7.87	840	7.87

d. Details of Shares held by promoters

As at 31st March, 2024

Equity shares of ₹ 100 each fully paid-up

Promoters Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Rajen K. Mariwala	1	-	1	0.01%	0%
Rajen K. Mariwala with Anjali R Mariwala	239		239	2.24%	0%
Ravindra K Mariwala	1	-	1	0.01%	0%

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Promoters Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Ravindra Kishore Mariwala with Paula Ravindra Mariwala	839		839	7.86%	0%
Harshraj C Mariwala	1	-	1	0.01%	0%
Harsh C Mariwala with Kishore V Mariwala for Aquarius Family Trust	1,830	-	1830	17.14%	0%
Harsh C Mariwala with Kishore V Mariwala for Gemini Family Trust	1,830	-	1830	17.14%	0%
Harsh C Mariwala with Kishore V Mariwala for Taurus Family Trust	1,830	-	1830	17.14%	0%
Harsh C Mariwala with Kishore V Mariwala for Valentine Family Trust	1,830	-	1830	17.14%	0%
Sharrp Ventures Capital Private Limited	1,678	-	1678	15.71%	0%
Anjali R Mariwala with Rajen K Mariwala	400	-	400	3.75%	0%
Tarika Rajen Mariwala with Rajendra K Mariwala	100	-	100	0.94%	0%
Anandita Arjun Kothari with Rajendra K Mariwala	100	-	100	0.94%	0%
Total	**10,679**	**-**	**10679**	**100.00%**	**0%**

As at 31st March, 2023

Equity shares of ₹ 100 each fully paid-up

Promoters Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Rajen K. Mariwala	1	-	1	0.01%	0%
Rajen K. Mariwala with Anjali R Mariwala	239	-	239	2.24%	0%
Ravindra K Mariwala	1	-	1	0.01%	0%
Ravindra Kishore Mariwala with Paula Ravindra Mariwala	839	-	839	7.86%	0%
Harshraj C Mariwala	1	-	1	0.01%	0%
Harsh C Mariwala with Kishore V Mariwala for Aquarius Family Trust	1,830	-	1,830	17.14%	0%
Harsh C Mariwala with Kishore V Mariwala for Gemini Family Trust	1,830	-	1,830	17.14%	0%
Harsh C Mariwala with Kishore V Mariwala for Taurus Family Trust	1,830	-	1,830	17.14%	0%
Harsh C Mariwala with Kishore V Mariwala for Valentine Family Trust	1,830	-	1,830	17.14%	0%
Sharrp Ventures Capital Private Limited	1,678	-	1,678	15.71%	0%
Anjali R Mariwala with Rajen K Mariwala	400	-	400	3.75%	0%
Tarika Rajen Mariwala with Rajendra K Mariwala	100	-	100	0.94%	0%
Anandita Arjun Kothari with Rajendra K Mariwala	100	-	100	0.94%	0%
Total	**10,679**	**-**	**10,679**	**100.00%**	**0%**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

16 Other equity

Particulars	As at 31st March 2024	As at 31st March 2023
Refer Statement of Changes in Equity for detailed movement in other equity		
a. Total other equity		
Retained earnings	5,906.75	4,968.96
Capital redemption reserve	1.34	1.34
General reserve	150.29	150.29
Securities premium	2,528.55	2,528.55
Cash flow hedge reserve	3.61	3.23
	8,590.54	**7,652.37**

b. Nature and Purpose of reserves

i. General reserve

The Company had transferred a portion of the net profit of the Company before declaring dividend to General reserve. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Statement of Profit and Loss.

ii. Retained earnings

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.

iii. Capital redemption reserve

Capital redemption reserve was created for buyback of shares.

iv. Securities premium

The amount received in excess of face value of equity shares is recognised in securities premium. Utilization is in accordance with section 52 of the Companies Act, 2013.

v. Cash Flow hedge reserve

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, cross currency swaps and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.

17(a) Borrowings

Particulars	As at 31st March 2024	As at 31st March 2023
(At amortised cost)		
Secured		
a. Rupee Term Loan		
Citi Bank	-	257.65
	-	257.65

Note : During the current year, the Company has repaid all the long term borrowings including prepayment of rupee term loan from Citi Bank amounting to ₹ 257.65 Million.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

17(b) Other non current financial liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
At amortised cost		
Rebate Payable	87.55	86.28
	87.55	**86.28**

17(c) Current borrowing

Particulars	As at 31st March 2024	As at 31st March 2023
At amortised cost		
Current maturities of long term debts		
External commercial borrowings (Refer note 17(a))	-	183.91
Rupee Term Loan (Refer note 17(a))	-	266.20
Foreign currency loans (Refer Notes below)		
Buyers credit arrangements	544.98	1,222.02
Pre-shipment credit against export orders	183.45	-
Post shipment credit against export bills	1,438.33	1,339.86
Rupee Working Capital Loan	-	0.88
	2,166.76	**3,012.87**

Nature of security and terms of repayment for current borrowings:

a) Buyers credit arrangements are loans taken in foreign currency for a term upto 180 days and carry interest rate of SOFR plus applicable spread ranging from 0.50 % to 2.00 % per annum (1.00% to 2.00 % per annum)

b) Pre-shipment credit against export orders in foreign currency arrangements are for a term ranging from upto 180 days and carry interest rate of SOFR plus applicable spread ranging from 1.00 % to 2.50 % per annum (1.00% to 2.50% per annum)

c) Post shipment credit against export bills in foreign currency arrangements are for a term ranging upto 90 days and carry interest rate of SOFR plus applicable spread ranging from 1.00% to 2.50% per annum (1.00% to 2.50% per annum)

d) Rupee Working Capital Loan are for a term ranging upto 7 days and carry interest rate of 9% per annum (8% per annum).

e) All the above loans are secured against first pari passu charge on current assets (stocks and receivables) and second pari passu charge on fixed assets.

18 Trade payables

Particulars	As at 31st March 2024	As at 31st March 2023
At amortised cost		
Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises (Refer notes below)	73.71	24.20
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,443.54	1,933.21
	2,517.25	**1,957.41**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars	As at 31st March 2024	As at 31st March 2023
Trade Payables	2,435.87	1,867.85
Trade Payables to related parties (Refer note 40)	81.38	89.56
	2,517.25	**1,957.41**

As at 31st March 2024

Particulars	Current but not due	Less than 1 year	More than 1 Year	Total Amount
(i) MSME	50.43	23.22	0.06	73.71
(ii) Others	2,069.58	367.40	6.56	2,443.54
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
	2,120.01	**390.62**	**6.62**	**2,517.25**

As at 31st March 2023

Particulars	Current but not due	Less than 1 year	More than 1 Year	Total Amount
(i) MSME	15.56	8.64	-	24.20
(ii) Others	1,759.01	165.01	9.19	1,933.21
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
	1,774.57	**173.65**	**9.19**	**1,957.41**

a) Dues to micro and small enterprises (on the basis of information and records available with the management		
i) Principal amount remaining unpaid to any supplier as at the end of accounting year	73.71	24.20
ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payments made to the supplier beyond the appointed day during each accounting year	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	0.38	0.26
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	3.87	3.49
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The Micro and small enterprises has been determined to the extent such parties have been identified basis the information available with the Company. This has been relied upon by the auditors.

b) Terms and conditions of the above Trade Payables:

Trade Payables are non interest bearing and are normally settled on 45-160 days terms.

For terms and conditions with related parties, refer to Note 40

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

19 Other current financial liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
At Amortised Cost		
Interest accrued but not due on borrowings	8.83	18.81
Employee benefits payable	188.73	156.62
Creditors for capital goods	37.32	62.18
Others	9.99	11.59
	244.87	**249.20**

20 Net Employee defined benefit liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
Gratuity (Refer note 43)	23.86	34.28
Leave benefits (Refer note 43)	54.18	63.69
	78.04	**97.97**

21 Other current liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
At Amortised Cost		
Statutory dues including provident fund and tax deducted at source	55.17	25.27
Deferred Government Grants	-	0.44
Advances from customers	30.37	7.59
	85.54	**33.30**

Break up of financial liabilities carried at amortised cost

Particulars	As at 31st March 2024	As at 31st March 2023
Borrowings (note no. 17(a) & 17(c))	2,166.76	3,270.52
Lease Liabilities (note no. 39)	85.57	102.62
Trade payables (note no. 18)	2,517.25	1,957.41
Other financial liabilities (note no. 19)	244.87	249.20
Total financial liabilities carried at amortised cost	**5,014.45**	**5,579.75**

22 Current tax liabilities (Net)

Particulars	As at 31st March 2024	As at 31st March 2023
Provision for tax (net of advance tax)	148.90	117.59
	148.90	**117.59**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

A. Income tax expense recognised in statement of profit and loss

Particulars		Year ended 31st March 2024	Year ended 31st March 2023
I.	**Tax Expense recognized in the Statement of Profit and Loss**		
	Current Tax	435.45	292.92
	Total (A)	**435.45**	**292.92**
	Deferred Tax charge / (income)		
	Origination and reversal of temporary differences	(21.84)	(17.72)
	Total (B)	**(21.84)**	**(17.72)**
	Adjustment of tax relating to earlier periods	9.59	7.37
	Total (C)	**9.59**	**7.37**
	Total (A+B+C)	**423.20**	**282.57**
II.	**Tax on Other Comprehensive Income (OCI)**		
	Reclassification of effective portion of hedge through OCI	0.12	1.49
	Re-measurement (gains) / losses on defined benefit plans	(0.02)	(1.53)
		0.10	**(0.04)**
Total		**423.30**	**282.53**

B. Reconciliation of Effective Tax Rate

The reconciliation between the statuory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Profit before tax	1,361.06	1,084.23
Other comprehensive Income (before tax)	0.41	(0.15)
Total Comprehensive Income (before tax)	**1,361.47**	**1,084.08**
Statutory Income Tax Rate	25.17%	25.17%
Tax as per applicable tax rate	342.65	272.84
Differences due to:		
- Adjustment of tax relating to earlier periods	9.59	7.37
- Expenses / losses not deductible under tax laws	70.09	-
- Others	0.97	2.32
Income tax expenses charged to the statement of profit and loss	423.30	282.53

C. Movement in Deferred Tax Assets and Liabilities

Movement during the year ended 31st March 2024	As at 1st April 2023	Credit / (charge) in the Statement of Profit and loss	Credit / (charge) in Other Comprehensive Income	As at 31st March 2024
Deferred tax assets/(liabilities)				
Expenses allowable on payment basis	95.55	2.09	-	97.64
Temporary differences on account of depreciation	(78.19)	13.99	-	(64.20)
Others	1.88	5.76	-	7.64
Tax impact on items shown under OCI	5.72	-	(0.10)	5.62
	24.96	**21.84**	**(0.10)**	**46.70**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Movement during the year ended 31st March 2023	As at 1st April 2022	Credit / (charge) in the Statement of Profit and loss	Credit / (charge) in Other Comprehensive Income	As at 31st March 2023
Deferred tax assets/(liabilities)				
Expenses allowable on payment basis	89.41	6.14	-	95.55
Temporary differences on account of depreciation	(85.38)	7.19	-	(78.19)
Others	(2.51)	4.39	-	1.88
Tax impact on items shown under OCI	5.68	-	0.04	5.72
	7.20	**17.72**	**0.04**	**24.96**

23 Revenue from contracts with customers

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Sale of products	11,874.54	12,419.35
Other operating revenue	155.12	150.38
	12,029.66	**12,569.73**
Details of other operating revenue		
Scrap sales	146.19	136.13
Sale of Raw Materials	4.95	10.55
Income from Export incentives (Refer note below)	**3.98**	**3.70**
	155.12	**150.38**

Note: There are no unfulfilled conditions or contingencies attached to these export incentives

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Revenue from contracts with customers:		
India (Excluding SEZ)	3,110.37	3,062.54
Outside	8,764.17	9,356.81
Total revenue from contracts with customers	**11,874.54**	**12,419.35**
Timing of revenue recognition		
Goods transferred at a point in time	11,874.54	12,419.35
Services transferred over time	-	-
Total revenue from contracts with customers	**11,874.54**	**12,419.35**
Reconciling the amount of revenue recognised		
Revenue as per contracted price	11,890.75	12,468.22
Less: Adjustments		
- Sales Returns	16.21	48.87
Net revenues from sale of products	**11,874.54**	**12,419.35**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

24 Other income

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest income on		
Non-current investments		
-Tax Free Bonds	8.85	8.05
-Others Bonds	13.92	4.65
Bank Deposits and Corporate Deposits	44.68	17.42
Others (Refer note below)	0.62	3.24
Interest on Inter Company loan	1.67	-
Net gain on sale of current investments	24.46	21.53
Fair value gain on financial instruments at fair value through profit or loss	9.91	2.85
Net exchange gain on foreign currency transactions	99.09	4.66
Net gain on disposal of property, plant and equipment	1.58	9.84
Insurance Claims Received	0.35	1.64
Other non operating income (Includes miscellaneous income and provisions written back)	41.70	24.12
	246.83	**98.00**

Note: Interest on others includes interest on security deposits and interest on tax refunds.

25 Cost of materials consumed

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Raw materials consumed		
Inventory at the beginning of the year	940.66	949.80
Add: Purchases	6,693.52	7,238.10
	7,634.18	**8,187.90**
Less: Inventory at the end of the year	713.13	940.66
	6,921.05	**7,247.24**
Packing materials consumed		
Inventory at the beginning of the year	9.21	11.63
Add: Purchases	311.79	261.41
	321.00	**273.04**
Less: Inventory at the end of the year	6.79	9.21
	314.21	**263.83**
Total Material consumed	7,235.26	7,511.07

26 Changes in inventories of finished goods and work in progress

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Inventory at the end of the year		
Finished goods	1,206.89	899.52
Work-in-progress	288.26	319.20
	1,495.15	**1,218.72**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Inventory at the beginning of the year		
Finished goods	899.52	1,148.51
Work-in-progress	319.20	305.87
	1,218.72	**1,454.38**
	(276.43)	**235.66**

27 Employee benefits expense

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Salary, bonus and other allowances (Refer note 36)	646.00	542.65
Contribution to provident and other fund (Refer note 43)	29.38	27.28
Gratuity (Refer note 43)	8.62	14.29
Leave compensation (Refer note 43)	3.51	20.71
Staff welfare expenses	28.00	27.38
	715.51	**632.31**

28 Depreciation and amortization expense

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Depreciation on tangible assets (Refer note 2(a)(i))	488.48	460.20
Amortization on intangible assets (Refer note 2(b))	7.71	7.60
Depreciation on Right-for-use assets (Refer note 39)	22.98	22.98
	519.17	**490.78**

29 Finance costs

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest and finance charges on financial liabilities not at fair value through profit or loss	237.83	253.12
Interest on lease liabilities (Refer note 39)	10.81	12.61
Interest on others	42.91	101.45
Exchange differences regarded as an adjustment to borrowing costs	23.34	75.26
	314.89	**442.44**

30 Other expenses

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Consumption of stores and spares (Refer note (a) below)	100.63	74.35
Repairs and maintenance:		
Building	24.24	21.29
Plant and machinery	32.94	33.04
Others	10.62	8.25
Telephone and Communication expenses	8.63	8.17
Power, fuel and water charges	851.52	774.03
Labour charges	105.42	90.85
Rental Charges	16.55	15.03

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars		For the year ended 31st March 2024	For the year ended 31st March 2023
Rates and taxes		7.35	5.80
Legal and professional charges		105.70	97.26
Travelling and conveyance		61.49	46.46
Insurance		37.34	38.75
Freight and forwarding		355.27	699.74
Commission on Sales		132.09	140.78
Directors' sitting fees and commission		16.85	19.78
Payments to Auditors (Refer note (b) below)		6.53	5.87
Expense towards corporate social responsibility (Refer note 38)		19.48	13.75
Donations		0.05	-
Contribution to political parties (Refer note (c) below)		70.00	-
Bank charges		10.13	27.34
Provision for doubtful debts and advances	0.97		
Less: Provision reversed / utilised	0.20	0.77	5.09
Indirect tax expenses	18.50		
Less: Provision reversed / utilised	14.80	3.70	0.90
Property plant and equipment written off		4.02	1.87
Miscellaneous expenses (Refer note (d) below)		217.21	142.84
		2,198.53	**2,271.24**

a) Stores and spares consumed:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Inventories at the beginning of the year	122.95	115.62
Add: Purchases	64.25	81.68
	187.20	**197.30**
Less: Inventories at the end of the year	86.57	122.95
Cost of stores and spares consumed during the year	**100.63**	**74.35**

b) Payments to the auditor:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
As auditor		
Audit fee	5.10	4.30
Other Services	1.13	1.35
In other capacity:		
Certification Fees	0.12	0.09
Reimbursement of Expenses	0.18	0.13
	6.53	**5.87**

c) Contribution to political party

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Contribution to Bharatiya Janata Party	70.00	-
	70.00	**-**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

d) Miscellaneous expenses includes :

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
EDP expenses	32.61	16.38
Security charges	14.33	12.57
Contract Staff Salary	6.58	5.82
Subscription to associations	9.45	10.56
Waste Disposal Expenses	54.85	35.89
Laboratory Expenses	13.99	8.38
Others expenses	85.40	53.24
	217.21	**142.84**

31 Exceptional Items

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Impairment of non current investment	208.50	-
	208.50	**-**

Note 1 : During the year, the Company has performed impairment testing of investments in its wholly-owned subsidiary (Eternis UK Limited). The carrying value of the investments exceeded its recoverable amount (i.e. value in use) of Eternis UK Limited including the value in use of its step-down subsidiary Eternis Fine Chemicals UK Limited and accordingly impairment amounting to ₹ 208.50 Million has been recognized in the Statement of Profit and Loss as ""Exceptional Items".

The value in use calculation is based on the Discounted Cashflow (DCF) model, wherein the cashflows are derived from the budget for the next five years. The value is use is sensitive to the discount rate used for the DCF Model as well as the expected future cashflows and the growth rate considered.

Key Assumptions used in the value in use calculations :

a. **EBITDA Margin :** EBITDA margins are based on average values achieved in the two years preceding the beginning of the budget period and future estimation of cashflows. These are considered over the budget period. Decreased demand can lead to a decline in the EBITDA margin.

b. **Discount Rate:** Discount rates represent the current market assessment of the risks specific to each cash generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its CGUs and is derived from its cost of capital.The cost of equity is derived from the expected return on investment by the Companies' investors. CGU-specific risk is incorporated by applying individual beta factors. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows. The future estimated cash flows discounted at Weighted average Cost of capital of 15% (March 31, 2023 : 15%)

c. **Growth Rate** used to extrapolate cashflow beyond the forecast period is based on the Group's estimates.

32 Earning per Equity share (EPS)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Profit for the year (Rupees in Million)	937.86	801.66
Weighted average number of shares	10,679	10,679
Nominal value per share (Rupees)	100.00	100.00
Earning per Equity share -Basic (Rupees)	**87,824.49**	**75,060.86**
-Diluted (Rupees)	**87,824.49**	**75,060.86**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

33 Contingent liabilities not provided for in respect of the disputed tax demands / claims:

Particulars	31st March 2024	31st March 2023
Disputed income tax demand	2.88	2.50
TOTAL	**2.88**	**2.50**

Notes:

i. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

ii. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund (PF) dated 28th February, 2019. As a matter of caution, the Company has contributed to PF on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

iii. The Company had received show cause notice (SCN) dated October 23, 2019 from Director of Revenue Intelligence for claiming IGST exemption on Imports against advance license without complying pre-import condition required as per IGST rules. The Company had filed the reply to this letter December 24, 2019 and during the current year, the Company has made various submissions during the personal hearings. The department has kept this matter in abeyance vide letter dated January 15, 2024, quoting the pendency of Supreme Court decision in asimilar subject matter.

iv. 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 statement.

v. The Company does not expect any reimbursements in respect of the above contingent liabilities.

34 Capital Commitments:

Particulars	31st March 2024	31st March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	119.85	30.90
TOTAL	**119.85**	**30.90**

35 Other Commitments:

Particulars	31st March 2024	31st March 2023
Guarantees given by banks on behalf of the Company to statutory authorities	37.21	49.09
Guarantees given by banks on behalf of the Company to suppliers	13.82	59.32
Guarantees given by the Company to banks on behalf of its wholly-owned subsidiary	1,289.25	1,010.38
Letter of credit issued by the banks for credit and other facilities granted by banks	1,240.98	234.49
Export obligations against duty free import of raw materials under the advance license scheme remaining to be executed	Nil	248.68
Export obligations against duty free import of Capital assets under the EPCG license scheme remaining to be executed	Nil	2.64
TOTAL	**2,581.26**	**1,604.60**

36 Cost of capitalised assets and capital work-in-progress includes salary cost capitalised for employees working exclusively in relation to Capex projects of the Company amounting to ₹ 23.81 Million (₹ 19.47 Million) and ₹ 0.68 Million (₹ 8.92 Million) respectively.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

37 Segment Information:

a) Operating segment are reported in a manner consistent with the 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 Company is engaged in aroma chemical products which as per Ind AS 108 - "Operating segments" is considered the only business segment and all other activities of the Company are incidental to this business segment.

b) Major customer

Revenue from three customer group of the Company is ₹ 5,704.24 Million (₹ 7,372.59 Million) which in aggregate is 48% (54%) of the Company's total revenue.

38 Corporate Social Responsibility expenses

Particulars	31st March 2024	31st March 2023
Amount required to be spent as per the section 135 of the Companies Act, 2013.	19.48	13.75
Amount Spent during the year on :		
(i) Construction/acquisition of an asset	-	-
(ii) Purposes other than type (i) above	19.48	13.75

Details of excess amount spent u/s 135(5)	31st March 2024	31st March 2023
Opening Balance	14.82	-
Amount required to be spent as per Section 135 of the Companies Act, 2013	19.48	13.75
Amount actually spent by the Company during the year	7.72	28.57
Closing Balance (accounted under Prepaid Expenses)	3.06	14.82

39 Leases

The Company has lease contracts for certain items of plant and machinery used in its operations. Leases of plant and machinery generally have lease term of 10 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period

Particulars	31st March 2024	31st March 2023
Carrying Value at the beginning of the year	186.87	293.25
Additions made during the year	-	-
Less : Deletion made during the year	-	83.40
Less : Depreciation recognized during the year	22.98	22.98
Carrying Value at the year end	163.89	186.87

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	31st March 2024	31st March 2023
Opening balance of lease liabilities	102.62	118.36
Additions made during the year	-	-
Finance cost recognised in P&L	10.81	12.61
Less: Payments made	27.86	28.35
Closing balance of lease liabilities	**85.57**	**102.62**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars	31st March 2024	31st March 2023
Current lease liabilities	16.46	17.05
Non Current lease liabilities	69.11	85.57

The effective interest rate for lease liabilities is 10.67 % to 12.55%, with maturity upto FY 2023.

The following are the amounts recognised in the statement of profit and loss:

Particulars	31st March 2024	31st March 2023
Depreciation expense on right of use assets	22.98	22.98
Interest expense on lease liabilities	10.81	12.61
Expense relating to short-term leases and low-value assets (included in other expenses)	16.55	15.03
Total amount recognised in profit or loss	50.34	50.62

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are, as follows:

Particulars	31st March 2024		31st March 2023	
	Minimum Lease Payment	Present Value of MLP	Minimum Lease Payment	Present Value of MLP
Within one year	25.40	16.46	27.86	17.05
Later than one year more than 5 year	81.45	63.05	88.24	62.74
More than 5 year	6.75	6.06	25.35	22.83
Total	**113.60**	**85.57**	**141.45**	**102.62**
Less: Finance Cost Charge	(28.03)	-	(38.83)	-
Present value of minimum lease payments	**85.57**	**85.57**	**102.62**	**102.62**

40 Related Party Disclosures as per Ind AS 24.:

A List of Related Parties

Enterprise owned or significantly influenced by key management personnel or their relatives :

a) Subsidiary companies (including step down subsidiaries)

Eternis UK Ltd.

Eternis Chemicals Private Limited

Eternis Fine Chemicals UK Limited

Eternis Fine Chemicals Singapore Pte. Limited

Eternis Fine Chemicals (Shanghai) Co. Limited

Eternis Fine Chemicals USA LLC

Eternis Fine Chemicals B.V. (w.e.f. 16.10.2023)

Associate company

AMP Energy Green Twelve Pvt. Ltd.

b) Key Managerial Personnel

Managing Director

Mr. Rajendra K. Mariwala

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Executive Directors

Mr. Kodakkal Suresan Pudhiyaveetil (Resigned w.e.f. 17.02.2023)

Mr. Krishan Kumar Sharma (Appointed w.e.f. 17.02.2023)

Non-executive Directors

Mr. Harsh C. Mariwala

Mr. Kishore V. Mariwala (Resigned w.e.f. 17.02.2023)

Dr. Ravindra K. Mariwala

Non-executive Independent Directors

Mr. Milind S. Sarwate

Mr. Arun M. Bewoor

Mrs. Anita Belani

Mr. Ketan Dalal

Chief Financial Officer

Mr. Chetan Chowatia (appointed w.e.f. 25.05.2023)

Company Secretary and Compliance Officer

Mr. Sandesh Pokhriyal (appointed w.e.f. 16.02.2024)

c) Enterprises over which KMP/Directors have significant influence

Sharrp Ventures Capital Private Limited.

Katalyst Advisory Private Limied

Indian Chemical Council

d) Post employment benefit plans

Eternis fine chemicals ltd employees gratuity scheme

B Related Party Transactions

The following transactions were carried out with the related parties in the ordinary course of business:

a) Subsidiary Companies and Enterprises over which KMP/Directors have significant influence;

Particulars	31st March 2024	31st March 2023
Eternis UK LTD.		
Transaction during the year:		
Commission expenses	106.45	114.70
Commission for standby letter of credit issued by bank	5.37	6.10
Recovery of Expenses from Eternis UK Ltd.	5.61	6.41
Closing balance:		
Commission payable	66.34	80.99

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars	31st March 2024	31st March 2023
AMP ENERGY GREEN TWELVE PVT. LTD		
Transaction during the year:		
Solar Power Charges	84.32	68.94
Interest on debentures	0.00*	0.00*
Closing balance:		
Trade Payable	8.23	7.14
Sharrp Ventures Capital Private Limited.		
Transaction during the year:		
Corporate guarantee commission	0.78	4.81
Closing balance:		
Fees for corporate guarantee Payable	NIL	1.43
Eternis FINE CHEMICALS UK LIMITED		
Transaction during the year:		
Sale of Products	20.09	78.01
Payment of Royalty	1.91	1.37
Reimbursement of expenses by the step-down subsidiary	0.94	0.09
Payment of commission by step-down subsidiary for standby letter of credit	1.79	NIL
Recovery of Expenses	1.17	NIL
Closing balance:		
Trade receivables	3.04	37.97
Trade Payables	2.84	0.23
Eternis FINE CHEMICALS PTE LIMITED		
Transaction during the year:		
Sale of Products	468.35	384.53
Closing balance:		
Trade receivables	126.27	253.36
Eternis FINE CHEMICALS (SHANGHAI) CO. LIMITED		
Transaction during the year:		
Sale of Products	NIL	27.07
Closing balance:		
Trade receivables	NIL	18.73

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars	31st March 2024	31st March 2023
Eternis CHEMICALS PRIVATE LIMITED		
Transaction during the year:		
Investment in Shares	100.00	300.00
Sale of Leasehold Land	NIL	100.87
Sale of Material	12.73	NIL
Loan given	100.00	NIL
Transfer of Assets	NIL	2.12
Interest received on loan given	1.67	NIL
Recovery of Expenses	0.35	21.69
Fees for Manpower support charged	14.16	9.24
Fees for Corporate guarantee charged	2.01	1.00
Closing balance:		
Trade receivables	13.43	NIL
Other receivables	NIL	33.99
Loan receivable	100.00	NIL
Eternis FINE CHEMICALS USA LLC		
Transaction during the year:		
Sale of Products	4.57	NIL
Closing balance:		
Debtors receivables	4.63	NIL
Katalyst Advisory Private Limied		
Transaction during the year:		
Professional Fees	4.60	2.00
Closing balance:		
Trade Payables	3.97	1.50
Indian Chemical Council		
Transaction during the year:		
Membership Fees	3.22	1.28
Closing balance:		
Trade Payables	0.10	NIL

* Represents amount less than ₹ 10,000/-

b) Key Managerial Personnel:

Particulars	31st March 2024	31st March 2023
Transaction during the year:		
Remuneration of Key managerial Personnel:		
Mr. Rajendra K. Mariwala	58.65	46.18
Mr. Kodakkal Suresan Pudhiyaveetil	NIL	18.65

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars	31st March 2024	31st March 2023
Mr. Krishan Kumar Sharma	18.15	5.49
Mr. Chetan Chowatia	12.34	NIL
Mr. Sandesh Pokhriyal	0.47	NIL
Loan given to Key managerial personnel		
Loan given during the year	15.00	NIL
Loan repaid during the year	6.05	NIL
Closing balance	27.75	NIL
Directors sitting fees		
Kishore V. Mariwala	NIL	0.60
Dr. Ravindra K. Mariwala	0.80	0.90
Mr. Harsh C. Mariwala	0.60	0.60
Mr. Milind S. Sarwate	1.28	1.43
Mr. Arun M. Bewoor	1.28	1.43
Mrs. Anita Belani	1.20	1.18
Mr. Ketan Dalal	0.90	1.05
Directors commission		
Kishore V. Mariwala	NIL	1.80
Dr. Ravindra K. Mariwala	1.80	1.80
Mr. Harsh C. Mariwala	1.80	1.80
Mr. Milind S. Sarwate	1.80	1.80
Mr. Arun M. Bewoor	1.80	1.80
Mrs. Anita Belani	1.80	1.80
Mr. Ketan Dalal	1.80	1.80

c) Eternis fine chemicals ltd employees gratuity scheme

Transaction during the year:	31st March 2024	31st March 2023
Contribution to gratuity scheme	14.92	43.16

d) Guarantees

Transaction during the year:	31st March 2024	31st March 2023
Guarantees given on behalf of Eternis UK Limited	NIL	NIL
Closing balance:	474.30	610.38
Guarantees received from Sharrp Ventures Capital Private Limited	NIL	NIL
Closing balance:	NIL	962.97
Guarantees given on behalf of Eternis Chemcials Private Limited	NIL	400.00
Closing balance:	400.00	400.00
Guarantees given on behalf of Eternis Fine Chemicals UK Limited	414.95	NIL
Closing balance:	414.95	NIL

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

e) Terms and Conditions

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

41 Managerial Remuneration

Details of payments made to whole-time director and managing director :

Particular	31st March 2024	31st March 2023
Key Managerial Remuneration		
Salary including performance incentives	74.04	67.87
Contribution to provident fund and other funds (excluding gratuity)	2.76	2.45
Total	**76.80**	**70.32**
Sitting fees and commission to non-whole time directors	16.85	19.78

1) The above remuneration to directors does not include contribution to gratuity fund, as this contribution is a lump sum amount for all relevant employees based on actuarial valuation.

2) The managerial remuneration is approved by the shareholders at the Extra Ordinary General Meeting held on May 25, 2023.

42 Fair Value Measurement

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

The carrying value and fair value of financial instruments by categories as at Balance sheet date are as follows:

Particulars	Carrying Value		Fair Value	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Financial assets:				
Measured at fair value through profit or loss (FVTPL)				
Investments in Mutual Funds (Refer note 8)	562.40	405.72	562.40	405.72
Total	**562.40**	**405.72**	**562.40**	**405.72**

The management assessed that cash and cash equivalents, trade receivables, loans, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets 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 directly or indirectly unobservable.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

The following table represents the fair value hierarechy of Financial assets and liabilities measured at fair value as on 31st March 2024 :

Particulars	As at 31st March 2024	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Financial assets measured at fair value :				
Investment in Mutual Funds (Refer note 8)	562.40	-	562.40	-
Derivative Financial assets (Refer note 13)	4.28	-	4.28	-
Total	**566.68**	**-**	**566.68**	**-**

The following table represents the fair value hierarechy of Financial assets and liabilities measured at fair value as on 31st March 2023 :

Particulars	As at 31st March 2023	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Financial assets measured at fair value :				
Investment in Mutual Funds (Refer note 8)	405.72	-	405.72	-
Derivative Financial assets (Refer note 13)	27.79	-	27.79	-
Total	**433.51**	**-**	**433.51**	**-**

There has been no transfers between Level 1 and Level 2 during the years ended March 31, 2024 and March 31, 2023.

43 Employee benefits

a) Defined Benefit Plan - Gratuity

Description of the Plan

The Company has a defined benefit gratuity plan (funded). Gratuity is payable to all eligible employees of the Company on Superannuation, death or resignation, in terms of the provisions of the Payment of Gratuity Act or as per the Company's Scheme whichever is more beneficial.

Governance

The Fund is in form of Company managed Trust. The Trustees of the Trust are responsible for the overall governance of the plan and and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

Investment Strategy

The Company's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The plans expose the Company to a number of actuarial risks such as investment risk, interest rate risk, longevity risk and inflation risk. The Company has allocated assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Company of the benefits provided.

A. Balance Sheet

The assets / liabilities and surplus / deficit position of the defined benefit plan at the Balance Sheet date were:	As at 31st March 2024	As at 31st March 2023
Present Value of Obligation	128.69	137.67
Less: Fair Value of Plan Assets	104.83	103.39
Liability recognized in Balance Sheet	23.86	34.28

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

B. Movements in Present Value of Obligation and Fair Value of Plan Assets

Particulars	Gratuity		
	Plan Obligation	Plan Assets	Difference
As at 1st April 2022	**115.24**	**56.79**	**58.45**
Current service cost	12.60	-	12.60
Interest cost	5.18	-	5.18
Return on Plan Assets	-	3.49	(3.49)
Actuarial (gain)/loss arising from changes in demographic assumptions	1.86	0.76	1.10
Actuarial (gain)/loss arising from changes in financial assumptions	(4.05)	-	(4.05)
Actuarial (gain)/loss arising from experience adjustments	9.01	-	9.01
Employer contributions	-	44.52	(44.52)
Benefits Paid	(2.17)	(2.17)	-
As at 31st March 2023	**137.67**	**103.39**	**34.28**
As at 1st April 2023	**137.67**	**103.39**	**34.28**
Current service cost	10.00	-	10.00
Interest cost	7.14	-	7.14
Return on Plan Assets	-	8.52	(8.52)
Acquisition / Divestiture	(0.35)	-	(0.35)
Actuarial (gain)/loss arising from changes in demographic assumptions	(0.95)	(0.02)	(0.93)
Actuarial (gain)/loss arising from changes in financial assumptions	(2.92)	-	(2.92)
Actuarial (gain)/loss arising from experience adjustments	3.94	-	3.94
Employer contributions	-	18.78	(18.78)
Benefits Paid	(25.84)	(25.84)	-
As at 31st March 2024	**128.69**	**104.83**	**23.86**

C. Statement of Profit and Loss

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Current service cost	10.00	12.60
Interest cost	7.14	5.18
Interest income	(8.52)	(3.49)
Net impact on profit (before tax)	**8.62**	**14.29**
Remeasurement of the net defined benefit plans:		
Actuarial (gain)/loss arising from changes in demographic assumptions	(0.93)	1.10
Actuarial (gain)/loss arising from changes in financial assumptions	(2.92)	(4.05)
Actuarial (gain)/loss arising from experience adjustments	3.94	9.01
Net (gain)/loss Impact on Other comprehensive income	**0.09**	**6.06**
Net impact on total comprehensive income (before tax)	**8.71**	**20.35**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

D. Assets

The fair value of plan assets at the Balance Sheet date for the defined benefit plan is as follows:	For the year ended 31st March 2024	For the year ended 31st March 2023
Insurer Managed Funds	104.83	103.39
Total	**104.83**	**103.39**

The Plan does not invest directly in any property occupied by the Company or any financial securities issued by the Company

E. Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Assumptions	As at 31st March 2024	As at 31st March 2023
Discount rate	7.17%	7.30%
Future salary increases	9.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Demographic Assumptions

Mortality in Service: Indian Assured Lives Mortality (2012-14) Ultimate table

F. Sensitivity Analysis

A quantitative sensitivity analysis for significant assumption as at 31st March 2024 and 31st March 2023 are as shown below:

Assumptions		Discount Rate		Future Salary Increase	
Sensitivity Level		1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on Defined Benefit Obligation	2023-24	121.80	128.09	128.19	121.65
Impact on Defined Benefit Obligation	2022-23	130.53	137.40	137.27	130.58

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

G. Expected Employer Contribution for the next year is ₹ 8.95 Million (₹ 9.42 Million).

H. The Average Duration of the defined benefit obligation at the end of reporting period is 4.50 years (4.92 Years).

b) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains or losses immediately in the statement of profit and loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

The Company has recognized ₹ 3.51 Million (₹ 20.71 Million) in the Statement of Profit and Loss towards compensated absences.

c) Provident Fund

The Company has recognized ₹ 28.86 Million (₹ 26.88 Million) towards contribution to Provident fund and ₹ 0.52 Million (₹ 0.40 Million) to the other funds (Employee State Insurance Corporation and labour welfare fund) in the Statement of Profit and Loss.

44 Financial Risk Management Objectives and Policies

In the course of its business, the Company is exposed to a number of financial risks: credit risk, liquidity risk and market risk (including foreign currency risk, interest rate risk and commodity price risk). Risk Management is an integral part of the Company's plans and operations. While the Company has a proven ability to successfully take on challenges, the efforts are to become even more proactive in recognizing and managing risks, through an organized framework. The Company recognizes risk management as an integral component of good corporate governance and fundamental in achieving it's strategic and operational objectives.

44.1 Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

Price risk:

Mutual fund Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk, market risk in addition to other factors. A movement of 1% in NAV on either side can lead to a gain/loss of ₹ 5.62 Million (31st March, 2023 : 4.06) on the overall portfolio as at 31st March, 2024.

Interest rate risk :

Interest rate risk is the loss of fair value of future earnings of financial instruments because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings and to manage this risk, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31st March 2024	As at 31st March 2023
Variable rate borrowings	2,166.76	3,098.44
Fixed rate borrowings	8.83	193.51
Total borrowings (including interest accrued but not due)	2,175.59	3,291.95

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	As at 31st March 2024			As at 31st March 2023		
	Weighted average interest rate	Balance	% of Total Loans	Weighted average interest rate	Balance	% of Total Loans
Bank Overdrafts and Bank Loans	6.79%	2,166.76	100%	7.05%	3,098.44	94%
Interest rate Swaps (Notional principal amount)		-			(183.91)	
Net Exposure to Cash Flow Interest rate risk		2,166.76			2,914.53	

Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit after tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Impact on profit after tax	
	As at 31st March 2024	As at 31st March 2023
Interest rates - Increase by 100 basis point	16.21	23.19
Interest rates - decrease by 100 basis point	(16.21)	(23.19)

Foreign currency risk :

Foreign currency risk is the loss of fair value of future earnings of financial instruments because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and Company's net investments in foreign subsidiaries.

Foreign currency sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in Foreign Currency (FC) rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Foreign Currency	Amount in foreign currency (in Million)		Amount in ₹	
		As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Amount receivable in foreign currency on account of export of goods	USD	18.87	24.76	1,573.76	2,034.13
	GBP	0.03	-	3.16	-
Net exposure to foreign currency risk (Assets)	**Total**			**1,576.92**	**2,034.13**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Foreign Currency	Amount in foreign currency (in Million)		Amount in ₹	
		As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Amount payable on account of purchase of goods loans, etc.	USD	39.26	44.30	3,274.28	3,640.20
	EUR	0.07	0.03	6.39	3.02
	GBP	0.65	1.03	68.51	104.34
Net exposure to foreign currency risk (Liabilities)	**Total**			**3,349.18**	**3,747.56**
Less: EEFC balance available	USD	-	-	-	-
Net exposure to foreign currency risk (Liabilities)	**Total**			**3,349.18**	**3,747.56**

Particulars	Impact on profit after tax	
	As at 31st March 2024	As at 31st March 2023
USD Sensitivity		
USD/INR Increase by 5% (5%)	(63.63)	(60.09)
USD/INR Decrease by 5% (5%)	63.63	60.09
EUR Sensitivity		
EUR/INR Increase by 5% (5%)	(0.24)	(0.11)
EUR/INR Decrease by 5% (5%)	0.24	0.11
GBP Sensitivity		
GBP/INR Increase by 5% (5%)	(2.44)	(3.90)
GBP/INR Decrease by 5% (5%)	2.44	3.90

44.2 Credit risk :

Credit risk is the risk of possible default by the counter party resulting in a financial loss. The Company manages its credit risk through various internal policies and procedure set forth for effective control over credit exposure. Major credit risk at the reporting date is from trade receivables. Trade receivables are managed by way of setting various parameters like credit limit, evaluation of financial condition before supply, supply terms, industry trends, ageing analysis, etc.

In respect of its investments, the Company aims to minimize its financial credit risk through the application of risk management policies. Credit limits are set based on a counterparty value.

Trade receivables are subject to credit limits, controls and approval processes. Due to large geographical base and number of customers, the Company is not exposed to material concentration of credit risk. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables on individual basis depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Company.

The gross carrying amount of trade receivables is ₹ 2446.84 Million as at 31st March, 2024 (as at 31st March, 2023, ₹ 2,951.28 Million).

Security deposits are interest free deposits given by the Company for properties taken on lease, with statutory authorities. Provision is taken on a case to case basis depending on circumstances with respect to non-recoverability of the amount.The gross carrying amount of security deposit is ₹ 13.32 Million as at 31st March, 2024 (as at 31st March, 2023, ₹ 14.10 Million).

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

44.3 Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The current ratio of the Company as at 31st March, 2024 is 1.27 (as at 31st March, 2023, 1.15).

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	As at 31st March 2024			As at 31st March 2023		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Borrowings	2,166.76	-	2,166.76	3,012.87	257.65	3,270.52
Trade payables	2,517.25	-	2,517.25	1,957.41	-	1,957.41
Lease Liabilities	16.46	69.11	85.57	17.05	85.57	102.62
Other financial liabilities	244.87	-	244.87	249.20	-	249.20

45 Capital management

For the purpose of Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, bank balances and deposits including accrued interest on bank deposits and investments in bonds and mutual funds.

The Company's Gearing Ratio as at the end of the year is as follows:

Particulars	As at 31st March 2024	As at 31st March 2023
Borrowings and interest accured but not due thereon (including lease liabilities)	2,261.16	3,391.95
Less: Cash and cash equivalents	115.69	84.03
Less: Bank balance other than cash and cash equivalents	255.50	-
Less: Bank Deposits and Interest on Bank Deposits	634.35	265.46
Less: Investment in bonds and mutual funds	899.82	586.98
Net debt (A)	355.80	2,455.48
Total Equity	8,591.61	7,653.44
Total Equity (B)	8,591.61	7,653.44
Capital and net debt (A + B)	8,947.41	10,108.92
Gearing Ratio	0.04	0.24

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. As at 31st March 2024, there is no breach of covenant as mentioned in loan agreement.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2024 and 31st March, 2023.

46 Cash Flow Hedges

Impact of hedging activities

Derivate Asset and Liabilities through Hedge Accounting

Derivative financial instruments

The Company's derivatives mainly consist of currency forwards, options and Currency and interest rate swaps. Derivatives are mainly used to manage exposures to foreign exchange, interest rate and commodity price risk as described in section Market risk in Note 44.

Derivatives are initially recognised at fair value. They are subsequently remeasured at fair value on a regular basis and at each reporting date as a minimum, with all their gains and losses, realised and unrealised, recognised in the Profit and Loss statement unless they are in a qualifying hedging relationship.

The effective part of the changes in fair value of hedging instruments is recognised in other comprehensive income, while any ineffective part is recognised immediately in the Statement of Profit and Loss.

Hedge Accounting

The Company designates and documents certain derivatives and other financial assets or financial liabilities as hedging instruments against changes in fair values of recognised assets and liabilities (fair value hedges) and highly probable forecast transactions (cash flow hedges). The effectiveness of such hedges is assessed at inception and verified at regular intervals.

Fair value Hedges

The Company uses fair value hedges to mitigate foreign currency and interest rate risks of its recognised assets and liabilities.

Changes in fair values of hedging instruments designated as fair value hedges and the adjustments for the risks being hedged in the carrying amounts of the underlying transactions are recognised in the Statement of Profit and Loss.

Cash flow Hedges

As at 31st March 2024

Type of hedge and risks	Nominal Value (INR) (Asset)		Carrying amount of Hedging Instrument (INR)		Maturity Date	Hedge ratio effectiveness	Weighted average strike price/ rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Asset	Liability	Asset	Liability					
Foreign Exchange Forward Contracts	1,267.80	-	4.28	-	April 24 to Dec 24	1:1	USD/INR = 83.51	4.28	(4.28)

The Company uses cash flow hedges to mitigate a particular risk associated with a recognised asset or liability or highly probable forecast transactions, such as anticipated future export sales, variable interest rate on borrowings, etc.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

As at 31st March 2023

Type of hedge and risks	Nominal Value (INR) (Asset)		Carrying amount of Hedging Instrument (INR)		Maturity Date	Hedge ratio effectiveness	Weighted average strike price/ rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Asset	Liability	Asset	Liability					
Foreign Exchange Forward Contracts	835.33	-	4.27	-	April 23 to June 23	1:1	USD/INR = 82.87	4.27	(4.27)
Cross currency swap	165.00	-	20.47	-	22-Jan-24	1:1	NA	20.47	(20.47)
Cross currency swap	19.00	-	3.05	-	22-Jan-24	1:1	NA	3.05	(3.05)

The Company uses cash flow hedges to mitigate a particular risk associated with a recognised asset or liability or highly probable forecast transactions, such as anticipated future export sales, variable interest rate on borrowings, etc.

Disclosure of effect of Hedge Accounting on financial performance

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income		Hedge ineffectiveness recognised in profit or loss		Amount reclassified from cash flow hedging reserve to profit or loss		Line item affected in Statement of Profit and Loss because of the reclassification
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023	
Cash Flow							
Foreign Exchange Forward Contracts	0.01	(3.16)	-	-	0.01	(3.16)	Sales
Cross currency swap	(23.52)	4.91	-	-	(23.52)	4.91	Finance cost

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

47 Ratio Analysis

Ratio	Numerator	Denominator	Unit	As at 31st March 2024	As at 31st March 2023	% change
Current ratio	Current Assets	Current Liabilities	Times	1.27	1.15	10%
Debt- Equity Ratio (Refer Note 1 below)	Total Debt	Shareholder's Equity	%	26%	44%	-41%
Debt Service Coverage ratio (Refer Note 2 below)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Finance costs	Debt service = Interest and Lease Payments + Principal Repayments of borrowings	Times	5.98	1.91	213%
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	%	12%	11%	5%
Inventory Turnover ratio	Cost of goods sold	Average Inventory	Times	3.03	3.21	-6%
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	Times	4.46	4.40	1%
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	Times	3.16	3.98	-21%
Net Capital Turnover Ratio (Refer Note 3 below)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	Times	8.41	15.27	-45%
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	%	8%	6%	22%
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	%	16%	14%	12%
Return on Investment	Interest (Finance Income)	Investment in Bonds and Mutual Funds	%	6%	6%	0%

Notes :

1. Debt Equity ratio has improved on account of repayment of long term borrowings.
2. Debt service coverage ratio improved due to reduction in principal repayment due in the next year as compared to the comparative period.
3. Net Capital Turnover ratio has decreased due to higher working capital on account of increased trade receivables and inventory as at the year end.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

48 During the current year, the Commissioner of state tax, Maharashtra conducted search operation under Section 67 of the CGST Act 2017. There is no significant impact of the aforementioned event on the financial statements for the current year.

49 The Company has used SAP accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes made using privileged/administrative access rights to the underlying database. Further, no instance of audit trail feature being tampered with was noted with respect to the accounting software.

50 Other Statutory Information

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act,1988 and rules made thereunder.

(b) The Company does not have any transactions with companies struck off under the Companies Act.

(c) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(e) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(f) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(g) The Company has complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

(h) In respect of the borrowings availed by the Company from the banks/financial institutions, the quarterly returns or statements of current assets (including revised returns) filed by the Company with the banks/financial institutions are in agreements with the books of accounts.

51 Disclosures under Rule 11(e) of Companies (Audit and Auditors) Rules, 2014 :

(a) Disclosure under Rule 11(e)(i)

Disclosure by funding party (Eternis Fine Chemicals Limited or Company)

For the year ended 31st March, 2024 and 31st March 2023

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries"

(b) Disclosure under Rule 11(e)(ii)

Disclosure of funds received in the capacity of intermediaries by Eternis Fine Chemicals Limited or Company

For the year ended March 31, 2024 amd March 31, 2023

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries"

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

52 The Company has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on derivative contracts.

53 Previous year figures have been re-grouped/ reclassified, wherever necessary.

54 The figures in brackets represent those of the previous year.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

For and on behalf of the Board of Directors

Sd/-
R.K. Mariwala
Managing Director
DIN: 00007246

Sd/-
Dr. R.K. Mariwala
Director
DIN: 00032825

Sd/-
Per Anil Jobanputra
Partner
Membership No. 110759
Place : Mumbai
Date : May 16, 2024

Sd/-
Chetan Chowatia
CFO

Sd/-
Sandesh Pokhriyal
Company Secretary
Membership No.A40096
Place : Mumbai
Date : May 16, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Eternis Fine Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Eternis Fine Chemicals Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at 31st March 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March, 2024, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and its associate, 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 audit opinion on the consolidated financial statements.

Other Information

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

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

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

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group and of its associate are responsible for assessing the ability of the group and its associate 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of their respective companies.

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Other Matters

(a) We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose financial statements include total assets of ₹ 5,143.26 Million as at 31st March, 2024, and total revenues of ₹ 6,888.34 Million and net cash inflows of ₹ 12.21 Million for the year ended on that date. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of such other auditors.

(b) One of these subsidiaries is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(c) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of two subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 10.42 Million as at 31st March, 2024, and total revenues of ₹ 5.39 Million and net cash inflows of ₹ 0.76 Million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the Management. The consolidated financial statements also include the Group's share of net loss of ₹ 0.09 Million for the year ended 31st March, 2024, as considered in the consolidated financial statements, in respect of one associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associate is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1. There are no qualifications or adverse remarks by the respective auditor in the Companies (Auditor's Report) Order, 2020 ("the Order"), (CARO) report of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors, except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary company and associate company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary incorporated in India, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company, its subsidiary incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph i(vi) below on reporting under Rule 11(g);

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

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated financial statements – Refer Note 33 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 54 to the consolidated financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary and associate incorporated in India during the year ended 31st March, 2024.

iv. a) The respective managements of the Holding Company, its subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, as disclosed in the Note 53 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associate to or in any other person(s) or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiary and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company, its subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and associate respectively that, to the best of its knowledge and belief, as disclosed in the note 53 to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiary and associate from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. No dividend has been declared or paid during the year by the Holding Company, its subsidiary and associate companies, incorporated in India.

vi. Based on our examination which included test checks and that performed by auditors of the subsidiary which is a Company incorporated in India whose financial statements have been audited under the Act, except for instances discussed in note 51 to the consolidated financial statements, the Holding Company and its subsidiary have used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiary did not come across any instance of audit trail feature being tampered with in respect of SAP software, where such audit trail has been enabled.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Sd/-
per Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 24110759BKEBAV6720

Place of Signature: Mumbai
Date: May 16, 2024

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF Eternis FINE CHEMICALS LIMITED

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

In conjunction with our audit of the consolidated financial statements of Eternis Fine Chemicals Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Companies included in the Group, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Holding Company, in so far as it relates to its subsidiary incorporated in India, is based on the corresponding report of the auditor of subsidiary incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Sd/-
per Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 24110759BKEBAV6720

Place of Signature: Mumbai
Date: May 16, 2024

CONSOLIDATED BALANCE SHEET

as at 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Sr. No.	Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
I.	**ASSETS**			
1	Non-current assets			
	(a) Property, plant and equipment	2(a)(i)	4,309.85	3,881.85
	(b) Capital work-in-progress	2(d)	99.83	328.13
	(c) Intangible assets under development	2(d)	168.01	5.91
	(d) Goodwill	2(b),2(c)	-	15.88
	(e) Other Intangible assets	2(b),2(c)	173.80	360.27
	(f) Right-to-use assets	2(a)(ii)	523.07	313.05
	(g) Financial assets			
	(i) Investments	3	383.77	180.06
	(ii) Loans	4	48.48	38.79
	(iii) Other non current financial assets	5	20.53	28.40
	(h) Other non-current assets	6	3.62	125.26
	(i) Deferred tax assets (net)	22	57.76	25.48
	Total Non-current assets		**5,788.72**	**5,303.08**
2	**Current Assets**			
	(a) Inventories	7	3,189.74	3,669.55
	(b) Financial assets			
	(i) Investments	8	562.40	477.91
	(ii) Trade receivables	9	4,399.36	4,896.14
	(iii) Cash and cash equivalents	10	605.93	732.65
	(iv) Bank balances other than (iii) above	11	255.50	-
	(v) Loans	12	12.92	10.88
	(vi) Other current financial assets	13	679.47	339.95
	(c) Other current assets	14	517.34	282.66
	(d) Current tax assets (Net)	22	13.32	-
	Total Current assets		**10,235.98**	**10,409.74**
	TOTAL ASSETS		**16,024.70**	**15,712.82**
II.	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity share capital	15	1.07	1.07
	(b) Other equity	16	8,474.20	7,427.41
	Total Equity		**8,475.27**	**7,428.48**
	LIABILITIES			
2	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	17(a)	615.22	1,120.49
	(ii) Lease liabilities	38	138.88	98.43
	(b) Other non current liabilities	17(b)	87.55	86.28
	(c) Deferred tax liabilities (net)	22	141.98	126.73
	Total Non-current liabilities		**983.63**	**1,431.93**
3	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	17(c)	2,439.15	3,201.01
	(ii) Lease liabilities	38	26.66	23.59
	(iii) Trade payables			
	- Total outstanding dues of micro enterprises and small enterprises	18	77.80	24.20
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	18	3,281.29	2,942.41
	(iv) Other current financial liabilities	19	378.37	348.21
	(b) Net Employee defined benefit liabilities	20	79.02	97.96
	(c) Other current liabilities	21	125.52	70.91
	(d) Current tax liabilities (net)	22	157.99	144.12
	Total Current liabilities		**6,565.80**	**6,852.41**
	TOTAL EQUITY AND LIABILITIES		**16,024.70**	**15,712.82**

Material accounting policies. 1.3

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Sd/-
Per Anil Jobanputra
Partner
Membership No. 110759
Place : Mumbai
Date : May 16, 2024

For and on behalf of the Board of Directors

Sd/-
R.K. Mariwala
Managing Director
DIN: 00007246

Sd/-
Dr. R.K. Mariwala
Director
DIN: 00032825

Sd/-
Chetan Chowatia
CFO

Sd/-
Sandesh Pokhriyal
Company Secretary
Membership No.A40096
Place : Mumbai
Date : May 16, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Sr. No.	Particulars	Note No.	Year Ended 31st March 2024	Year Ended 31st March 2023
I.	Revenue from contracts with customers	23	19,114.89	20,225.69
II.	Other Income	24	226.34	124.38
III.	**Total Income (I+II)**		**19,341.23**	**20,350.07**
IV.	**Expenses**			
	Cost of raw materials consumed	25	11,865.20	13,440.29
	(Increase)/Decrease in inventories of finished goods and work-in-progress	26	128.36	44.48
	Employee benefits expense	27	1,471.30	1,397.60
	Depreciation and amortization expense	28	715.19	651.03
	Finance costs	29	353.85	484.19
	Other expenses	30	3,287.37	3,351.40
	Total Expenses		**17,821.27**	**19,368.99**
V.	**Profit before tax and share of profit/(loss) of an associate (III-IV)**		**1,519.96**	**981.08**
VI.	**Share of profit/(loss) of associate**		**(0.09)**	**(5.06)**
VII.	**Profit before tax and exceptional items (V-VI)**		**1,519.87**	**976.02**
VIII.	**Exceptional items**	31	**190.05**	**-**
IX.	**Profit before tax (VII-VIII)**		**1,329.82**	**976.02**
X.	**Tax expenses:**	22		
	(1) Current tax		453.31	321.08
	(2) Deferred tax		(60.87)	(46.25)
	(3) Adjustment of tax relating to earlier periods		0.60	4.59
	Total tax expenses		**393.04**	**279.42**
XI.	**Profit for the year (IX-X)**		**936.78**	**696.60**
XII.	**Other Comprehensive Income / (expenses)**			
A.	Other Comprehensive income / (expenses) to be reclassified to profit or loss in subsequent periods:			
	(1) Net movement on cash flow hedges		(10.81)	20.04
	Income Tax effect		2.03	(4.37)
			(8.78)	**15.67**
	(2) Exchange Difference on Translation of Foreign Operations		118.90	44.53
			118.90	**44.53**
B.	Other Comprehensive income / (expenses) not to be reclassified to profit or loss in subsequent periods:			
	(1) Remeasurement gains/(losses) on defined benefit plans		(0.14)	(6.06)
	Income Tax effect		0.03	1.53
			(0.11)	**(4.53)**
	Other Comprehensive Income/ (expenses) for the year (net of tax)		**110.01**	**55.67**
XIII.	**Total Comprehensive Income for the year (XI+XII)**		**1,046.79**	**752.27**
XIV.	**Earning per equity Share**	32		
	Par value ₹ 100 per share (Previous year ₹ 100 per share)			
	(1) Basic (₹)		87,721.70	65,230.83
	(2) Diluted (₹)		87,721.70	65,230.83

Material accounting policies. 1.3

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

For and on behalf of the Board of Directors

Sd/-
R.K. Mariwala
Managing Director
DIN: 00007246

Sd/-
Dr. R.K. Mariwala
Director
DIN: 00032825

Sd/-
Per Anil Jobanputra
Partner
Membership No. 110759
Place : Mumbai
Date : May 16, 2024

Sd/-
Chetan Chowatia
CFO

Sd/-
Sandesh Pokhriyal
Company Secretary
Membership No.A40096
Place : Mumbai
Date : May 16, 2024

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars		Year Ended 31st March 2024	Year Ended 31st March 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,329.82	976.02
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses		715.19	651.03
Impairment of goodwill and intangible assets		190.05	-
Interest expenses		353.84	484.19
Interest income on investments		(22.77)	(12.70)
Interest income on bank deposits and corporate deposits		(51.77)	(17.42)
Net Loss/(gain) on disposal of property,plant and equipment		(0.70)	(0.07)
Property, plant and equipment written off		30.90	1.87
Net gain on sale of investments		(26.11)	(27.75)
Fair value gain on financial instruments at fair value through Profit and Loss		(9.91)	(2.85)
Unrealised foreign exchange gain on restatement		(29.77)	(39.56)
Liabilities / Provisions no longer required, written back		(18.27)	(7.45)
Allowances for doubtful debts and advances		0.78	5.09
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**2,461.28**	**2,010.40**
Working capital adjustments:			
(Increase)/decrease in inventories		530.49	114.80
(Increase)/decrease in trade receivables		635.59	(373.43)
(Increase)/decrease in financial assets		(8.71)	(66.53)
(Increase)/decrease in other assets		(210.69)	(0.27)
Increase in trade payables		295.47	426.20
Increase in other payables		28.96	112.82
CASH GENERATED FROM OPERATIONS		3,732.39	2,223.99
Income taxes paid (net of refunds)		**(413.47)**	**(292.85)**
NET CASH FLOWS FROM OPERATING ACTIVITIES	**(A)**	**3,318.92**	**1,931.14**
CASH FLOWS USED IN INVESTING ACTIVITIES			
Purchase of property,plant and equipment		(1,056.28)	(865.76)
Proceeds from sale of property,plant and equipment		11.50	0.10
Purchase of Bonds		(200.00)	-
Proceeds on maturity of Bonds		50.00	55.16
(Purchase of)/Proceeds from sale of financial instruments		(102.18)	(252.38)
(Increase)/decrease in fixed and margin deposits		(338.97)	(13.17)
Interest received		50.23	34.84
NET CASH USED IN INVESTING ACTIVITIES	**(B)**	**(1,585.70)**	**(1,041.21)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars		Year Ended 31st March 2024	Year Ended 31st March 2023
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Net proceeds/(repayment) from short term borrowings		(445.26)	(2.84)
Proceeds from long term borrowings		-	410.36
Repayment of long term borrowing		(811.58)	(452.26)
Payment of principal portion of lease liabilities		(25.88)	(18.74)
Interest paid		(321.72)	(490.46)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	**(C)**	**(1,604.44)**	**(553.94)**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**(A)+(B)+(C)**	**128.78**	**335.99**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**732.65**	**396.66**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**861.43**	**732.65**

Disclosure as required by Ind AS 7

Reconciliation of liabilities arising from financing activities

31st March 2024	Opening Balance	Cash Flows	Non-Cash Changes	Closing Balance
Borrowings and lease liabilities	1,845.22	(837.46)	45.39	1,053.15
Total liabilities from financing activities	1,845.22	(837.46)	45.39	1,053.15

31st March 2023	Opening Balance	Cash Flows	Non-Cash Changes	Closing Balance
Borrowings and lease liabilities	1,899.16	(60.64)	6.70	1,845.22
Total liabilities from financing activities	1,899.16	(60.64)	6.70	1,845.22

Note to the Cash Flow Statement

The Cash Flow Statement have been prepared under the indirect method as set out in Indian Accounting Standard (IND AS)-7 Statement of Cash Flows.

Material accounting policies. 1.3

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

For and on behalf of the Board of Directors

Sd/-
R.K. Mariwala
Managing Director
DIN: 00007246

Sd/-
Dr. R.K. Mariwala
Director
DIN: 00032825

Sd/-
Per Anil Jobanputra
Partner
Membership No. 110759
Place : Mumbai
Date : May 16, 2024

Sd/-
Chetan Chowatia
CFO

Sd/-
Sandesh Pokhriyal
Company Secretary
Membership No.A40096
Place : Mumbai
Date : May 16, 2024

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

(A) Equity share capital

Particulars	In Nos.	Amount
Equity shares of ₹ 100 each issued, subscribed and fully paid		
Balance as at 31st March 2023	10,679	1.07
Changes during the year	-	-
Balance as at 31st March 2024	**10,679**	**1.07**

(B) Other equity

For the year ended 31st March 2024

Particulars	Share Capital	Other Equity						Total Equity
		Retained Earnings	Capital Redemption Reserves	General Reserves	Securities Premium	Cash flow Hedge reserve	Foreign Currency Translation reserve	
Balance as at 1st April 2023	1.07	4,695.38	1.34	150.15	2,528.55	29.93	22.06	7,428.48
Profit for the year	-	936.78	-	-	-	-	-	936.78
Other Comprehensive Income/ (Expenses)	-	(0.11)	-	-	-	(8.78)	118.90	110.01
Total Comprehensive Income / (Expenses)	-	936.67	-	-	-	(8.78)	118.90	1,046.79
Balance as at 31st March 2024	**1.07**	**5,632.05**	**1.34**	**150.15**	**2,528.55**	**21.15**	**140.96**	**8,475.27**

For the year ended 31st March 2023

Particulars	Share Capital	Other Equity						Total Equity
		Retained Earnings	Capital Redemption Reserves	General Reserves	Securities Premium	Cash flow Hedge reserve	Foreign Currency Translation reserve	
Balance as at 1st April 2022	1.07	4,003.31	1.34	150.15	2,528.55	14.26	(22.47)	6,676.21
Profit for the year	-	696.60	-	-	-	-	-	696.60
Other Comprehensive Income/ (Expenses)	-	(4.53)	-	-	-	15.67	44.53	55.67
Total Comprehensive Income / (Expenses)	-	692.07	-	-	-	15.67	44.53	752.27
Balance as at 31st March 2023	**1.07**	**4,695.38**	**1.34**	**150.15**	**2,528.55**	**29.93**	**22.06**	**7,428.48**

Material accounting policies.

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Sd/-
Per Anil Jobanputra
Partner
Membership No. 110759
Place : Mumbai
Date : May 16, 2024

For and on behalf of the Board of Directors

Sd/-
R.K. Mariwala
Managing Director
DIN: 00007246

Sd/-
Dr. R.K. Mariwala
Director
DIN: 00032825

Sd/-
Chetan Chowatia
CFO

Sd/-
Sandesh Pokhriyal
Company Secretary
Membership No.A40096
Place : Mumbai
Date : May 16, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

1 GROUP OVERVIEW, MATERIAL ACCOUNTING POLICIES AND ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

1.1 CORPORATE INFORMATION

The consolidated financial statements comprise financial statement of Eternis Fine Chemicals Limited (the company), its subsidiaries and an associate (collectively 'the Group') for the year ended 31st March, 2024.

Eternis Fine Chemicals Limited ('the Company') is a public limited Company domiciled in India with its registered office located at 1004, Peninsula Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Off. Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

The Group has global leadership in several products in its portfolio and hence enjoys strong customer franchise with the Flavor and Fragrance companies worldwide.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 16th May, 2024.

1.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III).

These financial statements are prepared on accrual basis under the historical cost convention, except for certain financial assets and liabilities which are measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in INR and all values are rounded to the nearest Million (INR 000,000), except when otherwise indicated.

1.3 MATERIAL ACCOUNTING POLICIES

a. Principles of consolidation

Subsidiaries are all entities over which the group has control. The group controls entity when the group is exposed to, or has right to, variable entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group.

The acquisition method of accounting is used to account for business combination by the group. The group combines the financial statement of the parent and its subsidiaries line by line adding together like items of assets, liabilities equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

The consolidated financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statement.

b. Foreign currency transactions

Functional and presentation currency

The Items included in the consolidated financial statement of each of the group entities are measured using the currency of the primary economic enviroment in which entity operates ('the functional currency"). The consolidated financial statements are prepared in INR which is the functional currency for the Company "Eternis Fine Chemicals Limited."

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into presentation currency as follows :

- Assets and Liabilities are transalated at closing rate as on that balance sheet date.
- Income and expenses are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income

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When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

c. **CURRENT VERSUS NON-CURRENT CLASSIFICATION**

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has identified twelve months as its operating cycle for the purpose of current / non-current classification of assets and liabilities.

d. **REVENUE RECOGNITION**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Where the Group is principal in its revenue arrangements i.e. where it is the primary obligor, it has pricing latitude and is also exposed to inventory risks, it follows gross accounting . In case of a single contract with one of the customers, the Group is acting as an agent in respect of which the revenue is recognised on net basis. In respect of all arrangements with the Customers, the Group evaluates the arrangement and follows revenue recognition which is in line with accounting principle specified.

However Goods and Service Tax is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly,it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products

Revenue from sale of products (including sale under co-marketing agreement)

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is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Invoices are payable within contractually agreed credit period.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer, if any. Revenue is net of sales returns and allowances, discounts, volume rebates and cash discounts.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Other income

Other income is accounted for on accrual basis except where the receipt of income is uncertain.

e. PROPERTY, PLANT & EQUIPMENT

Freehold land is carried at carrying value cost. All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost of property,plant and equipments comprises of purchase price, non-refundable taxes and duties and any directly attributable cost of bringing each asset to its working condition for the intended use. Financing costs relating to borrowed funds attributable to the acquisition of qualifying property, plant and equipment i.e. asset that necessarily takes a substantial period of time to get ready for its intended use or sale, upto the completion of construction,installation or acquisition of such property,plant and equipment are included in the gross book value of the asset.

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

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

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use as at the year end. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any.

Depreciation method and estimated useful lives

The Group, based on management estimate, depreciates certain items of property,plant and equipment over estimated useful lives which maybe different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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Estimated useful life of the assets are as follows:

Nature of Tangible Assets	Useful Life (No.of Years)
Plant and Machinery	2 to 20
Building	10 to 60
Laboratory Testing Machines	10
Office Equipments	2 to 5
Furniture, Fixtures and Fittings	3 to 10
Computers and Peripherals	3 to 5
Vehicles	8
Electrical Installations	10
Right-to-use assets (land and machinery)	Amortised over the period of lease ranging from 30 to 99 years

Assets costing less than ₹ 5,000 are depreciated at the rate of hundred per cent.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Impairment of Property,plant and equipment

The carrying amounts of assets are reviewed at each balance sheet date to assess if there is any indication of impairment based on internal/ external factors. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash flows from continuing that are largely independent of the cash inflows from other assets or group of assets, is considered as cash generating unit (CGU). An impairment loss is recognised whenever the carrying amount of an asset/CGU exceeds its recoverable amount. The recoverable amount is the greater of the assets fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of the money and risks specific to the assets/CGU. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

After recognition of impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the assets revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

f. INTANGIBLE ASSETS

Intangible Assets acquired seperately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following intial recognition, intangible assets with finite lives are carried at cost less accumulated amortization and accumulated impairment losses,if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits

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embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

A summary of the policies applied by the Group to intangible assets is as follows:

Nature of Intangible Assets	Useful Life (No. of Years)	Amortisation method used
Software	3	Amortised on straight-line basis
Non Compete Fees	3	Amortised on straight-line basis
Technical know-how for formulation	10	Amortised on straight-line basis
Data access and product registrations	10	Amortised on straight-line basis

g. INVESTMENT IN ASSOCIATES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.:

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group share of the results of operations of the associate . Any change in OCI of those investees is presented as part of the Group OCI. In addition, when there has been a change recognised directly in the equity of the associate , the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group share of profit or loss of an associate is shown on the face of the statement of profit and loss outside operating profit.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate . At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying

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value, and then recognises the loss as 'Share of profit of an associate in the statement of profit and loss.

Upon loss of significant influence over the associate , the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

h. FINANCIAL INSTRUMENTS

A Financial instrument is any contract that gives rise to a financial assets of one entity and a financial liabilities or equity instrument of another entity.

Financial assets

i) Initial recognition and measurement

All financial assets are recognized initially at fair value. Further, in the case of financial assets not recorded at fair value through profit and loss, transactions cost that are attributable to the acquisition of the financial assets are also recognised.

ii) Subsequent measurement

For purpose of subsequent measurements, financial assets are classified in following categories:

(a) Debt instruments at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of EIR. The EIR amortisation is included in other income in the profit and loss.

(b) Debt instruments at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value changes are recognised in OCI. However, Group recognises any interest income or impairment losses in profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the OCI to profit and loss.

(c) Debt instruments at fair value through profit and loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss. Debt instruments included within FVTPL category are measured at fair value with all changes recognised in the profit and loss.

iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or

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- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

iv) Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

(b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivable and Other Receivables.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of profit and loss. This amount is reflected under the head 'other expenses' in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 financial instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

i) Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are

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classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and borrowings including bank overdrafts.

ii) Subsequent measurement

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instruments. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

iii) Derecognition

A Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group uses derivative financial instruments such as forward currency contracts, interest rate swaps to hedge its foreign currency and variable Interest rate risks. Derivatives are initially recognised at

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fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instruments, and if so, the nature of the item being hedged and the type of hedge relationship designated.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

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

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Group uses forward currency contracts and interest rate swaps as hedges of its exposure to foreign currency risk and interest rate risks in forecast transactions and firm

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commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

j. FAIR VALUE MEASUREMENT

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a 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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 (unadjusted) market prices in active markets 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 recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the

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nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

k. INVENTORIES

Raw materials and packing materials are valued at lower of cost and net realisable value. Cost includes material cost and other costs including custom duty in case of import and other non creditable taxes incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished products including work-in-progress are valued at lower of cost and net realisable value. Cost is arrived at on weighted average cost basis. Cost of finished products and work-in-progress includes cost of direct material, labour, direct expenses, production overheads and excise duty, where applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l. FOREIGN CURRENCIES

The financial statements are presented in Indian Rupees (INR) which is Group's functional and presentation currency.

Transactions denominated in foreign currency are initially recorded at the exchange rate prevailing on the date of transactions. However, for practical reasons, the Group uses average rate for recording revenue from contracts with customers if the average approximates the actual rate at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in a foreign currency outstanding at the year end are restated at the year-end exchange rates. Non-monetary items including investment in foreign subsidiaries which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

Non-monetary foreign currency items are carried at cost, determined using exchange rate at the date of initial recognition.

m. EMPLOYEE BENEFITS

i) Defined contribution plans

The Group has defined contribution plans for post-employment benefits in the form of provident fund which is administered through Government of India. Provident fund is classified as defined contribution plans as the Group has no further obligation beyond making the contributions. The Group's contributions to defined contribution plans are charged to the statement of profit and loss as and when employee renders related service.

ii) Defined benefit plans

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of the defined benefit schemes are calculated by estimating the amount

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of future benefit that employees have earned in return for their service in the current and prior periods; that benefit are discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plans are determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans are based on the market yields on Government securities as at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding charge or credit to OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises 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, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

iii) Other employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. The Group has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment are determined based on actuarial valuation using the Projected Unit Credit Method at the end of financial year.

n. LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.The determination of whether an arrangement is,or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets:

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and machinery : 3 to 15 years

Wherever ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

ii) Lease Liabilities:

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

iii) Short-term leases and leases of low-value assets:

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

o. EARNINGS PER SHARE

Basic earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Partly paid equity shares, if any, are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares.

p. INCOME TAXES

i) Current tax

Income tax expense for the year comprises of current tax and deferred

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

tax. It is recognised in the Statement of Profit and Loss except to the extent it relates an item which is recognised directly in equity or in other comprehensive income. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities as per Income Tax Act. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

ii) Deferred tax

Deferred tax is recognised 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.

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off deferred tax assets against deferred tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

q. PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

r. CONTINGENT LIABILITY AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of benefits is probable, contingent asset are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

s. SEGMENT REPORTING

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Makers evaluate the Group's performance and allocate the resources based on an analysis of various performance indicators by business segments.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. Geographical segments are ascertained based on the geographical location from where the sales are carried out.

t. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits including other bank balances, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

u. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences (i.e. exchange gain or exchange loss, as applicable) to the extent regarded as an adjustment to the borrowing costs.

v. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect reported amounts of revenue, expenses, assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the results of operations during the reported period. Although these estimates are based upon management's best knowledge of current

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

events and actions, actual results could differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

i) Defined benefit plans (gratuity benefits)

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

ii) Fair value measurement of financial instruments

When the fair value of financial assets and liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

iii) Impairment

An impairment loss is recognised for the amount by which an asset's, investment's or Cash generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected discounted future cashflows from each asset or cash generating unit.

1.4 Standards notified but not yet effective

There are no standards that are notified and not yet effective as on the date.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

2. Property, Plant and equipment, Intangible assets and Goodwill

2(a)(i) TANGIBLE ASSETS

Particulars	All locations except R&D																	Total
	Freehold Land	Buildings	Plant and equipments	Electrical Installations	Laboratory equipments	Office equipments	Furniture and Fixtures	Vehicles	Computers	Buildings	Plant and equipments	Electrical Installations	Laboratory equipments	Office equipments	Furniture and Fixtures	Vehicles	Computers	
Cost or deemed cost																		
Balance as at April 1, 2022	121.94	392.21	5,080.17	74.12	29.01	22.23	20.45	8.48	20.38	82.16	12.44	10.07	73.02	2.45	15.05	1.57	4.02	5,969.77
Additions during the year ended March 31, 2023	-	33.54	457.31	12.34	2.96	3.27	0.98	1.96	8.37	0.33	1.86	-	-	0.69	-	-	0.20	523.81
Effect of Foreign currency exchange differences	2.67	0.79	12.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.49
Less : Deductions	-	1.29	4.34	0.16	6.16	2.12	1.74	0.17	1.36	-	-	-	-	-	-	-	-	17.34
Balance as at March 31, 2023	**124.61**	**425.25**	**5,545.17**	**86.30**	**25.81**	**23.38**	**19.69**	**10.27**	**27.39**	**82.49**	**14.30**	**10.07**	**73.02**	**3.14**	**15.05**	**1.57**	**4.22**	**6,491.73**
Balance as at April 1, 2023	124.61	425.25	5,545.17	86.30	25.81	23.38	19.69	10.27	27.39	82.49	14.30	10.07	73.02	3.14	15.05	1.57	4.22	6,491.73
Additions during the year ended March 31, 2024	-	86.95	846.59	82.73	4.35	10.02	5.31	2.16	14.24	9.00	-	-	0.67	-	-	-	1.03	1,063.05
Effect of Foreign currency exchange differences	4.48	2.20	27.97	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34.65
Less : Deductions	-	-	73.55	0.97	2.49	0.54	0.41	3.13	1.07	0.19	-	0.12	1.80	0.09	-	0.36	-	84.72
Balance as at March 31, 2024	**129.09**	**514.40**	**6,346.18**	**168.06**	**27.67**	**32.86**	**24.59**	**9.30**	**40.56**	**91.30**	**14.30**	**9.95**	**71.89**	**3.05**	**15.05**	**1.21**	**5.25**	**7,504.71**
Accumulated depreciation and Impairment																		
Balance as at April 1, 2022	-	82.46	1,838.14	18.48	7.72	13.81	6.78	3.85	12.29	6.79	6.66	3.79	30.42	2.09	8.41	1.04	3.40	2,046.13
Depreciation for the year ended March 31, 2023	-	22.70	521.74	7.27	3.07	2.72	1.91	1.05	4.39	1.44	0.87	0.93	6.33	0.20	0.90	0.19	0.15	575.86
Less : Deductions	-	0.08	0.95	0.15	5.85	2.01	1.61	0.17	1.29	-	-	-	-	-	-	-	-	12.11
Balance as at March 31, 2023	**-**	**105.08**	**2,358.93**	**25.60**	**4.94**	**14.52**	**7.08**	**4.73**	**15.39**	**8.23**	**7.53**	**4.72**	**36.75**	**2.29**	**9.31**	**1.23**	**3.55**	**2,609.88**
Balance as at April 1, 2023	-	105.08	2,358.93	25.60	4.94	14.52	7.08	4.73	15.39	8.23	7.53	4.72	36.75	2.29	9.31	1.23	3.55	2,609.88
Depreciation for the year ended March 31, 2024	-	24.13	559.27	10.77	3.34	8.06	2.07	1.23	8.02	1.52	1.06	0.93	6.36	0.19	0.90	0.19	0.32	628.36
Less : Deductions	-	-	35.25	0.93	2.29	0.38	0.28	1.18	0.63	0.18	-	0.12	1.71	0.09	-	0.34	-	43.38
Balance as at March 31, 2024	**-**	**129.21**	**2,882.95**	**35.44**	**5.99**	**22.20**	**8.87**	**4.78**	**22.78**	**9.57**	**8.59**	**5.53**	**41.40**	**2.39**	**10.21**	**1.08**	**3.87**	**3,194.86**
As at March 31, 2024	**129.09**	**385.19**	**3,463.23**	**132.62**	**21.68**	**10.66**	**15.72**	**4.52**	**17.78**	**81.73**	**5.71**	**4.42**	**30.49**	**0.66**	**4.84**	**0.13**	**1.38**	**4,309.85**
As at March 31, 2023	**124.61**	**320.17**	**3,186.24**	**60.70**	**20.87**	**8.86**	**12.61**	**5.54**	**12.00**	**74.26**	**6.77**	**5.35**	**36.27**	**0.85**	**5.74**	**0.34**	**0.67**	**3,881.85**

Refer Note 17(a) for charge created on the assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

2(a)(ii) RIGHT TO USE ASSETS

Particulars	All locations except R&D			R&D	Total
	Leasehold Land	Plant and equipments	Vehicles	Leasehold Land	
Cost or deemed cost					
Balance as at April 1, 2022	165.45	204.58	26.22	7.45	403.70
Additions during the year ended March 31, 2023	24.92	-	-	-	24.92
Effect of Foreign currency exchange differences	-	-	0.28	-	0.28
Less : Deductions	0.28	-	-	-	0.28
Balance as at March 31, 2023	**190.09**	**204.58**	**26.50**	**7.45**	**428.62**
Balance as at April 1, 2023	190.09	204.58	26.50	7.45	428.62
Additions during the year ended March 31, 2024	165.47	69.40	9.91	-	244.78
Effect of Foreign currency exchange differences	-		0.57	-	0.57
Less : Deductions	-	-	-	-	-
Balance as at March 31, 2024	**355.56**	**273.98**	**36.98**	**7.45**	**673.97**
Accumulated depreciation and Impairment					
Balance as at April 1, 2022	7.42	76.27	4.56	0.54	88.79
Depreciation for the year ended March 31, 2023	1.13	21.76	3.80	0.09	26.78
Less : Deductions	-	-	-	-	-
Balance as at March 31, 2023	**8.55**	**98.03**	**8.36**	**0.63**	**115.57**
Balance as at April 1, 2023	8.55	98.03	8.36	0.63	115.57
Depreciation for the year ended March 31, 2024	3.83	25.59	5.82	0.09	35.33
Less : Deductions	-	-	-	-	-
Balance as at March 31, 2024	**12.38**	**123.62**	**14.18**	**0.72**	**150.90**
As at March 31, 2024	**343.18**	**150.36**	**22.80**	**6.73**	**523.07**
As at March 31, 2023	**181.54**	**106.54**	**18.14**	**6.82**	**313.05**

2(b) INTANGIBLE ASSETS

Particulars	All locations except R&D					R&D	Total	Goodwill
	Computer Softwares	Customer contract	Data access and product registrations	Technical know-how for formulation	Non compete Fees	Computer Softwares		
Cost or deemed cost								
Balance as at April 1, 2022	10.98	16.00	92.30	374.40	20.50	3.92	518.10	309.93
Additions during the year ended March 31, 2023	0.38	-	37.66	-	-	-	38.04	-
Effect of Foreign currency exchange differences	-	-	-	5.54	(0.04)	-	5.50	0.34
Less : Deductions	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	**11.36**	**16.00**	**129.96**	**379.94**	**20.46**	**3.92**	**561.64**	**310.27**
Balance as at April 1, 2023	11.36	16.00	129.96	379.94	20.46	3.92	561.64	310.27
Additions during the year ended March 31, 2024	1.69	-	28.54	-	-	0.22	30.45	-
Effect of Foreign currency exchange differences	-	-	-	8.22	0.16	-	8.38	0.37
Less : Deductions	-	-	-	-	-	-	-	310.64
Balance as at March 31, 2024	**13.05**	**16.00**	**158.50**	**388.16**	**20.62**	**4.14**	**600.47**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars	All locations except R&D					R&D	Total	Goodwill
	Computer Softwares	Customer contract	Data access and product registrations	Technical know-how for formulation	Non compete Fees	Computer Softwares		
Accumulated depreciation and amortisation								
Balance as at April 1, 2022	7.85	16.00	75.73	42.20	7.67	3.53	152.98	294.39
Amortisation for the year ended March 31, 2023	1.13	-	6.40	34.51	6.28	0.07	48.39	-
Less : Deductions	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	**8.98**	**16.00**	**82.13**	**76.71**	**13.95**	**3.60**	**201.37**	**294.39**
Balance as at April 1, 2023	8.98	16.00	82.13	76.71	13.95	3.60	201.37	294.39
Amortisation for the year ended March 31, 2024	1.03	-	6.60	37.12	6.67	0.08	51.50	-
Impairment for the year ended March 31, 2024 (Refer note 31)	-	-	-	173.80	-	-	173.80	16.25
Less : Deductions	-	-	-	-	-	-	-	310.64
Balance as at March 31, 2024	**10.01**	**16.00**	**88.73**	**287.63**	**20.62**	**3.68**	**426.67**	**-**
Net Book Value								
As at March 31, 2024	**3.04**	**-**	**69.77**	**100.53**	**-**	**0.46**	**173.80**	**-**
As at March 31, 2023	**2.38**	**-**	**47.83**	**303.23**	**6.51**	**0.32**	**360.27**	**15.88**

2(c) Impairment testing of goodwill and intangible assets

For impairment testing, goodwill acquired through business combinations and intangible assets (Technical knowhow for formulation and non compete fees) has been allocated to the operations of the Nashik unit ('Nashik Operations CGU') and operations of Eternis Fine Chemicals UK Limited unit ('Eternis UK Operations CGU') which have been identified by the management as separate Cash generating units (CGU) based on the acquisitions made by the Group.

The Goodwill allocated to Nashik operations has been fully impaired as at 31st March 2023.

The Group has performed its annual impairment test for the Goodwill and intangible assets allocated to Eternis UK Operations CGU as at 31st March 2024. The Group considers the relationship between its valuation basis future estimated cash flows discounted at Weighted average Cost of capital of 15% (March 31, 2023 : 15%) and its book value, among other factors, when reviewing for indicators of impairment.

As at 31st March 2024, the valuation basis above was below the book value for the Eternis UK Operations CGU, indicating impairment of goodwill and intangible assets of the CGU as per below :

Particulars	March 31, 2024			March 31, 2023		
	Goodwill	Intangible Assets	Total	Goodwill	Intangible Assets	Total
Carrying amount (Before impairment test)	**15.88**	**309.74**	**325.62**	**15.54**	**345.03**	**360.57**
Add: Effect of Foreign currency exchange differences	0.37	8.38	8.75	0.34	5.50	5.84
Less: Amortisation for the year	-	43.79	43.79	-	40.79	40.79
Less : Impairment accounted in the Statement of Profit and Loss (Refer Note 31)	16.25	173.80	190.05	-	-	-
Carrying amount (after impairment test)	**-**	**100.53**	**100.53**	**15.88**	**309.74**	**325.62**

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for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Key assumptions used for value in use calculations

The calculation of value in use is most sensitive to the following assumptions:

a. **EBITDA Margin :** EBITDA margins are based on average values achieved in the two years preceding the beginning of the budget period and future estimation of cash flows. These are considered over the budget period. Decreased demand can lead to a decline in the EBITDA margin.

b. **Discount Rate:** Discount rates represent the current market assessment of the risks specific to each cash generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its CGUs and is derived from its cost of capital.The cost of equity is derived from the expected return on investment by the Companies' investors. CGU-specific risk is incorporated by applying individual beta factors. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows.

c. **Growth Rate** used to extrapolate cashflow beyond the forecast period is based on the Group's estimates.

2(d) (i) Capital Work in Progress

As at 31st March, 2024

Capital-Work-In Progress (CWIP)	Amount in CWIP for a period of				31st March 2024
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	
(i) Projects in Progress	75.94	11.77	12.12	-	99.83
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**75.94**	**11.77**	**12.12**	**-**	**99.83**

As at 31st March, 2023

Capital-Work-In Progress (CWIP)	Amount in CWIP for a period of				31st March 2023
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	
(i) Projects in Progress	313.64	14.48	0.01	-	328.13
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**313.64**	**14.48**	**0.01**	**-**	**328.13**

2(d) (ii) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan :

As at 31st March, 2024

Capital Work in Progress	To be completed in				31st March 2024
	<1 year	1-2 year	2-3 year	> 3 year	
Permanent set up for material recovery from coumarin waste stream and Elimination of coumarin side stream material handling through IBCs	5.71	-	-	-	5.71
Revamping of hydrogen compressor	5.61	-	-	-	5.61
Others	2.65	-	-	-	2.65
Total	**13.97**	**-**	**-**	**-**	**13.97**

As at 31st March 2023:

Capital Work in Progress	To be completed in				31st March 2023
	<1 year	1-2 year	2-3 year	> 3 year	
Waste Heat Recovery by Incineration	59.93	-	-	-	59.93
Hydrogen plant DCS Operating system upgradation	9.03	-	-	-	9.03
Phase I Automation	89.46	-	-	-	89.46
MPO Yield improvement	5.04	-	-	-	5.04
DMBCA Pilot Trials	1.11	-	-	-	1.11
Others	2.38	0.51	-	-	2.89
Total	**166.95**	**0.51**	**-**	**-**	**167.46**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

2(d) (iii) Intangible assets under development (IAUD)

Intangible assets under development include amounts incurred by the Group for external studies and tests for the purpose of data access and product registrations including REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulations.

As at 31st March, 2024

IAUD Ageing Schedule	Amount in IAUD for a period of				31st March 2024
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	
(i) Projects in Progress	168.01	-	-	-	168.01
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**168.01**	**-**	**-**	**-**	**168.01**

As at 31st March, 2023

IAUD Ageing Schedule	Amount in IAUD for a period of				31st March 2023
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	
(i) Projects in Progress	5.91	-	-	-	5.91
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**5.91**	**-**	**-**	**-**	**5.91**

There is no project whose completion is overdue or has exceeded its cost compared to its original plan during the financial year ended 31 March, 2024 and 31 March, 2023.

3 Financial Assets - Non- Current Investments

Particulars	As at 31st March 2024	As at 31st March 2023
Unquoted		
Investment in associates		
Investments in fully paid-up equity instruments		
515,000 (515,000) equity shares of ₹ 10 each fully paid-up of AMP Energy Green Twelve Pvt. Ltd.	-	0.09
Investments in fully paid-up compulsory convertible debenture instruments (at amortised cost)		
46,350 (46,350) compulsory convertible debenture of ₹ 1000 each fully paid-up of AMP Energy Green Twelve Pvt. Ltd.	46.35	46.35
(A)	**46.35**	**46.44**
Investment in bonds (at amortised cost)		
Quoted (non trade)	337.42	129.36
(B)	**337.42**	**129.36**
Investments in LIC fund (at amortised cost)	-	4.26
Unquoted	-	-
(C)	**-**	**4.26**
Total (D)=(A+B+C)	**383.77**	**180.06**
Aggregate book value of quoted investments	337.42	129.36
Aggregate market value of quoted investments	337.42	129.36
Aggregate value of unquoted investments	46.35	50.70

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

4 Financial assets - Long term loans

Particulars	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good unless otherwise stated)		
At amortised cost		
Loans to Employees		
Unsecured, considered good	48.48	38.79
Unsecured, considered doubtful	0.29	0.34
	48.77	**39.13**
Less: Allowance for doubtful loans	0.29	0.34
	48.48	**38.79**

5 Other non current financial assets

Particulars	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good unless otherwise stated)		
Security deposits		
Unsecured, considered good	20.47	23.81
Deposits with banks with maturity period more than 12 months*	0.06	4.59
	20.53	**28.40**

*Of the above deposits, ₹ 0.06 Million (31st March, 2023 : ₹ 4.59 Million) is kept as margin money.

6 Other non- current assets

Particulars	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good unless otherwise stated)		
Capital advances		
Unsecured considered good	3.62	125.26
Considered doubtful	0.50	0.50
	4.12	**125.76**
Less: Allowance for doubtful advances	0.50	0.50
	3.62	**125.26**
Balances with statutory/government authorities		
Considered doubtful	12.98	12.75
	12.98	**12.75**
Less: Allowance for doubtful balances	12.98	12.75
	-	-
	3.62	**125.26**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

7 Inventories (valued at lower of cost or net realisable value)

Particulars	As at 31st March 2024	As at 31st March 2023
Raw materials (Including stock in transit ₹ 71.76 Million (31st March 2023 : NIL))	888.88	1,179.83
Packing materials	16.36	18.00
Work-in-progress	371.65	395.43
Stores and Spares	87.67	146.53
Finished goods (including stock in transit)	1,825.18	1,929.76
	3,189.74	**3,669.55**

During the year ended 31st March, 2024 ₹ 42.75 Million (31st March, 2023 ₹ 60.59 Million) was recognised as expenses towards write down of inventories

8 Financial assets - Current investments

Particulars	As at 31st March 2024	As at 31st March 2023
Investments in mutual fund at fair value through Profit and Loss		
Quoted	562.40	426.01
Investment in bonds (at amortised cost)		
Quoted (non trade)	-	51.90
	562.40	**477.91**
Aggregate book value of quoted investment	562.40	477.91
Aggregate market value of quoted investments	562.40	477.91
Aggregate amount of impairment in value of investments	-	-

9 Trade receivables

Particulars	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good unless otherwise stated)		
At amortised cost		
Trade receivable		
Unsecured, Considered Good	4,399.36	4,896.14
Considered Doubtful	6.39	0.36
	4,405.75	**4,896.50**
Less: allowances for doubtful debts	6.39	0.36
	4,399.36	**4,896.14**

As at 31st March 2024

Particulars	Outstanding for following periods from due date of payments					
	Current but not due	Less than 6 months	6 months to 1 year	1-2 years	More then 2 years	Total Amount
(i) Undisputed trade receivables – considered good	3,867.87	487.70	43.79	-	-	4,399.36
(ii) Undisputed trade receivables – whichhave significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	5.62	-	0.77	6.39

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payments					
	Current but not due	Less than 6 months	6 months to 1 year	1-2 years	More then 2 years	Total Amount
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-
(v) Disputed trade receivables – which havesignificant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-
Total	**3,867.87**	**487.70**	**49.41**	**-**	**0.77**	**4,405.75**

As at 31st March 2023

Particulars	Outstanding for following periods from due date of payments					
	Current but not due	Less than 6 months	6 months to 1 year	1-2 years	More then 2 years	Total Amount
(i) Undisputed trade receivables – considered good	4,353.66	542.47	-	0.01	-	4,896.14
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	0.36	-	-	0.36
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-
Total	**4,353.66**	**542.47**	**0.36**	**0.01**	**-**	**4,896.50**

Note: There are no trade or other receivables which are due from directors or other officers of the Group either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 10 to 120 days.

10 Cash and cash equivalents

Particulars	As at 31st March 2024	As at 31st March 2023
Balances with banks:		
In current accounts	505.52	682.39
Deposit with financial institutions other than Banks		
Deposit with original maturity of less than three months	100.00	50.00
Cash on hand	0.41	0.26
	605.93	**732.65**

Note - Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

11 Bank balances other than Cash and Cash equivalents

Particulars	As at 31st March 2024	As at 31st March 2023
Deposits with banks with original maturity period of more than 3 months and less than 12 months	255.50	-
	255.50	-

12 Financial assets - Short term loans

Particulars	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good unless otherwise stated)		
At amortised cost		
Loans to Employees	12.92	10.88
	12.92	**10.88**

13 Other current financial assets

Particulars	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good unless otherwise stated)		
At Fair value through other comprehensive income		
(i) Derivatives		
Foreign exchange receivable (Refer note 46)	44.53	73.16
At amortised cost		
(ii) Others		
Deposits with financial institutions other than banks having original maturity period of more than 3 months and less than 12 months	605.00	261.50
Interest accrued but not due on fixed deposits	29.35	5.03
Security deposits	0.26	0.26
Insurance Claim Receivables	0.33	-
	679.47	**339.95**

14 Other current assets

(At amortised cost)

Particulars	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good unless otherwise stated)		
Advances to vendors		
Considered good	30.89	9.71
Considered doubtful	0.09	0.09
	30.98	**9.80**
Less: Allowances for doubtful advances	0.09	0.09
	30.89	**9.71**
Balances with Statutory/Government authorities		
Considered good	428.65	200.20
Considered doubtful	16.59	27.83
	445.24	**228.03**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars	As at 31st March 2024	As at 31st March 2023
Less: Allowance for doubtful balances	16.59	27.83
	428.65	**200.20**
Export incentive receivable		
Considered good	1.33	8.41
Prepaid expenses	56.47	64.34
	517.34	**282.66**

Break up of financial assets carried at amortised cost

Particulars	As at 31st March 2024	As at 31st March 2023
Investment (note 3 and note 8)	383.77	231.87
Loans (note 4 and note 12)	61.40	49.67
Trade receivable (note 9)	4,399.36	4,896.14
Cash and cash equivalents (note 10)	605.93	732.65
Other bank balances (note 11)	255.50	-
Other financial assets(note 5 and note 13)	655.47	295.19
Total financial assets carried at amortised cost	**6,361.43**	**6,205.52**

15 Share capital

Particulars	As at 31st March 2024	As at 31st March 2023
Authorised share capital		
5,45,000 Equity shares of ₹ 100 each	54.50	54.50
(5,45,000 Equity shares of ₹ 100 each)		
2,50,000 Redeemable Preference Shares of ₹ 10/- each	2.50	2.50
(2,50,000 Redeemable Preference shares of ₹ 10/- each)		
	57.00	**57.00**
Issued, Subscribed and Paid up shares		
10,679 Equity shares of ₹ 100 each, fully paid-up	1.07	1.07
(10,679 Equity shares of ₹ 100 each, fully paid-up)		
	1.07	1.07

Notes:

a. Reconciliation of numbers of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March 2024	As at 31st March 2023
	No.s	No.s
At the beginning of the period	10,679	10,679
Add: issued during the year	-	-
Outstanding at the end of the period	10,679	10,679

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

b. Rights, Preferences and restrictions attached to equity shares

The Group has only one class of Issued, Subscribed and Paid-up Equity Capital having a par value of ₹ 100 per share. Each holder of equity share is entitled to one vote per share.

The Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the Group

Particulars	As at 31st March 2024		As at 31st March 2023	
	No.of Shares	%	No.of Shares	%
Equity shares of ₹ 100 each fully paid				
Harsh C Mariwala, Kishore Mariwala C/o Aquarius Family Trust	1,830	17.14	1,830	17.14
Harsh C Mariwala, Kishore Mariwala C/o Gemini Family Trust	1,830	17.14	1,830	17.14
Harsh C Mariwala, Kishore Mariwala C/o Taurus Family Trust	1,830	17.14	1,830	17.14
Harsh C Mariwala, Kishore Mariwala C/o Valentine Family Trust	1,830	17.14	1,830	17.14
Sharrp Ventures Capital Private Limited (Formerly The Bombay Oil Private Ltd.)	1,678	15.71	1,678	15.71
Ravindra Kishore Mariwala	840	7.87	840	7.87

d. Details of Shares held by promoters

As at 31st March, 2024

Equity shares of ₹ 100 each fully paid-up

Promoters Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Rajen K. Mariwala	1	-	1	0.01%	0%
Rajen K. Mariwala with Anjali R Mariwala	239		239	2.24%	0%
Ravindra K Mariwala	1	-	1	0.01%	0%
Ravindra Kishore Mariwala with Paula Ravindra Mariwala	839	-	839	7.86%	0%
Harshraj C Mariwala	1	-	1	0.01%	0%
Harsh C Mariwala with Kishore V Mariwala for Aquarius Family Trust	1,830	-	1,830	17.14%	0%
Harsh C Mariwala with Kishore V Mariwala for Gemini Family Trust	1,830	-	1,830	17.14%	0%
Harsh C Mariwala with Kishore V Mariwala for Taurus Family Trust	1,830	-	1,830	17.14%	0%
Harsh C Mariwala with Kishore V Mariwala for Valentine Family Trust	1,830	-	1,830	17.14%	0%
Sharrp Ventures Capital Private Limited	1,678	-	1,678	15.71%	0%
Anjali R Mariwala with Rajen K Mariwala	400	-	400	3.75%	0%
Tarika Rajen Mariwala with Rajendra K Mariwala	100	-	100	0.94%	0%
Anandita Arjun Kothari with Rajendra K Mariwala	100	-	100	0.94%	0%
Total	**10,679**	**-**	**10,679**	**100.00%**	**0%**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

As at 31st March, 2023

Equity shares of ₹ 100 each fully paid-up

Promoters Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Rajen K. Mariwala	1	-	1	0.01%	0%
Rajen K. Mariwala with Anjali R Mariwala	239	-	239	2.24%	0%
Ravindra K Mariwala	1	-	1	0.01%	0%
Ravindra Kishore Mariwala with Paula Ravindra Mariwala	839	-	839	7.86%	0%
Harshraj C Mariwala	1	-	1	0.01%	0%
Harsh C Mariwala with Kishore V Mariwala for Aquarius Family Trust	1830	-	1,830	17.14%	0%
Harsh C Mariwala with Kishore V Mariwala for Gemini Family Trust	1830	-	1,830	17.14%	0%
Harsh C Mariwala with Kishore V Mariwala for Taurus Family Trust	1830	-	1,830	17.14%	0%
Harsh C Mariwala with Kishore V Mariwala for Valentine Family Trust	1830	-	1,830	17.14%	0%
Sharrp Ventures Capital Private Limited	1678	-	1,678	15.71%	0%
Anjali R Mariwala with Rajen K Mariwala	400	-	400	3.75%	0%
Tarika Rajen Mariwala with Rajendra K Mariwala	100	-	100	0.94%	0%
Anandita Arjun Kothari with Rajendra K Mariwala	100	-	100	0.94%	0%
Total	**10,679**	**-**	**10,679**	**100.00%**	**0%**

16 Other equity

Particulars		As at 31st March 2024	As at 31st March 2023
Refer Statement of Changes in Equity for detailed movement in other equity			
a.	**Total other equity**		
	Retained earnings	5,632.05	4,695.38
	Capital redemption reserve	1.34	1.34
	General reserve	150.15	150.15
	Securities premium	2,528.55	2,528.55
	Cash flow hedge reserve	21.15	29.93
	Foreign currency transltion reserve	140.96	22.06
		8,474.20	**7,427.41**

b. Nature and Purpose of reserves

i. Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to General reserve, dividends or other distributions paid to shareholders.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

ii. Capital redemption reserve

Capital redemption reserve was created for buyback of shares.

iii. General reserve

The Group had transferred a portion of the net profit of the Group before declaring dividend to General reserve. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Statement of Profit and Loss

iv. Securities premium

The amount received in excess of face value of equity shares is recognised in securities premium. Utilization is in accordance with section 52 of the Companies Act, 2013.

v. Cash Flow hedge reserve

The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Group uses foreign currency forward contracts, cross currency swaps and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.

vi. Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

17(a) Borrowings

Particulars	As at 31st March 2024	As at 31st March 2023
(At amortised cost)		
I. Secured		
a. Foreign Currency Term Loan		
Citi Bank	615.22	862.84
b. Rupee Term Loan		
Citi Bank	-	257.65
	615.22	**1,120.49**

Nature of security and terms of repayment for Long Term secured borrowings:

Foreign Currency Term Loan from Citi bank, London of ₹ 471.75 Million (₹ 862.84 Million) is secured by standby letter of credit given by Citibank, Mumbai. The same is secured by first pari passu charge on existing and future fixed assets situated at Plot no. D-15, D-9/1, D-9/2 of Kurkumbh Plant , Gat Nos 75, 76 and 77 of Koregaon Bhima Plant, Office premises at 1002 & 1004, Peninsula Corporate Park, Mumbai-13, Plot No 948/2, STICE, Musalgaon, Taluka Sinner, district Nasik and second pari passu charge on stock and Book debts (Present and Future). The loan is secured by Corporate guarantee of Eternis Fine Chemicals Limited.

The loan amount of ₹ 471.75 Million (31st March 2023 : 862.84 Million) is repayable in 16 equal quarterly instalments commencing from May 2023. Last instalment will be due in February 2027. The loan carries interest rate of GBP SONIA+1.90% p.a. Amount payable in 1 year is ₹ 158.10 (₹ Nil).

Foreign Currency Term Loan of Citi bank of ₹ 415.86 Million (₹ 409.10 Million) is secured by First Pari Passu charge on fixed assets situated at Plot No 2,MIDC Patas, Additional Kurkumbh MIDC,Tal.Daund, Dist Kurkumbh(Present and Future) and Second Pari Passu charge on Stock and Book Debts (Present and Future) of the subsidiary. The loan is secured by Corporate guarantee of Eternis Fine Chemicals Limited.

The loan amount of ₹ 415.86 million (₹ 409.10 million) is repayable in 14 equal quarterly Instalments commencing from June-2024. The loan carried interest rate of SOFR+1% p.a. Amount payable in 1 year is ₹ 114.29 million (₹ Nil).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

17(b) Other non current liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
At amortised cost		
Rebate Payable	87.55	86.28
	87.55	**86.28**

17(c) Current borrowing

Particulars	As at 31st March 2024	As at 31st March 2023
At amortised cost		
Current maturities of long term debts		
External commercial borrowings (Refer note 17(a))	-	183.91
Foreign Currency Term Loan (Refer note 17(a))	272.39	152.60
Rupee Term Loan (Refer note 17(a))	-	266.20
Foreign currency loans (Refer Notes below)		
Buyers credit arrangements	544.98	1,222.02
Pre-shipment credit against export orders	183.45	-
Post shipment credit against export bills	1,438.33	1,339.86
Citibank Foreign Currency Non-Resident Account Scheme (FCNR) Loan	-	35.54
Rupee Working Capital Loan	-	0.88
	2,439.15	**3,201.01**

Nature of security and terms of repayment for current borrowings:

a) Buyers credit arrangements are loans taken in foreign currency for a term upto 180 days and carry interest rate of SOFR plus applicable spread ranging from 0.50 % to 2.00 % per annum (1.00% to 2.00 % per annum).

b) Pre-shipment credit against export orders in foreign currency arrangements are for a term ranging from upto 180 days and carry interest rate of SOFR plus applicable spread ranging from 1.00 % to 2.50 % per annum (1.00% to 2.50% per annum).

c) Post shipment credit against export bills in foreign currency arrangements are for a term ranging upto 90 days and carry interest rate of SOFR plus applicable spread ranging from 1.00% to 2.50% per annum (1.00% to 2.50% per annum).

d) Rupee Working Capital Loan are for a term ranging upto 7 days and carry interest rate of 9% per annum (8% per annum).

e) All the above loans are secured against first pari passu charge on current assets (stocks and receivables) and second pari passu charge on fixed assets.

18 Trade payables

Particulars	As at 31st March 2024	As at 31st March 2023
At amortised cost		
Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises (Refer notes below)	77.80	24.20
- Total outstanding dues of creditors other than micro enterprises and small enterprises	3,281.29	2,942.41
	3,359.09	**2,966.61**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

As at 31st March 2024

Particulars		Current but not due	Less than 1 year	More than 1 Year	Total Amount
(i)	MSME	53.64	24.10	0.06	77.80
(ii)	Others	2,835.42	429.73	16.14	3,281.29
(iii)	Disputed dues – MSME	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-
		2,889.06	**453.83**	**16.20**	**3,359.09**

As at 31st March 2023

Particulars		Current but not due	Less than 1 year	More than 1 Year	Total Amount
(i)	MSME	15.56	8.64	-	24.20
(ii)	Others	2,656.18	240.55	45.68	2,942.41
(iii)	Disputed dues – MSME	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-
		2,671.74	**249.19**	**45.68**	**2,966.61**

19 Other current financial liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
At Amortised Cost		
Interest accrued but not due on borrowings	11.45	22.23
Employee benefits payable	217.37	200.10
Creditors for capital goods	139.56	114.29
Others	9.99	11.59
	378.37	**348.21**

20 Net Employee defined benefit liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
Gratuity (Refer note 44)	24.30	34.28
Leave benefits (Refer note 44)	54.72	63.68
	79.02	**97.96**

21 Other current liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
At Amortised Cost		
Statutory dues including provident fund and tax deducted at source	87.61	53.80
Deferred Government Grants	-	0.44
Advances from customers	37.91	16.67
	125.52	**70.91**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Break up of financial liabilities carried at amortised cost

Particulars	As at 31st March 2024	As at 31st March 2023
Borrowings (note no. 17(a) & 17(c))	3,054.37	4,321.50
Lease liabilities (note no. 38)	165.54	122.02
Trade payables (note no. 18)	3,359.09	2,966.61
Other financial liabilities (note no. 19)	378.37	348.21
Total financial liabilities carried at amortised cost	**6,957.37**	**7,758.34**

22 Current tax assets/(liabilities) (Net)

	As at 31st March 2024	As at 31st March 2023
Advance tax (net of provision for tax)	13.32	-
Provision for tax (net of advance tax)	(157.99)	(144.12)
	(144.67)	**(144.12)**

A. Income tax expense recognised in statement of profit and loss

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
I. Tax Expense recognized in the Statement of Profit and Loss		
Current Tax	453.31	321.08
Total (A)	**453.31**	**321.08**
Deferred Tax charge / (income)		
Origination and reversal of temporary differences	(60.87)	(46.25)
Total (B)	**(60.87)**	**(46.25)**
Adjustment of tax relating to earlier periods	0.60	4.59
Total (C)	**0.60**	**4.59**
Total (A+B+C)	**393.04**	**279.42**
II. Tax on Other Comprehensive Income (OCI)		
Reclassification of effective portion of hedge through OCI	(2.03)	4.37
Re-measurement (gains) / losses on defined benefit plans	(0.03)	(1.53)
	(2.06)	**2.84**
Total	**390.98**	**282.26**

B. Reconciliation of Effective Tax Rate

The reconciliation between the statuory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Profit before tax	1,329.73	981.08
Other comprehensive Income (before tax)	107.95	58.51
Total Comprehensive Income (before tax)	1,437.68	1,039.59
Statutory Income Tax Rate	25.17%	25.17%
Tax as per applicable tax rate	361.84	261.64

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Differences due to:		
- Adjustment of TAX relating to earlier periods	0.60	4.59
- Effect of change in tax rate at one of the foreign subsidiaries	34.86	-
- Effect of different tax rate of subsidiaries in various jurisdictions	5.46	(1.08)
- Others	(11.78)	17.11
Income tax expenses charged to the statement of profit and loss	**390.98**	**282.26**

C. Movement in Deferred Tax Assets and Liabilities

Movement during the year ended 31st March 2024	As at 1st April 2023	Credit / (charge) in the Statement of Profit and loss	Credit / (charge) in Other Comprehensive Income	As at 31st March 2024
Deferred tax assets/(liabilities)				
Expenses allowable on payment basis	104.64	6.91	-	111.55
Temporary differences on account of depreciation	(239.04)	(56.62)	-	(295.66)
Carry forward of tax losses	-	60.42	-	60.42
Others	34.43	4.26	-	38.69
Tax impact on items shown under OCI	(1.28)	-	2.06	0.78
	(101.25)	**14.97**	**2.06**	**(84.22)**

Movement during the year ended 31st March 2023	As at 1st April 2022	Credit / (charge) in the Statement of Profit and loss	Credit / (charge) in Other Comprehensive Income	As at 31st March 2023
Deferred tax assets/(liabilities)				
Expenses allowable on payment basis	104.84	(0.20)	-	104.64
Temporary differences on account of depreciation	(260.99)	21.95	-	(239.04)
Others	9.93	24.50	-	34.43
Tax impact on items shown under OCI	1.56	-	(2.84)	(1.28)
	(144.66)	**46.25**	**(2.84)**	**(101.25)**

23 Revenue from contracts with customers

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Sale of products	18,957.11	20,069.93
Other operating revenue	157.78	155.76
	19,114.89	**20,225.69**
Details of other operating revenue		
Scrap sales	148.85	141.51
Sale of Raw Materials	4.95	10.55
Income from Export incentives (Refer note below)	3.98	3.70
	157.78	**155.76**

Note: There are no unfulfilled conditions or contingencies attached to these export incentives

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Revenue from contracts with customers:		
India (Excluding SEZ)	3,339.02	4,698.04
Outside	15,618.09	15,371.89
Total revenue from contracts with customers	**18,957.11**	**20,069.93**
Timing of revenue recognition		
Goods transferred at a point in time	18,957.11	20,069.93
Services transferred over time	-	-
Total revenue from contracts with customers	**18,957.11**	**20,069.93**
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price.		
Revenue as per contracted price	19,061.22	20,118.80
Less: Adjustments		
- Sales Returns	104.11	48.87
Net revenues from sale of products	**18,957.11**	**20,069.93**

24 Other income

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest income on		
Non-current investments		
-Tax Free Bonds	8.85	8.05
-Others Bonds	13.92	4.65
Bank Deposits and Corporate Deposits	51.78	17.42
Others (Refer note below)	0.68	4.57
Net gain on sale of current investments	26.11	27.75
Fair value gain on financial instruments at fair value through profit or loss	9.91	2.85
Net exchange gain on foreign currency transactions	100.50	42.53
Net gain on disposal of property, plant and equipment	1.58	0.07
Insurance Claims Received	0.35	1.64
Other non operating income (Includes misc. income, miscellaneous provisions written back)	12.66	14.85
	226.34	**124.38**

Note: Interest on others includes interest on security deposits, interest on tax refunds.

25 Cost of materials consumed

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Raw materials consumed		
Inventory at the beginning of the year	1,179.83	1,252.95
Add: Purchases	11,257.97	13,100.89
	12,437.80	**14,353.84**
Less: Inventory at the end of the year	888.88	1,179.83
	11,548.92	**13,174.01**
Packing materials consumed		
Inventory at the beginning of the year	18.00	20.38
Add: Purchases	314.64	263.90
	332.64	**284.28**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Less: Inventory at the end of the year	16.36	18.00
	316.28	**266.28**
Total Material consumed	**11,865.20**	**13,440.29**

26 Changes in inventories of finished goods and work in progress

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Inventory at the end of the year		
Finished goods	1,825.18	1,929.76
Work-in-progress	371.65	395.43
	2,196.83	**2,325.19**
Inventory at the beginning of the year		
Finished goods	1,929.76	1,995.74
Work-in-progress	395.43	373.93
	2,325.19	**2,369.67**
	128.36	**44.48**

27 Employee benefits expense

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Salary, bonus and other allowances (Refer note 36)	1,257.47	1,168.15
Contribution to provident and other fund (Refer note 44)	159.92	150.82
Gratuity (Refer note 44)	8.66	14.29
Leave compensation (Refer note 44)	3.51	20.71
Staff welfare expenses	41.74	43.63
	1,471.30	**1,397.60**

28 Depreciation and amortization expense

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Depreciation on tangible assets (Refer note 2 (a)(i))	628.36	575.86
Amortization on intangible assets (Refer note 2 (b))	51.50	48.39
Depreciation on Right-for-use assets (Refer note 38)	35.33	26.78
	715.19	**651.03**

29 Finance costs

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest and finance charges on financial liabilities not at fair value through profit or loss	294.76	273.37
Interest on lease liabilities (Refer note 38)	16.72	14.55
Interest on others	36.37	122.41
Exchange differences regarded as an adjustment to borrowing costs	23.34	75.26
	371.19	**485.59**
Less : Borrowing costs capitalised (Refer Note 36)	17.34	1.40
	353.85	**484.19**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

30 Other expenses

Particulars		For the year ended 31st March 2024	For the year ended 31st March 2023
Consumption of stores and spares (Refer note (a) below)		159.59	120.41
Repairs and maintenance:			
Building		24.24	21.29
Plant and machinery		133.46	125.57
Others		10.65	8.25
Telephone and Communication expenses		14.67	11.75
Power, fuel and water charges		1,335.93	1,251.05
Labour charges		107.82	90.85
Rental Charges		22.22	18.48
Rates and taxes		17.46	16.22
Legal and professional charges		237.30	350.55
Travelling and conveyance		93.99	65.88
Insurance		100.47	97.63
Freight and forwarding		455.13	779.93
Commission on Sales		27.63	30.65
Directors' sitting fees and commission		16.85	19.78
Payments to Auditors (Refer note (b) below)		6.53	5.87
Expense towards corporate social responsibility (Refer note 37)		19.48	13.75
Donations		0.08	-
Contribution to political parties (Refer note (c) below)		70.00	-
Bank charges		20.80	33.46
Provision for doubtful debts & advances	0.98		
Less: Provision Reversed	0.20	0.78	5.09
Indirect tax expenses	19.30		
Less: Provision Reversed	14.80	4.50	0.90
Property plant and equipment written off		30.90	1.87
Net loss on disposal of property, plant and equipment		0.88	-
Miscellaneous expenses (Refer note (d) below)		376.01	282.17
		3,287.37	**3,351.40**

a) Stores and spares consumed:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Inventories at the beginning of the year	146.53	139.40
Add: Purchases	100.73	127.54
	247.26	**266.94**
Less: Inventories at the end of the year	87.67	146.53
Cost of stores and spares consumed during the year	**159.59**	**120.41**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

b) Payments to the auditor:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
As auditor		
Audit fee	5.10	4.30
Other Services	1.13	1.35
In other capacity:		
Certification Fees	0.12	0.09
Reimbursement of Expenses	0.18	0.13
	6.53	**5.87**

c) Contribution to political party

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Contribution to Bharatiya Janata Party	70.00	-
	70.00	**-**

d) Miscellaneous expenses includes :

	For the year ended 31st March 2024	For the year ended 31st March 2023
EDP expenses	59.53	39.96
Security charges	19.51	23.01
Contract Staff Salary	6.89	13.57
Subscription to associations	14.99	15.59
Waste Disposal Expenses	119.14	84.30
Laboratory Expenses	22.09	16.17
Others expenses	133.86	89.57
	376.01	**282.17**

31 Exceptional Items

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Impairment of Goodwill (Refer note 2(c))	16.25	-
Impairment of intangible assets (Refer note 2(c))	173.80	-
	190.05	**-**

32 Earning per Equity share (EPS)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Profit for the year (Rupees in Million)	936.78	696.60
Weighted average number of shares	10,679	10,679
Nominal value per share (Rupees)	100.00	100.00
Earning per Equity share -Basic (Rupees)	**87,721.70**	**65,230.83**
-Diluted (Rupees)	**87,721.70**	**65,230.83**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

33 Contingent liabilities not provided for in respect of the disputed tax demands / claims:

Particulars	31st March 2024	31st March 2023
Disputed income tax demand	2.88	2.50
TOTAL	**2.88**	**2.50**

Notes:

i. It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

ii. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund (PF) dated 28th February, 2019. As a matter of caution, the Group has contributed to PF on a prospective basis from the date of the SC order. The Group will update its provision, on receiving further clarity on the subject.

iii. The Group had received show cause notice (SCN) dated October 23, 2019 from Director of Revenue Intelligence for claiming IGST exemption on Imports against advance license without complying pre-import condition required as per IGST rules. The Group had filed the reply to this letter December 24, 2019 and during the current year, the Group has made various submissions during the personal hearings. The department has kept this matter in abeyance vide letter dated January 15, 2024, quoting the pendency of Supreme Court decision in a similar subject matter.

iv. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

v. The Group does not expect any reimbursements in respect of the above contingent liabilities.

34 Capital Commitments:

Particulars	31st March 2024	31st March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	268.89	245.51
TOTAL	**268.89**	**245.51**

35 Other Commitments:

Particulars	31st March 2024	31st March 2023
Guarantees given by banks on behalf of the Group to statutory authorities	39.71	49.09
Guarantees given by banks on behalf of the Group to suppliers	13.82	59.32
Guarantees given by the Group to banks on behalf of its wholly-owned subsidiary	1289.25	1010.38
Letter of credit issued by the banks for credit and other facilities granted by banks	1240.98	234.49
Export obligations against duty free import of raw materials under the advance license scheme remaining to be executed	Nil	248.68
Export obligations against duty free import of Capital assets under the EPCG license scheme remaining to be executed	Nil	2.64
TOTAL	**2583.76**	**1604.60**

36 Cost of capitalised assets and capital work-in-progress includes borrowing cost capitalised amounting to ₹ 17.34 (₹ Nil) and ₹ Nil (₹ 1.40 Million) respectively. Further cost of capitalised assets and capital work-in-progress includes salary cost capitalised for employees working exclusively in relation to Capex projects of the Company amounting to ₹ 39.56 Million (₹ 19.47 Million) and ₹ 0.68 Million (₹ 18.16 Million) respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

37 Corporate Social Responsibility expenses

Particulars	31st March 2024	31st March 2023
Amount required to be spent as per the section 135 of the Companies Act, 2013.	19.48	13.75
Amount Spent during the year on :		
(i) Construction/acquisition of an asset	-	-
(ii) Purposes other than type (i) above	19.48	13.75

Details of excess amount spent u/s 135(5)	31st March 2024	31st March 2023
Opening Balance	14.82	-
Amount required to be spent as per Section 135 of the Companies Act, 2013	19.48	13.75
Amount actually spent by the Group during the year	8.85	28.57
Closing Balance (accounted under Prepaid Expenses)	4.19	14.82

38 Leases

The Group has lease contracts for certain items of vehicles, forklift, plant and machinery used in its operations. These leases generally have a lease term between 3 to 10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period

Particulars	31st March 2024	31st March 2023
Carrying Value at the beginning of the year	313.05	314.91
Additions made during the year	245.35	24.92
Less : Depreciation recognized during the year	35.33	26.78
Carrying Value at the year end	523.07	313.05

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	31st March 2024	31st March 2023
Opening balance of lease liabilities	122.02	140.77
Additions made during the year	69.40	-
Finance cost	16.72	14.55
Less: Payments made	42.60	33.30
Closing balance of lease liabilities	**165.54**	**122.02**
Current lease liabilities	26.66	23.59
Non Current lease liabilities	138.88	98.43

The effective interest rate for lease liabilities is 10.67 % to 33.71%, with maturity upto FY2034.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

The following are the amounts recognised in the statement of profit and loss:

Particulars	31st March 2024	31st March 2023
Depreciation expense on right of use assets	35.33	26.78
Interest expense on lease liabilities	16.72	14.55
Expense relating to short-term leases and low-value assets (included in other expenses)	22.22	18.48
Total amount recognised in profit or loss	74.27	59.81

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are, as follows:

Particulars	31st March 2024		31st March 2023	
	Minimum Lease Payment	Present Value of MLP	Minimum Lease Payment	Present Value of MLP
Within one year	49.49	26.66	36.08	23.59
Later than one year but less than 5 year	198.46	96.79	101.05	75.60
More than 5 year	65.98	42.09	25.35	22.83
Total	**313.93**	**165.54**	**162.48**	**122.02**
Less: Finance Cost Charge	148.39	-	40.46	-
Present value of minimum lease payments	**165.54**	**165.54**	**122.02**	**122.02**

39 Segment Information:

a) Operating segment are reported in a manner consistent with the Internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Group.

The Group is engaged in aroma chemical products which as per Ind AS 108 - "Operating segments" is considered the only business segment and all other activities of the Group are incidental to this business segment. Geographical segments are ascertained based on the geographical location from where the sales are carried out.

b) **Major customer**

Revenue from three customer group of the Group is ₹ 8,528.73 Million (₹ 10,218.63 Million) which in aggregate is 44% (51%) of the Group's total revenue.

c)

Particulars	31st March 2024			31st March 2023		
	India	Outside India	Total	India	Outside India	Total
Segment Revenue						
Revenue	**12,043.79**	**7,683.30**	**19,727.09**	**12,569.73**	**8,266.34**	**20,836.07**
Less : Intersegment Revenue (*)	505.75	106.45	612.20	495.68	114.70	610.38
Net Revenue	11,538.04	7,576.85	19,114.89	12,074.05	8,151.64	20,225.69
Earnings Before Interest, Tax, Depreciation, Amortisation and Impairment	**2,474.17**	**114.74**	**2,588.91**	**1,965.54**	**150.76**	**2,116.30**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars	31st March 2024			31st March 2023		
	India	Outside India	Total	India	Outside India	Total
Less : Depreciation and amortization expense	538.94	176.25	715.19	490.77	160.26	651.03
Less : Finance Costs	325.60	28.25	353.85	442.43	41.76	484.19
Profit before Tax and exceptional items	**1,609.63**	**(89.76)**	**1,519.87**	**1,032.34**	**(51.26)**	**981.08**
Less : Exceptional Item	-	190.05	190.05	-	-	-
Profit before Tax	**1,609.63**	**(279.81)**	**1,329.82**	**1,032.34**	**(51.26)**	**981.08**
Segment Assets and Liabilities						
Segment Assets	11,498.06	4,526.64	16,024.70	10,198.57	5,514.25	15,712.82
Segment Liabilities (Including Borrowings)	6,070.41	1,479.02	7,549.43	6,378.09	1,906.25	8,284.34
Net Capital Employed	**5,427.65**	**3,047.62**	**8,475.27**	**3,820.48**	**3,608.00**	**7,428.48**

(*) Inter-segment revenues are eliminated upon consolidation and reflected in the row Inter-segment revenue

40 Related Party Disclosures as per Ind AS 24.:

A List of Related Parties

Enterprise owned or significantly influenced by key management personnel or their relatives.

a) Key Managerial Personnel

Managing Director

Mr. Rajendra K. Mariwala

Executive Directors

Mr. Kodakkal Suresan Pudhiyaveetil (Resigned w.e.f. 17.02.2023)

Mr. Krishan Kumar Sharma (Appointed w.e.f. 17.02.2023)

Non-executive Directors

Mr. Harsh C. Mariwala

Mr. Kishore V. Mariwala (Resigned w.e.f. 17.02.2023)

Dr. Ravindra K. Mariwala

Non-executive Independent Directors

Mr. Milind S. Sarwate

Mr. Arun M. Bewoor

Mrs. Anita Belani

Mr. Ketan Dalal

Chief Financial Officer

Mr. Chetan Dinesh Chowatia (Appointed w.e.f. 25.05.2023)

Company Secretary & Compliance Officer

Mr. Sandesh Pokhriyal (Appointed w.e.f. 16.02.2024)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

b) Enterprises over which KMP/Directors have significant influence

Sharrp Ventures Capital Private Limited.

Katalyst Advisors Private Limited

Indian Chemical Council

c) Post employment benefit plans

Eternis fine chemicals ltd employees gratuity scheme

d) Associate Company

AMP Energy Green Twelve Pvt. Ltd.

B Related Party Transactions

The following transactions were carried out with the related parties in the ordinary course of business:

a) Enterprises over which KMP/Directors have significant influence;

Particulars	31st March 2024	31st March 2023
Sharrp Ventures Capital Private Limited.		
Transaction during the year:		
Corporate guarantee commission	0.78	4.81
Closing balance:		
Fees for corporate guarantee Payable	NIL	1.43
Katalyst Advisory Private Limied		
Transaction during the year:		
Professional Fees	4.60	2.00
Closing balance:		
Trade Payables	3.97	1.50
AMP Energy Green Twelve Pvt. Ltd		
Transaction during the year:		
Solar power charges	84.32	68.94
Interest on debenture	0.00*	0.00*
Closing balance:		
Trade Payable	8.23	7.14
Indian Chemical Council		
Transaction during the year:		
Membership Fees	3.22	1.28
Closing balance:		
Trade Payables	0.10	NIL

* Figures less than ₹ 10,000/-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

b) Key Managerial Personnel:

Particulars	31st March 2024	31st March 2023
Transaction during the year:		
Remuneration of Key managerial personnel:		
Mr. Rajendra K. Mariwala	58.65	46.18
Mr. Kodakkal Suresan Pudhiyaveetil	NIL	18.65
Mr. Krishan Kumar Sharma	18.15	5.49
Mr. Chetan Chowatia	12.34	NIL
Mr. Sandesh Pokhriyal	0.47	NIL
Loan given to KMPs		
Loan given during the year	15.00	NIL
Loan repaid during the year	6.05	NIL
Closing balance:	**27.75**	**NIL**
Directors sitting fees		
Mr. Kishore V. Mariwala	NIL	0.60
Dr. Ravindra K. Mariwala	0.80	0.90
Mr. Harsh C. Mariwala	0.60	0.60
Mr. Milind S. Sarwate	1.28	1.43
Mr. Arun M. Bewoor	1.28	1.43
Mrs. Anita Belani	1.20	1.18
Mr. Ketan Dalal	0.90	1.05
Directors commission		
Mr. Kishore V. Mariwala	NIL	1.80
Dr. Ravindra K. Mariwala	1.80	1.80
Mr. Harsh C. Mariwala	1.80	1.80
Mr. Milind S. Sarwate	1.80	1.80
Mr. Arun M. Bewoor	1.80	1.80
Mrs. Anita Belani	1.80	1.80
Mr. Ketan Dalal	1.80	1.80

c) Eternis fine chemicals ltd employees gratuity scheme

Transaction during the year:	31st March 2024	31st March 2023
Contribution to gratuity scheme	14.92	43.16

d) Guarantees

Transaction during the year:	31st March 2024	31st March 2023
Guarantees received from Sharrp Ventures Capital Private Limited	NIL	NIL
Closing balance:	NIL	962.97

e) Terms and Conditions

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

41 Managerial Remuneration

Details of payments made to Key Managerial Persons:

Particular	31st March 2024	31st March 2023
Key Managerial Remuneration		
Salary including performance incentives	74.04	67.87
Contribution to provident fund and other funds (excluding gratuity)	2.76	2.45
Total	**76.80**	**70.32**
Sitting fees and commission to non-whole time directors	16.85	19.78

1) The above remuneration to directors does not include contribution to gratuity fund, as this contribution is a lump sum amount for all relevant employees based on actuarial valuation.

2) The managerial remuneration is approved by the shareholders at the Extra Ordinary General Meeting held on 25th May, 2023.

42 Fair Value Measurement

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

The carrying value and fair value of financial instruments by categories as at Balance sheet date are as follows:

Particulars	Carrying Value		Fair Value	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Financial assets:				
Measured at fair value through profit or loss (FVTPL)				
Investments in Mutual Funds (Refer note 8)	562.40	426.01	562.40	426.01
Total	**562.40**	**426.01**	**562.40**	**426.01**

The management assessed that cash and cash equivalents, trade receivables, loans, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets 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 directly or indirectly unobservable.

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(All amounts in ₹ Million, unless otherwise stated)

The following table represents the fair value hierarechy of Financial assets and liabilities measured at fair value as on 31st March, 2024 :

Particulars	As at 31st March 2024	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Financial assets measured at fair value :				
Investment in Mutual Funds (Refer note 8)	562.40	-	562.40	-
Derivative Financial assets (Refer note 13)	44.53	-	44.53	-
Total	**606.93**	**-**	**606.93**	**-**

The following table represents the fair value hierarechy of Financial assets and liabilities measured at fair value as on 31st March 2023 :

Particulars	As at 31st March 2023	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Financial assets measured at fair value :				
Investment in Mutual Funds (Refer note 8)	426.01	-	426.01	-
Derivative Financial assets (Refer note 13)	73.16	-	73.16	-
Total	**499.17**	**-**	**499.17**	**-**

There has been no transfers between Level 1 and Level 2 during the years ended March 31, 2024 and March 31, 2023.

43 Capital management

For the purpose of Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, bank balances and deposits including accrued interest on bank deposits and investments in bonds and mutual funds.

The Group's Gearing Ratio as at the end of the year is as follows:

Particulars	As at 31st March 2024	As at 31st March 2023
Borrowings and interest accured but not due thereon (including lease liabilities)	3,231.36	4,465.75
Less: Cash and cash equivalents	605.93	732.65
Less: Bank balance other than cash and cash equivalents	255.50	-
Less: Bank Deposits and Interest on Bank Deposits	634.35	266.53
Less: Investment in bonds and mutual funds	899.82	607.27
Net debt (A)	**835.76**	**2,859.30**
Total Equity	8,475.27	7,428.48
Total Equity (B)	**8,475.27**	**7,428.48**
Capital and net debt (A + B)	9,311.03	10,287.78
Gearing Ratio	0.09	0.28

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. As at 31st March 2024, there is no breach of covenant as mentioned in loan agreement.

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No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2024 and 31st March 2023.

44 Employee benifits

a) Defined Benefit Plan - Gratuity

Description of the Plan

The Group has a defined benefit gratuity plan (funded). Gratuity is payable to all eligible employees of the Group on Superannuation, death or resignation, in terms of the provisions of the Payment of Gratuity Act or as per the Group's Scheme whichever is more beneficial.

Governance

The Fund is in form of Group managed Trust. The Trustees of the Trust are responsible for the overall governance of the plan and and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

Investment Strategy

The Group's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The plans expose the Group to a number of actuarial risks such as investment risk, interest rate risk, longevity risk and inflation risk. The Group has allocated assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Group of the benefits provided.

A. Balance Sheet

The assets / liabilities and surplus / deficit position of the defined benefit plan at the Balance Sheet date were:	As at 31st March 2024	As at 31st March 2023
Present Value of Obligation	129.13	137.67
Less: Fair Value of Plan Assets	104.83	103.39
Liability recognized in Balance Sheet	24.30	34.28

B. Movements in Present Value of Obligation and Fair Value of Plan Assets

Particulars	Gratuity		
	Plan Obligation	Plan Assets	Difference
As at 1st April 2022	**115.24**	**56.79**	**58.45**
Current service cost	12.60	-	12.60
Interest cost	5.18	-	5.18
Return on Plan Assets	-	3.49	(3.49)
Actuarial (gain)/loss arising from changes in demographic assumptions	1.86	0.76	1.10
Actuarial (gain)/loss arising from changes in financial assumptions	(4.05)	-	(4.05)
Actuarial (gain)/loss arising from experience adjustments	9.01	-	9.01
Employer contributions	-	44.52	(44.52)
Benefits Paid	(2.17)	(2.17)	-

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for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Gratuity		
	Plan Obligation	Plan Assets	Difference
As at 31st March 2023	**137.67**	**103.39**	**34.28**
As at 1st April 2023	**137.67**	**103.39**	**34.28**
Current service cost	10.03	-	10.03
Interest cost	7.15	-	7.15
Return on Plan Assets	-	8.52	(8.52)
Actuarial (gain)/loss arising from changes in demographic assumptions	(0.95)	(0.02)	(0.93)
Actuarial (gain)/loss arising from changes in financial assumptions	(2.92)	-	(2.92)
Actuarial (gain)/loss arising from experience adjustments	3.99	-	3.99
Employer contributions	-	18.78	(18.78)
Benefits Paid	(25.84)	(25.84)	-
As at 31st March 2024	**129.13**	**104.83**	**24.30**

C. Statement of Profit and Loss

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Current service cost	10.03	12.60
Interest cost	7.15	5.18
Interest income	(8.52)	(3.49)
Net impact on profit (before tax)	**8.66**	**14.29**
Remeasurement of the net defined benefit plans:		
Actuarial (gain)/loss arising from changes in demographic assumptions	(0.93)	1.10
Actuarial (gain)/loss arising from changes in financial assumptions	(2.92)	(4.05)
Actuarial (gain)/loss arising from experience adjustments	3.99	9.01
Net (gain)/loss Impact on Other comprehensive income	**0.14**	**6.06**
Net impact on total comprehensive income (before tax)	**8.80**	**20.35**

D. Assets

The fair value of plan assets at the Balance Sheet date for the defined benefit plan is as follows:	For the year ended 31st March 2024	For the year ended 31st March 2023
Insurer Managed Funds	104.83	103.39
Total	**104.83**	**103.39**

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for the year ended 31st March 2024

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E. Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Assumptions	As at 31st March 2024	As at 31st March 2023
Discount rate	7.17% to 7.21%	7.30%
Future salary increases	7% to 9%	10.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Demographic Assumptions

Mortality in Service: Indian Assured Lives Mortality (2012-14) Ultimate table

F. Sensitivity Analysis

A quantitative sensitivity analysis for significant assumption as at 31st March, 2024 and 31st March, 2023 are as shown below:

Assumptions		Discount Rate		Future Salary Increase	
Sensitivity Level		1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on Defined Benefit Obligation	2023-24	122.23	128.56	128.66	122.07
Impact on Defined Benefit Obligation	2022-23	130.53	137.40	137.27	130.58

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

G. Expected Employer Contribution for the next year is ₹ 9.15 Million (₹ 9.42 Million).

H. The Average Duration of the defined benefit obligation at the end of reporting period is 4.37 years (4.92 years).

b) Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Group recognizes actuarial gains or losses immediately in the statement of profit and loss.

The Group has recognized ₹ 3.51 Million (₹ 20.71 Million) in the Statement of Profit and Loss towards compensated absences.

c) Provident Fund

The Group has recognized ₹ 106.30 Million (₹ 99.05 Million) towards contribution to Provident fund and ₹ 53.62 Million (₹ 51.77 Million) to the other funds (Employee State Insurance Corporation and labour welfare fund) in the Statement of Profit and Loss.

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45 Financial Risk Management Objectives and Policies

In the course of its business, the Group is exposed to a number of financial risks: credit risk, liquidity risk and market risk (including foreign currency risk, interest rate risk and commodity price risk). Risk Management is an integral part of the Group's plans and operations. While the Group has a proven ability to successfully take on challenges, the efforts are to become even more proactive in recognizing and managing risks, through an organized framework. The Group recognizes risk management as an integral component of good corporate governance and fundamental in achieving it's strategic and operational objectives.

45.1 Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The Group has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

Price risk:

Mutual fund Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk, market risk in addition to other factors. A movement of 1% in NAV on either side can lead to a gain/loss of ₹ 5.62 Million (31st March 2023 : 4.26 Million) on the overall portfolio as at 31st March 2024.

Interest rate risk :

Interest rate risk is the loss of fair value of future earnings of financial instruments because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings and to manage this risk, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31st March 2024	As at 31st March 2023
Variable rate borrowings	3,054.38	4,171.72
Fixed rate borrowings	8.83	273.81
Total borrowings	**3,063.21**	**4,445.53**

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At the end of the reporting period, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	As at 31st March 2024			As at 31st March 2023		
	Weighted average interest rate	Balance	% of Total Loans	Weighted average interest rate	Balance	% of Total Loans
Bank Overdrafts and Bank Loans	6.13%	3,054.38	100%	6.64%	4,171.72	94%
Interest rate Swaps (Notional principal amount)		(815.69)			(1,205.23)	
Net Exposure to Cash Flow Interest rate risk		2,238.69			2,966.49	

Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit after tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Impact on profit after tax	
	As at 31st March 2024	As at 31st March 2023
Interest rates - Increase by 100 basis point	22.86	31.22
Interest rates - decrease by 100 basis point	(22.86)	(31.22)

Foreign currency risk :

Foreign currency risk is the loss of fair value of future earnings of financial instruments because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and Group's net investments in foreign subsidiaries.

Foreign currency sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in Foreign Currency (FC) rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Foreign Currency	Amount in foreign currency (in Million)		Amount in ₹	
		As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Amount receivable in foreign currency on account of export of goods and advances to Vendors	USD	28.00	33.98	2,113.21	2,780.60
	EUR	12.57	30.55	1,129.80	2,731.87
	GBP	0.19	-	20.33	-
	JPY	19.62	53.35	10.80	32.86
	SGD	1.24	-	76.53	-
Net exposure to foreign currency risk (Assets)	**Total**			**3,350.67**	**5,545.33**

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Particulars	Foreign Currency	Amount in foreign currency (in Million)		Amount in ₹	
		As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Amount payable on account of purchase of goods loans, etc.	USD	34.94	44.45	3,293.55	3,652.30
	EUR	3.79	15.10	341.31	1,349.81
	GBP	2.01	1.02	71.95	104.07
	SGD	(0.45)	(0.11)	(27.76)	(6.59)
Exposure to foreign currency risk (Liabilities)	**Sub Total**			**3,679.05**	**5,099.59**
Less: EEFC balance available	USD	3.17	0.47	264.07	47.86
	EUR	0.32	1.04	28.65	106.12
	GBP	0.47	-	76.44	-
	JPY	0.00	0.00	0.00	0.39
	SGD	0.01	0.12	0.67	11.85
	CNY	5.43	-	63.20	-
	Sub Total			433.03	166.22
Net exposure to foreign currency risk (Liabilities)	**Total**			**3,246.02**	**4,933.36**

Particulars	Impact on profit after tax	
	As at 31st March 2024	As at 31st March 2023
USD Sensitivity		
USD/INR Increase by 5% (5%)	(34.28)	(30.82)
USD/INR Decrease by 5% (5%)	34.28	30.82
EUR Sensitivity		
EUR/INR Increase by 5% (5%)	30.57	55.68
EUR/INR Decrease by 5% (5%)	(30.57)	(55.68)
GBP Sensitivity		
GBP/INR Increase by 5% (5%)	0.93	(3.89)
GBP/INR Decrease by 5% (5%)	(0.93)	3.89
JPY Sensitivity		
JPY/INR Increase by 5% (5%)	0.40	1.24
JPY/INR Decrease by 5% (5%)	(0.40)	(1.24)
SGD Sensitivity		
SGD/INR Increase by 5% (5%)	3.93	0.44
SGD/INR Decrease by 5% (5%)	(3.93)	(0.44)

45.2 Credit risk :

Credit risk is the risk of possible default by the counter party resulting in a financial loss. The Group manages its credit risk through various internal policies and procedure set forth for effective control over credit exposure. Major credit risk at the reporting date is from trade receivables. Trade receivables are managed by way of setting various parameters like credit limit, evaluation of financial condition before supply, supply terms, industry trends, ageing analysis, etc.

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In respect of its investments, the Group aims to minimize its financial credit risk through the application of risk management policies. Credit limits are set based on a counterparty value.

Trade receivables are subject to credit limits, controls and approval processes. Due to large geographical base and number of customers, the Group is not exposed to material concentration of credit risk. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables on individual basis depending on the customer ageing, customer category, specific credit circumstances & the historical experience of the Group.

The gross carrying amount of trade receivables is ₹ 4,405.75 Million as at 31st March, 2024 (as at 31st March, 2023, ₹ 4,896.14 Million).

Security deposits are interest free deposits given by the Group for properties taken on lease, with statutory authorities. Provision is taken on a case to case basis epending on circumstances with respect to non-recoverability of the amount. The gross carrying amount of security deposit is ₹ 20.73 Million as at 31st March, 2024 (as at 31st March, 2023, ₹ 24.07 Million).

45.3 Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The current ratio of the Group as at 31st March, 2024 is 1.56 (as at 31st March, 2023, 1.52).

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	As at 31st March 2024			As at 31st March 2023		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Borrowings	2,439.15	615.22	3,054.37	3,201.01	1,120.49	4,321.50
Trade payables	3,359.09	-	3,359.09	2,966.61	-	2,966.61
Lease Liabilities	26.66	138.88	165.54	23.59	98.43	122.02
Other financial liabilities	378.37	-	378.37	348.21	-	348.21

46 Cash Flow Hedges

Impact of hedging activities

Derivate Asset and Liabilities through Hedge Accounting

Derivative financial instruments

The Group's derivatives mainly consist of currency forwards, options and Currency and interest rate swaps. Derivatives are mainly used to manage exposures to foreign exchange, interest rate and commodity price risk as described in section Market risk in Note 45.

Derivatives are initially recognised at fair value. They are subsequently remeasured at fair value on a regular basis and at each reporting date as a minimum, with all their gains and losses, realised and unrealised, recognised in the Profit and Loss statement unless they are in a qualifying hedging relationship.

The effective part of the changes in fair value of hedging instruments is recognised in other comprehensive income, while any ineffective part is recognised immediately in the Statement of Profit and Loss.

Hedge Accounting

The Group designates and documents certain derivatives and other financial assets or financial liabilities as hedging instruments against changes in fair values of recognised assets and liabilities (fair value hedges) and highly probable

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forecast transactions (cash flow hedges). The effectiveness of such hedges is assessed at inception and verified at regular intervals.

Fair value Hedges

The Group uses fair value hedges to mitigate foreign currency and interest rate risks of its recognised assets and liabilities.

Changes in fair values of hedging instruments designated as fair value hedges and the adjustments for the risks being hedged in the carrying amounts of the underlying transactions are recognised in the Statement of Profit and Loss.

Cash flow Hedges

As at 31st March 2024

Type of hedge and risks	Nominal Value (INR) (Asset)		Carrying amount of Hedging Instrument (INR)		Maturity Date	Hedge ratio effectiveness	Weighted average strike price/ rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Asset	Liability	Asset	Liability					
Foreign Exchange Forward Contracts	1,267.80	-	4.28	-	April 24 to Dec 24	1:1	USD/INR = 83.51	4.28	(4.28)
Cross currency swap	417.03	-	13.85	-	30-Sep-2027	1:1	NA	13.85	(13.85)
Interest rate swap	474.30		26.40	-	29-Jan-2027	1:1	NA	26.40	(26.40)

The Group uses cash flow hedges to mitigate a particular risk associated with a recognised asset or liability or highly probable forecast transactions, such as anticipated future export sales, variable interest rate on borrowings, etc.

As at 31st March 2023

Type of hedge and risks	Nominal Value (INR) (Asset)		Carrying amount of Hedging Instrument (INR)		Maturity Date	Hedge ratio effectiveness	Weighted average strike price/ rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Asset	Liability	Asset	Liability					
Foreign Exchange Forward Contracts	835.33	-	4.27	-	April 23 to June 23	1:1	USD/INR = 82.87	4.27	(4.27)
Cross currency swap	165.00	-	20.47	-	22-Jan-2024	1:1	NA	20.47	(20.47)
Cross currency swap	19.00	-	3.05	-	22-Jan-2024	1:1	NA	3.05	(3.05)

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Type of hedge and risks	Nominal Value (INR) (Asset)		Carrying amount of Hedging Instrument (INR)		Maturity Date	Hedge ratio effectiveness	Weighted average strike price/ rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Asset	Liability	Asset	Liability					
Cross currency swap	410.85	-	8.79	-	30-Sep-2027	1:1	NA	8.79	(8.79)
Interest rate swap	610.38	-	36.58	-	29-Jan-2027	1:1	NA	36.58	(36.58)

The Group uses cash flow hedges to mitigate a particular risk associated with a recognised asset or liability or highly probable forecast transactions, such as anticipated future export sales, variable interest rate on borrowings, etc.

Disclosure of effect of Hedge Accounting on financial performance

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income		Hedge ineffectiveness recognised in profit or loss		Amount reclassified from cash flow hedging reserve to profit or loss		Line item affected in Statement of Profit and Loss because of the reclassification
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023	
Cash Flow							
Foreign Exchange Forward Contracts	0.01	(3.16)	-	-	0.01	(3.16)	Sales
Interest rate swap	(10.18)	17.02	-	-	(10.18)	17.02	Finance cost
Cross currency swap	(18.46)	13.70	-	-	(18.46)	13.70	Finance cost

47 Net Assets and profit after tax reconciliation

Name of the Entities	As at 31st March 2024		As at 31st March 2023	
	As a % of consolidated net assets	Amount ₹ Million	As a % of consolidated net assets	Amount ₹ Million
Parent:				
Eternis Fine Chemicals Limited	101.37%	8,591.58	103.03%	7,653.41
Subsidiary:				
Eternis UK Limited	39.85%	3,377.56	45.87%	3,407.53
Eternis Fine Chemicals UK Limited	42.10%	3,567.80	48.49%	3,601.99
Eternis Chemicals Private Limited	3.92%	332.64	3.83%	284.81
Subtotal		**15,869.58**		**14,947.74**
Intercompany elimination and consolidation adjustments (Refer note below)	-87.24%	(7,394.31)	-101.21%	(7,519.26)
Grand total:	**100%**	**8,475.27**	**100%**	**7,428.48**

Note : Intercompany elimination and consolidation adjustments primarily consists of investments made by Eternis Fine Chemicals Limited in the subsidiary Companies and by the subsidiary Companies in the step-down subsidiaries of the Group.

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Name of the Entities	Share in profit or loss (31st Mar 2024)		Share in profit or loss (31st Mar 2023)		Share in Other Comprehensive Income (31st Mar 2024)		Share in Other Comprehensive Income (31st Mar 2023)		Share in Total Comprehensive Income (31st Mar 2024)		Share in Total Comprehensive Income (31st Mar 2023)	
	As a % of consolidated profit or loss	Amount ₹ Million	As a % of consolidated profit or loss	Amount ₹ Million	As a % of Other Comprehensive Income	Amount ₹ Million	As a % of Other Comprehensive Income	Amount ₹ Million	As a % of Total Comprehensive Income	Amount ₹ Million	As a % of Total Comprehensive Income	Amount ₹ Million
Parent:												
Eternis Fine Chemicals Limited	121.30%	1,136.24	100.10%	697.33	0.29%	0.32	-0.20%	(0.11)	108.58%	1,136.56	92.68%	697.22
Subsidiary:												
Eternis UK Limited	-0.53%	(4.95)	17.08%	119.00	-12.88%	(14.17)	7.58%	4.22	-1.83%	(19.12)	16.38%	123.22
Eternis Fine Chemicals UK Limited	-15.31%	(143.39)	-14.38%	(100.14)	113.63%	125.00	95.38%	53.10	-1.76%	(18.39)	-6.25%	(47.04)
Eternis Chemicals Private Limited	-5.45%	(51.03)	-2.09%	(14.53)	-1.04%	(1.14)	-2.77%	(1.54)	-4.98%	(52.17)	-2.14%	(16.07)
Subtotal		**936.87**		**701.66**		**110.01**		**55.67**		**1,046.88**		**757.33**
Associate												
AMP Energy Green Twelve Pvt. Ltd	-0.01%	(0.09)	-0.73%	(5.06)	-	-	-	-	-0.01%	(0.09)	-0.67%	(5.06)
Grand total:	**100.00%**	**936.78**	**100.00%**	**696.60**	**100.00%**	**110.01**	**100.00%**	**55.67**	**100.00%**	**1,046.79**	**100.00%**	**752.27**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

48. Ratio Analysis

Ratio	Numerator	Denominator	As at 31st March 2024	As at 31st March 2023	% change	% change
Current ratio	Current Assets	Current Liabilities	1.56	1.52	3%	
Debt- Equity Ratio (Refer Note 1 below)	Total Debt	Shareholder's Equity	38%	60%	-37%	
Debt Service Coverage ratio (Refer Note 2 below)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Finance costs	Debt service = Interest and Lease Payments + Principal Repayments of borrowings	3.37	1.66	103%	
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	12%	10%	19%	
Inventory Turnover ratio	Cost of goods sold	Average Inventory	3.50	3.62	-3%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	4.11	4.23	-3%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.69	4.66	-21%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	5.21	5.69	-8%	
Net Profit ratio (Refer note 3 below)	Net Profit	Net sales = Total sales - sales return	5%	3%	42%	
Return on Capital Employed (Refer note 3 below)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	16%	13%	27%	
Return on Investment	Interest (Finance Income)	Investment in Bonds and Mutual Funds	7%	7%	-8%	

Notes :

1. Debt Equity ratio has improved on account of repayment of long term borrowings during the current year.
2. Debt service coverage ratio improved due to reduction in principal repayment due in the next year as compared to previous year on account of repayment of borrowings during the current year.
3. Net profit ratio and Return on capital employed has improved on account of increase in overall profitability of the group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

49 During the current year, the Group has closed down trading operations at its overseas step-down subsidiary in China and the entity is currently under liquidation. The Group does not expect any significant changes in its operations pursuant to the above liquidation.

50 During the current year, the Commissioner of state tax, Maharashtra conducted search operation under Section 67 of the CGST Act 2017. There is no significant impact of the aforementioned event on the financial statements for the current year.

51 The Holding Company and its subsidiary incorporated in India has used SAP accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes made using privileged/administrative access rights to the underlying database. Further no instance of audit trail feature being tampered with was noted with respect to the accounting software.

52 Other Statutory Information

(a) The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act,1988 and rules made thereunder.

(b) The Group does not have any transactions with companies struck off under the Companies Act.

(c) The Group do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(d) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(e) The Group do not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(f) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(g) The Group has complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

(h) In respect of the borrowings availed by the Group from the banks/financial institutions, the quarterly returns or statements of current assets (including revised) filed by the Group with the banks/financial institutions are in agreements with the books of accounts.

53 Disclosures under Rule 11(e) of Companies (Audit and Auditors) Rules, 2014

(a) Disclosure under Rule 11(e)(i)

Disclosure by funding party (Eternis Fine Chemicals Limited or Group)

For the year ended March 31, 2024 and March 31, 2023:

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

(All amounts in ₹ Million, unless otherwise stated)

(b) Disclosure under Rule 11(e)(ii)

Disclosure of funds received in the capacity of intermediaries by Eternis Fine Chemicals Limited or Group

For the year ended March 31, 2024 and March 31, 2023:

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

54 The Group has made provisions, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on derivative contracts.

55 Previous year figures have been re-grouped/ reclassified, wherever necessary.

56 The figures in brackets represent those of the previous year.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

For and on behalf of the Board of Directors

Sd/-
R.K. Mariwala
Managing Director
DIN: 00007246

Sd/-
Dr. R.K. Mariwala
Director
DIN: 00032825

Sd/-
Per Anil Jobanputra
Partner
Membership No. 110759
Place : Mumbai
Date : May 16, 2024

Sd/-
Chetan Chowatia
CFO

Sd/-
Sandesh Pokhriyal
Company Secretary
Membership No.A40096
Place : Mumbai
Date : May 16, 2024

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Concept, content and design by Report Yak (contact@reportyak.com)