ANNUAL REPORT 2022-2023

CFS Camlin Fine Sciences

TOUCHING BILLIONS OF LIVES DAILY

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INVESTOR INFORMATION

Market Capitalisation
as on March 31, 2023: ₹ 200,215.66 lakh
CIN : L74100MH1993PLC075361
BSE Code : 532834
NSE Symbol : CAMLINFINE
AGM Date : July 31, 2023

CORPORATE INFORMATION

Board Of Directors:

Ashish Dandekar
Chairman & Managing Director

Nirmal Momaya
Managing Director

Arjun Dukane
Executive Director- Technical

Anagha Dandekar
Non-Executive Non-Independent Director

Harsha Raghavan
Non-Executive Non-Independent Director

Sarvjit Bedi*
Non-Executive Non-Independent Director

Amol Shah
Independent Director

Sutapa Banerjee
Independent Director

Joseph Conrad D'souza
Independent Director

Mahabaleshwar Palekar
Independent Director

Pradip Kanakia
Independent Director

Thomas Videbaek**
Independent Director

Key Managerial Personnel:

Santosh Parab
Chief Financial Officer

Rahul Sawale
Company Secretary and VP- Legal

Registered Office:
Camlin Fine Sciences Limited
Floor 2 to 5, In GS Point,
CST Road, Kalina,
Santacruz East,
Mumbai 400 098
Tel: 91-22-6700 1000 Fax: 91-22-0000 0000
www.camlinfs.com | secretarial@camlinfs.com
CIN: L74100MH1993PLC075361

*Resigned w.e.f April 19, 2023
**Resigned w.e.f February 23, 2023

Works:
Plot no. D-2/3, M.I.D.C Boisar, Tarapur
(Dist. Palghar) 401506; Maharashtra, India

Plot no. E/44, M.I.D.C Boisar, Tarapur
(Dist. Palghar) 401506; Maharashtra, India

Plot no. Z/96/D, Dahej SEZ Ltd; Part II,
Vagra Taluka (Dist. Bharuch) 392130,
Gujarat, India.

Research and Development Centre:
Plot no. N-165, M.I.D.C Boisar Tarapur
(Dist. Palghar) 401506

Plot No. A-111, Road No. 18, Thane Industrial
Area, MIDC Village - Panchpakhadi,
Thane-West, Maharashtra - 400604

Auditors
M/s Kalyaniwalla & Mistry LLP
Chartered Accountants, Mumbai

Banks and Financial Institutions
State Bank Of India
Bank Of India
IndusInd Bank Limited
Punjab National Bank
International Finance Corporation (IFC)
Export-Import Bank of India

Registrars and Share Transfer Agent
Link Intime India Pvt. Ltd.
C101, 247 Park, LBS Marg, Vikhroli West,
Mumbai 400 083
Tel. +91-22-4918 6000/ 4918 6270
Fax: +91-224918 6060
Email: rnt.helpdesk@linktime.co.in

Touching Billions of Lives Daily

Vertical Integration | Green Chemistry | R&D | Innovative Solutions

Camlin Fine Sciences (CFS), rooted in the ambition to create transformative change, is resolute in its efforts to extend its reach without bounds, propelled by a successful amalgamation of vertical integration, green chemistry, persistent research and development, and infusing value through innovative solutions. Our mission expands beyond simple protection enhancements to our food and feed supplies; we stand committed to fostering responsible practices, growing our product portfolio, and embedding innovative solutions in our operations. Our goal remains consistent—to catalyze profound, enduring changes that touch countless lives and communities.

As we steer our journey towards a sustainable planet, we have welcomed green chemistry into our operations by leveraging plant extracts, probing untouched ecosystems to integrate sustainable practices and products, and continually seeking alternatives to finite natural resources. Our vision to cultivate greater degrees of self-sufficiency has helped us expand our product offerings under Catechol and Hydroquinone. We utilize our capabilities in vertical integration to serve a diverse spectrum of end-user industries.

However, the fuel that powers our processes, products and services is our unwavering commitment to craft more purposeful portfolio of offerings for our clientele. With the consistent incorporation of state-of-the-art technologies and robust research and development, we continue to push the envelope, constantly expanding the realm of what's possible.

We proactively interact with a broad spectrum of industries, forming alliances with global partners and stakeholders to deliver superior value while playing an active role in taking environment action.

We stand tall like a mighty tree, firmly rooted and with each passing day, our foundation grows stronger, fostering an environment where growth and transformation can flourish. As our branches extend wide, we reach out to embrace the vast global landscape, touching the lives of people around the world making a profound impact that resonates deep within their hearts.

* R&D=Research and Development

OUR CORE BELIEF

At CFS, we are passionate about bringing science into people's lives in a way that enriches and touches them. We have made significant progress towards this goal with integration and innovation being two of our driving factors of a sustainable growth at CFS.

1,250 | Base of Satisfied Customers Worldwide

100+ | Range of Diversified Products

61,000+ MT | Led by Integrated Global Production Capacity

25+ | Nationalities workforce

Among Global Leaders | In the Manufacturing of Antioxidants

Preferred Partner | For Customized Shelf Life Solutions

High-Quality & Wide Range | Vanillin Manufacturer

₹ 1,68,156.40 Lakh | Total Revenue*

₹ 21,310.96 Lakh | EBIDTA*

* Performance in FY 2022-23

CFS focuses on sustainability from two perspectives:

- Leveraging vertical integration capabilities
- Expanding our offerings to serve a wide range of end-user industries

MT= Metric Tonne

Catering Diverse Industries

- Food and Beverage
- Animal Nutrition
- Pet Food
- Flavours & Fragrances
- Dietary Supplements
- Pharmaceuticals & Pharma Intermediates
- Petrochemicals
- Dyes & Pigments
- Polymers
- Agrochemicals
- Rendering
- Bio-fuels
- Aquaculture
- Personal Care & Home Care
- Incense Sticks

Vision:

To be the globally preferred, trusted, and integrated provider of reliable and innovative shelf-life solutions, aroma ingredients, performance chemicals, and health & wellness ingredients.

Mission:

Be a vertically integrated provider of diverse high-quality innovative antioxidants & shelf-life extensions, aroma ingredients, performance chemical products and related solutions for Food, Animal Nutrition, Pet Food, Pharmaceutical and Petrochemical industries globally. To have an in-depth product technical know-how, its applications, an intimate understanding of customer's needs and a wide global reach through superior sourcing, logistics and service.

Values:

Collaborative
We collaborate with different organisations and communities to find better, locally suited solutions.

Credible
We gained the trust of our clients all over the world for our consistent and reliable processes subject to regular improvisations in line with the ever evolving industry trends.

Passionate
We take pride in our quality work and remain committed to our purpose for finding the most-suitable solutions for our customers' problems, making their lives qualitative.

Reliable
We strive to deliver on our commitments on a timely basis, within the set quality standards, to facilitate higher relevance and trust-worthiness of our processes.

Transparent
We disseminate all information in an unjust manner and make them accessible to all our stakeholders.

Our Global Footprint

Science Knows No Boundaries

CFS has multiple operational facilities, R&D centres and application laboratories located across multiple continents to cater to the needs of customers.
We have established a presence over 160 countries including Asia, Europe and the Americas, with over 1,250 satisfied customers.

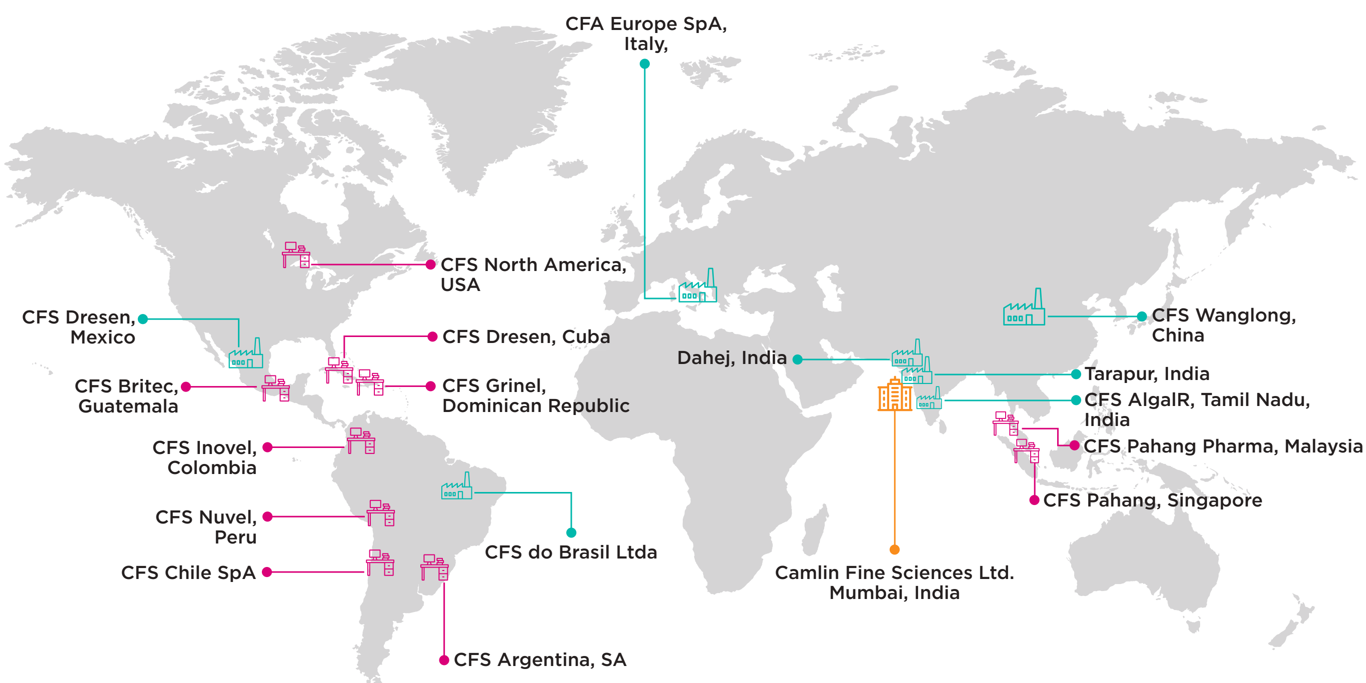
9 Global Manufacturing Facilities

5 Application Laboratories

2 R&D Centres

80+ Countries Global Sales Network

Manufacturing Sites and Sales Offices



Headquarter | Manufacturing site & sales office | Sales office

Manufacturing Strength

Leveraging the power of vertical integration, CFS possesses state-of-the-art facilities that enable large-scale production while upholding rigorous quality benchmarks.

The scalable infrastructure empowers our company to effectively address the dynamic and continuously expanding global demand, cementing our position as a dependable and esteemed supplier of specialty chemicals. Presently, our facilities across four continents provide us with a total capacity of 61,000+ MT. Additionally, we are in the process of introducing a range of new products in various markets, which will contribute significantly to our desired growth. Through vertical integration, we ensure product stability, consistent quality, availability, and traceability, all offered at highly competitive prices.

The backbone of vertically integrated production coupled with our R&D and Application Laboratory efforts has been the key driver to reach out to diverse industries and numerous markets.

Capacity (in MT)

31,000 Camlin Fine Sciences, India

12,000 CFS Dresen, Mexico

6,000 CFS do Brasil

12,000 CFS Europe SpA, Italy

MT= Metric Tonne

Vertical Integration

From Source, to Quality Solutions

- CFS' efforts in both organic and inorganic expansions, showcases our commitment to fortifying our position in the market
- Our strategic focus on captive consumption ensures utilization of raw materials for downstream products
- Strategic forward integration into Blends and Vanillin swings our Company's business model to high-value additives / solutions

Backward Integrated through Italy & Dahej Facilities

CAPTIVE CONSUMPTION

Italy and India (Dahej) Diphenol facility

Complementing our existing established facility in Italy, we have bolstered our production capacities for Hydroquinone and Catechol. This expansion has taken place at our diphenol plant in India, with commercial production starting from September 2020.

Today, CFS is one of the world's leading manufacturers and suppliers of Hydroquinone and Catechol.

DOWNSTREAM PROGRESSION

India and other regional facilities for industrial chemicals, blends and additives

The successful backward integration has also enabled us to add to our capabilities of developing more downstream products.

CFS has strategically embraced vertical integration, broadening portfolio in the catechol and hydroquinone segments to cater to diverse end-user industries.

Thus, creating avenues for business expansion.

Expansion into value-added products across business verticals

Food, Petfood, Animal Feed and Biofuel Applications

CFS has embarked on a strategic journey towards forward integration, focusing on the production of value-added products for the food and beverage, pet food, animal nutrition, and biodiesel industries. Within the shelf-life segment, CFS has successfully formulated and offers a diverse range of over 100 products (**Xtendra**® and **NaSure**™) showcasing value creation that effectively meets customer needs. By making this astute strategic move, the Company is positioning itself to leverage the substantial opportunities presented by the Global Blends market, which holds an estimated value of USD 4 billion.

The initiation of commercial vanillin production in January 2023 represents a significant milestone for CFS, consolidating our company's standing as one of the leading global manufacturers of Vanillin. Presently, a majority of consumer packaged goods incorporate nature-identical vanilla (Vanillin), providing a cost-effective alternative to natural vanilla for various flavor and fragrance applications. CFS has perfected the development of vanillin and ethyl vanillin, utilizing a clean and environmentally-friendly methodology. Developed through a vertically integrated platform, our **adorr**™ Vanillin range ensures consistent, reliable, high-quality, and safe products for our customers.

Vertical Integration, an edge

Reduction in:

- Supply Chain Management Cost
- Operational Expenses
- Turnaround Time
- Carbon Footprint

Improvement in:

- Operational Efficiency
- Revenue & Profitability
- Raw Material Sourcing
- Working Capital Cycle

Centre of Excellence

Research & Development

Exploring new horizons

- Add value to existing products
- Integrate customized, enhanced applications
- Develop derivatives for Hydroquinone and Catechol
- Improve current process for efficient manufacturing and better products
- Develop new products for a more comprehensive and robust portfolio

2 R&D centres

5 Application laboratories

The activities carried out at all our R&D facilities and Application Laboratories are harmonized ensuring seamless collaboration and knowledge exchange. Moreover, our laboratories proudly holds certification in accordance with the ISO standards, a testament to our commitment to excellence. Great synergy of a dedicated, experienced team combined with the modern facilities have helped deliver maximum benefit to our customers. We remain steadfast in our pursuit of innovation and look forward to continuing our legacy to meet the evolving needs of our customers.

- SUSTAINABLE PRODUCTS
- CONSISTENT PROCESS IMPROVEMENT
- CARBON NEUTRALITY

With a focus on ensuring the highest levels of relevance and reliability, our R&D units form the backbone of our stellar research and overall business.

India

Our advanced research centres and application labs are responsible for conducting studies and tests on our business processes and applications. CFS India has an R&D facility in Tarapur, India that specialises in synthetic and process development. It is a DSIRT-certified facility, that is, approved by the Department of Scientific and Industrial Research Technology. The facility includes an independent pilot plant to support our scaling activities and the processes of all our engineering studies.

Italy

At CFS Europe, the leading-edge research and development centres is dedicated towards improving our existing technology and developing new products & processes. These activities are both internal as well as achieved through collaboration with external research units and reputed universities. Our internal laboratory is located within our factory and is integrated with the active support of our Quality Control Structure for analysis. Our laboratory carries out its activities in the following areas:

- Improvement of existing products
- Development of new formulations
- Performance tests on customer products (pet food, meat preparations, animal feed, etc.)

Centre of Excellence

Application Laboratories

ITALY, EUROPE

INDIA, ASIA

BRAZIL, SOUTH AMERICA

USA, NORTH AMERICA

MEXICO, CENTRAL AMERICA AND ANDEAN STATES

Our laboratories contribute to the success of our customers' businesses through four key functions:

- **Product Development:** We specialize in food protection and safety solutions for various Industries including food, petfood, rendering and animal nutrition.
- **Food Applications Development and Evaluation:** We offer comprehensive support to our customers by developing food applications and conducting evaluations.
- **Sensory evaluation of aroma ingredients and formulations**
- **Customer Service:** We also invite customers to conduct collaborative application projects to support their product designs for high-value and efficient solutions.

Green Chemistry

Harmonising Science and Sustainability

Green chemistry goals at CFS:

- Promoting use of energy-efficient processes
- Minimizing the generation of waste during chemical synthesis
- Supporting end consumers clean-label demands

At CFS, we take great pride in our dedication to green chemistry and our commitment to sustainable practices. As a responsible chemical manufacturing company, we prioritize the use of raw materials from natural sources and implement optimized manufacturing processes to minimize our environmental impact.

Green chemistry not only enables us to reduce our environmental impact but also aligns with our vision of promoting a circular economy. By reducing our ecological footprint and advocating for the responsible use and disposal of our chemical products, we strive to contribute to a greener and more sustainable future.

At CFS, the integration of green chemistry encompasses the following

- **Finding ways to adopt new ecosystems to include new materials, processes, and alternatives to nature's finite resources like briquette instead of coal as an energy source**
- **Solvent, one of the largest waste components in our manufacturing process is recovered, purified and repurposed for our manufacturing process.**
- **Through fermentation technology, we work on developing products like nutritional lipids in a sustainable form for the food and beverage, pet food, and animal nutrition industries**

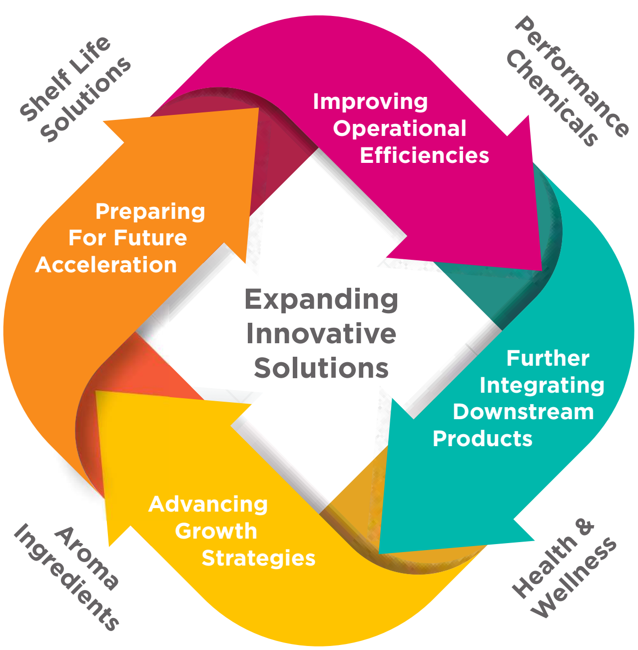
Innovative Solutions

Breaking Barriers, Driving Solutions

Building a purposeful portfolio

- Establishing CFS as a strong player across food and feed protection, safety solutions, sensory sciences, functional excellence, performance chemicals, health and nutrition
- Vertically integrated across the value chain, giving customers complete control
- An extensive global footprint enabling us to make a localized impact through enhanced accessibility, customer convenience, and a wide array of sustainable solutions.

At CFS, we analyze and understand changing consumer trends to innovate and develop products and processes. By utilizing our core competence, we enhance the long-term sustainability of the business through innovative solutions that are a result of thorough market research, rigorous processes, our technical and market experts, and guidance from industry leaders. Our commitment towards research and development, collaboration with customers, and staying abreast of emerging technologies enables us to develop novel and cutting-edge solutions to meet industry needs and drive growth in respective markets.



Our Focus

CFS focus areas involve expanding innovative solutions across shelf-life extension products, aroma ingredients, performance chemicals and health & wellness products. This expansion is driven by a comprehensive approach that encompasses improving operational efficiencies, further integrating downstream products, advancing growth strategies, and preparing for future acceleration.

Serving Global Customer Base

Driven by our expertise and an unrelenting pursuit for excellence, we operate with exceptional efficiency on a global level, consistently delivering better products and services. Our localized presence globally allows us to understand the unique requirements of different markets and tailor our solutions accordingly. We have established manufacturing facilities and resources in multiple countries, enabling us to efficiently serve our customers on a local level. This localized approach allows us to adapt to regional regulations, preferences, and specific customer demands.

Credentials speaking for world-class quality across our innovative solutions and processes

ISO 9001: 2015
fssai
ISO 14001: 2015
CERTIFIED SUSTAINABLE PALM OIL RSPO
HALAL FOOD CERTIFIED HALAL 100%

Non-GMO
STAR-K KOSHER
FAMI-QS
GMP+

Shelf-Life Solutions

Protection and Safety of Food and Feed

- Comprehensive and relevant range of solutions for food / feed protection and safety, and animal performance.
- Focused solutions for humans, pets, livestock, biodiesel and its impact on our planet's sustainability

Serving the food industry for over 25 years, CFS has built a strong reputation for providing effective shelf life solutions. Our diverse product range includes mold inhibitors, preservatives, acidifiers, antibacterial agents, toxin binders, pellet binders, growth promoters, and more, catering to humans, pets, and livestock. Our focus has always been on prioritizing food / feed protection and safety, recognizing that optimal growth in pets and livestock depends on it. Our product portfolio includes traditional antioxidants such as **Xtendra**® (TBHQ, BHA and ASP). Through our forward-integrated antioxidant blends comprising TBHQ, BHA, BHT and ASP, we effectively extend the shelf life of a wide range of food and feed products by preventing food loss and wastage.

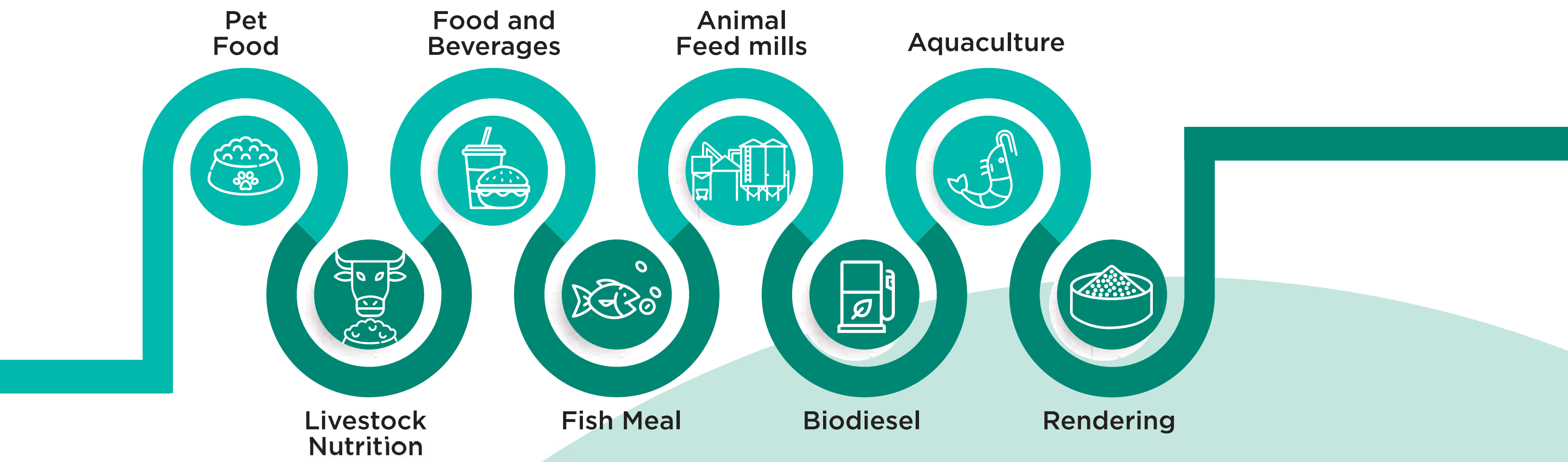
Besides, in line with the demand for clean label requirements, we have also developed plant-based antioxidant solutions under the brand name **NaSure**™ (Mixed Tocopherols, Green Tea Extract, blends of Rosemary Extract, and/or Acerola Extract) offering enhanced shelf life for products.

Xtendra®
protection & safety solutions

NaSure™
natural protection & safety solutions

TBHQ = Tertiary Butyl Hydroquinone

BHA = Butylated Hydroxyanisole | ASP = Ascorbyl Palmitate



Humans

Protection & Safety Solutions

Fully integrated manufacturers of antioxidants: TBHQ, BHA, Ascorbyl palmitate

Complete protection and safety solutions with customized formulations (traditional and natural ingredients)

Our Xtendra formulations have demonstrated their effectiveness in enhancing the stability and performance of biodiesel, thereby establishing biodiesel as a dependable alternative to traditional fossil fuels.

Applications:
Oils and fats, bakery, meat products, biodiesel, etc.

Pets

Petfood and Rendering Technologies

Antioxidant solutions for shelf life extension: traditional and natural

Safety Solutions such as natural acidifers, mold inhibitors, etc.

Applications:
Petfood, Rendering ingredients

Livestock

Animal performance, feed safety, shelf-life

Shelf life solutions: Ensures optimum nutrition for animals and enables FCR*.

Feed Safety Solutions: New sustainable solutions that help to prevent livestock diseases and losses to farmers.

Animal performance: Enabling usage of antibiotic alternatives and solutions to provide better gut health.

Way Ahead

Our commitment to addressing food and feed challenges is evident in the development of over 200+ custom formulations, encompassing both traditional and natural solutions. These formulations are specifically tailored to meet the diverse needs of the industry. We aim to increase our focus on high-value blends and additives, while introducing new products, new application areas and expanding into new geographies to further strengthen our global sales. With our strong R&D capabilities and capacity, we seek to enhance global sales by improving efficiencies. We will continue to maintain our leadership in the antioxidants market while widening our portfolio to provide a comprehensive solution for the food, pet food, biodiesel, livestock and aquaculture industries.

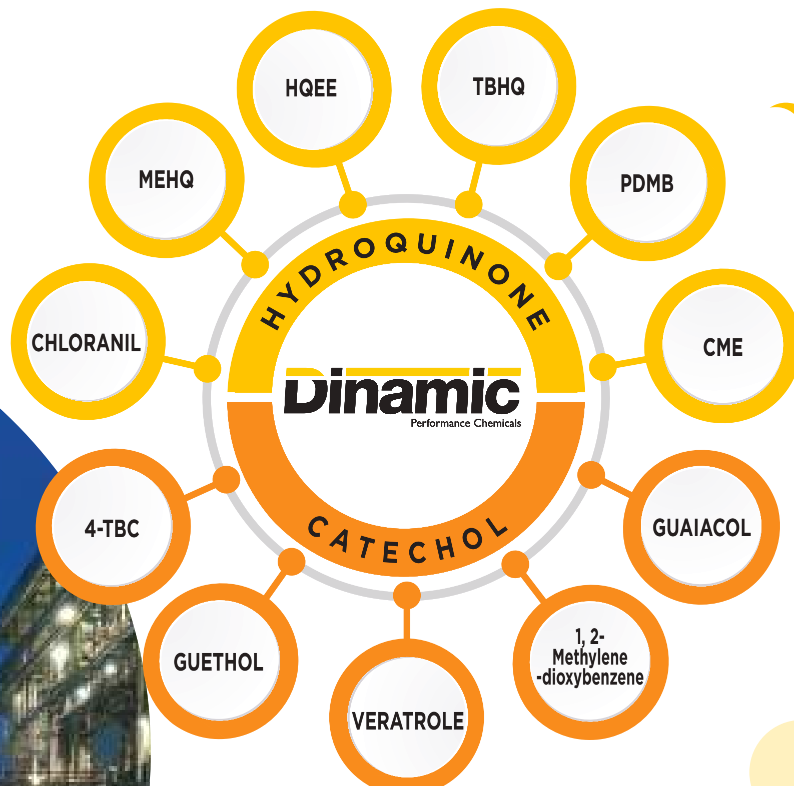
*FCR = Feed Conversion Ratio

Performance Chemicals

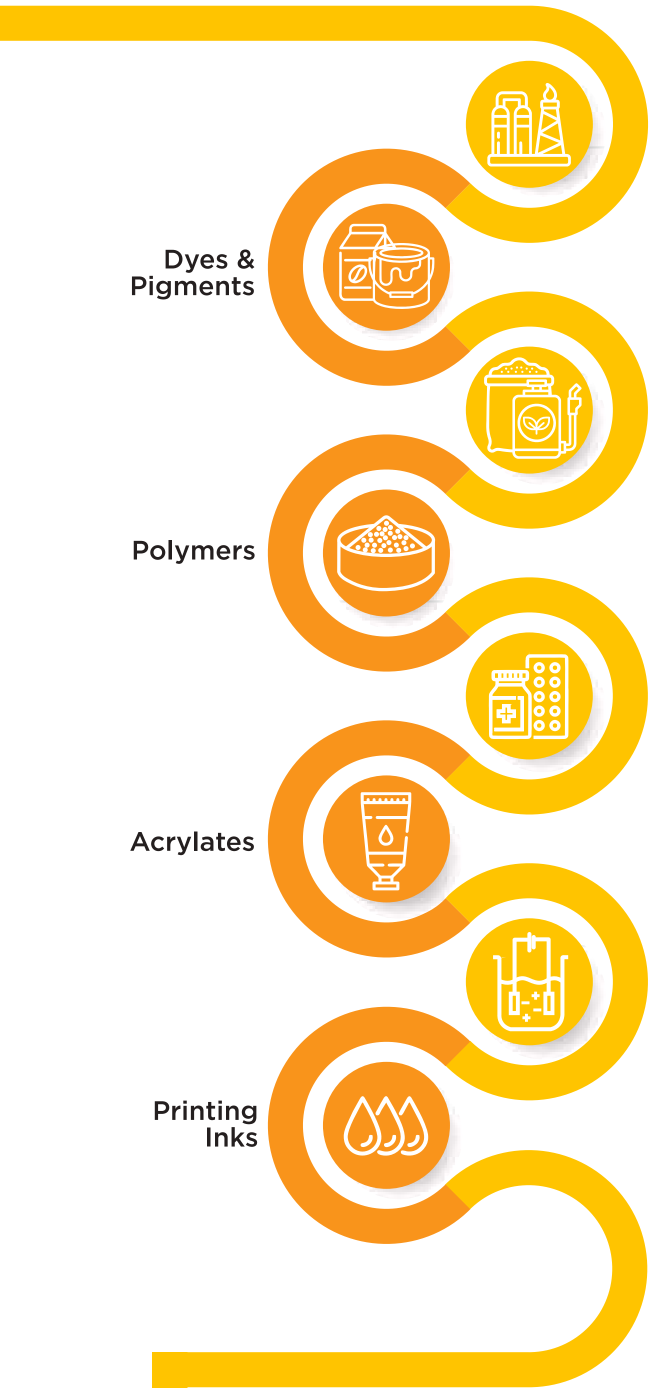
Performance Solutions through Cutting Edge Science

- **Fully integrated platform for specialty chemicals derived from Diphenols, i.e., Hydroquinone and Catechol**
- **Ensures product quality, its stability, steady supply, complete traceability**
- **Produced at state-of-the-art manufacturing facilities in Italy and India**

We're renowned for our role in the production and supply of key diphenols such as Hydroquinone and Catechol, along with their derivatives. Our trajectory in the performance chemicals sector is impressive, especially with our strong position in certain downstream products. Alongside, Catechol continues to be a reliable performer, reinforcing our market presence. Despite facing challenges in Europe due to increased raw material and gas prices amid the Ukraine-Russia conflict and fluctuating currencies, we've managed to maintain decent margins and operational efficiencies. In essence, we at CFS symbolize resilience, growth, and excellence in a rapidly evolving chemical industry.



End-User Industries



Way Ahead

The expansion of the Diphenol plant in Dahej by 50%, now standing at a capacity of 15,000 MTPA, demonstrates CFS's commitment to meeting market demands. Going forward, we aim to give a major impetus to the 'Make in India' initiative by launching exciting products and capturing a substantial market share, thus reducing dependence on imports. We are also directing our efforts towards captive consumption of diphenols, and increasing the production of value-added downstream products.

Aroma Ingredients

Unlocking the Power of Sensory Sciences

- Fully integrated, world class facility in Dahej, India produces right from raw material to the most authentic vanillin range
- Can produce vanillin, ethyl vanillin and vanillin ex-clove (adorr™)
- To provide greater flexibility, we collaborate with customers for signature and exclusive vanillin solutions

adorr VANILLIN US NATURAL

adorr VANILLIN premium

adorr VANILLIN free flow

adorr ETHYL VANILLIN premium

adorr VANILLIN SOLUTIONS™

Other products under Aroma

INTENSE GREEN
DIMETHYL HYDROQUINONE (DMHQ)

At CFS, we recognize that aroma plays a crucial role in the overall experience of food, flavours, and fragrances. Among the most popular and labour-intensive flavours in the world is vanilla, a rare taste that is difficult to obtain naturally. To address this issue, we manufacture nature-identical vanillin, which is not only safe for food consumption but also more easily available.

We take great pride in being the world's leading, fully integrated producer of vanillin and ethyl vanillin through the ex-catechol route. Our portfolio of vanillin products adds character and depth to a wide range of applications in the food, flavours, and fragrances industries. Given the significant growth expected in the global vanillin market, our vanillin products are widely used in the food industry to add depth and complexity to a wide range of products, including baked goods, dairy, and beverages. In the flavours and fragrances industry, our vanillin products are used to create unique and distinctive scents and flavours.

End-User Industries

Way Ahead

With the successful commencement of commercial production at our composite Vanillin plant, we are poised to achieve optimum capacity utilization in the near future. As we move forward into FY2023-24, our Company is actively pursuing an expansion of our presence in the aroma industry. The upcoming production of Ethyl Vanillin and vanillin ex-clove (natural vanillin) completes our comprehensive range of Vanillin offerings for the market. It would also encompass exclusive and signature vanillin-based solutions.

As we continue to undergo the validation process with our esteemed customers, we anticipate substantial sales growth in the forthcoming years.

CFS® Camlin Fine Sciences

Health and Wellness

Smart nutrition for sustainable living

- Implemented robust operating systems and procedures at AlgalR Nutrapharms to streamline production processes and ensure international standards
- Focus on entering into diverse application segments with product design concepts integrating technology.
- Aim to build networks and collaborate with industry stakeholders to tap into fast-growing international markets

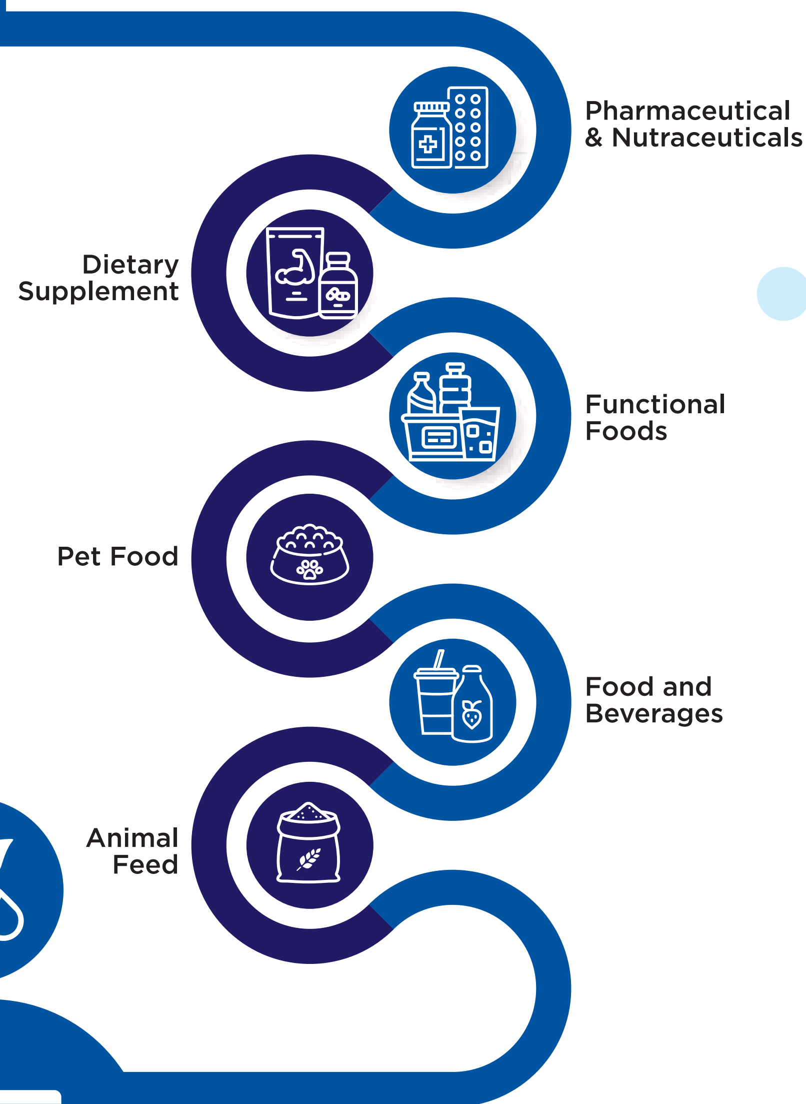
In response to the increasing demand for natural food, our Health and Wellness segment was launched by CFS in 2019. This division specializes in products derived from fermentation and plant extraction, ensuring sustainability and transparency in our processes.

With an 80% ownership stake, we expand into the realm of fermentation technology in an untapped territory. AlgalR NutraPharms, an Indian manufacturer, specializes in producing Omega-3 fatty acids from micro-algae, ensuring a 100% sustainable and vegetarian source. This strategic acquisition establishes our resources for the Health and Wellness division, enabling us to offer sustainable products for the food and beverage, pet food, and animal nutrition industries.

BIOSUS™ OMEGA 20
20% DHA from algal biomass

BIOSUS DHA
Clean DHA from algal source

End-User Industries



Way Ahead

Our current priority for Biosus™ DHA lies in enhancing process stability, undertaking essential groundwork for market development, and exploring opportunities within end-user industries. Our ultimate objective is to establish a formidable presence in prominent markets such as Europe and the United States.

ESG Approach

Caring for the Planet and People

As a responsible corporate, we understand the importance of Environmental, Social and Governance (ESG) practices in conducting business ethically. Our commitment to ESG extends beyond compliance with regulations and laws. We aim to minimize our environmental impact, promote social responsibility and ensure good governance.

Environment

We are dedicated to sustainability and our initiatives span a variety of topics, from reducing food waste to sourcing clean energy, and we are constantly seeking new ways to promote eco-friendliness. Our main goal by 2030 is to switch to renewable electricity for all our manufacturing facilities. We are currently exploring different options to achieve this goal.

Portfolio with a purpose

At CFS, we understand the significant impact of global food wastage on society, the economy, and the environment. To actively address this issue, we prioritize the reduction of food loss in the manufacturing process. We specifically target food segments that require improved shelf life. Through collaborative efforts with various food companies, we work on application projects to find effective solutions. Additionally, we offer consultation services to provide appropriate recommendations and solutions in this regard.

We offer solutions for improving nutrition, health, and hygiene in livestock, resulting in enhanced Food Conversion Ratio (FCR) and overall animal performance. Our comprehensive range of products, sanitization services, and antibiotic-alternative health care approaches create a thriving farm environment and good food for human consumption.

Protecting Life Below Water

Acquisition of AlgalR Nutra Pharms, which uses fermentation technology to produce **Biosus**™ Omega-3 fatty acids (DHA) from algae, minimises the burden on marine life; providing Omega-3 fatty acids access to the vegetarian population.

Plant

Repurposing Solvent Usage

Within our manufacturing process, one of the significant waste component is solvent. To prioritize environmental preservation, resource conservation, and cost reduction, we purify the solvent and reuse it within the process.

Decarbonising with Brickette

In order to reduce dependence on finite resources such as coal, we have switched to brickette as an energy source at Tarapur plant.

Sustainable Water Management and Desalination Partnership at Dahej Plant

In response to the pressing issue of water scarcity at our Dahej facility, we have forged a partnership with GIDC (Gujarat Industrial Development Corporation) for a substantial desalination plant specifically designed for industrial purposes. This collaborative effort aims to facilitate the treatment and repurposing of saline water, thereby minimizing our reliance on fresh water sourced from the river Narmada and ensuring water security for our plant.

Partnership

Collaborating for Sustainability

Our collaboration with Lockheed Martin, a renowned American company, represents a groundbreaking initiative set to transform the energy storage sector.

Encouraging Others Around Us

In addition to adopting more environmentally sustainable practices ourselves, we also encourage the same from our vendors, alliance partners, and employees.

Social Initiatives

At our Company, we are driven by a deep sense of purpose that extends beyond being a mere business within a community. We firmly believe in actively contributing to the advancement of the areas where we operate. Therefore, we undertake initiatives that create meaningful, positive change and have a tangible impact on people's lives. By actively participating in and promoting programs that foster progress, we strive to be a catalyst for good.

Our Communities

We understand that businesses have a significant impact on the communities in which they operate, and we take that responsibility very seriously.

Corporate Social Responsibility (CSR)

- In the financial year 2022-23, we invested ₹ 58 Lakhs to support Akhil Bharatiya Vanavasi Kalyan Ashram, Vanvasi Kalyan Ashram, Vivekananda Rock Memorial & Vivekananda Kendra, Aai Day Care Sanstha and Sangopita, a shelter for care in their endeavour to improve quality of life and sustain humanity.

Our People

Employee Wellbeing Program

Designed to help improve the overall health of our employees, the program includes nutritionist consultation and diet plans, access to a gym and regular health monitoring. We understand the importance of access to quality healthcare, not just for our employees, but for their families as well.

Our comprehensive medical plan covers our employees and their families, ensuring that they receive the care they need when they need it.

Governance

As a company, we understand the importance of having a solid governance framework and competent leadership in driving our success. This is why, we are proud to have a Governance Board that comprises highly skilled and visionary leaders from diverse backgrounds, bringing a wealth of technical and business expertise to the table.

Governance Framework

We are committed to maintaining a robust governance framework that ensures transparency, accountability, and ethical conduct in all our business operations. We firmly believe that a strong governance structure is essential for building trust and credibility among our stakeholders, including customers, shareholders, employees, and society at large.

Fueling Advancement

The composition of our Board is comprised of accomplished individuals hailing from diverse backgrounds, each possessing a wealth of technical and business expertise. We firmly believe that the diversity present within our Board is a formidable asset, enabling us to embrace a multitude of perspectives and consequently make judicious and well-grounded decisions.

In a concerted effort, they actively participate in collaborative brainstorming sessions with the aim of formulating comprehensive strategies and policies. These endeavors are specifically designed to augment our organizational performance, and business advancement. We ensure that we possess the necessary tools and insights to adeptly navigate dynamic market conditions and effectively address the evolving demands of our esteemed clientele.

Board of Directors

Ashish Dandekar

Chairman & Managing Director

Ashish Dandekar holds a B.A. in Economics and Management Studies from Temple University, USA. With a comprehensive experience spanning over 30 years in the Pharmaceuticals and Fine Chemicals industry, he has excelled in various areas such as Business Planning, Information Systems, Research & Development, Product Development, and Marketing.

Nirmal Momaya

Managing Director

Mr. Momaya, a Chartered Accountant and holder of a Bachelor's degree in Commerce, is a seasoned professional with over 30 years of experience in the areas of finance, taxation, audit, and management consultancy. As the current Managing Director of CFS, he has been instrumental in providing strategic guidance and direction to the company on all significant business matters. Prior to assuming this role, Mr. Momaya served as a trusted advisor to CFS, leveraging his expertise to help steer the company towards success.

Arjun Dukane

Executive Director - Technical

Arjun Dukane is a Chemical Engineer with an extensive career spanning over three decades within the Chemical Industry. He has been part of Camlin Fine Sciences for more than ten years, contributing his invaluable knowledge, expertise, and experience to the organization's continued success.

Anagha Dandekar

Non-Executive Non-Independent Director

Ms. Dandekar holds an M.B.A. in Finance from the University of South Carolina, USA, and is the President and Co-founder of Hardware Renaissance, a manufacturer of high-end, handcrafted door hardware and accessories.

Harsha Raghavan

Non-Executive Non-Independent Director

Mr. Raghavan holds an M.B.A. and M.Sc. in Industrial Engineering from Stanford University, and a B.A. from the University of California at Berkeley, where he double-majored in Computer Science and Economics. He is currently the Managing Partner of Convergent Finance LLP and was previously the founding M.D. & C.E.O of Fairbridge Capital Private Limited (a Fairfax Company) since its inception in 2011, where he led all investment advisory activities in India.

Sarvjit Bedi*

Non-Executive Non-Independent Director

Mr. Bedi holds a B.A. in Economics from the Delhi University, and an M.B.A from Johnson Graduate School of Business, Cornell University. He is a Chartered Accountant and Partner of Convergent Finance LLP, and currently serves on the Boards of Hindustan Foods Limited and Jyoti International Foods Private Limited.

Amol Shah

Independent Director

Mr. Shah holds a Bachelor of Science (Electronics Engineering) from the University of Kent, Canterbury, and an M.B.A. from the University of Southern California. He is currently the Managing Director of the MJ Group with over 25 years of experience in the industry, covering human healthcare, flavors/fragrances compounds, plant protection, and water treatment chemicals.

Sutapa Banerjee

Independent Director

Mrs. Banerjee is a gold medalist in Economics from the XLRI School of Management in India, and an Economics Honors Graduate from Presidency College, Kolkata. She has over 24 years of experience in the Financial Services industry and currently serves as an Independent Director on the Boards of several companies.

Joseph Conrad D'souza

Independent Director

Mr. D'Souza holds a Master's Degree in Commerce and a Diploma in Financial Management from the University of Bombay, a Master's Degree in Business Administration from South Gujarat University, and is a Graduate of the Senior Executive Programme from the London Business School. He is a Member of Executive Management and Chief Investor Relations Officer with HDFC Limited, and is also on the Boards of Chalet Hotels Limited and Nations Trust Bank plc, Sri Lanka.

Mahabaleshwar Palekar

Independent Director

Mr. Palekar, a distinguished chemical engineer, holds a doctorate degree from the esteemed University Department of Chemical Technology (UDCT now ICT) in Mumbai, India. He spent two years at the University of Ghent in Belgium. Throughout his career, Mr. Palekar has worked with renowned corporations in India, such as Polychem and Atul, as well as multinational companies such as Unilever India and Rhodia India. His extensive global experience encompasses successful business ventures in China and Japan.

With over three decades of professional experience, Mr. Palekar has cultivated a deep understanding of the intricate techno-commercial aspects of the specialty chemicals business. His vast knowledge, expertise, and successful collaborations underscore his significant contributions to the chemical engineering field and his invaluable role in driving growth and innovation.

Pradip Kanakia

Independent Director

Mr. Kanakia holds memberships in both the Institute of Chartered Accountants in England and Wales as well as the Institute of Chartered Accountants of India. Throughout his 35-year career, Kanakia has served in leadership positions at Price Waterhouse and KPMG, where he has leveraged his expertise in Strategy, Transformation, Performance Management, Accounting, Auditing, Reporting, Controls, Compliance, and Governance.

Thomas Videbaek**

Independent Director

Mr. Videbaek holds a degree of Ph.D. and M.Sc. in Chemical Engineering from the Technical University of Denmark, and a B.Com. in International Business from Copenhagen Business School. Currently, he is a Member of the Board of Evolva AG.

*Resigned w.e.f April 19, 2023
**Resigned w.e.f February 23, 2023

Camlin Fine Sciences

Financial Highlights

STANDALONE (IN LAKH)

	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Revenue from operations	78,943.57	68,550.81	60,004.83	57,977.90	54,812.29
Earnings before Exceptional items, Interest, Tax, Depreciation and Amortisation (EBITDA)	12,755.76	7,748.23	6,187.27	5,971.28	2,996.02
Earnings before Exceptional items, Interest and Tax (EBIT)	9,473.66	5,079.95	4,258.97	4,843.07	2,087.20
Profit before Exceptional items and Tax	6,662.60	3,607.71	1,552.14	4,442.69	1,418.63
Profit Before Tax	6,662.60	3,607.71	1,501.82	4,128.62	1,418.63
Profit After Tax	4,755.47	2,586.98	828.12	3,072.13	1,072.82
Other Comprehensive Income	(65.96)	(15.16)	(37.97)	(29.14)	(30.12)
Total Comprehensive Income	4,689.51	2,571.82	790.15	3,042.99	1,042.70
ASSETS					
Net Fixed Assets	58,322.46	30,444.61	29,373.07	11,962.48	9,777.35
Capital Work in Progress	2,818.02	20,669.30	1,844.26	17,421.46	5,237.16
Investments (Non-Current)	8,179.55	8,177.73	7,356.42	7,402.24	6,571.95
Other Non-Current Assets	2,488.49	3,247.31	2,300.58	1,231.35	5,757.68
Investments (Current)	-	-	-	-	325.49
Other Current Assets	87,365.19	71,847.43	65,797.12	51,117.30	50,426.83
Assets Held For Sale	207.19	207.19	-	-	-
Total	**1,59,380.90**	**1,34,593.58**	**1,06,671.45**	**89,134.83**	**78,096.46**
EQUITY					
Equity Share Capital	1,570.93	1,569.84	1,274.98	1,212.54	1,212.30
Other Equity	62,643.28	57,664.33	45,188.57	36,467.78	33,530.10
Total	**64,214.21**	**59,234.17**	**46,463.55**	**37,680.32**	**34,742.64**
LIABILITIES					
Borrowings (Non-Current)	29,231.11	25,827.21	16,273.39	11,296.43	11,110.46
Other Non-Current Liabilities	2,978.98	2,359.69	1,360.82	1,099.72	375.10
Borrowings (Current)	31,202.81	19,005.31	21,020.68	22,091.64	20,238.16
Other Current Liabilities	31,753.79	28,167.20	21,553.01	16,966.72	11,630.10
Total	**95,166.69**	**75,359.41**	**60,207.90**	**51,454.51**	**43,353.82**
Networth	64,214.21	59,234.17	46,463.55	37,680.32	34,742.64
Face Value per Share	1.00	1.00	1.00	1.00	1.00
Basic Earnings Per Share	3.18	2.14	0.67	2.53	0.88
Diluted Earnings Per Share	3.14	2.10	0.60	2.53	0.88
Book Value Per Share	40.88	37.73	36.44	31.08	28.65
Market Price Per Share	127.45	139.45	140.45	39.00	49.75
Shareholders (Numbers)	52,921	55,277	39,382	42,469	36,656

CONSOLIDATED (IN LAKH)

	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Revenue from operations	1,68,156.40	1,41,208.91	1,18,710.31	1,01,678.32	89,216.67
Earnings before Exceptional items, Interest, Tax, Depreciation and Amortisation (EBITDA)	21,310.96	15,280.84	18,193.34	13,070.47	6,866.48
Earnings before Exceptional items, Interest and Tax (EBIT)	15,059.75	9,684.37	13,763.92	9,790.24	3,967.16
Profit before Exceptional items and Tax	9,005.54	9,411.18	10,509.57	5,820.17	1,669.28
Profit Before Tax	8,037.70	9,397.85	10,509.63	5,820.08	1,669.28
Profit After Tax	3,981.04	6,037.19	6,535.80	2,983.08	300.58
Other Comprehensive Income	2,023.15	(776.56)	11,350.04	130.19	53.33
Total Comprehensive Income	6,004.19	5,260.63	17,885.84	3,113.27	353.91
ASSETS					
Net Fixed Assets	85,980.16	60,152.89	58,366.54	30,852.50	27,411.34
Capital Work in Progress	4,083.62	21,471.10	2,367.71	17,604.06	5,733.22
Investments (Non-Current)	795.88	722.55	735.88	735.82	727.61
Other Non-Current Assets	6,368.35	8,307.69	7,220.82	6,718.39	7,559.48
Investments (Current)	-	-	-	-	-
Other Current Assets	1,08,574.66	89,146.86	79,469.49	67,495.58	67,247.64
Assets Held For Sale	207.19	207.19	-	-	-
Total	**2,06,009.86**	**1,80,008.28**	**1,48,160.44**	**1,23,406.35**	**1,08,679.29**
EQUITY					
Equity Share Capital	1,570.93	1,569.84	1,274.98	1,212.54	1,212.54
Other Equity	80,366.47	73,223.56	63,065.10	39,101.14	35,875.57
Total	**81,937.40**	**74,793.40**	**64,340.08**	**40,313.68**	**37,088.11**
Non-Controlling Interests	471.04	1,711.91	6,974.95	5,696.84	5,939.91
LIABILITIES					
Borrowings (Non-Current)	40,809.53	38,764.72	27,324.97	21,151.27	19,363.44
Other Non-Current Liabilities	3,493.19	5,213.12	1,757.17	1,461.41	248.72
Borrowings (Current)	37,149.10	23,560.31	26,465.37	31,405.45	26,724.86
Other Current Liabilities	42,149.61	35,964.82	21,297.90	23,377.70	19,314.25
Total	**1,23,601.43**	**1,03,502.97**	**76,845.41**	**77,395.83**	**65,651.27**
Networth	81,937.40	74,793.40	64,340.08	40,313.68	37,088.11
Face Value per Share	1.00	1.00	1.00	1.00	1.00
Basic Earnings Per Share	3.45	4.61	4.13	2.50	0.05
Diluted Earnings Per Share	3.41	4.53	3.68	2.50	0.05
Book Value Per Share	52.16	47.64	50.46	33.25	30.59
Market Price Per Share (NSE)	127.45	139.45	140.45	39.00	49.75
Shareholders (Numbers)	52,921	55,277	39,382	42,469	36,656

Chairman and MD Communique

Ashish Dandekar

Chairman & Managing Director

Dear Stakeholders,

We are delighted to address you for presenting the progressive performance and annual report for FY2022-23. I and Mr. Nirmal Momaya, express our sincere appreciation for the unwavering support provided by our stakeholders throughout our various endeavors.

FY2022-23, was another year of our continued stride towards embedding sustainability as a core element across our operations. While the economy saw sustained inflationary pressures, geopolitical conflicts and trade wars in FY2022-23, your Company demonstrated remarkable resilience in effectively navigating these challenging circumstances.

We adopted a proactive approach to ensure the longevity of our business through the integration and expansion of our diphenol product lines. Our dedication to embracing sustainable development goals has steered us towards taking proactive initiatives that will yield significant progress in the years to come.

At the heart of all our endeavours lies the foundation of constructing a purpose-driven portfolio for the betterment of society. Our foremost focus is directed towards the expansion of our portfolio while actively monitoring and seizing evolving market opportunities within our four core business verticals - Shelf Life Solutions, Aroma Ingredients, Performance Chemicals, and Health & Wellness. Firstly, we aim to expand our Diphenol chain, specifically focusing on expanding downstream products related to Hydroquinone. Additionally, in January 2023, your Company successfully initiated commercial production of the highly anticipated adorr™ (vanillin and ethyl vanillin) in Dahej, India overcoming various challenges along the way. The introduction of adorr™, our brand of flavoring line, exemplifies our unwavering commitment to sustainability, as it offers a safer and more sustainable vanillin portfolio.

CFS' world-class Dahej facility enables a seamless integration of our Vanillin plant with the diphenols. By leveraging efficient technology and predominantly utilizing locally sourced raw materials, we can ensure consistent supplies to our valued customers. The development of adorr™, utilizing the widely accepted Catechol route, adheres to the industry's prescribed standards and principles of safety, environmental responsibility, and sustainability. Furthermore, the brand will introduce specialized and customized products within the vanillin range, catering to diverse application needs. We have plans to commence the production of natural vanillin (ex-clove), expanding the adorr™ range. These range of products adds value to various industries such as food and beverage, F&F (Fragrance and Flavors) industries, including incense and animal nutrition.

With its planned capacities, we are well-equipped to meet market demands. The facility upholds the highest standards of food safety and quality, ensuring that our products reach customers worldwide. We are currently in the process of validating adorr™ with our customers, and based on the ongoing feedback, we anticipate strong sales conversions in the years to come.

Our Shelf Life Solutions' Blends business has experienced remarkable traction across major regions, including North and Latin America. Currently, it is achieving a substantial growth rate of 30% annually, with further expansion

Nirmal Momaya

Managing Director

anticipated, particularly in the natural segment. As we move forward, we are committed to introducing new value-added innovative solutions tailored for diverse sectors such as food and beverages, pet food, and animal nutrition.

Vertical integration gives us an advantage in these products, as we cover the entire value chain, manufacturing from raw materials to finished goods, enhancing our credibility as a dependable supplier to our customers. The combination of vertically integrated production capabilities and robust Research and Development expertise has catalyzed our presence across various industries.

In recent years, there has been a notable surge in the significance placed on wellness. Consumers now seek reassurance and satisfaction in the products they consume. Using green chemistry, we have effectively leveraged innovation to drive sustainability within our operations. Leveraging our position as one of the leading manufacturers of traditional antioxidants, we have seamlessly incorporated natural alternatives for food protection. This is a significant milestone that delivers substantial value to our customers.

We are pleased to share our remarkable financial achievements. In FY2022-23, our Revenue from Operations reached ₹ 1,68,156.40 lakh, showcasing a notable growth of 19.1% compared to ₹ 1,41,208.91 lakh in FY2021-22. Our Earnings Before Interest, Depreciation, Tax, and Amortization (EBIDTA) soared to ₹ 21,310.96 lakh, registering an impressive growth of 39.46% from the previous year's figure of ₹ 15,280.84 lakh. Furthermore, our Net Profit for FY2022-23 amounted to ₹ 3,981.04 lakh. These accomplishments reflect our dedication and strategic management.

ESG (environmental, social, and governance) has gained significance in the marketplace, with consumers demanding net-zero or carbon-neutral products. We have initiated processes and procedures to meet these targets. Our vendors, suppliers, alliance partners along with our employees are actively engaged in working towards their attainment. We have a strong sense of commitment towards strengthening and continuing on the path of our governance framework led by the board and the management. While inculcating these values in our actions, we also stay aligned to integrating environmental sustainability even further in not just our processes but also by offering products with a purpose. These endeavours aim at the overall development of your Company and as we embark upon a new journey every year, we also invest in the communities we work with and within, to foster holistic growth.

We both recognize the critical role our stakeholders, including customers, shareholders, suppliers, and industry regulators, play in ensuring the sustainability of our business. Thus, we extend our heartfelt gratitude to them for their continued support and partnership with Camlin Fine Sciences.

We would also like to express our deepest appreciation to all our employees. Their efforts are valued and recognized as we continue to progress from strength to strength. In closing, we extend our best wishes to each and every one of you. Together, with the dedication and collective efforts of our stakeholders, senior management, and employees, we will navigate the challenges ahead and seize the opportunities that lie before us.

Warm regards,

Ashish Dandekar
Chairman &
Managing Director

Nirmal Momaya
Managing Director

Statutory Reports

NOTICE is hereby given that the Thirtieth Annual General Meeting of the members of Camlin Fine Sciences Limited, will be held on **Monday, July 31, 2023 at 11:00 a.m. (IST**) through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**"), to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2023 and the report of the Auditors thereon and in this regard, to consider and if thought fit, to pass, the following resolutions as **Ordinary Resolutions**:

   (a) "**RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

   (b) "**RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2023 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. Re-appointment of Mr. Arjun Dukane (DIN: 06820240), who retires by rotation as a Executive Director- Technical and in this regard, to consider and if thought fit, to pass, the following resolution as **Ordinary Resolution:**

   "**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Arjun Dukane (DIN: 06820240), who retires by rotation at this meeting, be and is hereby re-appointed as a Executive Director-Technical of the Company."

3. Re-appointment of Ms. Anagha Dandekar (DIN: 07897205), who retires by rotation as a Non-Executive Director and in this regard, to consider and if thought fit, to pass, the following resolution as **Ordinary Resolution:**

   "**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Ms. Anagha Dandekar (DIN: 07897205), who retires by rotation at this meeting, be and is hereby re-appointed as a Non-Executive Director of the Company."

SPECIAL BUSINESS

4. To ratify the remuneration of the Cost Auditor for the financial year ending March 31, 2024 and, in this regard, to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** in accordance with the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration, as approved by the Board of Directors and set out in the Statement annexed to the Notice, to be paid to the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024, be and is hereby ratified;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution."

By Order of the Board of Directors
For **Camlin Fine Sciences Limited**

Rahul Sawale
Company Secretary & VP - Legal

Regd. Office:
Camlin Fine Sciences Limited
CIN: L74100MH1993PLC075361
Floor 2 to 5, In GS Point, CST Road, Kalina,
Santacruz East, Mumbai 400098.
Website: www.camlinfs.com
E-mail: secretarial@camlinfs.com
Tel.: +91 22 6700 1000 Fax: +91 22 2832 4404

Place: Mumbai
Date: May 22, 2023

Notes:

1. The Ministry of Corporate Affairs ("**MCA**") has vide its circular dated December 28, 2022 read with circulars dated May 5, 2022, December 14, 2021, December 8, 2021, January 13, 2021, May 5 2020, April 13, 2020 and April 8, 2020 (collectively referred to as "**MCA Circulars**") permitted convening the Annual General Meeting ("**AGM**" / "**Meeting**") through Video Conferencing ("**VC**") or Other Audio Visual Means ("**OAVM**"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (the "**Act**"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2. In compliance with the MCA Circulars read with SEBI circular dated January 5, 2023 and May 13, 2022, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website https://www.camlinfs.com/.

3. In case any member is desirous of obtaining hard copy of the Annual Report for the financial year 2022-23 and Notice of the AGM of the Company, may send request to the Company's e-mail address at secretarial@camlinfs.com mentioning Foilo No./DP ID and Client ID.

4. A Statement pursuant to Section 102(1) of the Act relating to the Special Business to be transacted at the Meeting is annexed hereto

5. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.

6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register

of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

7. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to rahul.sawale@camlinfs.com.

8. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Saturday, July 22, 2023 through email on rahul.sawale@camlinfs.com. The same will be replied by the Company suitably.

9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

10. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

11. In terms of the provisions of Section 152 of the Act, Mr. Arjun Dukane, Executive Director – Technical and Ms. Anagha Dandekar, Non-Executive Director retire by rotation at the Meeting. The Nomination and Remuneration Committee and the Board of Directors of the Company commend their respective re-appointments.

    Mr. Arjun Dukane and Ms. Anagha Dandekar, are interested in the Ordinary Resolutions set out at Item Nos. 2 and 3 respectively, of the Notice with regard to their re-appointment. Save and except the above and Mr. Ashish Dandekar relative of Ms. Anagha Dandekar, none of the Directors / Key Managerial Personnel(s) of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out under Item Nos. 1 to 4 of the Notice.

12. Details of Directors retiring by rotation at this Meeting are provided in the “Annexure” to the Notice.

13. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or with the Company’s Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited.

14. To receive shareholders’ communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their e-mail address with their respective depository participant, where shares are held in electronic form. Where shares are held in physical form, members are advised to register their e-mail address with M/s. Link Intime India Private Limited.

    Further, those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of e-AGM, may temporarily get themselves registered with the Company’s Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited. Members are requested to support our commitment to environmental protection by choosing to receive the Company’s communication through e-mail going forward.

15. With a view to helping us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.

16. Pursuant to section 72 of the Act, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company’s share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.

17. In terms of section 124(5) of the Act, dividend amount for the year ended March 31, 2016 remaining unclaimed for a period of 7 years shall become due for transfer in October 2023 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of 7 years, the corresponding shares shall be transferred to the IEPF demat account. Members who have not claimed dividends in respect of the financial years from 2014-15 onwards are requested to approach the Company/ Link Intime India Private Limited, Registrar and Share Transfer Agent (Link Intime) for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF demat account.

18. In case a person has become a member of the Company after dispatch of AGM Notice, but on or before the cut-off date for e-voting, i.e. Tuesday, July 25, 2023, such person may obtain the User ID and Password from Link Intime. Alternatively, member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy along with client master copy (in case of electronic folio)/copy of share certificate (in case of physical folio) via e-mail to Link Intime for obtaining the Annual Report and Notice of AGM.

19. The Board of Directors has appointed JHR & Associates, Practicing Company Secretaries as the Scrutinizer to the e-voting process and voting at the AGM in a fair and transparent manner.

20. The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-voting system of NSDL.

21. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.

22. The results declared along with the Scrutinizers Report shall be placed at the Company's website www. camlinfs.com immediately after the results are declared by the Company and simultaneously communicated to the BSE and NSE.

23. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

24. The Notice calling the AGM has been uploaded on the website of the Company at www.camlinfs.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join Meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

Facility of joining the AGM through VC/OAVM shall opened 15 minutes before the scheduled start time of the AGM i.e. from 10:45 A.M. (IST) and will be available for Members on first come first serve basis.

The remote e-voting period begins on Friday, July 28, 2023 at 9:00 A.M. (IST) and ends on Sunday, July 30, 2023 at 5:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Tuesday, July 25, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 25, 2023.

The details of the process and manner for remote e-voting are explained herein below:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

	2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

	4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   (a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   (b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the special resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail info@jhrasso.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the special resolution set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@camlinfs.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested

scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@camlinfs.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e.

Login method for e-Voting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

By Order of the Board of Directors
For **Camlin Fine Sciences Limited**

Rahul Sawale
Company Secretary & VP - Legal

Regd. Office:
Camlin Fine Sciences Limited
CIN: L74100MH1993PLC075361
Floor 2 to 5, In GS Point, CST Road,
Kalina, Santacruz East, Mumbai 400098.
Website: www.camlinfs.com
E-mail: secretarial@camlinfs.com
Tel.: +91 22 6700 1000
Fax: +91 22 2832 4404

Place: Mumbai
Date: May 22, 2023

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

Item No. 4:

The Board of Directors has, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. ABK & Associates, Cost Accountants, as the Cost Auditor of the Company to carry out the audit of the Company's cost accounting records for the financial year ending March 31, 2024, at a remuneration of ₹ 1,50,000 (Rupees One Lakh Fifty Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses, if any, incurred in connection with the audit.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditor for the financial year ending March 31, 2024 by passing an Ordinary Resolution as set out at Item No. 4 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

For **Camlin Fine Sciences Limited**

Rahul Sawale
Company Secretary & VP - Legal

Regd. Office:
Camlin Fine Sciences Limited
CIN: L74100MH1993PLC075361
Floor 2 to 5, In GS Point, CST Road,
Kalina, Santacruz East, Mumbai 400098.
Website: www.camlinfs.com
E-mail: secretarial@camlinfs.com
Tel.: +91 22 6700 1000
Fax: +91 22 2832 4404

Place: Mumbai
Date: May 22, 2023

Annexure

Other details of Directors retiring by rotation at the ensuing Annual General Meeting are as under:

Name	**Mr. Arjun Dukane**	**Ms. Anagha Dandekar**
Director Identification Number	06820240	07897205
Age	57 years	57 years
Date of first Appointment on the Board	June 1, 2018	October 13, 2017
Experience (including expertise in specific functional area) / Brief Resume	Mr. Arjun Dukane has an overall experience of over 31 years in the Chemical Industry out of which he has been associated with the Company for about last 15 years.	President, co-founder of Hardware Renaissance, a manufacturer of high-end, hand-crafted door hardware and accessories.
Qualifications	Chemical Engineer (Diploma)	B.Com, MBA (USA)
Terms and Conditions of Appointment	As per the Special Resolution passed at the Twenty-eighth AGM dated July 20, 2021.	Not Applicable
Details of remuneration sought to be paid	Not Applicable	Not Applicable
Last drawn remuneration	₹ 112.52 lakh	₹ 4.00 lakh (sitting fees paid for Board Meetings for the FY2022-23)
Relationship with other Directors and Key Managerial Personnel	Not related to any other Director / Key Managerial Personnel	Ms. Anagha S. Dandekar is sister of Mr. Ashish S. Dandekar, Chairman & Managing Director
Directorship in other Companies/Bodies Corporate as on March 31, 2023	Chemolutions Chemicals Limited Naiknavare Chemicals Limited	DHC corporation
Chairman/Member in the Committees of the Boards of other Listed Companies	Nil	Nil
No. of Shares held in the Company as on March 31, 2023	1,40,140	22,93,906
Number of meetings of the Board attended during the year (2022-23)	5 (five) out of 5 (five) board meetings	4 (four) out of 5 (five) board meetings

By Order of the Board of Directors
For **Camlin Fine Sciences Limited**

Rahul Sawale
Company Secretary & VP - Legal

Regd. Office:
Camlin Fine Sciences Limited
CIN: L74100MH1993PLC075361
Floor 2 to 5, In GS Point, CST Road,
Kalina, Santacruz East, Mumbai 400098.
Website: www.camlinfs.com E-mail: secretarial@camlinfs.com
Tel.: +91 22 6700 1000 Fax: +91 22 2832 4404
Place: Mumbai
Date: May 22, 2023

Dear Members,

Your Directors' are pleased to present the Thirtieth Annual Report of Camlin Fine Sciences Limited (the "**Company**" or "**CFS**") along with the Audited Financial Statement for the financial year ended March 31, 2023. The consolidated performance of the Company and its subsidiaries and associate has been referred to wherever required.

1. Financial Results

(₹ In Lakh)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	**78,943.57**	**68,550.81**	**1,68,156.40**	**1,41,208.91**
Other Income	2,883.18	1,870.44	579.93	3,303.42
Earnings before Interest, Tax, Depreciation & Amortisation	**12,755.76**	**7,748.23**	**21,310.96**	**15,280.84**
Less: Finance Cost	5,694.24	3,342.68	5,850.48	3,576.61
Less: Depreciation & Amortisation expenses	3,282.10	2,668.28	6,251.21	5,596.47
Less: Share of Loss of associate	-	-	-	(13.33)
Profit before exceptional item and tax	**6,662.60**	**3,607.71**	**9,005.54**	**9,397.85**
Less: Exceptional Item	-	-	967.84	-
Less: Tax Expenses	1,907.13	1,020.73	4,056.66	3,360.66
Profit After Tax	**4,755.47**	**2,586.98**	**3,981.04**	**6,037.19**
Other Comprehensive Income net of tax	(65.96)	(15.16)	2,023.15	(776.56)
Total Comprehensive Income for the Year	4,689.51	2,571.82	6,004.19	5,260.63

2. Performance Review and State of Company's Affairs

2.1. Consolidated

On a consolidated basis, the revenue from operations increased from ₹ 141,208.91 lakh in FY 2021-22 to ₹ 168,156.40 lakh in FY 2022-23. There has been all round growth in all verticals with performance chemicals showing strong growth. The revenue also grew due to favourable pricing. During the year under review, the power costs in Europe witnessed exponential increase which impacted the performance but was tempered to some extent due to recovery of this increase and energy subsidy from Government of Italy. Despite of these issues, your Company has shown increase in revenues and expansion of margins. Profit before exceptional items and tax was at ₹ 9,005.54 lakh in FY 2022-23 as compared to ₹ 9,397.85 lakh in FY 2021-22. Company has also made a prudential provision for impairment loss amounting to ₹ 967.84 lakh relating to intangible assets in the nature of Process Technology relating to CFS Wanglong Flavors (Ningbo) Co Ltd. which is embroiled in a legal case against our JV partner for infringement of Intellectual Property.

2.2. Standalone

On a standalone basis, revenues grew to ₹ 78,943.57 lakh in FY 2022-23 from ₹ 68,550.81 lakh in FY 2021-22. The quantum leap in operations was triggered by increase in capacity and utilization of Diphenol manufacturing unit in Dahej. This resulted in increased throughput and corresponding increase in revenues from downstream products of Diphenol. The commercial production at our Composite Vanillin manufacturing unit situated at Dahej SEZ, Gujarat has been successfully commenced from January 22, 2023, and the plant is expected to achieve optimum capacity utilisation in the next financial year. Profit before exceptional items and tax improved to ₹ 6,662.60 lakh in FY 2022-23 from ₹ 3,607.71 lakh in FY 2021-22.

3. Management Discussion and Analysis

The management discussion and analysis as required in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR") forms a part of this annual report.

4. Business & Strategy

Your Company along with its subsidiaries, is engaged in research, development, manufacturing and marketing of specialty chemicals, ingredients and additive blends which are in the broad product portfolio of:

(i) Shelf-Life Solutions

(ii) Aroma Ingredients

(iii) Performance Chemicals and

(iv) Health & Wellness

In May 2022, Company has successfully completed debottlenecking project at the Dahej Diphenol facility whereby the capacity will increase from existing 10,000 MTPA to 15,000 MTPA. This enables the company to widen its downstream products, de-risking the existing business verticals, developing natural ingredients as a parallel to the existing portfolio.

The commercial production at our Composite Vanillin manufacturing unit situated at Dahej SEZ, Gujarat has been successfully commenced from January 22, 2023.

The Company has also strategized to de-risk its Vanillin manufacturing facility in China, which is shut due to the Supreme Court order against our partner, by converting it to manufacturing Heliotropin. Company is in the process of obtaining relevant approvals from the local authorities.

Company will also embark on expanding its product basket of Diphenol downstream, so that Diphenols are further value added to optimise revenues.

Company expects a robust growth in its Blends under Shelf-Life Solutions by consolidating its dominant position in existing matured geographies. The growth will be also driven by expansion of product range in natural Blends.

5. Finance, Liquidity & Rating

The year under review has been challenging with respect to liquidity, cash flows and working capital due to the high inflationary trends, elongation of operating cycles because of the pandemic, and logistical issues. Despite increase in operations, Company has been able to maintain the working capital requirement at reasonable levels. The short-term borrowings increased to ₹ 21,968.21 lakh as on March 31, 2023, from ₹ 18,019.74 lakh as on March 31, 2022, on a standalone basis. The consolidated short-term borrowing stood at ₹ 23,328.35 lakh as on March 31, 2023, as compared to ₹ 18,100.98 lakh as on March 31, 2022.

During the year under review, to part finance our capital investment program for the erection of the Composite Vanillin manufacturing Unit in Dahej, the Company has obtained the term loan of ₹ 9,450 lakh (in equiv. USD) from the Export-Import Bank of India.

The long-term borrowings on a standalone basis stood at ₹ 38,465.71 lakh as on March 31, 2023, as compared to ₹ 26,812.78 lakh as on March 31, 2022. While on a consolidated basis, it stood at ₹ 54,630.28 lakh and ₹ 44,224.05 lakh as on March 31, 2023, and March 31, 2022, respectively.

During the year under review, the Company had the following credit ratings affirmed from India Ratings and Research Pvt. Ltd.:

(i) For Term loan: IND A-/Stable

(ii) For Fund-based limits: IND A-/Stable/IND A2+

(iii) For Non-fund-based limits: IND A2+

Further, India Ratings and Research Pvt. Ltd. has affirmed the Company's Long Term Issuer Rating at 'IND A-', the outlook is stable.

6. Equity Share Capital

During the year, the Company issued and allotted 1,09,250 equity shares pursuant to ESOP 2018.

On May 12, 2023, the Company has allotted 1,02,58,986 fully paid-up Equity Shares of face value ₹ 1/- each of the Company to International Finance Corporation (IFC) upon conversion of Foreign Currency Convertible Bonds at a conversion price of ₹ 105/- per Equity Share (inclusive of Share Premium of ₹ 104/- per Equity Share), consequent upon receipt of notice from IFC for the said conversion. The said issued Equity Shares rank *pari passu* with the existing Equity Shares of the Company in all respects.

Open Offer under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SEBI (SAST) Regulations):

On April 17, 2023, the Infinity Direct Holdings ("Acquirer 1") and Infinity Direct Holdings Sidecar I ("Acquirer 2") (collectively referred to as the "Acquirers") along with Infinity Holdings ("PAC 1"), Anfima Nv ("PAC 2") and one of the promoters of the Company, Mr. Ashish Dandekar ("PAC 3"), in the capacity of persons acting in concert (collectively referred to as "PACS") have entered into the Voting and Cooperation Agreement which sets out the common objective of the Acquirers and PACs, on and from the completion of the Open Offer and payment of the Offer Price to the Eligible Public Shareholders who have tendered their Equity Shares in the Open Offer (acquisition of upto 4,45,60,177 (Four Crores Forty Five Lakh Sixty Thousand One Hundred Seventy Seven) fully paid-up Equity Shares of face value of ₹ 1 each Company (each, an "Offer Share") at a price of ₹ 160/- (Indian Rupees One Hundred Sixty only) per Offer Share ("Offer Price") as per the SEBI (SAST) Regulations, of pooling their shares and voting rights in the Company together in order to jointly exercise control over the Company by:

(i) cooperating with each other in the acquisition of shares and voting rights in the Company,

(ii) consulting with each other in respect of any (intended) transfers of their equity shares of the Company, and

(iii) consulting each other and coordinating the exercise of their respective voting rights in any shareholders' resolution or shareholders' meeting of the Company, and

(iv) consulting with each other regarding the composition of board of directors of the Company ("Board") and the nomination of representatives on the Board.

As a result of this and pursuant to the Open Offer, the Acquirers and PAC 1 and PAC 2 will be classified as persons acting in concert with PAC 3 and each of the Acquirers, PAC 1 and PAC 2 shall be classified as promoters of the Company and shall form part of the promoter group of the Company, thereby exercising joint control over the Company.

Pursuant to the Agreement and on and from the completion of Open Offer process:

(i) the collective shareholding of the promoter and promoter group would exceed 25% of the Voting Share Capital (the total voting equity share capital of the Company on a fully diluted basis); and

(ii) the Acquirers, PAC 1 and PAC 2 would also acquire joint control over the Company with PAC 3, in terms of Regulation 4 of the SEBI (SAST) Regulations.

The Agreement is available on the Company's website at www.camlinfs.com.

7. Capital Expenditure

During the year on a consolidated basis, the capital expenditure on tangible assets stood at ₹ 31,150.52 lakh.

Post completion and erection of the Composite Vanillin manufacturing unit at Dahej SEZ, Gujarat, your Company successfully commenced the commercial production of Methyl Vanillin on January 22, 2023 at the said unit. The total cost of the project capitalised was ₹ 27497.70 lakh.

8. Dividend Distribution Policy

The Company has formulated a Dividend Distribution Policy which was approved by the Board in its meeting held on May 28, 2021. The policy is hosted on the website at https://www.camlinfs.com/BusinessConductEthics.

9. Dividend

In the current economic scenario, the Board is of the view that it would be prudent to utilize the retained earnings for making investments for future growth and ongoing business expansion plans, for the purpose of generating higher returns for the shareholders. In view of the same and as per the Dividend Distribution Policy, the Board of Directors have not recommended any dividend on the equity shares for the year under review.

10. Particulars of Loans, Guarantees or Investments

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilised by the recipients are provided in the note to the financial statement.

11. Transfer to Reserves

The Company does not propose to transfer any amount to General Reserve.

12. Deposits from Public

The Company has not accepted any deposits from the public during the year under review, and as such, no amount of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

13. Related Party Transactions

In line with the requirements of the Companies Act, 2013 and SEBI LODR, as amended from time to time, the Company has a policy on Related Party Transactions (RPT) approved by the Board for identifying, reviewing, approving and monitoring of RPT. The RPT policy was revised pursuant to the amendment of SEBI LODR and the same is available on the Company's website at https://www.camlinfs.com/BusinessConductEthics.

All RPTs entered into during the year under review were on arm's length basis and in the ordinary course of business and were reviewed and approved by the Audit Committee. With the view to ensure continuity and ease of day-to-day operations an omnibus approval has been obtained for RPTs which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. A statement giving details of all RPTs including the RPTs where omnibus approval is granted, is placed before the Audit Committee on a quarterly basis.

The Company did not enter into any contracts or arrangements with related parties in terms of Sec. 188 (i) of the Companies Act and no material RPTs were entered into by the company during the year under review. Accordingly, the disclosure of RPTs as required under section 134 (3)(h) of the Act in Form AOC-2 is not applicable to the company for FY 2022-23 and hence does not form part of this Annual Report.

In terms of Regulation 23 of the SEBI LODR, the company submits details of RPTs on a consolidated basis as per the format specified in the relevant accounting standards to the stock exchange on a half-yearly basis. The details of transactions with related parties are provided in the accompanying Financial Statements.

14. Material changes and commitments affecting financial position

There are no material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year and date of this report.

15. Subsidiary Companies and Associates

During the financial year under review, CFS PP (M) SDN. BHD., (Malaysia) was incorporated and have become subsidiary of the Company. However, as at March 31, 2023 the Company has not subscribed to the share capital.

Company has 18 subsidiaries as on March 31, 2023. The changes in subsidiaries during the year has been included in the Standalone financial statements of the Company.

In accordance with Section 129(3) of the Companies Act, 2013, we have prepared the Consolidated financial statements of the Company, which form part of this Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC-I is appended to this report. The statement also provides details of the performance and financial position of each of the subsidiaries, along with the changes that occurred during the financial year 2022-23.

Though, the copies of Audited/Unaudited Financial Statements of the Subsidiaries have not been attached to the Annual Accounts of the Company, these documents will be made available upon request by any member of the Company and also shall be available for inspection at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Further, the accounts of the Subsidiaries shall also be uploaded on the Company's website and the weblink for the same is http://www.camlinfs.com/Subsidiaries.

The Policy for Determining Material Subsidiaries is disclosed on the Company's website and the weblink for the same is https://www.camlinfs.com/BusinessConductEthics.

16. Human Resource:

Human resource is undoubtedly an important asset in the Company's Business. Company emphasises the importance on the management, assistance and engagement of Human Resources with concentration on the critical functions such as policy administration, recruitment process, benefits administration, employment and labour laws, new employee orientation, continuing training and development, employee engagement and relationship, record maintenance, remuneration administration and employee assistance program. Well-being of the employee is paramount and is addressed through welfare schemes such as medical assistance, health & wellness programs and family interactions. Your Company had taken care of all the employees during the pandemic and various activities were conducted by way of vaccination drive and support during pandemic illness.

Human Capital of the Group:

Direct Employees : 865

Female Employees : 115

Employee Benefits Expenses : ₹ 16,262.09 lakh

16.1 Particulars of Employees

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is annexed herewith as "Annexure A".

No employees other than Chairman and Managing Director, Managing Director and Executive Director were in receipt of the remuneration as stated in sub-rule (2) of rule (5) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, and hence the relevant disclosures as stated in the said Rule (5) is not applicable.

16.2 Employee Stock Option Scheme

The details of the employee stock option scheme(s) /plan, including the terms of reference, and the requirement as stipulated under SEBI Guidelines as at March 31, 2023 is given in "Annexure B" to this report. Further, the details of these scheme / plan also form part of the Notes to Financial statements in this Annual Report.

17. Corporate Governance

17.1 Corporate Governance Report

As required under Regulation 27 of SEBI LODR 2015, a detailed Report on Corporate Governance is given as a part of Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard.

17.2 Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The objective of the said policy is to explain and encourage the directors and employees to raise any concern about the Company's operations and working environment, including possible breaches of Company's policies and standards or values or any laws within the country or elsewhere, without fear of adverse managerial action being taken against such employees. The Whistle Blower Policy is disclosed on the Company's website and the web link for the same https://www.camlinfs.com/BusinessConductEthics.

17.3 Sexual Harassment of Women at Workplace:

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("**POSH Act**") and Rules made thereunder, the Company has formed Internal Committee at its operational locations to address complaints against sexual harassment in accordance with the POSH Act. To build awareness in this area, the Company has been conducting online programme. Further, there were no cases/ complaints filed during the year under review.

17.4 Risk Management Policy

The Company has in place a Risk Management Policy which provides for a risk management framework to identify and assess risks such as operational, financial, regulatory and such other risks.

Your Company has laid down process for identifying, minimizing and mitigating risks which is periodically reviewed. Some of the risks identified and been acted upon by your Company are: Foreign exchange, Securing critical resources; ensuring sustainable plant operations; ensuring cost competitiveness including logistics; completion of CAPEX; maintaining and enhancing customer service standards and resolving environmental and safety related issues.

17.5 Secretarial Standards

The Directors state that applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meeting of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

17.6 Number of Meetings of the Board

During the year, the Board met 5 (five) times. The details of the same along with other Committee's of the Board are given in the Corporate Governance Report. The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

17.7 Declaration by independent directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

17.8 Board Evaluation

The Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees, in accordance with the manner specified by the Nomination and Remuneration Committee (NRC). The evaluation was done through a questionnaire and the responses received were evaluated by the Board.

The Board, on the recommendation of the NRC, has framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration and evaluation criteria for performance evaluation & terms and conditions of appointment of Independent Directors.

The aforesaid policy, terms as well as evaluation criteria is disclosed on the Company's website at http://www.camlinfs.com/BusinessConductEthics.

The Policy for selection of Directors and determining Directors' independence sets out the guiding principles for the NRC for identifying persons who are qualified to become a Director and to determine the independence of Directors, in case of their appointment as Independent Directors of the Company. The Policy also provides for the factors in evaluating the suitability of individual Board members with diverse background and experience that are relevant for the Company's operations.

The Policy also sets out the guiding principles for the NRC for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

There has been no change in the policy during the current year.

17.9 Familiarisation programme for the Directors

The details of familiarisation programmes held for the directors are disclosed on the Company's website and the weblink for the same is http://www.camlinfs.com/BusinessConductEthics.

17.10 Directors – Appointments / Re-appointments

Mr. Arjun Dukane (DIN: 06820240) and Ms. Anagha Dandekar (DIN: 07897205) are retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board on the recommendation of the Nomination and Remuneration Committee recommends their re-appointments.

As required under the SEBI LODR particulars of Directors seeking reappointment at the ensuing General Meeting have been given under Corporate Governance Report and in the Notice of the Thirtieth Annual General Meeting.

None of the Directors are disqualified from being re-appointed, as specified in Section 164 of the Companies Act, 2013.

The Board is of the opinion that Independent Directors appointed during the year carries rich experience and expertise. The Board was also satisfied in relation to their integrity and they will complete the proficiency test, if applicable, conducted by the Indian Institute of Corporate Affairs.

17.11 Directors – Resignations / Retirements

Mr. Thomas Videbæk, Non-Executive Independent Director and Mr. Sarvjit Bedi, Non-Executive Director resigned w.e.f. February 23, 2023 and April 19, 2023 respectively inter-alia due to pre-occupation and other commitments .

The Board placed on record its appreciation for the services rendered by Mr. Thomas Videbæk and Mr. Sarvjit Bedi during their respective tenures as Director(s).

17.12 Change in the Key Managerial Personnel of the Company

During the year under review, there was no change in the key managerial personnel's of the Company.

17.13 Committees of the Board

As on March 31, 2023, the Board had 6 mandatory committees: (a) Audit Committee; (b) Nomination and Remuneration Committee; (c) Stakeholders Relationship Committee; (d) Corporate Social Responsibility Committee; (e) Compensation Committee; and (f) Risk Management Committee. All the committees are well represented by participation of the Independent Directors.

A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report.

17.14 Internal financial controls and their adequacy

The Company's internal control systems are commensurate with its nature of business, its size and complexities of its operations, and such internal financial controls with reference to the Financial Statements are adequate.

Refer to the paragraph on "Internal control systems and their adequacy" of the Management Discussion and Analysis for additional details.

17.15 Significant and Material Orders passed by the Regulators/Courts, if any

During the year under review, there are no significant or material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of your Company and its future operations.

17.16 Reporting of Frauds

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

17.17 Annual Return

Pursuant to section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2023, is available on the company website on https://www.camlinfs.com/AnnualReturn.

17.18 Investor Education and Protection Fund (IEPF)

During the year, the Company has transferred the unclaimed dividend of ₹ 6.02 lakh to the Investor Education and Protection Fund. Further, unclaimed and unpaid deposits amounting to ₹ 4.83 lakh (including interest of ₹ 2.53 lakh) pertaining to previous years were also transferred to the IEPF account.

The details of the year-wise amounts of unclaimed / un-encashed dividends lying in the unpaid dividend account up to the year, and the corresponding shares, which are liable to be transferred, are uploaded on the Company's website at https://www.camlinfs.com/Dividends

17.19 Directors' Responsibility Statement

Pursuant to the requirement u/s 134(3)(c) of the Companies Act, 2013 (the "Act") with respect to Directors' Responsibility Statement, the Directors hereby confirm that:

(a) in the preparation of the annual accounts for the financial year ended March 31, 2023, 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 judgements 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 March 31, 2023 and of the profit of the Company for the 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 the 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;

(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; and

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

18. Auditors & Audit Reports:

18.1 Audit Reports

- The Statutory Auditors Report on the Financial Statements for the financial year ended March 31, 2023, does not contain any qualification, reservations or adverse remarks, except emphasis of matter concerning the issues emanating from the Order of Supreme Court of People of China which is self-explanatory and adequately addressed in the financial statements. The said report is enclosed with the financial statements in this Annual Report.
- The Report of the Secretarial Audit is annexed herewith as "Annexure C". The observations given in the Secretarial Audit Report were duly considered.
- The Certificate of the compliance with Corporate Governance requirements by the Company for the financial year ended March 31, 2023, issued by the Practicing Company Secretaries is attached to the Report on Corporate Governance.
- The Secretarial Auditor's certificate on the implementation of ESOP schemes in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be made available at the ensuing Annual General Meeting.

18.2 Statutory Auditors

M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166) were re-appointed as Auditor of the Company, for a term of 5 (five) consecutive years, at the Twenty-Ninth Annual General Meeting held on July 29, 2022. They had confirmed their eligibility and qualifications required under the Act for holding office as Auditor of the Company.

The Notes on financial statement referred to in the Auditors Report are self-explanatory and do not call for any further comments.

18.3 Secretarial Auditors

Company has appointed JHR & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2024.

18.4 Cost Records & Cost Auditors

Maintenance of Cost records and requirement of cost audit as prescribed under the provisions of Section 148(2) of the Companies Act, 2013 are applicable to the Company effective from April 1, 2021 and accordingly such accounts are made and maintained.

The Company has appointed ABK & Associates (Firm Registration No. 000036) as Cost Auditors to audit cost records of the Company for the financial year 2023-24. The remuneration payable to the Cost Auditors is subject to ratification of the Members at the ensuing Annual General Meeting. Accordingly, the necessary resolution for ratification of the remuneration payable to M/s. ABK & Associates to conduct the audit of cost records of the Company for the financial year 2023-24 has been included in the Notice of the ensuing Annual General Meeting of the Company and the resolution is recommended for your approval.

19. Corporate Social Responsibility (CSR)

Company operates CSR Policy in the areas of promoting healthcare, education including special education and employment enhancing vocation skills especially among children, the differently abled, tribal communities and measures for reducing inequalities faced by socially and economically backward classes.

The projects identified and adopted are as per the activities included and amended from time to time in Schedule VII of the Companies Act, 2013. The Company endeavours to make CSR a key business process for sustainable development and welfare of the needy sections of the society.

During the Financial Year 2022-23, the Company has spent the entire amount of ₹ 58.00 lakh towards CSR activities through NGOs operating in the said areas. The Annual Report on CSR activities forming part of this Board's report is annexed herewith as "Annexure D".

The CSR Policy may be accessed on the Company's website at the link https://www.camlinfs.com/BusinessConductEthics.

20. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

As required by the Companies (Accounts) Rules, 2014, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgoings respectively, is given in the "Annexure E" to this report.

21. Business Responsibility and Sustainability Report (BRSR)

The listing regulations require disclosure of the BRSR as a part of the Annual Report for the top 1,000 listed entities based on market capitalisation. In compliance thereto, we have annexed the BRSR disclosure to our Annual Report.

22. General

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

a) Issue of equity shares with differential rights as to dividend, voting or otherwise.

b) The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

c) Disclosure of Remuneration/Commission received by Managing Director(s) / Executive Director from the subsidiary company, where such Managing Director(s) / Executive Director receives commission from the Company.

23. Acknowledgements:

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the members clients, customers, vendors, investors, bankers, financial institutions and business associates for their continued support during the year under review. The Board of Directors also wish to place on record its deep sense of appreciation for the committed services made by the executives, employees and staff. The growth of the Company was made possible by their hard work, co-operation and support.

The Board of Directors would also thank the Governments of various countries, various regulatory authorities namely GST authorities, the Reserve Bank of India, SEBI, Pollution Control Boards, Dahej SEZ Authority as well as State Governments of Maharashtra and Gujarat and its various departments for their support and look forward to their continued support in the future.

For & On behalf of the Board

Ashish S. Dandekar
Chairman & Managing Director

Place: Mumbai
Dated: May 22, 2023

Information required pursuant to Section 197 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, in respect of employees of the Company

A) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended.

(i) Ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2022-23 are as follows:

(₹ In Lakh)

Sr. No.	Name of the Director	Remuneration Per Annum (₹)	Median Remuneration Per Annum (₹)	Ratio (Remuneration of Director to Median Remuneration)	Remarks
1	Mr. Ashish Dandekar	260.39	4.46	58.38:1	----
2	Mr. Nirmal Momaya	272.88	4.46	61.18:1	----
3	Mr. Arjun Dukane	112.52	4.46	25.23:1	----

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

- Mr. Ashish Dandekar – 20 %
- Mr. Nirmal Momaya - 20%
- Mr. Arjun Dukane – 20%
- Mr. Santosh Parab (Chief Finance Officer) – 20%
- Mr. Rahul Sawale (Company Secretary & VP Legal) – 8%

(iii) the percentage increase in the median remuneration of employees in the financial year: 26%

(iv) the number of permanent employees on the rolls of Company: 627

(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	12%
Average increase/decrease in remuneration of managerial personnel	17.6%

(vi) affirmation that the remuneration is as per the remuneration policy of the Company:

The appointment/re-appointment of the directors /KMP is on the recommendation of the Nomination and Remuneration Committee. The Company has adopted the policy on Nomination and Remuneration at the board Meeting held on May 12, 2015.

B) Information as per Rule 5(2) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended:

No employee other than Chairman & Managing Director, Managing Director and Executive Director who were employed throughout the financial year, was in receipt of remuneration of ₹ 1.02 Crores and above.

For & On behalf of the Board

Ashish S. Dandekar
Chairman & Managing Director

Place : Mumbai
Dated : May 22, 2023

DISCLOSURES PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021.

The Company granted options to its eligible employees under CFS Employees Stock Option Scheme, 2018 (ESOP 2018) approved vide Shareholders resolution passed at their 25th Annual General Meeting held on August 13, 2018. Further, the Company at its 10th Extra Ordinary General Meeting held on July 25, 2020 approved the CFS Employees Stock Option Plan, 2020. The details of the schemes are given in notes the Financial Statements and other details of the scheme are summarized below:

		ESOP - 2018	**ESOP - 2020**
a	Options granted	5,41,000	39,12,096
b	Options outstanding at the beginning of the year	3,41,750	39,12,096
c	Exercise price	₹ 50.00-plus applicable taxes, as may be levied on the Company.	₹ 63.59 plus applicable taxes, as may be levied on the Company.
d	Option vested (During the year)	135,250	-
e	Options exercised during the year	109,250	Nil
f	Total number of shares arising as a result of exercise of these options	109,250	Nil
g	Option lapsed /expired / forfeited during the year	Nil	Nil
h	Variation in terms of option	-	-
i	Money realized by exercise of these options during the year	₹ 54.63 lakh	Nil
j	Employee-wise details of options granted to Key Managerial Personnel / Director / Senior Management	Arjun Dukane – 50,000 Santosh Parab – 50,000	Nirmal Momaya - 3,762,096 Arjun Dukane – 100,000 Santosh Parab – 50,000
	1. Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during the year.	None	None
	2. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None	None
k	Diluted earnings per share (EPS) pursuant to the issue of shares on exercise of options calculated in accordance with Ind AS 33 "Earning Per Share"	₹ 3.14	₹ 3.14

As per the terms of the CFS Employees Stock Option Scheme 2018 (CFS ESOP 2018), the options lapsed under CFS ESOP 2018 shall form part of the overall options granted that can be granted under CFS ESOP 2018. As on March 31, 2023, 63,500 options lapsed under CFS ESOP 2018 can be re-granted by the Company to the eligible employees.

The Company has adopted fair value method in accounting for employee cost on account of ESOP 2018.

The total expense charged to the statement of profit and loss in respect of the options granted aggregated ₹ 234.10 lakh (previous year ₹ 738.90 lakh).

The Company at its 28th Annual General Meeting held on July 20, 2021 approved the CFS Employees Stock Option Plan, 2021 which provides for allotment of up to 45,00,000 (Forty Five Lacs) Options convertible into equivalent number of equity shares of ₹ 1/- each. No grant of options under the aforesaid scheme was made during the year under review.

For & On behalf of the Board

Ashish S. Dandekar
Chairman & Managing Director

Place : Mumbai
Dated : May 22, 2023

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

The Members,
Camlin Fine Sciences Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Camlin Fine Sciences Limited** (CIN: L74100MH1993PLC075361) (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 / representations provided by the Company, its officers, agents and authorised representatives; during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2023, complied with the statutory provisions as mentioned 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, registers, minute books, forms and returns filed, and other records maintained by the Company, for the financial year ended on 31st March, 2023 according to the provisions of: -

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

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

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

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder (FEMA) to the extent of Overseas Direct Investments including loans and guaranteesand External Commercial Borrowings.

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

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

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

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during audit period);**

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

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during audit period)**;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during audit period);**

g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during audit period);**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during audit period);**

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

vi. The law which is specifically applicable to the Company is as under: -

Food Safety and Standards Act, 2006 (FSSAI) and Rules thereunder;

We have also examined compliance with the applicable clauses of the following: -

i. Secretarial Standards issued by The Institute of Company Secretaries of India as in force from time to time.

ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

During the audit period under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Guidelines as mentioned above *except for delay in filing of couple of e-forms (CHG-1) and lack of requisite explanation in the Board's Report for FY 21-22 on the observations in the Secretarial Audit Report.*

We further report that: -

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

Adequate notice of at least seven days was given to all Directors to schedule the Board Meetings and whenever shorter notice is given, is approved by all the Board members at the particular meeting. Agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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.

For **JHR & Associates**
Company Secretaries

J. H. Ranade
(Partner)
FCS: 4317, CP: 2520
UDIN: F004317E000350069

Place: Thane
Date: 22nd May, 2023

THE SECRETARIAL AUDIT REPORT

The Members,
Camlin Fine Sciences Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **JHR & Associates**
Company Secretaries
J. H. Ranade
(Partner)
FCS: 4317, CP: 2520

Place: Thane
Date: 22nd May, 2023

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

1 **Brief outline on CSR Policy of the Company** Refer Section: Corporate Social Responsibility (CSR) in the Board's Report

2 **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i.	Mahabaleshwar G. Palekar	Non- Executive Director	1	1
ii.	Ashish S. Dandekar	Chairman & Managing Director	1	1
iii.	Nirmal V. Momaya	Managing Director	1	1

3 **Provide the web-link- where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.** www.camlinfs.com.

4 **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).** Not Applicable for the financial year under review

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
1	2021-22	0.03	Nil
2	2020-21	Nil	Nil
3	2019-20	Nil	Nil
	TOTAL	**0.03**	**Nil**

6 **Average net profit of the company as per section 135(5)** : ₹ 2,871.58 lakh

7 (a) **Two percent of average net profit of the company as per section 135(5)** : ₹57.43 lakh

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

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

(d) **Total CSR obligation for the financial year (7a+7b-7c).** : ₹57.43 lakh

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

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (In ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer
58,00,000	Not Applicable		Not Applicable		

8. b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project.	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial year (in ₹).	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
	TOTAL	-	-	-	-	-	-	-	-	-	-	-

8. c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the project.	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Amount spent in the current financial year (in ₹.Lakh).	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District.			Name	CSR Registration number
1	Upliftment Tribal Backward Class	Cl. (viii) Upliftment Tribal Backward Class	Yes	India, Maharashtra		25.00	No	Akhil Bharatiya Vanavasi Kalyan Ashram	CSR00008932

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the project.**	**Item from the list of activities in schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the project.**		**Amount spent in the current financial year (in ₹.Lakh).**	**Mode of Implementation - Direct (Yes/ No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**District.**			**Name**	**CSR Registration number**
2	Upliftment Tribal Backward Class	Cl. (viii) Upliftment Tribal Backward Class	Yes	India, Maharashtra		15.00	No	Vanvasi Kalyan Ashram, CSR00006104	
3	Providing Education	Cl. (ii) Providing Education	Yes	India, Arunachal Pradesh		8.00	No	Vivekananda Rock Memorial & Vivekananda Kendra CSR00005526	
4	Special Education to differntly abled	Cl. (ii) Special Education	Yes	India, Maharashtra, Raigarh		5.00	No	Aai Day Care Sanstha CSR00001096	
5	Special Education to differntly abled	Cl. (ii) Special Education	Yes	India, Maharashtra, Thane		5.00	No	Sangopita - A Shelter for Care CSR00003968	
	Total					**58.00**			

8. d) **Amount spent on Administrative Overheads** : Nil

8. e) **Amount spent on Impact Assessment, if applicable** : Not Applicable

8. f) **Total amount spent for the Financial Year (8b+8c+8d+8e)** : ₹ 58.00 lakh

8. g) **Excess amount for set off, if any** : NA

Sl. No.	**Particular**	**Amount (in ₹ Lakh)**
(i)	Two percent of average net profit of the company as per section 135(5)	57.43
(ii)	Total amount spent for the Financial year	58.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.57
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.03
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.60

9. a) **Details of Unspent CSR amount for the preceding three financial years:**

(1)	(2)	(3)	(4)	(5)			(6)
Sl. No.	**Preceding Financial Year.**	**Amount transferred to Unspent CSR Account under section 135(6) (in ₹).**	**Amount spent in the reporting Financial Year(in ₹)**	**Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.**			**Amount remaining to be spent in succeeding financial years. (in ₹)**
				Name of the Fund	**Amount (in ₹)**	**Date of transfer**	
	Not Applicable						

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID.**	**Name of the project.**	**Financial year in which the project was commenced**	**Project duration**	**Total Amount allocated for the project (in ₹)**	**Amount spent on the project in the reporting Financial year (in ₹)**	**Cumulative amount spent at the end of reporting Financial Year (in ₹)**	**Status of the project- Completed/ Ongoing**
	Not Applicable							

10 **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year**

a) Date of creation or acquisition of the capital asset (s) : Not Applicable

b) Amount of CSR spent for creation of acquisition of capital asset. : Not Applicable

c) details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc : Not Applicable

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : Not Applicable

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

For & On behalf of the Board

Mahabaleshwar G. Palekar
Chairman CSR Committee
DIN: 02455892

Ashish S. Dandekar
Chairman & Managing Director
DIN: 01077379

Date: May 22, 2023

PARTICULARS PURSUANT TOSECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014.

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A. CONSERVATION OF ENERGY

(i) the steps taken on conservation of energy:

Some of the major steps taken towards energy conservation are as follows:

a. Company continued its usage of natural waste viz brickettes instead of furnace oil/coal.

b. Installation and maintenance of equipment like VFD in the electrical panels of cooling towers, process reactors and critical process pumps

(ii) the steps taken by the company for utilising alternate sources of energy are as follows:

Company is exploring avenues for utilizing energy from the renewable natural resources such as solar and wind. Plan is being drawn to install solar energy units at Dahej facility. Company is also in the process of acquiring windmill to reduce its reliance on conventional energy.

(iii) the capital investment on energy conservation equipments; Nil

(iv) impact of the above matters:

On implementation of the solutions referred above, the Company will be able to further achieve economy in conservation of energy as well as reduction in cost of production.

B. TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption:

The Company's R & D Laboratory is recognised by the Department of Scientific & Industrial Research, Government of India, where continuous efforts are made to innovate new products and improve the quality of Speciality Chemicals and products manufactured /procured by the Company and to make the manufacturing process safe, cost effective and environment friendly.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:

Technology, innovations and improvements undertaken at the Laboratory scale have been successfully absorbed at plant level. These efforts shall benefit the Company in increasing sales, reducing cost, and improving quality and scale of the production. The Company is heading towards global leadership in food grade antioxidants.

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

(a) the details of technology imported;

(b) the year of import;

(c) whether the technology been fully absorbed;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;

(iv) the expenditure incurred on Research and Development.

(₹ in Lakh)

	Expenditure on R&D	2022 - 2023	2021 - 2022
a)	Capital	88.97	6.17
b)	Recurring	571.86	452.60
c)	Total	660.82	458.77
d)	Total R&D Expenditure as a Percentage of total turnover	0.85%	0.67%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakh)

	2022 - 2023	2021 - 2022
Foreign exchange outgo	15,101.68	11,925.75
Foreign exchange earned	48,148.58	41,902.10

For & On behalf of the Board

Ashish S. Dandekar
Chairman & Managing Director

Place : Mumbai
Dated : May 22, 2023

SECTION A: GENERAL DISCLOSURES

I. Details

1	Corporate Identity Number (CIN) of the Listed Entity	L74100MH1993PLC075361	
2	Name of the Listed Entity	Camlin Fine Sciences Limited	
3	Year of incorporation	30-11-1993	
4	Registered office address	In G.S. Point, Floor 2 to 5, Kalina, Santacruz East, Mumbai - 400 098	
5	Corporate address	In G.S. Point, Floor 2 to 5, Kalina, Santacruz East, Mumbai - 400 098	
6	E-mail	secretarial@camlinfs.com	
7	Telephone	022-67001000	
8	Website	https://www.camlinfs.com/	
9	**Date Of Start Of Financial Year**	**Start Date**	**End Date**
	Financial Year	01-04-2022	31-03-2023
	Previous Year	01-04-2021	31-03-2022
	Prior To Previous Year	01-04-2020	31-03-2021
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited, National Stock Exchange of India Ltd.	
11	Paid-up Capital	157093496	
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report		
	Name Of Contact Person	Rahul Sawale	
	Contact Number Of Contact Person	9920882621	
	Email Of Contact Person	rahul.sawale@camlinfs.com	
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken, together).	Standalone basis	

II. Products/services

14. Details of business activities

S. No.	Description of main activity	Description of business activity	% of turnover
1.	Manufacturing	Business of manufacture of diverse high-quality innovative antioxidants and shelf-life extensions, aroma ingredients, performance chemical products and related solutions for food, animal nutrition, pet food, pharmaceutical and petrochemical industries globally	100

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	TBHQ	20119	35.16
2.	Catechol	20119	11.03
3.	BHA	20119	9.79
4.	4-Tertiary Butyl Catechol	20119	6.86
5.	Xtendra	20119	6.68
6.	Butylated Hydroxy Toluene	20119	5.25
7.	Guaiacol	20119	3.96
8.	Para DiMethoxy Benzene	20119	3.13
9.	NaSure	20293	2.70
10.	MEHQ	20119	2.57
11.	Ascorbyl Palmitate	20119	2.40
12.	HQEE	20119	2.30

III. Operations

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

Location	Number of plants	Number of offices	Total
National	2	3	5
International	-	-	-

The manufacturing units are situated at Plot D-2/3 in Tarapur and at Z/96/D at Dahej SEZ II, Gujarat. Hence, for Plant we have provided 2 locations. Further, the Company has its registered office in Mumbai, an 'Application Lab' situated at Thane and 'R & D Centre' at Tarapur. Hence, for offices we have provided 3 locations.

17. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	24
International (No. of Countries)	49

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

67.39%

c. A brief on types of customers

The Company manufactures diverse high-quality innovative antioxidants and shelf-life extensions, aroma ingredients, performance chemical products and related solutions for food, animal nutrition, pet food, pharmaceutical and petrochemical industries globally.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
EMPLOYEES								
1.	Permanent (D)	612	584	95.42%	28	4.58%	-	-
2.	Other than Permanent (E)	-	-	-	-	-	-	-
3.	Total employees (D + E)	612	584	95.42%	28	4.58%	-	-
WORKERS								
4.	Permanent (F)	15	15	100%	-	-	-	-
5.	Other than Permanent (G)	500	499	99.80%	1	0.20%	-	-
6.	Total workers (F + G)	515	514	99.81%	1	0.19%	-	-

b. Differently Abled Employees and Workers:

S. No.	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
Differently Abled Employees								
1.	Permanent (D)	1	1	100%	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-	-	-
3.	Total employees (D + E)	1	1	100%	-	-	-	-
Differently Abled Workers								
4.	Permanent (F)	-	-	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-	-	-
6.	Total workers (F + G)	-	-	-	-	-	-	-

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	2	18.18%
Key Management Personnel	5	-	-

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)				FY 2021-22 (Turnover rate in previous FY)				FY 2020-21 (Turnover rate in the year prior to the previous FY)			
	Male	Female	Others	Total	Male	Female	Others	Total	Male	Female	Others	Total
Permanent Employees	16	17	-	33	14	10	-	24	14	5	-	19
Permanent Workers	16	-	-	16	7	-	-	7	17	-	-	17

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

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

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
1	CFS Europe S.p.A.	Subsidiary	100.00	No
2	CFS Do Brasil Importacao E Exportacao De Aditivos Alimenticios LTDA.	Subsidiary	100.00	No
3	Solentus North America Inc	Subsidiary	100.00	No
4	CFS North America LLC	Subsidiary	100.00	No
5	CFS De Mexico Blends S.A.P.I. DE C.V.	Subsidiary	100.00	No
6	Dresen Quimica, S.A.P.I. de C.V.	Subsidiary	98.50	No
7	Industrias Petrotec de Mexico, S.A. de C.V.	Subsidiary	98.50	No
8	Inovel, S.A.S	Subsidiary	98.50	No
9	Nuvel, S.A.C	Subsidiary	98.50	No
10	Britec, S.A.	Subsidiary	98.50	No
11	Grinel, S.R.L.	Subsidiary	98.50	No
12	Chemolutions Chemicals Ltd.	Subsidiary	94.08	No
13	CFS Argentina SA	Subsidiary	100.00	No
14	CFS Chile SpA	Subsidiary	100.00	No
15	AlgalR Nutrapharms Private Limited	Subsidiary	80.00	No
16	CFS Wanglong Flavors (Ningbo) Co.Ltd.	Subsidiary	51.00	No
17	CFS Pahang Asia Pte Ltd.	Subsidiary	51.00	No
18	CFS PP (M) SDN. BHD.	Subsidiary	51.00	No

VI. CSR Details

22. CSR Details

Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
Turnover (in ₹ Lakh)	68,550.81
Net worth (in ₹ Lakh)	58,655.40

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	if Yes, then provide web-link for grievance redress policy	FY 2022-23			FY 2021-22		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	Nil	Nil	Nil	Nil	Nil	
Investors (other than shareholders)	Yes	Not Applicable (N.A.)	Nil	Nil	Nil	Nil	Nil	
Shareholders	Yes	*Link below	Nil	Nil	Nil	Nil	Nil	
Employees and workers	Yes	N.A.	Nil	Nil	Nil	Nil	Nil	
Customers	Yes	N.A.	1	1	Nil	Nil	Nil	
Value Chain Partners	Yes	N.A.	Nil	Nil	Nil	Nil	Nil	

* https://www.camlinfs.com/Investors

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

The Company identifies material issues including environmental and social ones and understand the relative importance of these issues to the business through periodical materiality assessments, and accordingly formulate specific action plans to address each material issue. The management of risk is embedded in the corporate strategies to marry organizational capability with market opportunities.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)

Please refer to the Management Discussion and Analysis Report

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Question		**Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	**Has the policy been approved by the Board? (Yes/No)**	**Web Link of the Policies, if available**
Policy and management processes				
P1	Ethics & Transparency	Yes	Yes	*
P2	Product Responsibility	No	N.A.	N.A.
P3	Human Resources	Yes	N.A.	N.A.
P4	Responsiveness to Stakeholders	Yes	Yes	*
P5	Respect for Human Rights	Yes	Yes	*
P6	Responsible Lending	No	N.A.	N.A.
P7	Public Policy Advocacy	No	N.A.	N.A.
P8	Inclusive Growth	Yes	Yes	*
P9	Customer Engagement	Yes	No	**

*https://www.camlinfs.com/BusinessConductEthics

** https://www.camlinfs.com/

Disclosure Question		Whether the entity has translated the policy into procedures. (Yes / No)	Do the enlisted policies extend to your value chain partners? (Yes/No)	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.
Policy and management processes				
P1	Ethics & Transparency	Yes	Yes	N.A.
P2	Product Responsibility	N.A.	N.A.	N.A.
P3	Human Resources	Yes	Yes	N.A.
P4	Responsiveness to Stakeholders	Yes	N.A.	N.A.
P5	Respect for Human Rights	Yes	Yes	N.A.
P6	Responsible Lending	N.A.	N.A.	N.A.
P7	Public Policy Advocacy	N.A.	N.A.	N.A.
P8	Inclusive Growth	Yes	Yes	N.A.
P9	Customer Engagement	N.A.	N.A.	N.A.

<table>
<tr><th colspan="2">Disclosure Question</th><th>Specific commitments, goals and targets set by the entity with defined timelines, if any.</th><th>Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</th></tr>
<tr><td colspan="4">Policy and management processes</td></tr>
<tr><td>P1</td><td>Ethics & Transparency</td><td colspan="2" rowspan="7">The Company is in the process of setting up goals and targets. However, the following targets are inter-alia planned upto 2030:
1. Green Energy:
➢ Using agro-based briquettes to power our boilers (already in place at Tarapur Unit);
➢ to switch the power consumption at Tarapur facility to renewable energy planned to be implemented in next year;
2. Water Conservation
➢ An engineering approach to wastewater treatment at our Tarapur facility where most of the water consumed is recycled;
➢ Proposed use of desalinated water at Dahej Unit;</td></tr>
<tr><td>P2</td><td>Product Responsibility</td></tr>
<tr><td>P3</td><td>Human Resources</td></tr>
<tr><td>P4</td><td>Responsiveness to Stakeholders</td></tr>
<tr><td>P5</td><td>Respect for Human Rights</td></tr>
<tr><td>P6</td><td>Responsible Lending</td></tr>
<tr><td>P7</td><td>Public Policy Advocacy</td></tr>
</table>

Disclosure Question		Specific commitments, goals and targets set by the entity with defined timelines, if any.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.
P8	Inclusive Growth	3. Afforestation Drive ➢ plant trees in a particular part of India; ➢ provide many farmers with a decent livelihood. 4. Circular Economy ➢ Sustainable Sourcing, Packing & Engineering	
P9	Customer Engagement		

Governance, leadership and oversight
Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements Through BRSR report, we take this opportunity to engage with our diverse stakeholders across the value chain on ESG practices. Data presented in the report is transparent and quantitative and validated by the respective department heads. There is an attempt to conduct materiality assessment to identify the ESG risks and opportunities, based on which the business and ESG risks will be mitigated and opportunities will be used to create economic and social values.
Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Mr. Nirmal Momaya, Managing Director
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No).
If yes, provide details. - Yes, Managing Director

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee	Managing Director								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee	Managing Director								

Subject for Review	Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)
Performance against above policies and follow up action Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)	Monthly from January -2023
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)	Monthly from January -2023

11.	**Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**	No

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

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

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

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

Essential Indicators

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

<table>
<tr><th>Segment</th><th>Total number of training and awareness programmes held</th><th>Topics / principles covered under the training and its impact</th><th>%age of persons in respective category covered by the awareness programmes</th></tr>
<tr><td>Board of Directors</td><td colspan="2">During the year, the Board of Directors & KMP's of the Company (including its Committees) has invested time on various updates comprising matters relating to an array of issues pertaining to the business, regulations, economy and environmental, social and governance parameters.</td><td>100%</td></tr>
<tr><td>Key Managerial Personnel other than Directors</td><td colspan="2" rowspan="3">The Company periodically updates and familiarises employees on the following:
1. Code of Conduct;
2. Prevention of Sexual Harassment;
3. Whistleblower Policy;
4. Health and Safety; and
5. Anti-Bribery & Anti-Corruption Policy</td><td rowspan="3">100%</td></tr>
<tr><td>Employees other than BoD and KMPs</td></tr>
<tr><td>Workers</td></tr>
</table>

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year 2022-23 (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

<table>
<tr><th colspan="6">Monetary</th></tr>
<tr><th></th><th>NGRBC Principle</th><th>Name of the regulatory/ enforcement agencies/ judicial institutions</th><th>Amount (In ₹)</th><th>Brief of the Case</th><th>Has an appeal been preferred? (Yes/No)</th></tr>
<tr><td>Penalty/ Fine</td><td colspan="5" rowspan="3">Nil</td></tr>
<tr><td>Settlement</td></tr>
<tr><td>Compounding fee</td></tr>
</table>

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	N.A.

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

Yes, the Company adheres to uncompromising integrity in conduct of business and does not tolerate corrupt and immoral practices. The policy reiterates that the Company does not tolerate any bribery and corruption and continues to uphold the highest standards of integrity and transparency in all its interactions and routine business activities. The policy is available at https://www.camlinfs.com/BusinessConductEthics.

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

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs		
Employees		
Workers		

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

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	N.A.	Nil	N.A.
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	N.A.	Nil	N.A.

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

Not Applicable.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

(₹ in Lakh)

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	660.82	458.77	All R&D Investments are focussed at sustainable technologies and green chemistries development, green and sustainable technologies and products to improve fuel efficiency, energy storage devices, human health and well-being and chemicals from sustainable sources.
Capex	1026.00	624.64	Projects for Pollution Control, Safety for Employee & Community, Circularity i.e. harnessing solar/wind energy into electricity, capex for energy storage materials research, human health and well-being and sustainable chemicals.

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

   Yes, the Company endeavors to implement responsible procurement practices across its supply chain. As a measure of enhancing its impact on the environment and society, the Company encourages local sourcing enabling the reduction in costs, currency risks and environmental footprint of the transportation services.

   We are in the process of developing a measurement mechanism to report our sustainably sourced products.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste (d) other waste.**

   Plastics (including packing) disposed-off as is where is basis through contracting process.

   E-waste is not applicable as the Company is not reclaiming any electronic items. All e-waste generated in-house is handed over to certified vendors for safe disposal.

   The incinerable hazardous waste generated at the site is sent for co-processing/ pre-processing in cement plants instead of incineration. Spent Catalyst are either regenerated and reused at plants. Further, after reuse, the same and ETP sludge is sent for disposal to waste management plant. The agro-waste boiler ash is sent for brick manufacturing, soil enrichment and landfilling.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   No, the Company manufactures products which are intermediate products (input materials) for our customers who in turn finally produce the finished products. Therefore, these products packaging materials becomes pre-consumer plastic waste to our customers who recycle it through certified recyclers.

PRINCIPLE 3

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	584	584	100%	584	100%	N.A.	N.A.	-	-	-	-
Female	28	28	100%	28	100%	28	100%	-	-	-	-
Total	612	612	100%	612	100%	28	100%	-	-	-	-
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

b. **Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	15	15	100%	15	100%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	15	15	100%	15	100%	-	-	-	-	-	-
Other than Permanent employees											
Male	499	-	-	499	100%	-	-	-	-	-	-
Female	1	-	-	1	100%	-	-	-	-	-	-
Total	500*	-	-	500*	100%	-	-	-	-	-	-

*All covered under Employee State Insurance Act.

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

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	100%
Gratuity	100%	100%	Y	100%	100%	100%
ESI	19.50%	-	Y	19.50%	-	19.50%
Others - please specify						

3. Accessibility of workplaces

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

The offices of the Company have ramps to enable easy movement and we are continuously working towards improving infrastructure for eliminating barriers to accessibility.

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

The Company provides equal opportunities to all its employees and to all eligible applicants for employment in the Company. It does not unfairly discriminate on any ground including race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability or any other category protected by applicable law.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	-	-	-	-
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

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

The Company is committed to provide a safe and positive work environment. Employees have access to several forums where they can highlight matters or concerns faced at the workplace.

	Yes/No (If Yes, then give details of the mechanism in brief)	Remark
Permanent Workers	The workers represent their grievances to the unions, wherever applicable and the unions in turn represents to the management.	Nil
Other than Permanent Workers	Our non-permanent workers represent their grievances to the unit and Admin in-charge.	Nil

	Yes/No (If Yes, then give details of the mechanism in brief)	Remark
Permanent Employees	The Company has an Whistle-blower Policy applicable to employees and third parties, to report concerns on actual or suspected violations of the code.	Nil
Other than Permanent Employees		Nil

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

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	612	-	-	458	-	-
- Male	584	-	-	431	-	-
- Female	28	-	-	27	-	-
- Others	-	-		-	-	-
Total Permanent Workers	15	15	100%	20	20	100%
- Male	15	15	100%	20	20	100%
- Female	-	-	-	-	-	-
- Others	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	584	436	74.66%	436	74.66%	431	320	74.25%	320	74.25%
Female	28	6	21.43%	6	21.43%	27	6	22.22%	6	22.22%
Others	-	-	-	-	-	-	-	-	-	-
Total	612	442	72.22%	442	72.22%	458	326	71.18%	326	71.18%
WORKERS										
Male	15	15	100%	15	100%	20	20	100%	20	100%
Female	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	15	15	100%	15	100%	20	20	100%	20	100%

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	584	584	100%	431	431	100%
Female	28	28	100%	27	27	100%
Others	-	-	-	-	-	-
Total	612	612	100%	458	458	100%
WORKERS						
Male	15	15	100%	20	20	100%
Female	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	15	15	100%	20	20	100%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, all manufacturing locations under the entity have an Occupational Health and Safety management system in place, in accordance with the guidelines provided by ISO 9001/14001 standards and the legal requirements such as Factories Act, Indian Boilers Act, Environment Protection Act etc. The Occupational Health and Safety management system covers all the units and employees within the manufacturing operation.

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

The Company undertakes periodic internal and external audits to ensure the compliance of Occupational Health and Safety management system within the manufacturing operation. The EHS trainings, audits and inspections are carried out as per the guidelines of ISO 9001/14001 standard. The Company's Process Safety Management system facilitates the implementation of best safety practices. Further, it enables the identification of work-related hazards through design checklists and Hazard and Operability Analysis (HAZOP).

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

Yes, all sites have specific procedure for reporting of work-related hazard, injuries, unsafe condition and unsafe act.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees are covered under health insurance scheme / ESI scheme. With the endeavor to promote physical and mental wellbeing for all the employees and workers, the Company designs comprehensive health programs which promote healthy lifestyle practices. Some of the examples of health programs and services offered to the employees are:

- Gym facility;
- Nutrition awareness camp;
- Eye and health checkup camp;
- Lifestyle counselling session.

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

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
Contract Worker	Workers	-	01
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

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

The Company is committed to continuously employing world-class Safety, Health and Environment practices through benchmarking with the companies that are best in the business. The Company has an internal committee which reviews and monitors the sustainability, safety, health and environmental policies and activities in compliance with appropriate laws and legislation. This Management and the Board ensures that Safety and Sustainability implications are duly addressed in all-new strategic initiatives, budgets, audit actions and improvement plans.

The Company endeavors to prevent negative health impact on the employees through various health awareness sessions, provision of medical facilities and medical insurance benefits. Additionally, the Company provides voluntary health promotion services such as Gym and counselling, nutritional awareness campaigns among others for inculcating healthy lifestyle practices.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	N.A.	N.A.	-	N.A.	N.A.
Health & Safety	-	N.A.	N.A.	-	N.A.	N.A.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of the locations are audited internally by the entity. The audits are conducted by internal experts to ensure the compliance of safety regulations and identification of major improvement areas.
Working Conditions	100% (All the sites are assessed on their working conditions by the external and internal audits).

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

    All incidents are investigated by cross-functional team. All critical factors involved in an incident are determined through root cause analysis & investigation and corrective / preventive actions are identified to prevent recurrence.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

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

   Internal and external group of stakeholders have been identified. Presently, the given stakeholder groups have the immediate impact on the operations and working of the Company. This includes Employees, Shareholders, Customers, Communities, Suppliers, Partners and Vendors.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Senior leaders' communication / talk, summit & conferences, goal setting and performance appraisal meetings/review, union meetings, wellness initiatives, email, circulars, newsletters.	Ongoing	Operational efficiencies, improvement areas, long-term strategy plans, training and awareness, responsible marketing, brand communication, health, safety and engagement initiatives
Shareholders	No	Annual General Meeting, shareholder meets, email, Stock Exchange (SE) intimations, investor / analysts meet / conference calls, annual report, quarterly results, media releases, Company / SE website	Ongoing	Investors/ Shareholders form an integral part of the stakeholder group, influencing the decisions of the Company. The key areas of interest for the investors/ shareholders are: • Corporate governance • ESG disclosures • Regulatory compliance • Overall Company performance • Share price appreciation • Profitability and financial stability

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Website, distributor / direct customer, senior leader-customer meets / visits, customer plant visits, key account management, trade body membership, complaints management, conferences, exhibitions, customer surveys	Ongoing	Customers form a vital part of the Company's stakeholder engagement group to ensure quality services. The key areas of interest for Customer B2B are: • Product quality, access and pricing • responsiveness to needs, aftersales service • responsible guidelines / manufacturing
Communities	No	• In-person meetings • Engagement through NGO partners	Ongoing	Community development programs initiated by the Company's Donations and CSR activities enables driving a positive impact on the community members. The key areas of interest for community are: • Community development programs with a focus on health, education, and infrastructure development
Suppliers, Partners and Vendors	No	• Vendor meets • Virtual modes such as e-mail, telephonically	Ongoing	Responsible supply chain practices are critically important for ensuring the business continuity in a sustainable manner. Engagement with suppliers, vendors enable the Company to identify the key material issues impacting the supply chain. The key areas of interest for the suppliers are: • Timely payments • Collaboration

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

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

   During the year, the Company has provided various trainings to employees and workers. Though the training covers various subjects / topics, there was no specific training highlighting only on human rights issues. We are in the process of establishing a mechanism to record the training details.

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	N.A.			N.A.		
Other than permanent						
Total Employees						
Workers						
Permanent	N.A.			N.A.		
Other than permanent						
Total Workers						

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

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	612	-	-	612	100%	458	-	-	458	100%
Male	584	-	-	584	100%	431	-	-	431	100%
Female	28	-	-	28	100%	27	-	-	27	100%
Others	-	-	-	-	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	15	-	-	15	100%	20	-	-	20	100%
Male	15	-	-	15	100%	20	-	-	20	100%
Female	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Other than permanent	500	500	100%	-	-	500	500	100%	-	-
Male	499	499	100%	-	-	499	499	100%	-	-
Female	1	1	100%	-	-	1	1	100%	-	-
others	-	-	-	-	-	-	-	-	-	-

2. **Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category* (₹ in Lakh)	Number	Median remuneration/ salary/ wages of respective category* (₹ in Lakh)
Board of Directors (BoD)	9	16	2	4
Key Managerial Personnel	5	112.52	-	-
Employees other than BoD and KMP	579	4.43	28	8.91
Workers	15	3.74	-	-

* Includes sitting fees.

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

Yes, the Head of Human Resource department of the Company is responsible for addressing human rights impact or issues. As part of the HR Manual, the Company adheres to all statutory compliances and applicable laws, regulations in all territories of its operation.

Further, the Company expects all its relevant stakeholders to respect and comply with the applicable laws, regulations in all territories of its operation.

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

The mechanism to redress grievances under human rights is same as for other grievances. On receipt of any concern by through email, letter, web helpline, oral, etc., it is registered with the HR or Internal Complaint Committee in case on sexual harassment and sanity check is done.

For complaints within the purview of the whistle blower or sexual harassment and which merits further investigation are acted upon as per the respective policies.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	N.A.	N.A.	-	N.A.	N.A.
Discrimination at workplace	-	N.A.	N.A.	-	N.A.	N.A.
Child Labour	-	N.A.	N.A.	-	N.A.	N.A.
Forced Labour/ Involuntary Labour	-	N.A.	N.A.	-	N.A.	N.A.
Wagest	-	N.A.	N.A.	-	N.A.	N.A.
Other human rights related issues	-	N.A.	N.A.	-	N.A.	N.A.

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

   The Company is committed to a workplace free of harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct. The Company encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. The Company has in place an Anti-Sexual Harassment Policy on prevention of sexual harassment in line with the requirements of the Sexual Harassment of women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Policy). An Internal Complaint Committee is in place to redress the complaints received regarding sexual harassment. All employees are covered under this policy. Necessary disclosures in relation to the sexual harassment complaints received and redressal thereof are provided in Board's Report. The Company has also a Whistleblower Policy to report genuine concerns and grievances. As part of Whistleblower Policy and POSH Policy, the Company has a section mentioned on the protection of identity of the complainant and provides necessary safeguards against victimisation of employees. All such matters are dealt in strict confidence.

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

   Yes, the Company expects all its relevant stakeholders to respect and comply with the applicable laws, regulations in all territories of its operation.

9. **Assessments for the year:**

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

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

    Not Applicable

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

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

Parameter	**Please specify unit**	**FY 2022-23**	**FY 2021-22**
Total electricity consumption (A)	Tj (Terajoule)	111.63	79.10
Total fuel consumption (B)	Tj	1,131.75	931.62
Energy consumption through other sources (C)	Joules or multiples	-	-
Total energy consumption (A+B+C)	Joules or multiples	1,243.38	1,010.72
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	Joules or multiples	0.182	0.129
Energy intensity (optional) - the relevant metric may be selected by the entity	Joules or multiples	NA	NA

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

No

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

Not Applicable

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

Parameter	**Please specify unit**	**FY 2022-23**	**FY 2021-22**
Water withdrawal by source (in kilolitres)			
(i) Surface water	kilolitres	254,384	190,601
(ii) Groundwater	kilolitres	-	-
(iii) Third party water	kilolitres	-	-
(iv) Seawater / desalinated water	kilolitres	-	-
(v) Others	kilolitres	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	kilolitres	-	-
Total volume of water consumption (in kilolitres)	kilolitres	254,384	190,601
Water intensity per rupee of turnover (Water consumed / turnover)	KL/Rs of turnover	0.000037	0.000024
Water intensity (optional) - the relevant metric may be selected by the entity	kilolitres	-	-

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

No

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

The Company implements water conservation through reduce, reuse, recharge and recycle approach within its manufacturing locations. As part of recycle initiative, the Company uses the condensate recycled water as make-up water and also uses sewage treatment plant water which is effectively recycled and reused for in-house gardening. This enables the Company to progress towards Zero-liquid discharge (ZLD) at its manufacturing locations. We have plan of scheme ZLD for future product expansion where all wastewater is treated by using latest MVR technology.

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

Parameter	**Please specify unit**	**FY 2022-23**	**FY 2021-22**
NOx	ug/m^3	15	16
SOx	ug/m^3	16	17
Particulate matter (PM)	ug/m^3	25	27
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	ug/m^3	BDL	BDL
Hazardous air pollutants (HAP)	NA	NA	NA
Others - please specify			

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

No

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

Parameter	**Unit**	**FY 2022-23**	**FY 2021-22**
Total Scope 1 emissions (Break-up of the GHG into CO 2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MT of CO2 Eq	112,203	92,024.6
Total Scope 2 emissions (Break-up of the GHG into CO 2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MT of CO2 Eq	22,016	15,601.9
Total Scope 1 and Scope 2 emissions per rupee of turnover	MT of CO2 equivalent/Rupee of Turnover	0.0000197	0.0000137
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity	-	-	-

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

Yes, supported by M/s. Energy Advisory Services Pvt. Ltd. and assurance by M/s. Beyond Sustainability.

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

   Yes, the Company is in process of establishing the roadmap for carbon emission reductions and is working on renewable source of energy along with technological intervention to meet its carbon reduction plan.

   - We are using agro based fuel i.e briquette to reduce carbon emissions;
   - Heat exchangers to reduce steam and water consumption;
   - Intelligent flow controller installed in compressed air system to reduce power consumption;
   - Solvent and spent catalyst are either recycled, regenerated and reused.

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

Parameter	Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)			
Plastic waste (A)	metric tonnes	11.18	10.06
E-waste (B)	metric tonnes	-	-
Bio-medical waste (C)	metric tonnes	-	-
Construction and demolition waste (D)	metric tonnes	-	-
Battery waste (E)	metric tonnes	-	-
Radioactive waste (F)	metric tonnes	-	-
Other Hazardous waste. Please specify, if any. (G)	metric tonnes	1056.63	186.5
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	metric tonnes	-	-
Total (A+B + C + D + E + F + G + H)	metric tonnes	1067.81	196.56
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)			
Category of waste			
(i) Recycled	metric tonnes	11.18	10.06
(ii) Re-used	metric tonnes	-	-
(iii) Other recovery operations	metric tonnes	-	-
Total	metric tonnes	11.18	10.06
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of waste			
(i) Incineration	metric tonnes	3.17	3.07
(ii) Landfilling	metric tonnes	218.34	89.68
(iii) Other disposal operations- Preprocessing / Coprocessing	metric tonnes	834.88	93.77
Total	metric tonnes	1056.63	186.5

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

No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The waste generated as per hazardous and other waste rules 2016 are within the consents received from time to time and we are certified member of Common Hazardous waste disposal facility for disposal of waste. Mainly distillation residue, spent catalyst and ETP sludge are the wastes generated.

The incinerable hazardous waste generated at the site is sent for co-processing/ pre-processing in cement plants instead of incineration. Spent Catalyst are either regenerated and reused plants. Further, after reuse, the same and ETP sludge is sent for disposal to waste management plant. The agro-waste boiler ash is sent for brick manufacturing, soil enrichment and landfilling.

We always strive to prevent waste generation at source itself while doing our product designing and focusing on extending productive life of products in which our products used which will definitely help to society and circular economy. CFS Management constantly focusing on yield improvement projects and optimisation of resources like material, water, energy etc.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N)	If no, the reasons there of and corrective action taken, if any.
Not Applicable				

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No environmental impact assessments were undertaken					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes, during the reporting year all the manufacturing operations and R&D center's under the entity are generally in compliance with the applicable environmental laws/regulations.

If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

PRINCIPLE 7

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

Essential Indicators

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

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

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Federation of Indian Organisations	National
2.	Maharashtra Chamber of Commerce, Industry & Agriculture	State
3.	Export Promotion Council for EOUs & SEZ (Ministry Of Commerce & Industry)	National

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

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes / No)	Relevant Web Link
Not applicable					

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

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not applicable						

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

   The Company has a process to receive and redress concerns/grievances received from the community. The unit level Human Resource Department interacts with the community on a variety of matters including health care, education, disaster relief, rural development, art and culture, receives the concerns (written/verbal) and works towards their redressal.

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

(₹ in Lakh)

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	6,537.36	2,855.47
Sourced directly from within the district and neighbouring districts	69,544.24	55,746.11

PRINCIPLE 9

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

Essential Indicators

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

   The Company has a comprehensive Product Quality Complaint Management system to facilitate timely redressal of the consumer complaints received in terms of product quality. The process is initiated once a product quality compliant is received and logged with the Company's system. Post which, the complainant is acknowledged, and a preliminary assessment is undertaken. A sample follow-up is initiated along with the preliminary assessment. The follow up runs in parallel with initial risk assessment and the investigation procedure. Post the completion of investigation a corrective action plan is initiated.

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

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

3. **Number of consumer complaints in respect of the following:**

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	1	1	The complaints include defective material, packaging defects such as missing components, damaged label and damaged outer packaging etc.	-	-	-

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

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy.**

   Yes, https://www.camlinfs.com/DataPrivacyPolicy

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

   For the reporting year, there were no complaints received for aforesaid issues.

GLOBAL ECONOMY OVERVIEW

As the year began, global economic activity experienced a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia-Ukraine war, and the lingering COVID-19 pandemic all weighed heavily on the global economic conditions during the year. While these risks remain at the turn of the last year, the global economy appears poised for a gradual recovery from these powerful blows. Supply-chain disruptions are settling and dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronous tightening of monetary policy by most central banks should start to bear fruit by moving inflation back toward its targets. Global growth is likely to bottom out at 2.8 percent this year before rising modestly to 3.0 percent in 2024. Global inflation should decrease, although more slowly than initially anticipated, from 8.7 percent in 2022 to 7.0 percent this year and 4.9 percent in 2024. Notably, emerging market and developing economies are already powering ahead in many cases, with growth rates (fourth quarter over fourth quarter) jumping from 2.8 percent in 2022 to 4.5 percent this year. The slowdown is concentrated in advanced economies, especially in Europe and the United Kingdom, where growth (also fourth quarter over fourth quarter) is expected to fall to 0.7 percent and – 0.4 percent, respectively, this year before rebounding to 1.8 and 2.0 percent in 2024.

Purchasing power has seen a boost for most firms and households, and is helping to lower headline inflation. The earlier-than-expected re-opening in China should have a positive impact on global activity in the coming months, reducing supply chain pressures and giving a boost to global demand and supply.

While the above signs initially indicated that the world economy could achieve a soft landing—with inflation coming down and growth being steady, stubbornly high inflation, volatile crude prices and the recent financial sector turmoil say otherwise. Although inflation displayed a downward trend as central banks have raised interest rates, and food and energy prices have come down, underlying price pressures are proving sticky with labour markets tight in a number of economies. Side effects from the fast rise in policy rates are becoming apparent, as banking sector vulnerabilities have come into focus and fears of contagion have risen across the broader financial sector, including non-bank financial institutions. Pose severe risks to the outlook and indicate that a hard landing could still be possible.

INDIAN ECONOMY OVERVIEW

Strong economic growth in the first quarter of FY 2022-23 helped India overtake the UK to become the fifth-largest global economy despite repeated economic shocks in the last two years of the COVID-19 pandemic. Real GDP in the first quarter of 2022–23 was about 4% higher than corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector is likely to be the main driver of development in the coming years. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, should support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up the momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

The overall growth remains robust and is estimated to be 6.9 percent for the full year with real GDP growing 7.7 percent year-on-year during the first three quarters of fiscal year 2022/23. There were some signs of moderation in the second half of FY 22/23. Growth was underpinned by strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners. Inflation remained high, averaging around 6.7 percent in FY22/23 but the current-account deficit narrowed in Q3 on the back of strong growth in service exports and easing global commodity prices. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030 paving the way to create a sustainable and circular economy. While the positives are aplenty, factors such as foreign exchange fluctuations, the lingering impact of the Russia-Ukraine war, the financial crisis in the US banking sector and crude price volatility may impact the growth story.

GLOBAL CHEMICAL INDUSTRY OVERVIEW

Global chemical production (excluding pharmaceuticals) is expected to grow by 2.0% in 2023, slower than in the previous year (2022: +2.2%). A decline in production in the advanced economies is anticipated, (2023: –3.0%, 2022: –2.9%) with growth in the emerging markets expected to slow slightly (2023: +4.4%, 2022: +4.8%).

The forecast for China, the world's largest chemical market, is a slightly weaker growth rate of 5.9% in chemical production. (2022: +6.6%). Re-opening of the Chinese economy most likely will bring with it, a higher domestic demand, especially in the consumer goods industries and the health and nutrition sector, as well as positive contributions to growth from the automotive and electronics industries.

Chemical production in the E.U. should again decrease by 5.2% (2022: –5.8%), well below the overall industrial development forecast for Europe. Due to the high energy costs, no major catch-up effects are expected in energy-intensive basic chemicals following the already strongly negative prior year. Growth should mainly be driven by demand from the automotive industry. By contrast, consumption of durable and non-durable consumer goods is not likely to increase.

Chemical production in the United Kingdom is expected to decline (2023: –5.5%, 2022: –5.0%).

In the United States, the positive base effects that supported growth in 2022 may come to an end. Domestic demand should largely stagnate, with the exception of the automotive industry, the energy sector and the electronics industry. Demand from the construction industry is expected to decline on the back of high interest rates. Export demand for chemicals from Europe should provide positive momentum given the lower raw materials and energy prices. Overall, a slight decline is expected in chemical production (2023: –2.0%, 2022: +2.3%).

For Japan, a weak recovery after the decline in the previous year has been forecasted (2023: +1.0%, 2022: –3.0%). Growth stimulus here is expected to come primarily from the automotive sector.

South America will presumably see much lower growth in chemical production (2023: +0.9%, 2022: +2.6%). Demand from the consumer goods industries is expected to grow at a similarly weak rate to GDP. By contrast, demand from the agricultural sector is likely to increase more strongly and demand from the automotive industry to remain solid but with weaker growth than in the previous year.

INDIAN CHEMICAL INDUSTRY OVERVIEW

India's chemical industry has been a global outperformer in demand growth and shareholder wealth creation over the last decade. It now stands poised to play an increasingly dominant role across both consumption and manufacturing in the global arena. Over recent years, changing geopolitical scenarios have led to many countries focusing on domestic self-sufficiency and localized supply chains. However, benchmarking India's manufacturing competitiveness reveals that India has a strong starting point vs other key global chemical clusters that could translate into India becoming the next chemical manufacturing hub. Domestic consumption in India is set to grow at a 9-10 percent CAGR in the coming years on the back of rising disposable incomes, a favourable demographic dividend, increasing global preference for biofriendly alternatives, and growing diversification of global chemical supply chains (including the value created by the pharmaceutical sector). With this growth, India's share in the global chemicals sector could triple to 10-12 percent by 2040, creating an additional USD 700 billion market value, over and above the current contribution of USD 170- 180 billion (as of 2021). The Specialty Chemicals segment is likely to be a key driver of this growth. It has the potential to contribute more than USD 20 billion to India's net exports by 2040, a 10x jump from the current total of USD 2 billion. Many sub-segments in India's chemicals sector offer opportunities for building at-scale businesses. Winning plays exist across Specialty Chemicals (agrochemicals, flavours & fragrances, cosmetic chemicals, etc.), Inorganic Chemicals (caustic, fluorine, etc.) and petrochemicals (C4, C6 and C8 derivatives). These sub-segments score high on both cost competitiveness—a function of domestic feedstock availability, trade balance, capacity utilization, scope of process and tech innovation, etc.—and market attractiveness, an indicator of market size, demand growth, export potential, etc. The future of Indian chemical sector looks promising, and the country could potentially become the driving force of the demand & supply of the world chemical market.

BUSINESS OVERVIEW

Your Company manufactures Speciality Chemicals that can be broadly categorised into - Shelf-Life Solutions, Performance Chemicals, Aroma Ingredients and Health & Wellness. These products are used in varied industries such as human food, animal feed, pet food, agrochemicals, petrochemicals, pharmaceuticals, nutraceuticals, flavours and fragrances and health care.

SHELF-LIFE SOLUTIONS

Last financial year our shelf-life solutions business, performed exceedingly well riding on the advantage of the high prices of food and feed products. This year, despite the softening of the prices, CFS managed to sustain its revenue on account on of introduction of new products, broadening of customer base and growing in newer geographies. We are witnessing an upward trend in these products with a higher overall revenue as compared to the past. Our India business has demonstrated a substantial growth in terms of revenue. Improved sales activity has led to new customers buying our existing products and increasing our knowledge based on their feedback which is helping us to improve. We are always aware of customer requirements and the plan is to satisfy these requirements by introducing new functional blends which will help in increasing our market share. Our Asia Pacific business has also shown decent growth despite prices becoming more competitive. Our blends have demonstrated sizeable growth in the rendering and petfood space. New distributors in various regions are helping expand our reach, customer base and consequently our sales.

Our North America business experienced a dynamic operating environment in the year with supply chain constraints, high inflation and increased raw material and supply costs. These challenges, however, presented us with opportunities as it amplified the need of having a secondary supplier to potential customers. While growth for the year was modest, CFS made significant progress in acquiring new customers with high volumes of business, the fruits of which will be reaped in the coming year. Reduction in the competition of certain products manufactured by us, has given us a competitive edge and the ability to improve the revenue generation for the coming years. Natural antioxidants have been the focus in North America which will increase revenue in the coming year. Revenue for the year showed a healthy improvement and we are certain that next year, the company will turnaround.

CFS Dresen has grown marginally in the year which was mainly on account of supply chain dislocations and other global economic challenges. The company is making subtle modifications to the petfood offerings, which are likely to be approved by customers soon. The naturals business is showing good growth with ongoing projects with large customers in the region. We have regained our customer base due to our superior quality irrespective of the prices. The research and development arm of Dresen is ensuring that we can incorporate customer requirements in our product portfolio. New ideas are being tested in the laboratory and with customers. In the next year, we see potential to grow the natural product business with our antioxidants and DHA being introduced to our customers.

CFS Brazil faced multiple challenges in its operating regions. Political and economic constraints in Argentina, lack of market penetration on account of working against well-established competitors in Brazil, dealing with the entry of local players selling the same products at lower prices in the Chile market, impacted the revenues. Apart from the local issues faced by Latin American nations, the threat of the Russia-Ukraine war, Inflation, Rising prices of raw materials and supply chain disruptions continued to affect the business. Despite these issues, CFS Brazil marginally grew the total revenue as compared to last year. Blends comprised a majority portion of the revenue for the year. There are new products being launched in the coming year which will add value to the existing portfolio. The plan for the next year to grow sales is to expand the customer base for the existing products and also add new customers for the products to be launched. Targeting tier 3-4 regions in the different product segments along with improving social media outreach should provide a vital push to the growth of the company. CFS Brazil underwent a major organisational restructuring to create a lean, functionally robust and energetic team to tackle the multiple issues in the region. Improving competitiveness in local markets, building fast moving operation systems and creating robust support systems was the primary motivation for this exercise.

PERFORMANCE CHEMICALS

The total capacity of the Diphenol plant in Dahej was increased by 50% in May 2022 and currently stands at 15,000MTPA. Last year, the Company performed exceptionally well in the performance chemical space. The division delivered improved numbers, with CFS becoming leaders in the TBC market. HQEE, a product introduced last year, is now stabilised and sales have streamlined. Guaiacol sales have grown significantly over last year with multiple new orders on hand. Catechol continues to be sold in the open market. CFS aims to give ‘Make in India’ a major impetus by launching several exciting products and capturing a large market share by replacing imports in India.

CFS Europe continued to face the challenge of increased raw material and gas prices due to the ongoing Ukraine-Russia war along with volatility of the currencies which has impacted margins significantly. Despite these issues, the company has earned a decent margin in the last year. These margins were also supported by the subsidy assistance received from the local government.

A pilot study for the gasification of tar was successfully conducted in the last year and a patent thereof has been filed this year. This initiative, if proven commercially successful, will result not only in reducing the input costs but also positively benefitting the environment by reducing carbon emissions.

AROMA INGREDIENTS

In January 2023, CFS India successfully commenced commercial production at their newly erected composite Vanillin/Ethyl Vanillin plant with a capacity of 6000MTPA. This is a significant milestone as it makes CFS one of the world's leading producers of Vanillin.

Soon after commencement of commercial production, the company has started the process of approval with key customers and distributors globally. On account of our past experience in the sector, approvals have been quick, and sales are expected to pick up in the coming quarters. Even though the market has been soft with low prices, CFS is confident of establishing its products and gaining realisations at higher prices due to its superior quality of product. During the year the company is looking at expanding its footprint in the aroma space by commencing production of Ethyl Vanillin and Natural Vanillin, and launching them into the market, which will complete the entire Vanillin basket.

The process of modifying the erstwhile Vanillin plant at CFS Wanglong facility to produce Heliotropin and Helional is underway. The requisite clearances and certifications to commission the plant are being obtained. These products will add further value to our aroma division.

HEALTH AND WELLNESS

In 2022-23, CFS introduced robust operating systems and procedures to streamline the production process at AlgalR Nutrapharms which included a centralised procurement system, quality control activities par excellence and an enhanced focus on scaling capacity. CFS now offers algal DHA oil and biomass products of international standards to both domestic and global customers. In the near future, CFS aims to widen the product portfolio by establishing relations with technology partners for advanced Omega-3 delivery systems. We will further strengthen the presence of the Company in the market but will also facilitate entry into regulated application segments like pharmaceuticals and infant nutrition. With a major focus on the dietary supplement segment (accounts for over 40% of the total algal DHA market), CFS plans to build networks and collaborate with various stakeholders in the industry to tap into the fast growing international markets. Overall, the Company is effectively grooming itself to make in-roads into both, existing and new business opportunities in the health & wellness space.

RESEARCH AND DEVELOPMENT

The post pandemic economy has come about with its own set of challenges and opportunities. To stay abreast with the latest developments, CFS lays a strong focus on constant innovation. Product innovation, yield improvement and process improvement are an integral part of our research and development endeavours throughout the year. Though adoption of green chemistry remains the primary focus, we also concentrate on optimising yields of the existing processes. We also strive to introduce new products with an emphasis on boosting sustainability and protecting the environment.

CUSTOMER SERVICE APPLICATIONS LABORATORY

As the impact of COVID-19 waned, customers became more hands on to test the products. The importance of educating them has become vital for improving sales. This year CFS India's customer service applications laboratory was moved to an independent location. This allows the team to work with a new sense of freedom and creativity. Multiple new products meant new testing methodologies and protocols, all of which were developed in-house to reduce costs and ensure quality. Multiple new machines were brought in to enhance testing capabilities to provide more holistic services to the existing and potential customers. Over and above the technical webinars conducted under our 'food for thought' platform, the customer service applications laboratory, on the basis of feedback from customers, develops new extensions for its existing product portfolio.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The year 2022-23 marked the year of return to normalcy. Masks were done away with throughout the world, travel and tourism resumed, people started returning to offices to work. Re-inculcating the discipline of working from office was key to success. Flexible entry and exit options have been provided to the staff to ensure that they can ease themselves back into working from office. A dedicated travel desk was appointed to ensure that those who had to travel would manage to do so safely and seamlessly. Policies were revamped to encourage employees to work with more discipline, vigour, increased productivity, and also to provide benefits that are commensurate with the industry standards. To tackle general health issue faced by the employees in the head office, CFS onboarded a wellness partner to encourage employees to take charge of their own health.

As on March 31, 2023, CFS has 627 permanent employees in India, with 28 of them being women.

ESG INITIATIVES

In a post pandemic world, priorities are changing, with the world focussing more on things such as the environment, sustainability, quality of life, etc. It is vital to work in unison and achieve the goals of the Company in a manner that is sustainable for growth and conservation of the environment it operates in. The products of shelf-life solutions contribute in a big way to not only address the food and feed requirements but also contribute to make adequate a scarce resource by preserving it for longer duration. The localised set up of our business, especially our local application laboratories, expertise in supporting local communities and resolving shelf-life challenges. Longer shelf life reduces food losses, eases pressure on distribution and logistics and contributes to a healthy society. CFS' business of manufacturing tailor made traditional/natural blends and additives for food safety and protection is in itself a huge initiative in promoting solutions for sustainability.

We also provide solutions for nutrition, health and hygiene of livestock to improve Food Conversion Ratio (FCR) and overall animal performance through the expansion of its Animal Nutrition Portfolio. The Company's comprehensive range of products, sanitization services and holistic health care approaches with antibiotic-alternatives would strive to create a thriving farm environment, which will have a positive impact on food chain, food security and human health.

At AlgalR we develop a range of sustainable products under the brand 'BioSus', using a proprietary fermentation technology. DHA, one of the Omega 3 fatty acids derived from microalgae is clean, vegan and with no harm to marine life. CFS aims to provide better feed and food by integrating natural and fermentation technologies.

CFS is also working on new ecosystems to include new materials and find alternatives to nature's finite resources such as coal. We have taken necessary steps towards decarbonisation by adopting briquette instead of coal as an energy source at our facility at Tarapur. Briquette provides optimum calorific value, ease of transportation and lowers emission of harmful gas. It has high thermal value making it a better fuel. While our products significantly contribute towards enhancing sustainability, we are now moving to transform our production and manufacturing processes towards being fully sustainable and environment friendly. CFS' endeavour has always been to adopt a circular economy model, and this is being implemented across board. We're aggressively planning a shift from brown power to green power in our Tarapur plant. This not only also has a huge implication on the cost reduction, but also allows us to reduce our carbon emissions significantly. It is our mission to shift to green electricity at the earliest and we are exploring multiple options to achieve the same.

At CFS Europe, a process to convert the tar produced in the di-phenol plant to syngas is under trial. This has been proved on the lab scale and we have applied for a patent for this process. This will not only reduce our carbon emissions, but also reduce our reliance on natural gas and the volatilities in supply and price that come with it. At our Dahej facility, we are using a shell and tube heat exchanger, which captures the heat from vapours released in one step of our process and allows us to use the heat generated for a later step in our process. This reduces our reliance on coal and allows us to reduce our emissions further.

Our strategic partnership with Lockheed Martin, a US based firm that delivers comprehensive solutions across the energy industry to include energy storage, demand management solutions, microgrids, military energy solutions, nuclear systems and bioenergy generation, is a project which promises to revolutionise the energy storage space. Current dominant technologies for storage and distribution of power such as pumped hydro ion and lithium ion cannot sufficiently provide a durable solution. Their unique flow battery technology has the unique ability to address high-energy needs by cycling for ten or eleven hours on a sustained basis and is well suited for use even in emergency and unpredictable situations. It allows for maximising the utilisation of renewable energy due to its capability to store energy for a long duration.

One of largest waste components in our manufacturing process is solvent. Solvent is recovered on site and reused in the process to ensure environment preservation, resource conservation and cost reduction.

Along with switching to more environmentally sound practices, we are now demanding the same from our vendors, alliance partners and employees as well. We are ensuring that the initiatives taken by the Company not only help us to not disturb the balance of nature, but also restore what has been lost so far.

INFORMATION TECHNOLOGY

In line with the overall growth objective and strengthening of our infrastructure base, the Company continually invests in Enterprise Resource Planning systems & general infrastructure improvement tools for leveraging its business. New infrastructure helps to automate workflows to support faster and leaner accounting processes while ensuring adequate controls and fulfilment of the regulatory requirements. Processes have been continuously strengthened for enhanced effectiveness and productivity including deployment of best-in-class tools for analytics in the Audit domain. Quarterly ITGC (IT General Controls) inspection is done by qualified engineers during internal audits.

We have initiated POC (Proof of Concept) & Audit for deploying Cybersecurity Tools for Data-Monitoring, security, availability & infrastructure.

Periodic disaster recovery drills were carried out by the team to ensure business continuity and data protection. During our annual IT Audit, periodic vulnerability testing is carried out by a third party agency to ensure that the company data is protected from external threats.

While we shifted the head office to a new location within Mumbai, the transition was seamless across all subsidiaries without any significant downtime. All the e-waste generated during the shifting was handed over to an IT waste management agency to be disposed in a manner which reduced the burden on the environment. In the coming year, CFS plans to conduct employee awareness sessions on cybersecurity in all locations in India. These sessions will be not only to increase their awareness at a company level but will also benefit them on a personal level with regards to their own data privacy.

RISKS AND CONCERNS

The Company is prone to various risks such as technological risks, strategic risks, operational risks, foreign exchange currency risks, health, safety and environmental risks, financial risks as well as compliance & control risks. These risks can have a material adverse impact on the implementation of strategy, business, performance, results, cash flows & liquidity, stakeholders' value and of course reputation.

The Company has an effective risk management framework to report, manage and mitigate these risks. The Board oversees these risks through various committees like Risk Management Committee, Audit Committee, and Stakeholders' Relationship Committee.

The Company continues to maintain a strategic approach to risk management and approaches it cautiously to reap its rewards and accelerate growth. The Company's expansion strategy includes expansion into various countries around the world. It is the risk handling ability of the Company which makes the difference. Exposure to international markets exposes the business to currency risks. This risk has been mitigated by effective foreign exchange management policy along with judicial use of natural hedge provided by exports against its imports in view of the Company being the net exporter on the currency front.

As regards inflationary pressures and its impacts on the cost of manufacturing, it gets monitored regularly to ensure that they do not affect the operating margins of the Company. The Company continues with its efforts to improve its processes, yields and technological upgradation and also stresses on bringing about cost optimization.

The Board also reviews the implications of the ongoing global geo-political crises and issues and its effects associated therewith on the affairs of the Company. COVID-19 pandemic exposed the company to an unprecedented humanitarian challenge. Company was able to mitigate and reduce the impact to a large extent with smart use of scarce resources.

It is a company principle to act pre-emptively in matters related to risk. Our ethos ensures that we anticipate and mitigate risks as far as possible.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of internal controls in place. The system consists of documented policies, guidelines and procedures which cover all important financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting of assets from unauthorised use or loss, and complying with regulations.

The Company consistently strives to improve its processes and align them with the highest standards. An established framework is in place to monitor the controls through the Risk Management Committee as well as the Audit Committee. The Audit Committee comprises Independent Directors who regularly review audit plans, significant audit findings, adequacy of internal controls, compliances with accounting standards and changes thereto. The Risk Management Committee reviews business risk areas covering operational, financial, strategic and regulatory risks.

The Company has independent internal auditors who review and report to the management and the audit committee about compliances with internal controls and the efficiency and effectiveness of operations as well as key process risks. Our internal control system is further fortified by our steps taken to address risks and concerns referred under the section, "Risks and Concerns."

There have been no significant changes in our internal control over financial reporting that occurred during the period of the annual report that have materially affected or are reasonably likely to materially affect our internal control over financial reporting. Similarly, our initiatives during the COVID-19 pandemic also did not have any significant effect on internal controls. During the financial year, we have assessed the effectiveness of the internal control over financial reporting and have determined that the system was effective as on March 31, 2023.

FINANCIAL PERFORMANCE REVIEW

Members may refer to the section 'Financial Results' in the Board's Report for the summary of financial performance of your Company.

Members may refer to Note 48 to the financial statement which sets out financial ratios of the Company.

The details of significant changes (i.e., change of 25% or more as compared to the immediately previous financial year) in financial ratios is as follows:

Particulars	Standalone		Percentage change	Reason for change
	2022–23	2021–22		
Interest Service Coverage Ratio (Times)	2.23	1.94	15.15%	Improvement in ratio on account of higher profits.
Operating Profit Margin (%)	13.24	8.65	53.03%	
Net Profit Margin (%)	6.02	3.77	59.62%	
Return on Equity (%)	7.70	4.90	57.39%	

The details of return on net worth at standalone levels are as follows:

Particulars	Standalone		Percentage change
	2022–23	2021–22	
Return on net worth (%)	16.27%	10.01%	62.56%

Operating profit has increased from ₹ 5,929.65 lakh to ₹ 10,449.67 lakh and the net worth has increased from ₹ 59,234.17 lakh to ₹ 64,214.21 lakh which has resulted in increase in the return on net worth. Net worth has increased on account of increase in the Share Capital from ₹ 1,569.84 lakh to ₹ 1,570.93 lakh in view of allotment of ESOPs to the employees. Further, Other equity has increased from ₹ 57,664.33 lakh to ₹ 62,643.28 lakh on account of profit earned during the year.

Source:

https://www.oecd.org/economic-outlook/march-2023/

https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023

https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023

https://www.ibef.org/economy/indian-economy-overview

https://www.worldbank.org/en/news/press-release/2023/04/04/indian-economy-continues-to-show-resilience-amid-global-uncertainties#:~:text=The%20overall%20growth%20remains%20robust,half%20of%20FY%2022%2F23.

https://www.indianchemicalnews.com/webinar/chemical-industry-outlook-2022-36

https://www.mckinsey.com/~/media/mckinsey/industries/chemicals/our%20insights/india%20the%20next%20chemicals%20manufacturing%20hub/india-the-next-chemicals-manufacturing-hub-vf.pdf

Your Directors present the Company's Report on Corporate Governance as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2023.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company's philosophy of corporate governance is to conduct its business on the basis of ethical business value and maximise its value to all its stakeholders. The Company has inculcated a culture of transparency, accountability and integrity. The Company has already put in place systems and procedures and has complied with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. BOARD OF DIRECTORS:

Composition

The Company has a Executive Chairman and the number of Independent Directors is half of the total strength of the Board. The Company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR, 2015") in respect of the Composition of the Board.

None of the Independent Directors have any material pecuniary relationship or transactions with the Company.

Necessary disclosures regarding composition of the Board, category, attendance of Directors at the Board Meetings and last Annual General Meeting, number of other Directorship and other Committee Memberships (Audit/Stakeholder Relationship Committee) are given below:-

Name & Designation of Directors	Category	No. of Board Meetings attended	No. of Directorships held in other Companies	Attendance at last AGM	No. of Committee positions held in other Companies	
					Chairman of Committee	Member of Committee
Ashish Dandekar Chairman & Managing Director	ED / Promoter	5	5	Yes	Nil	Nil
Nirmal Momaya Managing Director	ED	5	10	Yes	Nil	1
Arjun Dukane	ED	5	2	Yes	Nil	Nil
Anagha Dandekar	NED	4	-	Yes	Nil	Nil
Amol Shah	NED (I)	3	10	Yes	Nil	Nil
Pradip Kanakia	NED (I)	5	7	Yes	2	1
Sutapa Banerjee	NED (I)	5	9	No	1	6
Harsha Raghavan	NED	2	5	Yes	Nil	2
Sarvjit Bedi*	NED	5	4	Yes	Nil	1
Joseph Conrad D'Souza	NED (I)	5	8	Yes	4	3
Mahabaleshwar Palekar	NED (I)	5	2	Yes	Nil	Nil
Thomas Videbaek**	NED (I)	5	-	Yes	Nil	Nil

ED – Executive Director/ NED – Non-Executive Director / NED (I) – Non-Executive Director (Independent)

*Resigned w.e.f. April 19, 2023

**Resigned w.e.f. February 23, 2023

None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 Committees as specified in SEBI LODR 2015 across all the Companies in which he/she is a Director.

Ashish Dandekar is brother of Anagha Dandekar. None of the other Directors on the Board are related to each other.

Web link of Familiarisation Programmes imparted to NED(I) is https://www.camlinfs.com/BusinessConductEthics.

Details of Directorship in listed Companies:

Sr. No.	Name of the Director	Name of the Company	Category
1.	Nirmal Momaya	Truecap Finance Limited	Non-Executive/ Independent
2.	Sutapa Banerjee	Godrej Properties Limited	Independent Director
		JSW Holdings Limited	Independent Director
		Polycab India Limited	Independent Director
		Zomato Limited	Independent Director
3.	Harsha Raghavan	Hindustan Foods Limited	Independent Director
		Onward Technologies Limited	Independent Director
		Jagsonpal Pharmaceuticals Limited	Independent Director
4.	Sarvjit Bedi*	Hindustan Foods Limited	Independent Director
5.	Joseph Conrad D'Souza	Chalet Hotels Limited	Independent Director
6.	Pradip Kanakia	Healthcare Global Enterprises Limited	Independent Director
		JM Financial Limited	Independent Director

*Resigned w.e.f. April 19, 2023

Following is setting out the skills/expertise/competence of the board of directors and the list of core skills/expertise/competencies identified by the board of directors as required in the context of the business of the Company for it to function effectively and those actually available with the board:

Sr. No.	Areas of core skills/expertise/competencies
1	Business Development
2	Marketing
3	Technical
4	Finance & Accounting
5	Law
6	Engineering

Number of Board Meetings:-

During the financial year 2022-2023, 5 (five) Board Meetings were held on the following dates:

Sr. No.	Date	Board Strength	No. of Directors Present
1	May 19, 2022	12	10
2	August 12, 2022	12	11
3	November 12, 2022	12	12
4	January 6, 2023	12	10
5	February 13, 2023	12	11

CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Board members and Senior Managerial Personnel of the Company. The Code of conduct is available on web site of the Company at https://www.camlinfs.com/BusinessConductEthics.

All Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct.

PROFILE OF THE MEMBERS OF THE BOARD OF DIRECTORS BEING RE-APPOINTED/APPOINTED:

(A) Arjun Dukane

Mr. Arjun Dukane has an overall experience of over 31 years in the Chemical Industry out of which he has been associated with the Company for about last 15 years.

He is a director in the following Companies:

Sr. No.	Names of the Companies/Bodies Corporate
1	Chemolutions Chemicals Limited
2	Naiknavare Chemicals Limited

Mr. Arjun Dukane holds 1,40,140 equity shares of the Company.

(B) Anagha Dandekar

Ms. Anagha Subhash Dandekar aged 57 years is MBA in Finance from the University of South Carolina, USA. She is President and co-founder of Hardware Renaissance, a manufacturer of high-end, hand-crafted door hardware and accessories.

She is a director in the following Companies:

Sr. No.	Names of the Companies/Bodies Corporate
1	Hardware Renaissance
2	DHC corporation

Ms. Anagha Dandekar holds 22,93,906 equity shares of the Company.

3. COMMITTEES OF THE BOARD:

As required under the Companies Act, 2013, SEBI LODR 2015 and SEBI Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“ESOP Guidelines”), the Board of Directors has in place 6 (six) Committees: Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Compensation Committee and Risk Management Committee. The role and responsibilities assigned to these Committees are covered under the terms of reference approved by the Board and are subject to review by the Board from time to time. The minutes of the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, and Risk Management Committee are placed before the Board periodically for its information and noting. The details as to the composition, terms of reference, number of meeting and the related attendance etc., of these Committees are given below:

a) Audit Committee:

Composition, meetings and the attendance during the year:

The Audit Committee was constituted on November 27, 2006. The Company has complied with all the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI LODR 2015) relating to the composition of the Audit Committee.

During the financial year 2022-2023, 5 (five) meetings of the Audit Committee were held on the May 19, 2022, August 12, 2022, November 12, 2022, January 6, 2023 and February 13, 2023.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of Meetings attended
Pradip Kanakia	Chairman	NED (I)	5
Joseph Conrad D’Souza	Member	NED (I)	5
Sutapa Banerjee	Member	NED (I)	5
Amol Shah	Member	NED (I)	3
Mahabaleshwar Palekar	Member	NED (I)	5
Harsha Raghavan	Member	NED	3
Sarvjit Bedi*	Member	NED	5

*Resigned w.e.f. April 19, 2023

The Audit Committee meetings were attended by the Chairman, Independent Directors, the Managing Director and the Chief Financial Officer. The representatives of the Internal Auditor, Statutory Auditors were also invited to the meeting. The Company Secretary acted as the Secretary to the Committee.

Terms of reference:

The terms of reference of the Committee, inter alia covers the matters specified under Regulation 18 of SEBI LODR 2015 as amended from time to time as well as specified in Section 177 of the

Companies Act, 2013 read along with rules made thereunder. Besides, in additions to other terms as may be referred by the Board of Directors, the Audit Committee has the power inter alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

b) Nomination And Remuneration Committee:

Composition, meetings and the attendance during the year:

The Nomination and Remuneration Committee was constituted on May 12, 2014 in place of earlier Remuneration Committee.

During the financial year 2022-2023, 3 (three) meeting of the Committee was held on the May 19, 2022, November 12, 2022 and February 13, 2023.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of Meetings attended
Amol Shah	Chairman	NED (I)	2
Sutapa Banerjee	Member	NED (I)	3
Joseph Conrad D'Souza	Member	NED (I)	3
Harsha Raghavan	Member	NED	3
Sarvjit Bedi*	Member	NED	3
Mahabaleshwar Palekar	Member	NED (I)	3
Pradip Kanakia	Member	NED (I)	3

*Resigned w.e.f. April 19, 2023

Terms of reference:

The role, broad terms and reference of the committee includes the following:

a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b. Formulation of criteria for evaluation of Independent Directors and the Board;

c. Devising a policy on Board diversity;

d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

e. To formulate Employees Stock Option Scheme (ESOP) and its implementation.

f. To administer and supervise the compliance of the detailed terms and conditions in accordance with SEBI Guidelines.

Remuneration Policy and Performance evaluation criteria for Independent Directors

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration and evaluation criteria for performance evaluation of Independent Directors. The Nomination and Remuneration Policy and evaluation criteria of Independent Directors have been appended herewith as Annexure- A & B.

The aforesaid Policy and evaluation criteria is disclosed on the Company's website and the weblink for the same is https://www.camlinfs.com/BusinessConductEthics.

Remuneration to Directors:

i. Chairman & Managing Director

Following are the remuneration details of the Chairman & Managing Director for the financial year ended March 31, 2023:

(₹ in Lakh)

Name	Salary	Perquisites #	Contribution to P.F. and Other Funds	Total
Ashish Dandekar	136.00	108.07	16.32	260.39

#Perquisites *inter alia,* include reimbursement of expenses/allowances for utilities such as rent, gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession, club fees, provision of car with driver, telephone/fax facilities, benefit of personal accident insurance scheme etc.,

The Chairman & Managing Director is also entitled to Company's contribution to provident fund, superannuation, gratuity and encashment of leave at the end of tenure as per the rules of the Company & Commission on net profit of the Company.

ii. Managing Director

Following are the remuneration details of the Executive Director for the financial year ended March 31, 2023:

(₹ in Lakh)

Name	Salary	Perquisites #	Contribution to P.F. and Other Funds	Total
Nirmal Momaya	140.00	109.15	23.73	272.88

#Perquisites *inter alia,* include reimbursement of expenses/allowances for utilities such as gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession, club fees, provision of car with driver, telephone/fax facilities, benefit of personal accident insurance scheme etc.

iii. Executive Director

Following are the remuneration details of the Executive Director – Technical for the financial year ended March 31, 2023:

(₹ in Lakh)

Name	Salary	Perquisites #	Contribution to P.F. and Other Funds	Total
Arjun Dukane	43.17	62.09	7.26	112.52

#Perquisites interalia, include reimbursement of expenses/allowances for utilities such as gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession, club fees, provision of car with driver, telephone/fax facilities, benefit of personal accident insurance scheme etc.

Besides the above payment of remuneration, the Company pays sitting fees to Non-Executive Directors / Independent Directors for attending the meetings of the Board / Committees of the Board and reimbursement of conveyance for attending such meetings.

Additionally, the Company pays commission to Non-Executive Directors / Independent Directors, subject to profitability. However, no commission was recommended for the financial year 2022-2023. The details of remuneration (including sitting fees, salaries, arrears, commission and perquisites) of the existing Non-Executive Directors during the year 2022-2023 are given below:

(₹ in Lakh)

Name	Category	Commission / Remuneration	Sitting Fees	Total
Anagha Dandekar	NED	-	4.00	4.00
Amol Shah	NED (I)	9.00	7.00	16.00
Sutapa Banerjee	NED (I)	9.00	11.00	20.00
Harsha Raghavan	NED	-	-	-
Sarvjit Bedi*	NED	-	-	-
Joseph Conrad D'Souza	NED (I)	9.00	11.10	20.10
Mahabaleshwar Palekar	NED (I)	9.00	11.90	20.90
Thomas Vedebeak**	NED (I)	-	5.25	5.25
Pradip Kanakia	NED (I)	9.00	11.00	20.00

NED – Non-Executive Director / NED (I) – Non-Executive Director (Independent)

*Resigned w.e.f. April 19, 2023

**Resigned w.e.f. February 23, 2023

Details of Shareholding of Present Non-Executive Director/Independent Directors as on March 31, 2023.

Presents Directors Name	Shares held
Anagha Dandekar	22,93,906
Mahabaleshwar Palekar	6,000

c) **Stakeholders Relationship Committee:**

Composition, meetings and the attendance during the year:

The Stakeholders Relations Committee was constituted on May 29, 2014 in place of Shareholders/ Investors Grievance Committee for redressal of Shareholders and Investors complaints concerning transfer of shares, non-receipt of Annual Reports, and non receipt of Dividend etc.

During the financial year 2022-2023 one (1) meeting was held on February 13, 2023.

The Details of composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of Meetings attended
Joseph Conrad D'Souza	Chairman	NED (I)	1
Mahabaleshwar Palekar	Member	NED (I)	1
Ashish Dandekar	Member	ED	1
Nirmal Momaya	Member	ED	1

The Board has designated the Company Secretary as the Compliance Officer.

Complaints received and redressed by the Company during the financial year.

During the year, no complaint was received from the shareholders.

d) **Compensation Committee:**

Composition, meeting and the attendance during the year:

The Compensation Committee was constituted on April 29, 2008.

During the financial year 2022-2023, there was no meeting held.

Details of Composition of the Committee are given below:

Name	Designation	Category
Amol Shah	Chairman	NED (I)
Sutapa Banerjee	Member	NED (I)
Nirmal Momaya	Member	ED

Terms of reference

- To formulate Employees Stock Option Scheme (ESOP) and its implementation.
- To administer and supervise the compliance of the detailed terms and conditions in accordance with SEBI Guidelines.

e) Risk Management Committee:

Composition, meeting and the attendance during the year:

The Risk Management Committee was constituted on August 13, 2021.

During the financial year 2022-2023, 2 (two) meeting was held on September 22, 2022 and February 13, 2023.

Details of Composition of the Committee and attendance of the members at the meeting are given below:

Name	Designation	Category	No. of Meetings attended
Amol Shah	Chairman	NED (I)	1
Nirmal Momaya	Member	ED	2
Arjun Dukane	Member	ED	2

The role, broad terms and reference of the committee shall include the following:

1. To formulate a detailed risk management policy which shall include:
   a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
   b) Measures for risk mitigation including systems and processes for internal control of identified risk;
   c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

f) Corporate Social Responsibility Committee:

Composition, meeting and the attendance during the year:

The Corporate Social Responsibility Committee was constituted on May 29, 2014.

During the financial year 2022-2023, 1 (one) meeting was held on August 12, 2022.

Details of Composition of the Committee and attendance of the members at the meeting are given below:

Name	Designation	Category	No. of Meetings attended
Mahabaleshwar Palekar	Chairman	NED (I)	1
Ashish Dandekar	Member	ED	1
Nirmal Momaya	Member	ED	1

The role, broad terms and reference of the committee shall include the following:

a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy;

b. Recommend the amount of expenditure to be incurred on the CSR activities to the Board;

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

4. INDEPENDENT DIRECTORS' MEETING:

As required under Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI LODR 2015, the Independent Directors have to hold at least 1 (one) meeting in a year, without the attendance of non-independent directors and members of the management.

During the financial year 2022-2023, 1 (one) meeting was held on February 3, 2023.

The role, broad terms and reference of the committee shall include the following:

a. Review the performance of Non-Independent Directors and the Board as a whole;

b. Review the performance of the Chairperson of the Company, taking into account the views of Executive directors and Non-executive Directors;

c. Assess 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.

In the opinion of the Board, all Independent Directors meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI LODR 2015, as amended from time to time and they are independent of the management.

5. CHART/ MATRIX SETTING OUT THE SKILLS/ EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS IS AS FOLLOWS:

Skills/expertise/competencies identified by the Board as required in the context of the Company's business and sector for it to function effectively	Skills/expertise/competencies available with the Board
Industry knowledge/ experience:	Yes
Industry experience	Yes
Knowledge of FMCG sector	Yes
Understanding of government legislation / legislative process	Yes
Technical skills/ experience:	Yes
Accounting and Finance	Yes

Skills/expertise/competencies identified by the Board as required in the context of the Company's business and sector for it to function effectively	Skills/expertise/competencies available with the Board
Law	Yes
Marketing experience	Yes
Monitoring risk management systems	Yes
Strategy development and implementation	Yes
Governance Competencies:	Yes
Financial literacy	Yes
Strategic thinking/planning from a governance perspective	Yes
Director's performance management	Yes
Compliance focus	Yes
Behavioral competencies:	Yes
Integrity and high ethical standards	Yes
Interpersonal relations	Yes
Communication skills	Yes
Willingness and ability to devote time and energy to the role	Yes

6. THE BRIEF SUMMARY OF THE COMPETENCIES OF THE DIRECTORS IS AS UNDER:

Ashish Dandekar, Chairman & Managing Director

BA in Economics and Management studies form Temple University, USA. Wide experience of over 33 years in Pharmaceuticals and Fine Chemical Products including Business Planning, Information Systems, Research & Development, Product Development and Marketing.

Nirmal Momaya, Managing Director

CA with over 25 years of experience in Finance, Taxation, Audit and Management consultancy. Founder at Pagoda Advisors Pvt. Ltd. with a focus on consulting for various businesses as well as advising CFS on important business before becoming Director of the Company

Arjun Dukane, Executive Director - Technical

Chemical Engineer with over 31 years of experience in the Chemical Industry and has been associated with CFS for about 15 years.

Amol Shah, Independent Director

Bachelor of Science (Electronics Engineering) from University of Kent, Canterbury and MBA from University of Southern California. Currently the Managing Director of the MJ Group with more than 25 years of experience in the industry covering Human Healthcare, Flavors/ Fragrances compounds, Plant protection and water treatment chemicals.

Anagha Dandekar, Non-Executive Director

MBA in Finance from University of South Carolina, USA. President, co-founder of Hardware Renaissance, a manufacturer of high-end, hand-crafted door hardware and accessories.

Sutapa Banerjee, Independent Director

Gold medalist in Economics from the XLRI school of Management in India, and an Economics honours graduate from Presidency College Kolkata. Over 24 years of experience in the financial services industry and currently serves as an Independent Director on the boards of several companies

Harsha Raghavan, Non-Executive Director

Master of Business Administration degree and Master of Science degree in industrial engineering both from Stanford University and a Bachelor of Arts degree from the University of California at Berkeley, where he double majored in computer science and economics.

Sarvjit Bedi, Non-Executive Director*

B.A. (Economics) from Delhi University. He is also a Chartered Accountant and MBA from Johnson Graduate School of Business, Cornell University.

Joseph Conrad D'Souza, Independent Director

Master's degree in commerce and a Diploma in Financial Management from the University of Bombay and a Master's Degree in Business Administration from South Gujarat University. He is also a graduate of the Senior Executive Programme of the London Business School.

Mahabaleshwar Palekar, Independent Director

Chemical Engineer with a doctorate degree from University Department of Chemical Technology (UDCT now ICT), Mumbai, India. He worked in University of Ghent, Belgium for 2 years, and has more than 25 years of experience in corporates in India and abroad.

Thomas Videbaek, Independent Director**

Ph.D. and M.Sc. in Chemical Engineering from the Technical University of Denmark, as well as a B.Com. in International Business from Copenhagen Business School.

Pradip Kanakia, Independent Director

Chartered Accountant (from The Institute of Chartered Accountants of India and in England and Wales), is a strong leader and governance oriented professional with expertise in strategy, transformation, performance management, accounting, auditing, reporting, controls, compliance and governance.

*Resigned w.e.f. April 19, 2023
**Resigned w.e.f. February 23, 2023

7. GENERAL BODY MEETINGS:

Details of location, date and time of Annual General Meetings held during the last three years:

Financial Year (FY)	Venue	Date and Time
2021-2022	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	July 29, 2022 at 11.00 a.m.
2020-2021	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	July 20, 2021 at 11.00 a.m.
2019-2020	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	August 10, 2020 at 3.00 p.m.

1 (one) Special Resolutions were passed at the 27th Annual General Meeting for FY 2019-20, 8 (eight) Special Resolutions were passed at the 28th Annual General Meeting for FY 2020-21 and No Special Resolutions was passed at the 29th Annual General Meeting for FY 2021-22.

8. DISCLOSURES

Related Party Transactions

The Company did not enter into any materially significant related party transactions, which had potential conflict with the interest of the Company at large. The register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

Transactions with the related parties are disclosed in the notes to the financial statements in the Annual Report.

Weblink where policy for determining 'material' subsidiaries is disclosed; https://www.camlinfs.com/BusinessConductEthics.

Weblink where policy on dealing with related party transactions; https://www.camlinfs.com/BusinessConductEthics.

Fees paid to the Statutory Auditor

Following is the total fees paid by the Company for all services availed by the Company 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 is as detailed below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit Fees	50.00	50.00
Certification	0.45	2.57
Reimbursement of Expenses	0.24	0.68
Total	**50.69**	**53.25**

Credit Ratings

During the year under review, the Company had the following credit ratings affirmed from India Ratings and Research Pvt. Ltd.:

(i) For Term loan: IND A-/Stable

(ii) For Fund-based limits: IND A-/Stable/IND A2+

(iii) For Non-fund-based limits: IND A2+

Further, India Ratings and Research Pvt. Ltd. has affirmed the Company's Long Term Issuer Rating at 'IND A-', the outlook is stable.

Compliance with Regulations

The Company has complied with all the requirements of the SEBI LODR 2015 with the Stock Exchanges as well as the other regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against your Company by SEBI, Stock Exchanges or any other statutory authority in any matter relating to capital markets after the listing of Shares on the BSE Ltd. and National Stock Exchange of India Ltd.

Sexual Harassment of Women at Workplace

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year - Nil

b. number of complaints disposed of during the financial year – Not applicable

c. number of complaints pending as on end of the financial year - Not applicable

Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The objective of the said policy is to explain and encourage the directors and employees to raise any concern about the Company's operations and working environment, including possible breaches of Company's policies and standards or values or any laws within the country or elsewhere, without fear of adverse managerial action being taken against such employees. The Whistle Blower Policy is disclosed on the Company's website and the web link for the same https://www.camlinfs.com/BusinessConductEthics.

It is hereby affirmed that in relation to the same, no personnel have been denied access to the Audit Committee.

CEO / CFO Certification

Managing Director and Chief Financial Officer of the Company have furnished the requisite Compliance Certificates to the Board of Directors under Regulation 17 of the SEBI LODR 2015.

Compliance with Corporate Governance requirements

The Company has complied with the mandatory corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI LODR 2015.

Mandatory and non-mandatory requirements

The company has complied with the mandatory requirements of SEBI LODR 2015 which are detailed in the annual report and also have adopted some of the non-mandatory requirements of SEBI LODR 2015 viz. reporting of internal auditor to the Audit Committee.

9. MEANS OF COMMUNICATION:

- The quarterly and half-yearly results are published in widely circulating national and local dailies such as Financial Express and Loksatta.
- Official news releases and presentations made to investors are disclosed to the Stock Exchange(s) and are also provided on the Company's website i.e. www.camlinfs.com within the time frame prescribed in this regard.
- As per requirements of the Listing Agreement, all data relating to the quarterly financial results, shareholding pattern etc., is provided on the Company's website i.e. www.camlinfs.com within the time frame prescribed in this regard.

10. GENERAL SHAREHOLDER INFORMATION:

As indicated in the Notice to our Shareholders, the 30th Annual General Meeting of the members of Camlin Fine Sciences Limited, will be held on Monday, July 31, 2023 at 11:00 a.m. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

i.	**Financial Calendar**	**Financial Reporting by**
	Financial Year	: April – March
	Unaudited Results for the quarter ending June 30, 2023.	: Mid of August, 2023
	Unaudited Results for the quarter ending September 30, 2023.	: Mid of November, 2023
	Unaudited Results for the quarter ending December 31, 2023.	: Mid of February, 2024
	Audited Results for the year ending March 31, 2024.	: end of May, 2024
ii.	Date of Book Closure	: July 25, 2023 to July 31, 2023 (both days inclusive)
iii.	Date of Dividend Payment	: Not applicable
iv.	Listing of Equity Shares on Stock Exchanges	: The Equity Shares of the Company are listed at BSE Limited (Stock Code 532834) & The National Stock Exchange of India Limited (CAMLINFINE). The Company has duly paid the annual listing fees to the respective stock exchange(s)
v.	Demat ISIN in CDSL/NSDL	: INE052I01032

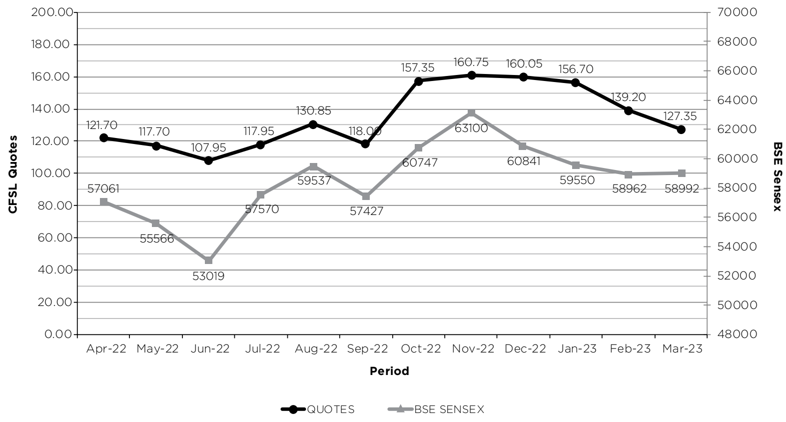
vi. Share Price (High & Low) for the year 2022-2023 at BSE and NSE:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2022	149.80	112.50	149.90	112.10
May, 2022	129.90	98.75	130.40	98.40
June, 2022	120.30	97.20	120.70	97.10
July, 2022	122.70	105.55	122.85	106.05
August, 2022	134.70	112.25	134.70	112.10
September, 2022	141.00	116.40	141.00	116.25
October, 2022	160.40	111.65	160.55	111.55
November, 2022	169.75	145.10	169.80	146.65
December, 2022	162.25	133.50	162.25	133.65
January, 2023	174.60	153.15	174.70	153.00
February, 2023	163.00	134.30	163.45	134.00
March, 2023	149.35	124.10	149.50	124.05

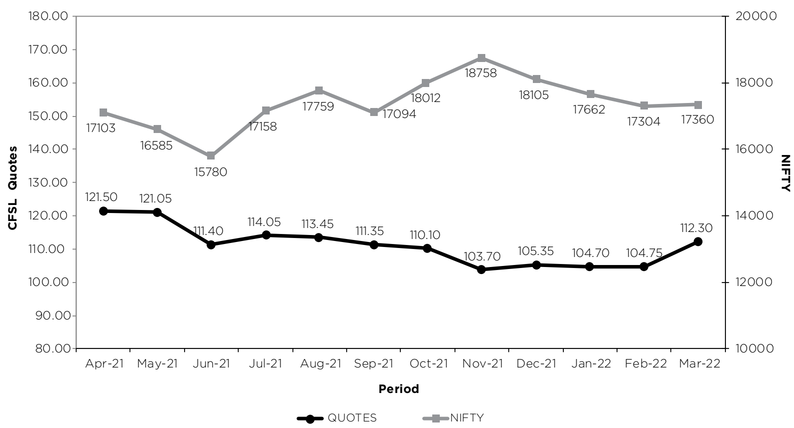
Stock Performance:

The performance of the Company's share in comparison to BSE and NSE Sensex is given in the Chart below:

Monthly High -Low CFSL Share Price / BSE Sensex



Monthly High-Low CFSL Share Price / NIFTY



vii. Registrars and Share Transfer Agents for Shares:

M/s. Link Intime India Private Limited, C 101, 247 Park, L. B .S. Marg, Vikhroli (West), Mumbai – 400083, Toll free number : 1800 2208 78 Email id: rnt.helpdesk@linkintime.co.in

viii. Share Transfer System:

Presently, the Share Transfers which are received in physical form are processed by the Registrars and Share Transfer Agent and approved by the Committee of Directors in their meeting which normally meets twice in a month and the share certificates are returned within a period of 20 to 25 days from the date of lodgment, subject to the transfer instrument being valid and complete in all respects.

ix. Distribution of Shareholding as on March 31, 2023.

No. of Equity Shares Held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares
Up to 500	41698	77.11	4883525	3.11
501 - 1000	4985	9.23	4100560	2.61
1001 - 2000	3602	6.66	5555647	3.54
2001 – 3000	1205	2.23	3044839	1.94
3001 - 4000	848	1.57	3062211	1.95
4001 - 5000	452	0.83	2075937	1.32
5001 - 10000	646	1.19	4698420	2.99
10001 and above	640	1.18	129672357	82.54
TOTAL	**54076**	**100.00**	**157093496**	**100.00**

x. Dematerialisation of Shares:

The Company's Equity Shares are held in dematerialised form by National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) under ISIN No. INE052I01032. As on March 31, 2023, 99.34 % of the totals shares of the Company have been dematerialised.

xi. Outstanding: GDR/ADR/Warrants/Options

As of date, the Company has not issued GDRs/ADRs

The Company at its 25th Annual General Meeting held on August 13, 2018 approved the CFS Employees Stock Option Scheme, 2018 which provides for allotment of up to 15,00,000 (Fifteen Lacs) Options convertible into equivalent number of equity shares of Re. 1/- each at the exercise price which shall be at the maximum 20% (twenty percent) discount of the market price of the equity shares on the Stock Exchange(s) on the date of grant of Options.

The Company at its 10th Extra Ordinary General Meeting held on July 25, 2020 approved the CFS Employees Stock Option Plan, 2020 which provides for allotment of up to 44,00,000 (Forty Four Lacs) Options convertible into equivalent number of equity shares of ₹ 1/- each at the exercise price which shall be as per the market price of the equity shares on the Stock Exchange(s) on the date of grant of Options.

The Company at its 28th Annual General Meeting held on July 20, 2021 approved the CFS Employees Stock Option Plan, 2021 which provides for allotment of up to 45,00,000 (Forty Five Lacs) Options convertible into equivalent number of equity shares of ₹ 1/- each. The first lot of Grants shall be issued at an Exercise Price of ₹ 150/-per option. The Nomination and Remuneration Committee shall decide on the exercise price for future grants, which shall be at a maximum discount of 25% to the market price of the equity shares on the Stock Exchange(s) on the date of grant of Options.

Further the approvals were accorded by the Board of Directors of the Company, at its meeting held on May 24, 2018 and the Special Resolution passed by the Members of the Company on June 22, 2018 for raising of funds through borrowing money or issue of securities including QIP/ADR/GDR/FCCB etc. upto ₹ 250 crores. Pursuant to the said approvals, 30 (thirty) Foreign Currency Convertible Bonds (FCCBs) aggregating to USD 15 million were issued and allotted to International Finance Corporation (IFC) on September 14, 2018.

The Company on May 12, 2023, has allotted 1,02,58,986 fully paid-up Equity Shares of face value ₹ 1/- each of the Company to IFC upon conversion of FCCBs at a conversion price of ₹ 105/- per Equity Share (inclusive of Share Premium of ₹ 104/- per Equity Share), consequent upon receipt of notice from IFC for the said conversion. The said issued Equity Shares rank pari passu with the existing Equity Shares of the Company in all respects.

xii. Disclosure in relation to demat suspense account or unclaimed suspense account, as applicable:

(a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; Nil

(b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year; N.A.

(c) number of shareholders to whom shares were transferred from suspense account during the year; N.A.

(d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; N.A.

(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. Nil

xiii. Subsidiary Company

During the year under review, the Company have appointed Independent Director(s) of the Company on the Board of unlisted material subsidiary. The minutes of the meetings of the board of directors of the unlisted subsidiary were also placed at the meeting of the board of directors.

xiv. Plant Location : D-2/3, M.I.D.C. Boisar, Tarapur, Dist. Palghar 401 506.
E-44, M.I.D.C. Boisar, Tarapur, Dist. Palghar 401 506.
Plot No. Z/96/D, Dahej SEZ Ltd; Part-II, Tal. Varga, Dist. Bharuch, Pin Code:392130, Gujarat, India

R & D Location : N/165 M.I.D.C. Boisar, Tarapur, Dist. Palghar 401 506.
Plot No. A/111, MIDC, Wagle Estate, Thane 400 604

xv. Address for correspondence:

Registered Office	:	Floor 2 to 5, In GS Point, CST Road, Kalina, Santacruz East, Mumbai 400098.
Tel No.	:	022-6700 1000
Fax No.	:	022-28324404
E-mail	:	secretarial@camlinfs.com

xvi. Secretarial Department:

The Company's Secretarial Department, headed by the Company Secretary, is situated at the Registered Office mentioned above. Shareholders/Investors may contact the Company Secretary for any assistance they may need.

11. NON-MANDATORY REQUIREMENTS:

Shareholders rights:

The Quarterly, Half Yearly and Annual Financial Results of the Company are published in the Newspaper and also posted on the Company's website. The complete Annual Report is sent to each and every Shareholder of the Company.

Audit Qualifications:

There are no Audit qualifications in the Company's financial statement for the year under reference.

Reporting of internal auditor

The internal auditor reports directly to the Audit Committee.

For & On behalf of the Board

Ashish S. Dandekar
Chairman & Managing Director

Place : Mumbai
Dated : May 22, 2023

Declaration by the Managing Director as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby declare that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2023.

Ashish S. Dandekar
Chairman & Managing Director

Place : Mumbai
Dated : May 22, 2023

Managing Director and Chief Financial Officer Certificate

To,
The Board of Directors
Camlin Fine Sciences Limited.
Mumbai

Dear Members of the Board,

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:

   1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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

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

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

D. We have indicated to the auditors and the Audit Committee that there are no:

   1) significant changes in internal control over financial reporting during the year;

   2) significant changes in accounting policies during the year; and

   3) instances of significant fraud of which we have become aware.

Ashish S. Dandekar
Chairman & Managing Director

Santosh Parab
Chief Financial Officer

Place : Mumbai
Dated : May 22, 2023

Certificate from Practicing Company Secretaries Regarding Compliance of

Conditions of Corporate Governance

The Members of Camlin Fine Sciences Limited

We have examined the compliance of conditions of Corporate Governance by Camlin Fine Sciences Limited for the year ended on 31st March, 2023 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreements of the said Company with Stock Exchanges ('the Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in the Regulations referred above.

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

For **JHR & Associates**
Company Secretaries

J. H. Ranade
(Partner)
(FCS: 4317, CP: 2520)
UDIN: F004317E000350091

Place : Thane
Date : 22nd May, 2023

Certificate from Practicing Company Secretaries Regarding Directors

CERTIFICATE

Based on our verification of the records maintained by Camlin Fine Sciences Limited (CIN: L74100MH1993PLC075361) (hereinafter called 'the Company') including declarations / notices received from the Directors and also information / record available on the website(s) of the Ministry of Corporate Affairs, Securities and Exchange Board of India and Stock Exchanges where the equity shares of the Company are listed, we hereby certify that, during the Financial year 2022-23, none of the Directors on the Board of the Company were debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

This certificate is being issued as per the requirements of Schedule V (C) (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **JHR & Associates**
Company Secretaries

J. H. Ranade
(Partner)
(FCS: 4317, CP: 2520)
UDIN: F004317E000350058

Place : Thane
Date : 22nd May, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
CAMLIN FINE SCIENCES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **CAMLIN FINE SCIENCES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, and with the other accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2023, and its profits, other comprehensive income, changes in equity and its cash flows 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) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 39 relating to the decision of the Supreme People's Court of China which has imposed penalty amounting to RMB 159.32 million i.e. ₹ 18,000 lakhs on the JV partner in the subsidiary company and others for alleged infringement of intellectual property used in the manufacturing process. An amount of RMB 11.15 million i.e. ₹ 1,265 lakhs which is 7% of the total penalty imposed is attributed to the subsidiary i.e. CFS Wanglong Flavours (Ningbo) Co. Ltd. As an abundant legal caution, the subsidiary company has stopped the production at facility till further directions of the court. As per the terms of the shareholders' agreement dated April 28, 2017 and amendments made thereafter, the Company and its subsidiary company are indemnified against penalty and or legal consequences emanating from the violation of the IP rights. As a co-defendant with the JV Partner, the subsidiary company has preferred an application for retrial of the aforesaid order before Honorable Court which was heard in the month October 2021, the decision thereof is awaited. In the opinion of the Management, based on the above and for reasons as more fully discussed in the aforesaid note, no impairment of the investment value or in respect of other receivables from the subsidiary company is required.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Key Audit Matter Description	**Auditor's Response**
Exposure in group entities The exposure within the group entities i.e. carrying amount of the Parent Company's investments, loans and advances, trade & other receivables (net of payables) accounts for 26% (March 31, 2022: 25%) of the total assets of the Company. Their recoverability is dependent on these group companies generating enough cash flows in future, estimation of which requires significant management judgement. We do not consider valuation of these investments and recovery of intercompany receivables, payables to be at a high risk of significant misstatement. However, due to their materiality in the context of the Company's financial statements, this is considered to be the area that had a significant effect on the company audit. Refer Note 5(i), Note 6, Note 11, Note 14, Note 24 and Note 43 forming part of the notes to the Standalone Financial Statements.	**Principal Audit Procedures Performed** We compared the carrying value of these investments, loans and advances, trade & other receivables and trade payables with the respective subsidiaries financial statements to identify whether their net assets were in excess of their carrying amount and assessed whether those subsidiaries have historically been profit-making. For those subsidiaries where carrying amount exceeds the net asset value of the respective subsidiaries, we evaluated the relevant subsidiary's projected statement of profit and loss and projected statement of cash flows with management assumptions relating to key inputs such as projected long term growth and discount rates and assessing the management's assumptions over the recoverability of intercompany receivables against our own knowledge of the performance and net assets of the relevant counterparty. Assessed the appropriateness of the disclosure in the Standalone Financial Statements in accordance with the applicable financial reporting framework.
Capitalisation of Vanillin Plant at Dahej SEZ Identification of cost that is required to be capitalized requires management judgement. Inaccurate cost capitalization may result in amounts being capitalized that do not meet capitalization criteria and affects the accuracy of cost to be capitalized.	**Principal Audit Procedures Performed** Our audit work amongst other audit procedures included testing the design, implementation and operating effectiveness of controls in respect of property, plant and equipment and intangible assets. We assessed the nature of costs incurred on capital projects through testing of amounts recorded and considering whether the expenditure met the criteria for capitalization under accounting standards. We have visited the plant and during our visit focused on physically verifying key assets which were distinctly identifiable as well as ensuring that accounting for capitalisation of assets was in line with the applicable accounting standards. We tested the source documentation to determine whether the expenditure is of capital nature and has been appropriately approved and properly segregated into appropriate categories. Assessed the appropriateness of accounting and the disclosure in the Standalone Financial Statements in accordance with the applicable financial reporting framework.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, namely Financial Highlights, Directors' Report, Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility and Sustainability 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 the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are 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:

(a) 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.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) 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 Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the Directors of the company as on March 31, 2023, taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".

(g) According to information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the provisions of Section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 42.I to the Standalone Financial Statements.

ii. The Company did not have any long-term contracts during the year ended March 31, 2023, for which there were any material foreseeable losses. Derivative contracts are appropriately dealt with in the books of account.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

(c) Based on such audit procedures that we have 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 mis-statement.

v. The Company has not declared or paid any dividend during the year.

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

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number: 127355
UDIN: 23127355BGWIFJ4404

Place: Mumbai
Date: May 22, 2023

The Annexure referred to in paragraph 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2023.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2020:

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

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

b) As explained to us, the Company has a program for physical verification of its Property, Plant and Equipment, by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. Certain property, plant and equipment were physically verified during the year. No material discrepancies were noticed on such physical verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that, the title deeds comprising all the immovable properties of land and building which are freehold and owned by the Company are held in the name of the Company except as tabulated below:

Description of property	Gross Carrying Value (₹ in Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held-indicate range	Reason for not being held in name of Company
Freehold land at Pali	207.19	Camlin Fine Chemicals Limited (erstwhile name of the Company)	No	Since 2007	The registration process for transfer is in progress as on March 31, 2023

In respect of immovable properties of land that have been taken on lease and disclosed under Right of Use assets in the Standalone Financial Statements, the lease agreements are in the name of the Company, where the Company is the lessee.

d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.

e) During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the management, no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

ii. a) The inventory has been physically verified by the management at reasonable intervals. In our opinion and according to information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared to books of account.

b) During the course of our examination of the books of accounts and records, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of fixed assets and the current assets of the Company. In our opinion and according to the information and explanations given to us, the quarterly returns and statements comprising stock statements, book debt statements, statement of ageing analysis of debtors/other receivables filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and the difference, if any, is on account of explainable items and not material in nature.

iii. The Company during the year has not made any investment or provided any guarantee or granted any loans or advances in the nature of loans, secured or unsecured, to firms, Limited Liability Partnerships. The Company, however, has provided loan to a subsidiary and another company during the year.

a) Details for the loan to a subsidiary and another party:

A. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates;

Particulars	**Loans (₹ in Lakhs)**
Aggregate amount granted during the year	
- Subsidiaries (Unsecured)	1,579.51
Balance Outstanding as at Balance Sheet date in respect of the above cases	
- Subsidiaries (Unsecured)	1,585.63

B. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates;

Particulars	**Loans (₹ in Lakhs)**
Aggregate amount loans given during the year	
- Other party (Secured)	1,000.00
Balance Outstanding as at Balance Sheet date in respect of the above	
- Other party (Secured)	1,000.00

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

c) In respect of loans granted by the Company which are repayable on demand, during the year, the Company has not demanded such loan or advances in the nature of loan. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular. In respect of certain other loans, where the repayments of the principal and interest have been stipulated are not due during the year, hence, the question of repayment of principal and interest being regular does not arise.

d) According to the information and explanations given to us and based on the audit procedures performed by us, there are no overdue amounts in respect of the loans granted by the Company.

e) According to the information and explanations given to us and based on the audit procedures performed by us, the details of loans that fell due for repayment and were renewed during the year is as stated below:

Name of the Parties	Aggregate amount of existing loans renewed or extended during the year (₹ in lakhs)	Percentage of aggregate to the total loans or advances in the nature of loan granted during the year
CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios Ltda.	₹ 687.76	27%
CFS North America LLC	₹ 580.68	23%

f) In our opinion and according to the information and explanations given to us and the records examined by us, the company has granted loans which are repayable on demand. The details of such loans are as under:

Particulars	Subsidiaries
Aggregate amount of loan/advances in the nature of loan	
- Repayable on demand (A)	₹ 3,468.19 lakhs
- Agreement does not specify any terms or period of repayment (B)	-
Total (A+B)	₹ 3,468.19 lakhs
Percentage of loan/advances in nature of loans to the total	64%

iv. In our opinion and according to the information and explanations given to us the company has not advanced any loans to the persons covered under section 185 or given any guarantees or securities or made any investments as per the provisions of Section 186 of the Act. In respect of loans granted under section 186 of the Act, the company has complied with the provisions of Section 186 of the Act.

v. According to the information and explanation given to us, the Company has not accepted deposits or amount which are deemed to be the deposits during the year and to the best of our knowledge and belief, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal which is to be complied with by the Company.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for some of the products. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government of India for maintenance of cost records under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities, wherever applicable and there are no undisputed dues outstanding as at March 31, 2023, for a period of more than six months from the date they became payable, other than the following:

Name of the Statute	**Nature of the Dues**	**Amount (₹ in lakhs)**	**Period to which the amount relates**
Employees Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund contribution	0.74	2022-23

b) According to the information and explanations given to us, there are no dues of Goods and Service tax, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax which has not been deposited by the Company on account of any dispute, other than the following:

Name of the Statute	**Nature of Dues**	**Amount (₹ in lakhs)**	**Period to which the amount relates**	**Forum**
Central Excise Act, 1944 and Customs Act, 1962.	Excise Duty	356.02	F. Y. 2013-14	CESTAT
Income Tax Act, 1961	Income tax	384.26	F.Y. 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	561.02	F.Y. 2016-17	
Income Tax Act, 1961	Income tax	593.20	F.Y. 2017-18	

viii. According to the information and explanations given to us and the records examined by us and based on the documents and records produced to us, we have not come across any transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

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

b) During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us we report that the Company has not been declared wilful defaulter by any bank or financial institution or any lender.

c) To the best of our knowledge, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purpose for which the loans were obtained, other than temporary deployment pending application.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that funds raised on short term basis have, prima facie, not been used for long term purposes by the Company.

e) According to the information and explanations given to us and an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) According to the information and explanations given to us and the procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. a) According to the information and explanations given to us, the Company has not raised money through initial public offer or further public offer (including debt instruments), accordingly the provisions of paragraph 3(x)(a) of the Order are not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year and hence the question of commenting on whether the requirements of Section 42 and Section 62 of the Act have been complied with, does not arise.

xi. a) During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the management, no instances of any fraud by the Company or any fraud on the Company has been noticed or reported during the year. Accordingly, the provisions of paragraph 3(xi)(a) of the Order are not applicable.

b) No report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central government, during the year and upto the date of this report.

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

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, the provisions of paragraph 3(xii) of the Order are not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of transactions during the year have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.

xiv. a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

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

xv. According to the information and explanations given to us and based on our examination of the records the Company has not entered into non-cash transactions with the Directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable.

xvi. a) According to information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) (a) of the Order are not applicable.

b) According to the information and explanations given to us and based on our examination of the records and the representations made to us by the Management, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Hence the question of commenting whether the aforementioned activities have been conducted without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934, does not arise.

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

d) The Group does not have any CIC, hence the provisions of paragraph 3(xvi)(d) of the Order are not applicable.

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

xviii. There has been no resignation of the statutory auditor during the year. Accordingly, reporting under paragraph 3(xviii) of the Order is not applicable.

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

xx. a) According to the information and explanations provided to us and based on our examination of the records of the Company, the Company has fully spent the required amount towards Corporate Social Responsibility (CSR) in respect of other than ongoing projects, hence the provisions of paragraph 3(xx)(a) of the Order are not applicable.

b) According to the information and explanation provided to us the Company does not have any ongoing project with respect to CSR, hence the provisions of paragraph 3(xx)(b) of the Order are not applicable.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number: 127355
UDIN: 23127355BGWIFJ4404

Place: Mumbai
Date: May 22, 2023

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2023.

Report on the Internal Financial Controls with reference to financial statements 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 financial statements of **CAMLIN FINE SCIENCES LIMITED** ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal Financial Controls and, both issued by the 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 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control with reference to 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 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 Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the Internal Financial Control Over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number: 127355
UDIN: 23127355BGWIFJ4404

Place: Mumbai
Date: May 22, 2023

BALANCE SHEET
as at March 31, 2023

₹ (in Lakh)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2 (a)	53,276.45	25,089.71
Capital Work-in-Progress	2 (b)	2,818.02	20,669.30
Right-Of-Use Assets	3 (a)	3,107.67	3,154.32
Intangible Assets	4 (a)	1,920.49	2,182.73
Intangible Assets under development	4 (b)	17.85	17.85
Financial Assets			
Investments	5	8,179.55	8,177.73
Loans	6	991.48	680.41
Other Financial Assets	7	573.99	671.59
Income Tax Assets	8	494.15	465.22
Other Non-Current Assets	9	428.87	1,430.10
Total Non-Current Assets		**71,808.52**	**62,538.96**
Current Assets			
Inventories	10	25,198.27	14,249.65
Financial Assets			
Trade Receivables	11	52,629.73	44,065.22
Cash and Cash Equivalents	12	435.06	2,216.62
Bank Balances other than Cash and Cash Equivalents	13	547.53	3,431.36
Loans	14	4,279.01	3,028.81
Other Financial Assets	15	2,282.39	2,192.34
Other Current Assets	16	1,993.20	2,663.43
Total Current Assets		**87,365.19**	**71,847.43**
Assets Held For Sale	17	207.19	207.19
TOTAL ASSETS		**159,380.90**	**134,593.58**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	18	1,570.93	1,569.84
Other Equity	19	62,643.28	57,664.33
Total Equity		**64,214.21**	**59,234.17**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	20	29,231.11	25,827.21
Lease Liabilities	3 (b)	998.48	996.46
Provisions	21	470.08	332.46
Deferred Tax Liabilities (Net)	22	1,510.42	1,030.77
Total Non-Current Liabilities		**32,210.09**	**28,186.90**
Current Liabilities			
Financial Liabilities			
Borrowings	23	31,202.81	19,005.31
Lease Liabilities	3 (b)	281.56	249.02
Trade Payables	24		
(A) Total outstanding dues of Micro Enterprises and Small Enterprises		1,614.01	373.16
(B) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		23,267.48	20,787.03
Other Financial Liabilities	25	2,039.68	3,796.67
Other Current Liabilities	26	3,060.42	2,229.86
Provisions	27	247.41	169.87
Current Tax Liabilities	28	1,243.23	561.59
Total Current Liabilities		**62,956.60**	**47,172.51**
Total Liabilities		**95,166.69**	**75,359.41**
TOTAL EQUITY AND LIABILITIES		**159,380.90**	**134,593.58**
Significant Accounting Policies	1		

The accompanying notes 1 to 50 form an integral part of the Financial Statements.

As per our Report of even date.
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 22, 2023

Signatures to the Balance Sheet and Notes to Financial Statements
For and on behalf of the Board

Ashish Dandekar
Chairman & Managing Director
DIN: 01077379

Nirmal Momaya
Managing Director
DIN:01641934

Santosh Parab
Chief Financial Officer

Rahul Sawale
Company Secretary & VP – Legal
Membership No: A 29314

Mumbai, Dated: May 22, 2023

STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2023

₹ (in Lakh)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from Operations	29	78,943.57	68,550.81
Other Income	30	2,883.18	1,870.44
Total Income		**81,826.75**	**70,421.25**
EXPENSES			
Cost of Materials Consumed	31	40,275.39	38,216.64
Purchases of Stock-in-Trade		554.44	762.07
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	32	(4,260.60)	471.50
Employee Benefits Expense	33	5,971.45	5,288.87
Finance Costs	34	5,694.24	3,342.68
Depreciation and Amortisation Expense	35	3,282.10	2,668.28
Other Expenses	36	23,647.13	16,063.50
Total Expenses		**75,164.15**	**66,813.54**
Profit Before Tax		**6,662.60**	**3,607.71**
Tax Expense			
Current tax	22(b)	1,392.06	639.84
Deferred tax	22(b)	515.07	380.89
Total Tax Expenses		**1,907.13**	**1,020.73**
Profit for the year		**4,755.47**	**2,586.98**
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined Benefit Plans		(87.44)	(23.30)
Income Tax relating to items that will not be reclassified to Profit or Loss	22(c)	30.55	8.14
Items that will be reclassified to Profit or Loss			
The effective portion of gains and loss on hedging instruments in a cash flow hedge		(13.94)	-
Income Tax relating to items that will be reclassified to Profit or Loss	22(c)	4.87	-
Total Other Comprehensive Income for the year		**(65.96)**	**(15.16)**
Total Comprehensive Income for the year		**4,689.51**	**2,571.82**
Earnings per Equity Share (Face Value of ₹ 1 each)	40		
Basic		3.18	2.14
Diluted		3.14	2.10
Significant Accounting Policies	1		

The accompanying notes 1 to 50 form an integral part of the Financial Statements.

As per our Report of even date.
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 22, 2023

Signatures to the Statement of Profit & Loss and Notes to Financial Statements
For and on behalf of the Board

Ashish Dandekar
Chairman & Managing Director
DIN: 01077379

Nirmal Momaya
Managing Director
DIN:01641934

Santosh Parab
Chief Financial Officer

Rahul Sawale
Company Secretary & VP – Legal
Membership No: A 29314

Mumbai, Dated: May 22, 2023

STATEMENT OF CASH FLOWS
for the year ended March 31, 2023

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash Flow from Operating Activities		
Profit Before Tax	6,662.60	3,607.71
Adjustment for:		
Depreciation and Amortisation Expense	3,282.10	2,668.28
Finance Costs	5,694.24	3,342.68
Foreign Exchange Loss / (Gain) (Unrealised)	(1,922.88)	(574.88)
(Gain)/Loss on sale of Property, Plant & Equipment and Intangible Assets	25.83	0.09
Allowance/(Reversal) of Credit Loss	375.56	(118.22)
Allowances for Doubtful advances	139.74	109.64
Expense/(Reversal) recognised in respect of equity-settled share-based payments	234.10	735.96
Provision for Defined Benefit Plans	234.01	98.46
Interest Income	(409.93)	(411.25)
Rent Expenses	-	0.29
Guarantee Commission	(27.27)	(49.75)
Net Gain arising on Financial Liabilities measured at Fair Value Through Profit or Loss (FVTPL)	(29.66)	(330.10)
Operating Profit before working capital changes	**14,258.44**	**9,078.91**
Adjustment for:		
Increase/(Decrease) in Non Financial Liabilities	811.71	1,392.51
Increase/(Decrease) in Financial Liabilities	3,314.83	1,551.86
(Increase)/Decrease in Non Financial Assets	(9,476.26)	(945.05)
(Increase)/Decrease in Financial Assets	(6,316.88)	(6,283.49)
Cash generated from/(used in) operations	**2,591.84**	**4,794.74**
Taxes Paid (Net)	(739.36)	(115.19)
Net Cash Flow from/(used in) Operating activities	**1,852.48**	**4,679.55**
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and Intangible Assets	(13,118.85)	(18,949.12)
Sale of Property, Plant & Equipment and Intangible Assets	0.35	-
Acquisition of subsidiary	-	(654.57)
Loan to Subsidiary and others	(1,303.86)	(640.00)
Maturity of / (Investment in) Fixed Deposit	2,883.83	2,849.95
Interest Received	65.36	161.13
Net Cash Flow from/(used in) Investing Activities	**(11,473.17)**	**(17,232.61)**

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash Flow from Financing Activities		
Proceeds from Issue of Equity Shares under Employee Stock Option Scheme	54.63	67.06
Proceeds from Issue of Equity Shares pursuant to conversion of Preferential Share Warrants	-	9,417.33
Proceeds from / (Repayment of) Long Term Borrowings (Net)	9,119.59	8,802.12
Proceeds from / (Repayment of) Short Term Borrowings (Net)	2,962.91	(2,081.82)
Payment of lease liabilities	(398.35)	(225.18)
Interest Paid	(3,899.65)	(3,087.37)
Net Cash Flow from Financing Activities	**7,839.13**	**12,892.14**
Net Increase / (Decrease) in Cash & Cash Equivalents	**(1,781.56)**	**339.08**
Cash & Cash Equivalents at the beginning of the year	**2,216.62**	**1,877.54**
Cash & Cash Equivalents at the end of the year	**435.06**	**2,216.62**

Notes :

(a) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

(b) Cash and Cash Equivalents comprises of :

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balances with banks in current accounts	432.93	54.90
Bank deposits with original maturity of less than three months	-	2,158.33
Cash on hand	2.13	3.39
Cash and cash equivalents in Statement of Cash Flows	**435.06**	**2,216.62**

(c) Previous year's figures have been regrouped/reclassified wherever applicable.

The accompanying notes 1 to 50 form an integral part of the Financial Statements.

As per our Report of even date.
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 22, 2023

Signatures to the Statement of Cash Flows and Notes to Financial Statements
For and on behalf of the Board

Ashish Dandekar
Chairman & Managing Director
DIN: 01077379

Nirmal Momaya
Managing Director
DIN:01641934

Santosh Parab
Chief Financial Officer

Rahul Sawale
Company Secretary & VP – Legal
Membership No: A 29314

Mumbai, Dated: May 22, 2023

A) EQUITY SHARE CAPITAL

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the reporting year	**1,569.84**	**1,274.98**
Issued pursuant to exercise of Employee Stock Options	1.09	1.36
Issued pursuant to conversion of Preferential Share Warrants	-	293.50
Changes in equity share capital during the year	**1.09**	**294.86**
Balance at the end of the reporting year	**1,570.93**	**1,569.84**

B) OTHER EQUITY

₹ (in Lakh)

Particulars	Share application money pending allotment	Equity component of Foreign Currency Convertible Bonds (FCCBs)	Reserves and Surplus						Money received against Preferential Share Warrants	Issue expenses towards non-converted Preferential share warrants	Effective Portion of Cash Flow Hedges	Total
			Capital Reserve	Securities Premium	Employee Stock Option Outstanding	General Reserve	Retained Earnings	Put Option				
Balance as at April 1, 2021	**0.83**	**330.97**	**2,166.13**	**24,392.22**	**501.52**	**2,532.04**	**10,436.31**	**247.80**	**4,638.38**	**(57.63)**	**-**	**45,188.57**
Profit for the year	-	-	-	-	-	-	2,586.98	-	-	-	-	2,586.98
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	(15.16)	-	-	-	-	(15.16)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,571.82**	**-**	**-**	**-**	**-**	**2,571.82**
Amount Received during the year	-	-	-	-	-	-	-	-	9,417.33	-	-	9,417.33
Issue of Equity Shares pursuant to exercise of Employee Stock Option (ESOP) Scheme	(0.83)	-	-	66.53	-	-	-	-	-	-	-	65.70
Issue of Equity Shares pursuant to conversion of preferential share warrants	-	-	-	13,762.24	-	-	-	-	(14,055.71)	-	-	(293.47)
Issue expenses towards converted preferential share warrants transferred to Securities Premium	-	-	-	(57.63)	-	-	-	-	-	57.63	-	-
Deferred Tax on QIP Issue expenses	-	-	-	-	-	-	(27.46)	-	-	-	-	(27.46)
Fair valuation of Share Based Payments	-	-	-	-	741.84	-	-	-	-	-	-	741.84
Transferred to Securities Premium	-	-	-	23.86	(23.86)	-	-	-	-	-	-	-
Balance as at March 31, 2022	**-**	**330.97**	**2,166.13**	**38,187.22**	**1,219.50**	**2,532.04**	**12,980.67**	**247.80**	**-**	**-**	**-**	**57,664.33**

₹ (in Lakh)

Particulars	Share application money pending allotment	Equity component of Foreign Currency Convertible Bonds (FCCBs)	Reserves and Surplus						Money received against Preferential Share Warrants	Issue expenses towards non-converted Preferential share warrants	Effective Portion of Cash Flow Hedges	Total
			Capital Reserve	Securities Premium	Employee Stock Option Outstanding	General Reserve	Retained Earnings	Put Option				
Profit for the year	-	-	-	-	-	-	4,755.47	-	-	-	-	4,755.47
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	(56.89)	-	-	-	-	(56.89)
Effective portion of Cash Flow Hedges	-	-	-	-	-	-	-	-	-	-	(9.07)	(9.07)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**4,698.58**	**-**	**-**	**-**	**(9.07)**	**4,689.51**
Issue of Equity Shares pursuant to exercise of Employee Stock Option (ESOP) Scheme	-	-	-	53.53	-	-	-	-	-	-	-	53.53
Fair valuation of Share Based Payments	-	-	-	-	235.91	-	-	-	-	-	-	235.91
Transferred to Securities Premium	-	-	-	24.73	(24.73)	-	-	-	-	-	-	-
Balance as at March 31, 2023	**-**	**330.97**	**2,166.13**	**38,265.48**	**1,430.68**	**2,532.04**	**17,679.25**	**247.80**	**-**	**-**	**(9.07)**	**62,643.28**

The accompanying notes 1 to 50 form an integral part of the Financial Statements.

As per our Report of even date.
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 22, 2023

Signatures to the Statement of Changes in Equity and Notes to Financial Statements
For and on behalf of the Board

Ashish Dandekar
Chairman & Managing Director
DIN: 01077379

Nirmal Momaya
Managing Director
DIN:01641934

Santosh Parab
Chief Financial Officer

Rahul Sawale
Company Secretary & VP – Legal
Membership No: A 29314

Mumbai, Dated: May 22, 2023

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A. Corporate Information

Camlin Fine Sciences Limited ("the Company") is engaged in research, development, manufacturing and marketing of speciality chemicals, ingredients and additive blends.The Company is a public listed company incorporated and domiciled in India and has its registered office at Floor 2 to 5, In G.S.Point, CST Road, Kalina, Santacruz (East), Mumbai – 400 098. The Company is listed on BSE Limited and National Stock Exchange of India Ltd.

The Financial Statements of the Company for the year ended March 31, 2023 are approved by the Board of Directors on May 22, 2023.

B. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Amendment Rules as amended from time to time. The Company's Financial Statements for the year ended March 31, 2023 comprises of the Balance Sheet, Statement of Profit and Loss, Statement of Cash Flows, Statement of Changes in Equity and Notes to Financial Statements.

Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

Functional and Presentation Currency

The financial statements are presented in Indian rupee, which is the functional currency of the Company. All financial information has been rounded to the nearest lakhs, unless otherwise indicated.

Basis of Measurement

The Financial Statements have been prepared on a going concern basis using historical cost convention and on accrual method of accounting, except for:

- certain financial assets and liabilities, including financial instruments which have been measured at fair value or amortised cost as described below.
- defined benefit plans which have been measured on the basis of actuarial valuation as required by relevant Ind ASs.

Key Accounting Estimates and Judgements:

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. 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. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities, are included in the following notes:

(i) Determination of the estimated useful lives of property, plant and equipment and intangible assets.

(ii) Recognition and measurement of defined benefit obligations, key actuarial assumptions.

(iii) Fair valuation of employee share options, key assumptions made with respect to expected volatility and dividend yield.

(iv) Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.

(v) Recognition of deferred tax assets.

(vi) Fair value of financial instruments, including derivative contracts and applicable discount rate.

(vii) Impairment of financial and non-financial assets.

(viii) Measurement of Lease Liabilities and Right of Use Assets.

(ix) Key assumptions used in discounted cash flow projections .

Measurement of fair values

The Company's accounting policies and disclosures require the financial instruments to be measured at fair values.

The Company has an established control framework with respect to measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusions that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

C. Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

1 Ind AS 1 - Presentation of Financial Statements

The amendment requires the Company to disclose material accounting policies rather than significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

2 Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

3 Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The above amendments are effective from annual periods beginning on or after 1st April, 2023. The Company is assessing the impact of these changes and will accordingly incorporate the same in the financial statements for the year ending March 31, 2024.

D Significant Accounting Policies

a. Property, Plant & Equipment

(i) Recognition and Measurement

Property, plant and equipment is initially measured at cost net of tax credit availed less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

When significant parts of Property, Plant and Equipment are required to be replaced, the Company derecognises the replaced part and recognises the new part with its own associated useful life and it is depreciated accordingly.

(ii) Depreciation

Depreciable amount for property, plant and equipment is the cost of property, plant and equipment less its estimated residual value.

Depreciation is provided on Straight Line Method over the estimated useful lives of the property, plant and equipment prescribed under Schedule II to the Companies Act, 2013 on pro rata basis. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on internal technical evaluation.

The estimated useful lives, residual values and depreciation methods are reviewed by the management at each reporting date and adjusted if appropriate.

(iii) Disposal or Retirement

Property, plant and equipment are derecognised either on disposal or when no economic benefits are expected from its use. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and recognised in the Statement of Profit and Loss in the year of occurrence.

b. Capital Work In Progress

Capital work in progress includes the acquisition/commissioning cost of assets under expansion/ acquisition and pending commissioning. Expenditure of revenue nature related to such acquisition/ expansion is also treated as capital work in progress and capitalised along with the asset.

c. Leases

(i) As a lessee

The Company assesses whether a contract contains a lease at the inception of the contract. Leases of assets (other than short term leases or leases for which the underlying asset is of low value) are recognised if the lease contract conveys the right to the Company to control the use of an identified asset for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time, if throughout the period of lease, the Company has both of the following:

a) The right to obtain substantially all of the economic benefits from use of the identified asset.

b) The right to direct the use of the identified asset.

At the date of commencement of lease, the Company recognises a Right-Of-Use asset and a corresponding lease liability for all lease arrangements in which it is a lessee except for leases for a term of twelve months or less (short term leases) and low value leases. For short term leases and low value leases, the Company recognises the lease payments as an expense on a straight-line basis over the lease term. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use is subsequently depreciated using the straight-line method from the commencement date to the the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the the incremental borrowing rate in the country of domicile of the leases. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments or if Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and Right Of Use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

The Company’s lease assets primarily consist of buildings and plant & machinery.

Leases for which the Company is a lessor is classified either as a finance or operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rent income is recognised as income on a straight line basis over lease term unless the receipts are structured to increase in line with expected general inflation.

d. Investment Property

(i) Recognition and Measurement

Land or building held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business is recognised as Investment Property. Land held for a currently undetermined future use is also recognised as Investment Property.

An investment property is measured initially at cost of acquisition or construction including transaction cost.

After initial recognition, the Company measures investment property using cost model and discloses the fair value of investment property in the notes. Fair value is determined based on the evaluation performed by an external independent valuer.

(ii) Derecognition

Investment property is derecognised from the financial statement either on disposal or when no economic benefits are expected from its use.

The gain or loss arising from disposal of investment property are determined by comparing the proceeds from disposal with the carrying amount of investment property and recognised in the Statement of Profit and Loss in the year of occurrence.

e. Intangible Assets

(i) Initial Recognition

Acquired Intangible Assets

Intangible assets acquired separately 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.

Internally generated intangible assets

Expenditure on research activities is recognised as expenses in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised if, and only if, all of the following conditions have been met:

a) It is technically feasible to complete the intangible asset so that it will be available for use or sale.

b) There is an intention to complete the asset.

c) There is an ability to use or sell the asset.

d) The asset will generate future economic benefits.

e) Adequate resources are available to complete the development and to use or sell the asset.

f) The expenditure attributable to the intangible asset during development phase can be measured reliably.

Where no internally generated intangible asset can be recognised, the development expenditure is recognised in the Statement of Profit and Loss in the period in which it is incurred.

(ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the Straight-Line Method over their estimated useful lives, and is recognised in Statement of Profit and Loss.

Estimated useful lives by major class of intangible assets are as follows:

Software - 3 to 6 years

Technical know-how - 10 years

(iii) Derecognition

An item of intangible asset is derecognised either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and recognised in the Statement of Profit and Loss in the period of occurrence.

f. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any).

If the recoverable amount of asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of an asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

g. Investment in Subsidiaries and Associate

Investment in equity shares of subsidiaries and associate are recorded at cost less accumulated impairment, if any, and reviewed for impairment at each reporting date. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associate, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

h. Financial Instruments

A financial instrument is a contract that gives rise to financial asset of one entity and financial liability or equity instrument of another entity.

I. Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

(i) Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

(ii) Subsequent measurement and classification

For the purpose of subsequent measurement, the financial assets are classified into three categories on the basis of its business model for managing the financial assets :

- Financial assets at amortised cost
- Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)
- Financial assets at Fair Value through profit or loss (FVTPL)

(iii) Financial assets 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 assets for collecting contractual cash flows and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment, if any. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

(iv) Financial asset at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is measured at Fair Value Through Other Comprehensive Income (FVTOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that 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 movements are recognized in the other comprehensive income (OCI).

Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to ‘other income’ in the Statement of Profit and Loss.

(v) Financial asset at Fair Value Through Profit or Loss (FVTPL)

A financial asset which are not classified in any of the above categories are measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as ‘other income’ in the Statement of Profit and Loss.

(vi) Financial assets as Equity Investments

All equity instruments other than investment in subsidiaries and associate are initially measured at fair value; the Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. A fair value change on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the

Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as ‘other income’ in the Statement of Profit and Loss.

(vii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised (i.e. removed from the Company’s balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset 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.

(viii) Impairment of financial assets

The Company applies ‘Simplified Approach’ for measurement and recognition of impairment loss on the following financial assets and credit exposure:

- Financial assets that are debt instruments and are measured at amortised cost e.g. loans, deposits and bank balance
- Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

II. Financial Liabilities

(i) Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost except hybrid instruments with embedded derivatives where the embedded derivative cannot be measured separately either at inception or at the end of a subsequent reporting financial period in which case it is measured at Fair Value through Profit or Loss. In case the embedded derivatives can be separated, the same is measured at Fair Value Through Profit or Loss and the host contract is measured at amortised cost.

(ii) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

(iii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings 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 transactions costs. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

(iv) Financial guarantee contracts

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the amount initially recognised less cumulative amount of income recognised in accordance with Ind AS.

(v) Compound financial instruments

Compound financial instruments issued by the Company which can be converted into fixed number of equity shares at the option of the holders irrespective of changes in the fair value of the instrument are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, FCCB being a hybrid contract, if the embedded derivative can be separated and measured, then the same is measured at fair value and designated as FVTPL, while the remaining liability component is subsequently measured at amortised cost using effective interest rate method. The equity component of a compound financial instrument is not remeasured subsequently.

(vi) 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.

III. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(i) Cash flow hedge

The Company classifies foreign exchange forward contracts that hedge foreign currency risk associated with highly probable forecast transactions as cash flow hedge and measures them at fair value. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve.

The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss, and is included in the 'Other income/expenses' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion (as described above) are reclassified to the consolidated profit or loss in the periods when the hedged item affects consolidated profit or loss, in the same line as the recognised hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised in profit or loss.

(ii) Fair value hedge

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

IV 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 or to realize the assets and settle the liabilities simultaneously.

V Incremental costs directly attributable to the issue of ordinary equity shares, are recognised as a deduction from equity.

i. Inventories

Inventories are valued at lower of cost and net realizable value. Costs are computed on weighted average basis and are net of GST credits.

Raw materials, packing materials and stores: Cost includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition.

Finished Goods and Work in Progress: In case of manufactured inventories and work in progress, cost includes all costs of purchase, an appropriate share of production overheads based on the normal operating capacity and other costs incurred in bringing the inventories to the present location and condition. In case of joint products, the costs are allocated on a rational and consistent basis.

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

j. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

k. Provisions, Contingent Liabilities and Contingent Assets

(i) 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 will be required to settle the obligation and a reliable estimate can be made. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of 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.

(ii) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(iii) Contingent Assets

Contingent Assets are not recognised in the financial statements. Contingent Assets if any, are disclosed in the notes to the financial statements.

l. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan must have been initiated.

m. Revenue Recognition

(i) Sale of goods

- Revenue from the domestic sales are recognised net of returns and allowances, trade discounts and volume rebates upon delivery which is when the control of the goods passes to the Customer and performance obligation is met at a point in time.

- Revenue from the export sales are recognised net of returns and allowances, trade discounts and volume rebates upon delivery, usually on the basis of dates of bill of lading which is when the control of the goods passes to the Customer and performance obligation is met at a point in time.

(ii) Sale of Service

Revenue is recognised from sale of services and services rendered by the Company pertaining to scaling of production process, engineering assistance, pilot projecting etc, when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts.

(iii) Export incentives

Revenue from export incentives are accounted on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

(iv) Interest Income

(a) Interest income is recognised as the interest accrues (using the effective interest rate, that is, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

b) Interest income on fixed deposits with banks is recognised on time basis.

(v) Dividend Income

Dividend income on investments is recognised when the right to receive dividend is established.

n. Employee Benefits

Liabilities in respect of employee benefits to employees are provided for as follows:

(i) Short term employee benefits:

Liabilities for wages, salaries, bonus and medical benefits including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be incurred when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post-employment benefits:

Defined contribution plans

Payments to defined contribution plans for eligible employees in the form of superannuation fund and the Company's contribution to Provident Fund are recognised as an expense in the Statement of Profit and Loss as the related service is provided.

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in current and prior periods, after discounting the same. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. The defined benefit obligation recognised in the Balance Sheet represent the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any defined benefit asset (negative defined benefit obligation resulting from this calculation) representing the present value of available refunds and reductions in future contributions to the plan is recognised.

All expenses represented by current service cost, past service cost, if any, and net interest expense / (income) on the net defined benefit liability / (asset) are recognised in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses are recognised immediately in Other Comprehensive Income (OCI).

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Other long-term employee benefits

Other long term employee benefits represent liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the service. These liabilities are measured as the present value of expected future payments to be made in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. Remeasurements are recognised in the Statement of Profit and Loss in the period in which they arise. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss in the period in which they arise.

o. Share-based payment transactions

Employees Stock Options Plans ("ESOPs"): The fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "Employee Stock Options Outstanding".

p. Borrowing Cost

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs also include exchange differences on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs pertaining to the period from commencement of activities relating to the construction / development of qualifying asset till the time all activities necessary to prepare the qualifying asset for its intended use or sale are complete are capitalised. Any income earned from temporary investment of borrowed funds is deducted from borrowing costs incurred.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready to its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

q. Foreign currency transactions / translations

Transactions in foreign currencies are initially recorded at the functional currency spot rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies and remaining unsettled at the reporting date are translated into the functional currency at the exchange rate prevailing on the reporting date.

Non- monetary items that are measured based on historical cost in a foreign currency are not translated.

Exchange differences arising on settlement of transactions or translation of monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in the previous financial statements are recognised in the Statement of Profit and Loss in the year in which they arise except for exchange differences recognised as a part of qualifying assets.

r. Income tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in other equity or in other comprehensive income, in which case, the tax is also recognised directly in other equity or other comprehensive income, respectively.

(i) Current Tax

Current tax is determined as the amount of tax payable or recoverable in respect of taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates that are enacted or substantively enacted at the reporting date.

Minimum Alternate Tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Income Tax Act, 1961. However, credit of such MAT paid is available when the Company is subject to tax as per normal provisions in the future.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are amounts of income taxes in future periods in respect of deductible temporary differences, unused tax losses, and unused tax credits to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

MAT (Minimum Alternate Tax) credit is recognised as an asset only when, and to the extent, there is convincing evidence that the Company will pay normal income tax during the specified period and the said is created by way of credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews carrying amount of MAT credit at each reporting date and writes down the same to the extent that there is no longer convincing evidence to the effect that the Company will pay normal income tax during the period.

s. Earnings per Share

Basic earnings per share are computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares outstanding during the year adjusted for the effect of all dilutive potential equity shares.

t. Dividend

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per Corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

u. Segment Reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) which is a single business segment in Speciality Chemicals.

v. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2 (a) PROPERTY, PLANT & EQUIPMENT

₹ (in Lakh)

Particulars	Factory & Other Building	Site Development	Plant, Equipment & Machinery	Furniture & Fixtures	Vehicles	Computer/ Hardware Cost	Total
Gross Block							
Balance as at April 1, 2022	**4,170.48**	**255.75**	**26,527.08**	**559.73**	**65.37**	**399.62**	**31,978.03**
Additions	3,710.01	6.43	26,590.02	192.79	259.96	55.91	30,815.12
Deletions / Disposals	196.72	-	47.47	346.13	-	69.75	660.07
Balance as at March 31, 2023	**7,683.77**	**262.18**	**53,069.63**	**406.39**	**325.33**	**385.78**	**62,133.08**
Accumulated Depreciation							
Balance upto April 1, 2022	**405.32**	**17.88**	**5,937.59**	**297.66**	**28.18**	**201.69**	**6,888.32**
Depreciation for the year	222.87	8.76	2,219.08	54.98	25.45	71.07	2,602.21
Deletions / Disposals	186.89	-	43.72	334.17	-	69.12	633.90
Balance upto March 31, 2023	**441.30**	**26.64**	**8,112.95**	**18.47**	**53.63**	**203.64**	**8,856.63**
Net Carrying Amount as at March 31, 2023	**7,242.47**	**235.54**	**44,956.68**	**387.92**	**271.70**	**182.14**	**53,276.45**

₹ (in Lakh)

Particulars	Factory & Other Building	Site Development	Plant, Equipment & Machinery	Furniture & Fixtures	Vehicles	Computer/ Hardware Cost	Total
Gross Block							
Balance as at April 1, 2021	**3,565.27**	**261.72**	**24,584.20**	**544.44**	**65.37**	**382.32**	**29,403.32**
Additions	661.66	-	2,183.65	15.29	-	36.77	2,897.37
Deletions / Disposals	56.45	5.97	240.77	-	-	19.47	322.66
Balance as at March 31, 2022	**4,170.48**	**255.75**	**26,527.08**	**559.73**	**65.37**	**399.62**	**31,978.03**
Accumulated Depreciation							
Balance upto April 1, 2021	**265.49**	**11.60**	**4,132.71**	**249.95**	**17.50**	**153.74**	**4,830.99**
Depreciation for the year	163.92	8.89	1,823.65	47.71	10.68	67.28	2,122.13
Deletions / Disposals	24.09	2.61	18.77	-	-	19.33	64.80
Balance upto March 31, 2022	**405.32**	**17.88**	**5,937.59**	**297.66**	**28.18**	**201.69**	**6,888.32**
Net Carrying Amount as at March 31, 2022	**3,765.16**	**237.87**	**20,589.49**	**262.07**	**37.19**	**197.93**	**25,089.71**

2.a.i Refer Note 20.2, 20.3 23.1 and 23.2 for information on Property, Plant and Equipment pledged as security for borrowings.

2.a.ii Property, Plant & Equipment in Note 2(a) includes assets given on lease as under:

₹ (in Lakh)

Particulars	Plant, Equipment & Machinery	Factory & Other Building	Total
Gross Block			
Balance as at April 1, 2022	**8.60**	**212.40**	**221.00**
Additions	-	-	-
Deletions / Disposals	-	-	-
Balance as at March 31, 2023	**8.60**	**212.40**	**221.00**
Accumulated Depreciation			
Balance upto April 1, 2022	**3.17**	**20.44**	**23.61**
Depreciation for the year	1.05	6.73	7.78
Deletions / Disposals	-	-	-
Balance upto March 31, 2023	**4.22**	**27.17**	**31.39**
Net Carrying Amount as at March 31, 2023	**4.38**	**185.23**	**189.61**

Particulars	Plant, Equipment & Machinery	Factory & Other Building	Total
Gross Block			
Balance as at April 1, 2021	**23.80**	**212.40**	**236.20**
Additions	-	-	-
Deletions / Disposals	15.20	-	15.20
Balance as at March 31, 2022	**8.60**	**212.40**	**221.00**
Accumulated Depreciation			
Balance upto April 1, 2021	**6.05**	**13.72**	**19.77**
Depreciation for the year	2.51	6.72	9.23
Deletions / Disposals	5.39	-	5.39
Balance upto March 31, 2022	**3.17**	**20.44**	**23.61**
Net Carrying Amount as at March 31, 2022	**5.43**	**191.96**	**197.39**

The Company has given building, plant, equipment & machinery on lease to a subsidiary for its manufacturing operation.

2.a.iii Details regarding maturity analysis of undiscounted lease income receivable

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
For next year	39.00	39.00
In second year	3.25	39.00
In third year	-	3.25
Total	**42.25**	**81.25**

2. (b) Capital Work-in-Progress (CWIP)

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Work-in-Progress	2,818.02	20,669.30
	2,818.02	**20,669.30**

2.b.i Capital Work-in-Progress includes ₹ 361.49 lakh (2021-2022: ₹ 230.13 lakh) towards borrowing costs on general borrowing capitalised during the year. The average capitalisation rate for general borrowing is 9.02% p.a (2021-2022: 8.64% p.a). Capital Work-in-Progress also includes ₹ 1,481.66 lakh ((2021-2022: ₹ 486.57 lakh) towards specific borrowing capitalised during the year. The capitalisation rate is 9.70 % p.a. (2021-2022: 4.15% p.a)

2.b.ii Refer Note 42 (II) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

2.b.iii Capital Work-in-Progress Ageing Schedule

As at March 31, 2023

₹ (in Lakh)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	1,470.44	1,240.23	59.35	48.00	2,818.02
	1,470.44	**1,240.23**	**59.35**	**48.00**	**2,818.02**

As at March 31, 2022

₹ (in Lakh)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	19,326.68	1,272.62	44.00	26.00	20,669.30
	19,326.68	**1,272.62**	**44.00**	**26.00**	**20,669.30**

Projects in Progress as on March 31, 2022 included projects amounting to ₹ 18,912.37 lakh which had exceeded their original budgeted cost and / or expected time of completion. These projects have been completed during the year.

3 RIGHT-OF-USE ASSETS

(a) Changes in the carrying value of right of use assets for the year ended March 31, 2023

₹ (in Lakh)

Particulars	Category of Asset				
	Land	Buildings	Plant, Equipment & Machinery	Computer / Hardware Cost	Total
Balance as at April 1, 2022	**1,905.16**	**1,249.16**	**-**	**-**	**3,154.32**
Additions	-	144.75	80.75	144.16	369.66
Deletions / Disposals	-	-	-	-	-
Depreciation for the year	(52.99)	(352.61)	(3.85)	(6.86)	(416.31)
Balance as at March 31, 2023	**1,852.17**	**1,041.30**	**76.90**	**137.30**	**3,107.67**

Changes in the carrying value of right of use assets for the year ended March 31, 2022

₹ (in Lakh)

Particulars	Category of Asset				
	Land	Buildings	Plant, Equipment & Machinery	Computer / Hardware Cost	Total
Balance as at April 1, 2021	**1,726.28**	**543.49**	**-**	**-**	**2,269.77**
Additions	228.89	1,225.56	-	-	1,454.45
Deletions / Disposals	-	-	-	-	-
Adjustment on account of lease modifications (Refer Note 30.2)	-	(281.90)	-	-	(281.90)
Depreciation for the year	(50.01)	(237.99)	-	-	(288.00)
Balance as at March 31, 2022	**1,905.16**	**1,249.16**	**-**	**-**	**3,154.32**

(b) Movement in lease liabilities during the year ended March 31, 2023

₹ (in Lakh)

Particulars	Category of Asset				
	Land	Buildings	Plant, Equipment & Machinery	Computer / Hardware Cost	Total
Balance as at April 1, 2022	**5.62**	**1,239.86**	**-**	**-**	**1,245.48**
Additions	-	89.12	80.75	144.16	314.03
Deletions / Disposals	-	-	-	-	-
Interest incurred during the year	0.62	113.55	1.69	3.02	118.88
Payment of lease liabilities	(0.68)	(387.48)	(3.49)	(6.70)	(398.35)
Balance as at March 31, 2023	**5.56**	**1,055.05**	**78.95**	**140.48**	**1,280.04**

Movement in lease liabilities during the year ended March 31, 2022

₹ (in Lakh)

Particulars	Category of Asset				
	Land	Buildings	Plant, Equipment & Machinery	Computer / Hardware Cost	Total
Balance as at April 1, 2021	**5.67**	**522.59**	**-**	**-**	**528.26**
Additions	-	1,194.17	-	-	1,194.17
Deletions / Disposals	-	-	-	-	-
Adjustment on account of lease modifications (Refer Note 30.2)	-	(327.44)	-	-	(327.44)
Interest incurred during the year	0.62	75.05	-	-	75.67
Payment of lease liabilities	(0.68)	(224.50)	-	-	(225.18)
Balance as at March 31, 2022	**5.61**	**1,239.87**	**-**	**-**	**1,245.48**

(c) Contractual maturities of lease liabilities on an undiscounted basis

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	414.82	369.37
One to two years	383.97	306.53
Two to five years	771.52	889.71
More than five years	11.53	12.21
Total	**1,581.84**	**1,577.82**

(d) The Company has incurred ₹ 98.17 lakh (2021-2022: ₹ 91.05 lakh) towards short term leases (Refer Note 36).

4. (a) INTANGIBLE ASSETS

₹ (in Lakh)

Particulars	Software	Technical Knowhow	R & D Process Development	Total
Gross Block				
Balance as at April 1, 2022	**178.77**	**2,720.20**	**80.20**	**2,979.17**
Additions	1.34	-	-	1.34
Deletions / Disposals	18.80	-	-	18.80
Balance as at March 31, 2023	**161.31**	**2,720.20**	**80.20**	**2,961.71**
Accumulated Amortisation				
Balance upto April 1, 2022	**164.27**	**551.97**	**80.20**	**796.44**
Amortisation for the year	4.18	259.40	-	263.58
Deletions / Disposals	18.80	-	-	18.80
Balance upto March 31, 2023	**149.65**	**811.37**	**80.20**	**1,041.22**
Net Carrying Amount as at March 31, 2023	**11.66**	**1,908.83**	**-**	**1,920.49**

₹ (in Lakh)

Particulars	Software	Technical Knowhow	R & D Process Development	Total
Gross Block				
Balance as at April 1, 2021	**168.53**	**2,613.34**	**80.20**	**2,862.07**
Additions	10.24	106.86	-	117.10
Deletions / Disposals	-	-	-	-
Balance as at March 31, 2022	**178.77**	**2,720.20**	**80.20**	**2,979.17**
Accumulated Amortisation				
Balance upto April 1, 2021	**159.09**	**299.00**	**80.20**	**538.29**
Amortisation for the year	5.18	252.97	-	258.15
Deletions / Disposals	-	-	-	-
Balance upto March 31, 2022	**164.27**	**551.97**	**80.20**	**796.44**
Net Carrying Amount as at March 31, 2022	**14.50**	**2,168.23**	**-**	**2,182.73**

4. (b) INTANGIBLE ASSETS UNDER DEVELOPMENT AGEING SCHEDULE

As at March 31, 2023

₹ (in Lakh)

Particulars	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	17.85	-	-	17.85
	-	**17.85**	**-**	**-**	**17.85**

As at March 31, 2022

₹ (in Lakh)

Particulars	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	17.85	-	-	-	17.85
	17.85	**-**	**-**	**-**	**17.85**

5 INVESTMENTS

₹ (in Lakh)

Particulars		As at March 31, 2023		As at March 31, 2022	
		Number of Shares	Amount	Number of Shares	Amount
Investment in Equity Instruments (Fully Paid) (At Cost)					
Unquoted					
(i)	**Subsidiaries**				
	CFS Do Brasil Industria, Comercio, Importacao E Exportacao De Aditivos Alimenticios LTDA (of Brazilian Real $ 1 each)	7,851,644	1,603.12	7,851,644	1,603.12
	Solentus North America Inc.(of CAD $ 1 each) (Refer Note 5.1 and Note 5.9)	98,600	56.01	98,600	56.01
	CFS North America LLC (of USD $ 1 each)	1,490,000	978.17	1,490,000	978.17
	Dresen Quimica S.A.P.I de C.V (of Mexican Pesos 1 each) (Refer Note 5.2, 5.3)	50,820,277	2,033.61	50,820,277	2,033.61
	CFS Europe S.p.A. (Refer Note 5.4)	2,000,000	1,178.56	2,000,000	1,178.56
	Industrias Petrotec de Mexico S.A. de C.V. (Refer Note 5.5)		6.84		5.93
	Chemolutions Chemicals Limited (of ₹ 10 each)	6,366,499	950.00	6,366,499	950.00
	CFS Wanglong Flavors (Ningbo) Co., Ltd. (Refer Note 5.6 and 39)		629.73		628.82
	CFS Pahang Asia Pte Ltd. (of USD $ 1 each)	25,500	17.89	25,500	17.89
	AlgalR NutraPharms Private Limited (of ₹ 10 each)	920,000	654.56	920,000	654.56
	CFS De Mexico Blends S.A.P.I. DE C.V. (Refer Note 5.7)	-	126.58	-	126.58
	CFS PP (M) SDN.BHD. (Refer Note 5.8)	-	-	-	-
	Total (i)		**8,235.07**		**8,233.25**
(ii)	**Others**				
	Fine Renewable Energy Limited (of ₹ 10 each) (Refer note 5.9)	50,995	5.10	50,995	5.10
	Saraswat Co-Operative Bank Limited (of ₹ 10 each)	5,000	0.50	5,000	0.50
	Total (ii)		**5.60**		**5.60**
(iii)	**Total (i+ii)**		**8,240.67**		**8,238.85**
(iv)	Provision for impairment in value of investments (Refer Note 5.9)		(61.12)		(61.12)
(v)	**Net Investments (iii-iv)**		**8,179.55**		**8,177.73**
	Aggregate amount of unquoted investments		**8,240.67**		**8,238.85**
	Aggregate amount of impairment in value of investments		**61.12**		**61.12**

5.1 The Company had invested ₹ 56.01 lakh (March 31, 2022 : ₹ 56.01 lakh) in the share capital of Solentus North America Inc., its wholly owned subsidiary company ("the subsidiary"). The Company has decided to close the said subsidiary and has initiated the process of closure, which is delayed due to technical reasons. Consequently, the Company has made full provision for impairment in the value of said investment.

5.2 Includes ₹ 115.31 lakh (March 31, 2022: ₹ 115.31 lakh) towards fair value of financial guarantees issued to a Bank in relation to loan availed by Dresen Quimica S.A.P.I. de C.V. 50,820,277 Equity Shares of Dresen Quimica are pledged in respect of the aforesaid loan.

5.3 Recognition of Put Option

As per the amended shareholders agreement dated October 18, 2021 entered into by the Company with the minority shareholder of Dresen Quimica S.A.P.I. de C.V. (Dresen Quimica), on November 17, 2021, the Company, through its wholly owned subsidiary CFS De Mexico Blends S.A.P.I. DE C.V., had acquired 33.50% stake in Dresen Quimica for a total consideration of US$ 8.50 million equivalent to ₹ 6,344.80 lakh. The balance 1.50% non-controlling interest will extinguish on payment of preferred dividend by Dresen Quimica over a period upto December 31, 2023 amounting to US$ 4.623 million as escalated by 3% per annum from January 1, 2021 till the date of respective payments. If the aforesaid payments are not made or are inadequate, then the amended agreement provides a put option to the non-controlling interest to sell 1.50% stake which will be valued at the unpaid portion of the preferred dividend. There are no participating rights in any profits to the non-controlling interest effective January 1, 2021.

The fair value of put option obligation is calculated based on 'Income Approach'. The fair value of put option being immaterial, there is no recognition thereof as investment and there is no corresponding recognition in other equity and / or of financial obligation.

The erstwhile put option for 35% based on original shareholders' agreement had extinguished on entering into the amended agreement. The initial recognition of the fair value of this put option as a financial obligation amounting to ₹ 615.15 lakh remains as investment. With extinguishment of this put option, the erstwhile put option liability had extinguished as on the date of amended agreement.

5.4 Includes ₹ 125.33 lakh (March 31, 2022: ₹ 125.33 lakh) towards fair value of financial guarantees issued to a Bank in relation to loan availed by CFS Europe S.p.A.

5.5 ₹ 6.84 lakh (March 31, 2022: ₹ 5.93 lakh) is towards fair value of employee stock options under CFS Employee Stock Option Scheme, 2018 (ESOP 2018) given to an employee of Industrias Petrotec de Mexico S.A. de C.V. (Refer Note 19.4).

5.6 Includes ₹ 6.84 lakh (March 31, 2022: ₹ 5.93 lakh) towards fair value of employee stock options under CFS Employee Stock Option Scheme, 2018 (ESOP 2018) given to an employee of CFS Wanglong Flavours (Ningbo) Co., Ltd. (Refer Note 19.4).

5.7 The Company had participated in 50,000 shares of CFS De Mexico Blends S.A.P.I. DE C.V. (CFS Blends) its wholly owned subsidiary. The amount towards the aforesaid subscription has not been remitted as on March 31, 2023.

Includes ₹ 126.58 lakh (March 31, 2022: ₹ 126.58 lakh) towards fair value of financial guarantees issued to a Bank in relation to loan availed for acquisition of 33.5% stake in Dresen Quimica. 50,820,277 Equity Shares of Dresen Quimica held by the Company and 49,999 Equity Shares of CFS Blends are pledged in respect of the loan."

5.8 The Company has incorporated CFS PP(M) SDN. BHD., a subsidiary in Malaysia during the year. There are no operations in the Company during the year. No amount towards subscription of shares has been remitted as on March 31, 2023.

5.9 The provision for impairment in the value of investments represents the provision in respect of investments in Fine Renewable Energy Limited and Solentus North America Inc.

6 LOANS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
I Unsecured, considered good		
Loans to related parties (Refer Note 6.1, 6.2, 14.2 and 43 (III)(4))	991.48	680.41
Unsecured, credit impaired		
Loans to related parties	189.18	189.18
Less:- Provision for Credit Impaired (Refer Note 6.3, 14.2, and 43(III)(4))	(189.18)	(189.18)
	991.48	**680.41**

6.1 The loans to subsidiaries have been made for general corporate purposes of each subsidiary. These loans are given at rates comparable to the average commercial rate of interest and in compliance with the provisions of Companies Act, 2013.

6.2 No loans are due from Directors or other officers of the Company either severally or jointly with any other person or amount due by firms or private companies in which any director is a partner, a director or a member.

6.3 The Company had given loans of ₹ 189.18 lakh (₹ 242.27 lakh including interest of ₹ 53.09 lakh (Refer Note 14.2) to Solentus North America Inc., its wholly owned subsidiary company. The Company had also provided advances of ₹ 15.79 lakh to Solentus North America Inc. (Refer Note 14.2). The Company has decided to close the said subsidiary and has initiated the process of closure, which is delayed due to technical reasons. Consequently, the Company has made full provision for the said loans and advances. (Refer Note 5.1).

7 OTHER FINANCIAL ASSETS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposit	390.81	331.51
Derivative asset (Refer Note 7.1 and 15)	183.18	340.08
	573.99	**671.59**

7.1 The derivative asset ₹ 369.74 lakh (March 31, 2022: ₹ 340.08 lakh) represents the embedded derivative portion of compound financial instrument i.e FCCB. The Company has measured the embedded derivative at FVTPL and the host contract has been accounted at amortised cost. The change in the carrying amount of the embedded derivative amounting to ₹ 29.66 lakh (2021-2022: ₹ 330.10 lakh) has been recognised in the Statement of Profit and Loss (Refer Note 30(b)).

8 INCOME TAX ASSETS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Tax and Tax Deducted at Source (Net of Provision for Tax)	494.15	465.22
	494.15	**465.22**

9 OTHER NON-CURRENT ASSETS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	414.65	1,400.87
Prepaid expenses	14.22	29.23
	428.87	**1,430.10**

10 INVENTORIES

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Raw materials and Packing materials		
(i) in stock	12,859.89	5,494.32
(ii) in transit	128.11	822.85
(b) Work-in-progress	6,875.67	6,288.34
(c) Finished goods	4,713.46	1,009.75
(d) Stock-in-trade	35.03	65.47
(e) Stores and spares	586.11	568.92
	25,198.27	**14,249.65**

10.1 Refer Note 20.2.(a) - 20.2.(e) , 23.1 and 23.2 for information on inventories pledged as security for borrowings.

10.2 The above amounts are net of provision in respect of write down towards slow moving and non moving inventories amounting to ₹ 445.82 lakh (2021-2022: ₹ 22.72 lakh). These are recognised as an expense under Note 31, 32 and 36.

11 TRADE RECEIVABLES

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good (Refer Note 11.1 and 39)	53,196.30	44,320.14
Less: Loss allowance (Refer Note 11.3)	(566.57)	(254.92)
	52,629.73	**44,065.22**

11.1 Includes ₹ 37,064.84 lakh (March 31, 2022: ₹ 31,267.03 lakh) from related parties. (Refer Note 43(III)(1))

11.2 Details of ageing of gross amount of trade receivables outstanding from the due date of payment

As at March 31, 2023

₹ (in Lakh)

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed, considered good	14,994.84	8,225.29	2,951.09	7,804.92	12,678.17	6,541.99	53,196.30
	14,994.84	**8,225.29**	**2,951.09**	**7,804.92**	**12,678.17**	**6,541.99**	**53,196.30**

As at March 31, 2022

₹ (in Lakh)

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed, considered good	13,334.01	8,392.73	3,398.43	11,941.79	7,017.49	235.69	44,320.14
	13,334.01	**8,392.73**	**3,398.43**	**11,941.79**	**7,017.49**	**235.69**	**44,320.14**

11.3 Details of loss allowance

The Company has used practical expedient by computing expected credit loss allowance for trade receivables (excluding subsidiaries) by taking into consideration historical credit loss experience and adjusted for forward looking information. The expected credit loss is calculated on the basis of ageing of the days, the receivables are due and the expected credit loss rate.

The movement in loss allowance is as follows:

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	254.92	373.14
Add: Created during the year	375.55	(118.22)
Less: Released during the year	(63.90)	-
Balance as at end of the year	**566.57**	**254.92**

11.4 The carrying amount of trade receivables include receivables discounted with banks, which are with re-course to the Company. Accordingly, the Company continues to recognise the transferred receivables in its Balance Sheet. The carrying amount of these receivables is ₹ 754.80 lakh (March 31, 2022: ₹ Nil). The corresponding carrying amount of associated liabilities are recognised as short term borrowings. (Refer Note 23.2.b and Note 23.3)

12 CASH AND CASH EQUIVALENTS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks in current accounts	432.93	54.90
Bank deposits with original maturity of less than three months	-	2,158.33
Cash on hand	2.13	3.39
	435.06	**2,216.62**

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Earmarked balances with banks (Refer Note 13.1)	7.36	15.95
Bank deposits with original maturity of more than three months but less than 12 months.	-	2,055.32
Balances with banks to the extent held as margin money or security against borrowings, guarantees and other commitments which have original maturity period of more than three months but less than 12 months.	540.17	1,360.09
	547.53	**3,431.36**

13.1 Earmarked balances with banks refers to balances carried in designated bank accounts towards unclaimed dividend.

14 LOANS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured, considered good		
Loans to others	1,000.00	-
Unsecured, considered good		
Loans to related parties (Refer Note 14.1, 14.2 and (43(III)(4))	3,279.01	3,028.81
	4,279.01	**3,028.81**

14.1 The loans to subsidiaries have been made for general corporate purposes of each subsidiary. These loans are given at rates comparable to the average commercial rate of interest and in compliance with the provisions of Companies Act, 2013.

14.2 Loans to related parties are as follows: (Refer Note 43(III)(4))

₹ (in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Balance	Maximum outstanding during the year	Balance	Maximum outstanding during the year
Subsidiaries				
(a) CFS Do Brasil Industria, Comercio, Importacao E Exportacao De Aditivos Alimenticios LTDA	1,643.61	1,660.03	1,518.21	1,518.21
(b) Solentus North America Inc	189.18	189.18	189.18	189.18
(c) CFS North America LLC	1,635.40	1,651.74	1,510.60	1,510.60
(d) AlgalR NutraPharms Private Limited	991.48	991.48	680.41	680.41
	4,459.67	**4,492.43**	**3,898.40**	**3,898.40**

14.3 Additional information on the above

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Disclosed as		
Current	4,279.01	3,028.81
Non-Current (before provision for impairment of ₹ 189.18 lakh (March 31, 2022: ₹ 189.18 lakh) towards Solentus North America Inc (Refer Note 6.3)	1,180.66	869.59
	5,459.67	**3,898.40**

14.4 The details of loans given to related parties which are repayable on demand are as follows:

₹ (in Lakh)

Type of Borrower	As at March 31, 2023		As at March 31, 2022	
	Amount of loans outstanding	Percentage to the total loans	Amount of loans outstanding	Percentage to the total loans
Related Parties	3,468.19	64%	3,217.99	83%
	3,468.19	**64%**	**3,217.99**	**83%**

14.5 No loans are due from Directors or other officers of the Company either severally or jointly with any other person or amount due by firms or private companies in which any director is a partner, a director or a member.

15 OTHER FINANCIAL ASSETS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Security deposits	34.51	177.31
Receivable from Subsidiaries (Refer Note 43(III)(5)		
Interest on loans		
Considered good	1,469.77	1,105.81
Considered credit impaired (Refer Note 6.3)	53.09	53.09
Less: Provision for credit impaired	(53.09)	(53.09)
Other receivable (Refer Note 43(III)(6))		
Considered good (Refer Note 39)	450.01	378.77
Considered credit impaired (Refer Note 6.3)	15.79	15.79
Less: Provision for credit impaired	(15.79)	(15.79)
Derivative asset (Refer Note 7.1)	186.56	-
Interest receivable from others	25.02	-
Insurance claim receivable	-	496.38
Other receivable	116.52	34.07
Unsecured credit impaired		
Security deposits	66.08	-
Less: Provision for credit impaired	(66.08)	-
	2,282.39	**2,192.34**

16 OTHER CURRENT ASSETS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advances to vendors (Refer Note 16.1)	84.47	498.88
Prepaid expenses	814.92	585.88
Balance with Government Authorities	865.27	1,366.34
Others (Refer Note 42.1)	228.54	212.33
Unsecured, credit impaired		
Advances to vendors	428.80	355.14
Less:- Provision for credit impaired	(428.80)	(355.14)
	1,993.20	**2,663.43**

16.1 Includes ₹ 27.30 lakh (March 31, 2022: ₹ 27.30 lakh) towards advances given to related parties (Refer Note 43(III)(7)).

17 ASSET CLASSIFIED AS HELD FOR SALE

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Freehold land	207.19	207.19
	207.19	**207.19**

17.1 The Company intends to dispose off freehold land situated at Pali in the next 12 months. This land was not utilised by the Company for its operations. No impairment loss was recognised neither on reclassification of the land as held for sale nor as at reporting date, as the management expects that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount.

17.2 Details of title deeds of immovable property not held in the name of the Company:

Description of item of immovable property	Gross Carrying Value (₹ Lakh) as on March 31, 2023	Title deeds held in the name of	Property held since which date	Reason for not being held in the name of the Company
Freehold land	207.19	Camlin Fine Chemicals Limited (erstwhile name of the Company)	October 19, 2007	The registration process for transfer is in progress as on March 31, 2023

18 EQUITY SHARE CAPITAL

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Authorised		
180,000,000 Equity Shares of ₹ 1 each (March 31, 2022: 180,000,000 Equity Shares of ₹ 1 each).	1,800.00	1,800.00
	1,800.00	**1,800.00**
b) Issued, Subscribed and Paid - up		
157,093,496 Equity Shares of ₹ 1 each (March 31, 2022: 156,984,246 Equity Shares of ₹ 1 each).	1,570.93	1,569.84
	1,570.93	**1,569.84**

c) **Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year**

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹ (in Lakh)	No. of Shares	₹ (in Lakh)
Equity Shares				
Outstanding at the beginning of the year	156,984,246	1,569.84	127,498,471	1,274.98
Add: Issued pursuant to exercise of employee stock options Scheme 2018	109,250	1.09	135,775	1.36
Add: Issued pursuant to conversion of preferential share warrants	-	-	29,350,000	293.50
Outstanding at the end of the year	**157,093,496**	**1,570.93**	**156,984,246**	**1,569.84**

d) **Rights, preferences and restrictions attached to Equity Shares**

The Company has only one class of shares having par value of ₹ 1 per share. Each holder of Equity Shares 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 are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

e) **Shareholders holding more than 5% Equity Shares as at the end of the year**

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% held	No. of Shares	% held
Infinity Direct Holdings	25,500,000	16.23	25,500,000	16.24
Ashish Subhash Dandekar	14,837,250	9.44	14,060,400	8.96
ICICI Prudential Midcap Fund	-	-	11,473,477	7.31
Infinity Holdings	10,663,586	6.79	10,663,586	6.79
ICICI Prudential Smallcap Fund	9,673,633	6.16	-	-
SBI Flexicap Fund	8,554,216	5.45	9,644,844	6.14
	69,228,685	**44.07**	**71,342,307**	**45.44**

f) **Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital**

i) The Company has 4,500,000 (March 31, 2022: 4,500,000) Equity Shares reserved for issue under Employee Stock Option Plan, 2021 as at March 31, 2023. As at March 31, 2023, the Company has not issued grant letters to any eligible employees under the said plan.

ii) The Company has 4,400,000 (March 31, 2022: 4,400,000) Equity Shares reserved for issue under Employee Stock Option Plan, 2020 as at March 31, 2023. As at March 31, 2023, the Company has issued grant letters for 3,912,096 options to eligible employees under the said plan. (Refer Note 33.2.1 for terms of employee stock options).

iii) The Company has 201,500 (March 31, 2022: 310,750) Equity Shares reserved for issue under Employee Stock Option Scheme, 2018 as at March 31, 2023 (Refer Note 33.2.2 for terms of employee stock options).

g) Terms of any securities convertible into equity shares issued along with earliest date of conversion

The Company has 10,258,986 Equity Shares reserved towards conversion of Foreign Currency Convertible Bonds (Refer Note 20.1 for terms of Foreign Currency Convertible Bonds) at a conversion price of ₹ 105 per share. These Bonds were converted and 10,258,986 fully paid-up Equity Shares of face value of ₹ 1 per equity share at a conversion price of ₹ 105 per equity share were issued on May 12, 2023 that is after the end of financial year.

h) Shareholding of promoters as at the end of the year and percentage change during the year

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022		% change during the year	As at March 31, 2021		% change during the year*
	No. of Shares	% held	No. of Shares	% held		No. of Shares	% held	
Ashish Subhash Dandekar	14,837,250	9.44%	14,060,400	8.96%	0.48%	14,060,400	11.03%	(2.07%)
Subhash Digambar Dandekar	1,016,000	0.65%	1,016,000	0.65%	-	1,016,000	0.80%	(0.15%)
S D Dandekar (HUF)	-	-	1,028,900	0.66%	(0.66%)	1,028,900	0.81%	(0.15%)
Rajani Subhash Dandekar	-	-	524,800	0.33%	(0.33%)	524,800	0.41%	(0.08%)
Camart Finance Ltd.	5,319,360	3.39%	5,319,360	3.39%	-	5,319,360	4.17%	(0.78%)
Vibha Agencies Pvt. Ltd.	2,606,340	1.66%	2,606,340	1.66%	-	2,606,340	2.04%	(0.38%)
Cafco Consultants Limited	1,497,600	0.95%	1,497,600	0.95%	-	1,497,600	1.17%	(0.22%)
M K Falcon Agro Tech Pvt. Ltd.	-	-	-	-	-	-	-	-
Anagha Subhash Dandekar	2,293,906	1.46%	1,517,056	0.97%	0.49%	1,517,056	1.19%	(0.22%)
	27,570,456	**17.55%**	**27,570,456**	**17.57%**		**27,570,456**	**21.62%**	

*Pursuant to shares issued on conversion of preferential share warrants and exercise of employee stock options.

i) Utilisation of the proceeds of Preferential Issue

On September 17, 2020, the Company had allotted 35,500,000 share warrants at a subscription price of ₹ 47.89 each amounting to proceeds of ₹ 17,000.95 lakh to select investors pursuant to Preferential Issue under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

The Company has utilized the issue proceeds as follows:

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital expenditure	11,789.40	8,069.75
Investment in / loan to subsidiary	1,473.49	1,473.49
General corporate purposes	3,738.06	3,738.06
Amount kept in fixed deposits / current account with banks	-	3,719.65
Total funds raised through preferential issue	**17,000.95**	**17,000.95**

19 OTHER EQUITY

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity component of Foreign Currency Convertible Bonds (FCCBs) (Refer Note 19.1)	**330.97**	**330.97**
Capital Reserve (Refer Note 19.2)	**2,166.13**	**2,166.13**
Securities Premium (Refer Note 19.3)		
Opening Balance	38,187.22	24,392.22
Issue of equity shares pursuant to exercise of employee stock options	53.53	66.53
Issue of equity shares pursuant to conversion of preferential share warrants	-	13,762.24
Transferred from Employee Stock Option Outstanding	24.73	23.86
Utilisations during the year	-	(57.63)
Closing Balance	**38,265.48**	**38,187.22**
Employee Stock Option Outstanding (Refer Note 19.4)		
Opening Balance	1,219.50	501.52
Additions/(Reversals) during the year	235.91	741.84
Transferred to Securities Premium	(24.73)	(23.86)
Closing Balance	**1,430.68**	**1,219.50**
General Reserve (Refer Note 19.5)	**2,532.04**	**2,532.04**
Retained Earnings		
Opening Balance	12,980.67	10,436.31
Profit for the year	4,755.47	2,586.98
Remeasurement of defined employee benefit plan	(56.89)	(15.16)
Deferred tax on QIP expenses	-	(27.46)
Closing Balance	**17,679.25**	**12,980.67**
Recognition of Put Option (Refer Note 5.3)	**247.80**	**247.80**
Money received against Preferential Share Warrants (Refer Note 19.6)		
Opening Balance	-	4,638.38
Amount received during the year	-	9,417.33
Issue of equity shares pursuant to conversion of preferential share warrants	-	(14,055.71)
Closing Balance	**-**	**-**
Issue expenses towards non-converted Preferential Share Warrants (Refer Note 19.7)		
Opening Balance	-	(57.63)
Issue expenses towards converted preferential share warrants converted transferred to Security Premium	-	57.63
Closing Balance	**-**	**-**
Effective portion of Cash Flow Hedges (Refer Note 19.8)	**(9.07)**	**-**
	62,643.28	**57,664.33**

Nature and Purpose of Reserves:

19.1 Equity component of Foreign Currency Convertible Bonds (FCCBs)

FCCBs issued by the Company are split into equity and liability component and presented under other equity and Non-Current Financial Liabilities respectively.

19.2 Capital Reserve

Capital Reserve comprises of amount received pursuant to preferential share warrants forfeited by the Company on account of warrants not exercised by the allottees.

19.3 Securities Premium

The Securities premium account has been created to record the premium on issue of Equity Shares. This reserve is utilised in writing off the expenses incurred towards issue of preferential share warrants in accordance with Section 52 of the provisions of the Companies Act, 2013.

19.4 Employee Stock Option Outstanding

The Company has Employee Stock Option Scheme / Plan under which options to subscribe to the Company's shares have been given to certain employees of the Group. This reserve is used to recognise the value of equity settled share based payments provided to the employees, including Key Management Personnel, as a part of their remuneration.

The addition to Employee Stock Options Outstanding during the year is on account of CFS Employees' Stock Option Scheme, 2018 and CFS Employees' Stock Option Plan, 2020.

19.5 General Reserve

General Reserve is created from time to time by way of transfer of profits from Retained Earnings.

19.6 Money received against Preferential Share Warrants

At the EOGM held on July 25, 2020, the shareholders had approved an issue of 35,500,000 warrants at a price of ₹ 47.89 each on a preferential basis to certain proposed allottees aggregating to ₹ 17,000.95 lakh. An amount equivalent to 1/3rd price of ₹ 5,610.31 lakh was subscribed on September 17, 2020 on the issue of the warrants. Each warrant is converted into 1 Equity Share at the face value of ₹ 1 and premium of ₹ 46.89 each on or before 18 months from the date of allotment of warrants by the Company.

On November 17, 2020, the investors exercised their option of conversion of 6,150,000 warrants by subscribing the balance amount of ₹ 1,973.31 lakh. Pursuant to this conversion, 6,150,000 equity shares had been issued on November 24, 2020. On February 17, 2022, the investors exercised their option of conversion of balance 29,350,000 warrants by subscribing the balance amount of ₹ 9,417.33 lakh. Pursuant to this conversion, 29,350,000 equity shares were issued on February 23, 2022.

19.7 Issue expenses towards non-converted Preferential Share Warrants

Issue expenses towards non-converted preferential share warrants comprise expenses incurred towards issue of preferential share warrants which were not converted. The same are transferred to Securities Premium on conversion of share warrants to equity shares.

19.8 Effective Portion of Cash Flow Hedges

The Company uses foreign exchange forward contracts as part of its risk management policy for managing foreign currency risk. The effective portion of change in the fair value of forward contracts classified as cash flow hedges is recognised in other comprehensive income and accumulated in other equity under cash flow hedge reserve.

20 BORROWINGS

₹ (in Lakh)

	Particulars	As at March 31, 2023		As at March 31, 2022	
		Non-current	Current	Non-current	Current
I	**Foreign Currency Convertible Bonds - Unsecured (Refer Note 20.1)**	**6,614.58**	**6,839.05**	**11,988.69**	**-**
II	**Term Loans**				
(a)	**From Banks -Secured**				
	In Rupees (Refer Note 20.2)	2,144.46	1,032.13	2,955.83	985.57
(b)	**From Others - Secured**				
	In Foreign Currency (Refer Note 20.3)	20,472.07	1,363.42	10,882.69	-
		29,231.11	**9,234.60**	**25,827.21**	**985.57**

20.1 Foreign Currency Convertible Bonds -Unsecured

Foreign Currency Convertible Bonds (FCCBs) denominated in USD carried at ₹ 13,453.63 lakh as at March 31, 2023 (March 31, 2022: ₹ 11,988.69 lakh) represent 30 unsecured, unlisted and unrated FCCBs of US$ 5,00,000 each aggregating to US$ 15,000,000. FCCBs are convertible into Company's fully paid equity shares of ₹ 1 each at a conversion price of ₹ 105 per share at the option of the bond holder. If the conversion option is not exercised by the bond holder, the amount is payable in two equal instalments at the end of September 14, 2023 and September 14, 2024. The simple interest at the rate of 5.5% per annum from October 29, 2021 (4.5% per annum from inception upto October 28, 2021) is payable semi-annually on the outstanding amount of FCCBs, compound interest at the rate of 1% per annum from October 29, 2021 (2% per annum from inception upto October 28, 2021) and additional interest at the rate of 0.5% shall accrue on semi-annual basis and be payable in two equal instalments on the 5th and 6th anniversary of the FCCB subscription date. These Bonds were converted and 10,258,986 Equity Shares were issued on May 12, 2023 that is after the end of financial year.

20.2 Term Loans from Banks in Rupees - Secured

(a) ₹ Nil (March 31, 2022: ₹ 56.25 lakh) secured by first *pari passu* charge on all current assets of the Company, both present and future. Further secured by first *pari passu* charge by an equitable mortgage on entire movable and immovable fixed assets of the Company, both present and future, excluding assets charged exclusively to other lenders.

(b) ₹ 1,121.15 lakh (March 31, 2022: ₹ 1,463.80 lakh) secured by first *pari passu* charge by way of hypothecation of inventories and book debts of the Company along with other working capital lenders. Further secured by first *pari passu* charge by an equitable mortgage on entire movable and immovable fixed assets of the Company, both present and future, excluding assets charged exclusively to other lenders. The loan is repayable in remaining 36 monthly instalments by March 2026. The current interest rate is at a spread of 100 basis points over 1 year MCLR.

(c) ₹ 459.06 lakh (March 31, 2022: ₹ 565.00 lakh) secured by first *pari passu* charge by way of hypothecation of inventories and book debts of the Company along with other working capital lenders. Further secured by first *pari passu* charge by an equitable mortgage on entire movable and immovable fixed assets of the Company, both present and future, excluding assets charged exclusively to other lenders. The loan is repayable in remaining 39 monthly instalments by June 2026. The current interest rate is at a spread of 100 basis points over 1 year MCLR.

(d) ₹ 1,187.10 lakh (March 31, 2022: ₹ 1,581.35 lakh) secured by first *pari passu* charge by way of hypothecation of inventories and book debts of the Company. Further secured by first *pari passu* charge by an equitable mortgage on entire movable and immovable fixed assets of the Company, both present and future, excluding assets charged exclusively to other lenders. The loan is repayable in remaining 35 monthly instalments by February 2026. The current interest rate is at a spread of 100 basis points over 6 months MCLR.

(e) ₹ 229.17 lakh (March 31, 2022: ₹ 275.00 lakh) secured by first *pari passu* charge by way of hypothecation of inventories and book debts of the Company. Further secured by first *pari passu* charge by an equitable mortgage on entire movable and immovable fixed assets of the Company, both present and future, excluding assets charged exclusively to other lenders. The loan is repayable in remaining 40 monthly instalments by July 2026. The current interest rate is at a spread of 100 basis points over 1 year MCLR.

(f) ₹ 150.70 lakh (March 31, 2022: ₹ Nil) secured by way of hypothecation of vehicle. The loan is repayable in remaining 54 monthly instalments by September 2027. The current interest rate is at a spread of 290 basis points over 1 year Repo Linked rate.

(g) ₹ 29.41 lakh (March 31, 2022: ₹ Nil) secured by way of hypothecation of vehicle. The loan is repayable in remaining 50 monthly instalments by May 2027. The current interest rate is 7.25% p.a.

20.3 Loan from others in Foreign Currency - Secured

(a) ₹ 12,129.03 lakh (March 31, 2022: ₹ 10,882.69 lakh) secured by first *pari passu* charge over entire movable and immovable fixed assets at Plot No. Z/96/D at Dahej SEZ. The loan is repayable in remaining 12 semi-annual instalments by July 2029 commencing after a moratorium period of three years from the date of first disbursement. The current interest rate is at spread of 400 basis points over 6 months LIBOR.

(b) ₹ 9,706.46 lakh (March 31, 2022: ₹ Nil) secured by first *pari passu* charge over entire movable and immovable fixed assets at Plot No. Z/96/D at Dahej SEZ. The loan is repayable in 24 structured quarterly instalments by January 2031 commencing after moratorium period of 7 quarters from April 2025. The current interest rate is at a spread of 400 basis points over SOFR.

20.4 The balances shown above include interest accrued amounting to ₹ 1,142.31 lakh (March 31, 2022: ₹ 684.40 lakh).

21 PROVISIONS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
Compensated Absences	470.08	332.46
	470.08	**332.46**

22 DEFERRED TAX ASSETS / LIABILITIES (NET)

(a) Movement in Deferred Tax Balances

₹ (in Lakh)

Particulars	As at April 1, 2022	Movement during the year			As at March 31, 2023
		Recognised in Profit and Loss	Recognised in Other Equity	Recognised in OCI	Deferred Tax (Liabilities)/ Assets
Deferred Tax Asset/ (Liabilities)					
Property, Plant and Equipment and Intangible Assets	(3,050.28)	(1,770.55)	-	-	(4,820.83)
Provision for Doubtful Debts and Advances	286.41	194.42	-	-	480.83
Transaction cost (net) relating to borrowings	33.40	42.24	-	-	75.64
Employee Benefits	325.99	(0.15)	-	30.55	356.39
Unabsorbed Depreciation	371.57	(371.57)	-	-	-
Unutilised MAT Credit	1,007.99	1,244.15	-	-	2,252.14
Indexation benefit on long term capital asset	-	59.68	-	-	59.68
Others	(5.85)	86.71	-	4.87	85.73
Deferred Tax Asset/ (Liabilities)	**(1,030.77)**	**(515.07)**	**-**	**35.42**	**(1,510.42)**

₹ (in Lakh)

Particulars	As at April 1, 2021	Movement during the year			As at March 31, 2022
		Recognised in Profit and Loss	Recognised in Other Equity	Recognised in OCI	Deferred Tax (Liabilities)/ Assets
Deferred Tax Asset/ (Liabilities)					
Property, Plant and Equipment and Intangible Assets	(2,849.61)	(200.67)	-	-	(3,050.28)
Provision for Doubtful Debts and Advances	336.63	(50.22)	-	-	286.41
QIP Issue Expenses	27.46	-	(27.46)	-	-
Transaction cost (net) relating to borrowings	(166.21)	199.61	-	-	33.40
Employee Benefits	125.55	192.30	-	8.14	325.99
Unabsorbed Depreciation	1,528.51	(1,156.94)	-	-	371.57
Unutilised MAT Credit	377.66	630.33	-	-	1,007.99
Others	(10.55)	4.70	-	-	(5.85)
Deferred Tax Asset/ (Liabilities)	**(630.56)**	**(380.89)**	**(27.46)**	**8.14**	**(1,030.77)**

(b) Tax recognised in Profit and Loss

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax		
In respect of the current year	1,313.18	630.33
In respect of prior year	78.88	9.51
	1,392.06	**639.84**
Deferred Tax		
Origination and reversal of Tax on Temporary Differences	1,759.22	1,011.22
(Origination) / Utilisation of MAT Credit Entitlement	(1,244.15)	(630.33)
	515.07	**380.89**
Tax expense for the year	**1,907.13**	**1,020.73**

(c) Tax recognised in Other Comprehensive Income

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Items that will not be reclassified to Profit and Loss		
Remeasurements of Defined Benefit Plans	(30.55)	(8.14)
Items that will be reclassified to Profit and Loss		
The effective portion of gains and losses on hedging instruments in a cash flow hedge	(4.87)	-
	(35.42)	**(8.14)**

(d) Reconciliation of Effective Tax Rate

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit Before Tax	6,662.60	3,607.71
Statutory income tax rate#	34.944%	34.944%
Expected Income Tax Expense	**2,328.18**	**1,260.68**
Tax effect of:		
Effect of income exempt from tax / non taxable on compliance of conditions	(404.96)	(1,260.67)
Effect of income chargeable at specified tax rates	(1,854.16)	-
Effect of expenses / provisions allowable / deductible in determining taxable profit	(316.13)	(341.69)
Effect of net additional / (reversal) of provision in respect of prior years	78.88	9.51
Effect of allowances on Property, Plant & Equipment / Intangible Assets and unabsorbed depreciation	2,082.44	1,357.61
Others	(7.12)	(4.71)
Total Income Tax Expense	**1,907.13**	**1,020.73**

#The Company has elected not to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 for the current financial year. The tax rate applicable to the Company for the current financial year is 34.944%.

23 BORROWINGS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
I Loans repayable on demand		
From Banks -Secured		
Working Capital loans (Refer Note 23.1)	20,401.14	17,377.69
II Other Short Term Borrowings		
(a) From Banks -Secured		
Working Capital loans (Refer Note 23.2)	1,254.88	642.05
(b) From Banks -Unsecured		
Working Capital loans (Refer Note 23.3)	312.19	-
III Current maturities of long-term debt (Refer Note 20)	9,234.60	985.57
	31,202.81	**19,005.31**

23.1 Loans repayable on demand - Secured

₹ 20,401.14 lakh (March 31, 2022: ₹ 17,377.69 lakh) on account of working capital facilities availed from banks and are secured by first *pari passu* charge over Company's current assets, both present and future. Further, secured by first *pari passu* charge by an equitable mortgage on the entire movable and immovable fixed assets of the Company, both present and future, excluding assets exclusively charged to other lenders. The said working capital facilities are additionally guaranteed by Mr. Ashish Dandekar, Chairman & Managing Director of the Company and promoter of the Company. The current interest rates range from 8.90% to 10.40% p.a.

23.2 Other Short Term Borrowings - Secured

(a) ₹ 812.27 lakh (March 31, 2022: ₹ 642.05 lakh) towards buyers credit availed from banks and is secured by security stated against Note 23.1.

(b) ₹ 442.61 lakh (March 31, 2022: ₹ Nil) towards Bill Discounting availed from banks and is secured by security stated against Note 23.1.

23.3 Other Short Term Borrowings - Unsecured

₹ 312.19 lakh (March 31, 2022: ₹ Nil) towards Bill Discounting availed from banks.

23.4 The Company does not have any charges which are yet to be registered with the Registrar of Companies (ROC) beyond the statutory period. Further, no certification in relation to the satisfaction of charge received from the banks are pending for submission with ROC.

23.5 The Company has submitted stock statements, debtors statements and other information / returns as required by the lenders on a monthly as well as quarterly basis. Such monthly / quarterly statements and returns are generally in agreement with the books of account except for differences in some cases on account of valuation, provisions etc, the impact of which is not material.

23.6 Movement in borrowings

₹ (in Lakh)

Particulars	As at March 31, 2022	Cash flows	Non-cash changes	As at March 31, 2023
Non-current borrowings	25,827.21	9,119.59	(5,715.69)	29,231.11
Current borrowings	19,005.31	2,962.91	9,234.59	31,202.81
Total borrowings	**44,832.52**	**12,082.50**	**3,518.90**	**60,433.92**

₹ (in Lakh)

Particulars	As at March 31, 2021	Cash flows	Non-cash changes	As at March 31, 2022
Non-current borrowings	16,273.39	8,802.12	751.70	25,827.21
Current borrowings	21,020.68	(2,081.82)	66.45	19,005.31
Total borrowings	**37,294.07**	**6,720.30**	**818.15**	**44,832.52**

23.7 The balances shown above include interest accrued amounting to ₹ 49.94 lakh (March 31, 2022: ₹ 66.43 lakh).

24 TRADE PAYABLES

₹ (in Lakh)

Particulars		As at March 31, 2023	As at March 31, 2022
(A)	Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 24.3)	1,614.01	373.16
(B)	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Refer Note: 24.1 and 39)	23,267.48	20,787.03
		24,881.49	**21,160.19**

24.1 Includes ₹ 9,754.62 lakh (March 31, 2022: ₹ 10,512.59 lakh) towards related parties. (Refer Note 43 (III) (2) and (3))

24.2 Details of ageing of trade payables outstanding from the due date for payment

As at March 31, 2023

₹ (in Lakh)

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed, MSME	865.68	622.38	88.19	5.02	12.94	19.80	1,614.01
Undisputed, Others	9,529.75	3,946.74	2,321.08	1,558.28	3,822.36	2,089.27	23,267.48
	10,395.43	**4,569.12**	**2,409.27**	**1,563.30**	**3,835.30**	**2,109.07**	**24,881.49**

As at March 31, 2022

₹ (in Lakh)

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed, MSME	296.79	49.30	7.45	15.44	-	4.18	373.16
Undisputed, Others	9,298.74	4,516.62	1,459.09	3,621.93	1,890.52	0.13	20,787.03
	9,595.53	**4,565.92**	**1,466.54**	**3,637.37**	**1,890.52**	**4.31**	**21,160.19**

24.3 Due to Micro and Small Enterprises

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. The credit period varies as per the contractual terms with suppliers. No interest is generally charged by the suppliers. The disclosure relating to Micro and Small Enterprises is as under:

₹ (in Lakh)

Particulars		As at March 31, 2023	As at March 31, 2022
a)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
	Principal	1,470.05	338.12
	Interest	143.96	35.04
b)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	111.92	29.97
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	32.04	5.07
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	143.96	35.04
f)	Balance as at the year end	**1,614.01**	**373.16**

24.4 Relationship with struck off companies

₹ (in Lakh)

Name of struck off company	Nature of transactions	Transaction during the year ended March 31, 2023	Balance outstanding as at March 31, 2023	Transaction during the year ended March 31, 2022	Balance outstanding as at March 31, 2022	Relationship with struck off company
Wisdom Global Logistics India Private Limited	Services availed	0.24	-	-	-	Vendor

25 OTHER FINANCIAL LIABILITIES

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unpaid / Unclaimed dividends (Refer Note 25.1)	5.97	12.03
Deposits	0.29	0.29
Unclaimed interest on public deposit (Refer Note 25.2)	-	2.53
Unclaimed public deposit (Refer Note 25.2)	-	2.30
Payable towards purchase of property, plant and equipment	1,146.18	3,079.39
Put Option Liability (Refer Note 5.3)	-	-
Unearned premium on financial guarantees given to subsidiaries	126.36	153.64
Fair value of forward contracts	13.94	-
Other outstanding liabilities	746.94	546.49
	2,039.68	**3,796.67**

25.1 There are no amounts due to be credited to Investor Education and Protection Fund in accordance with Section 125 of the Companies Act, 2013 as at the year end.

25.2 The unclaimed public deposits and unclaimed interest on public deposit outstanding at March 31, 2022 represent deposits taken under the Companies Act, 1956. The said deposits and interest have been transferred to Investor Education and Protection Fund during the year.

26 OTHER CURRENT LIABILITIES

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	306.88	207.68
Advance received from customers	2,753.54	2,022.18
	3,060.42	**2,229.86**

27 PROVISIONS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employment benefits		
Compensated absences	153.13	112.64
Balance with Gratuity Fund (Refer Note 33.1(c))	94.28	57.23
	247.41	**169.87**

28 CURRENT TAX LIABILITIES

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Tax (Net of Income Tax Assets)	1,243.23	561.59
	1,243.23	**561.59**

29 REVENUE FROM OPERATIONS

₹ (in Lakh)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	**Sale of Products**		
	Finished goods	77,308.96	67,114.85
	Traded goods	742.45	994.97
		78,051.41	**68,109.82**
(b)	**Other Operating Revenues**		
	Service income	874.77	418.06
	Commission income	-	13.86
	Sale of scrap	17.39	9.07
		892.16	**440.99**
		78,943.57	**68,550.81**

29.1 Revenue from contracts with customers disaggregated based on geography

The revenue from contracts with customers are disaggregated based on geography to comply with Ind AS 115, although it is not reviewed for evaluating financial performance for the purpose of segment reporting.

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Domestic	25,452.09	23,154.30
Exports	52,599.32	44,955.52
Total	**78,051.41**	**68,109.82**

29.2 The amounts receivable from customers become due after expiry of credit period which ranges between 15 to 120 days. There is no significant financing component in any transaction with the customers.

29.3 The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a short duration.

29.4 Revenue from sale of products includes loss of ₹ 167.55 lakh (2021-22: ₹ Nil) pertaining to effective portion of changes in fair value of foreign exchange forward contracts classified as cash flow hedges.

30 OTHER INCOME

₹ (in Lakh)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	**Interest Income On**		
	Bank deposits	57.38	79.58
	Loans to subsidiaries & others	345.32	272.36
	Refund of Income Tax	-	34.07
	Other financial assets carried at amortised cost	7.22	25.24
		409.92	**411.25**
(b)	**Other Non-Operating Income**		
	Gain on foreign exchange transactions and translation	2,377.32	919.06
	Guarantee commission income (Refer Note 30.1)	27.27	49.75
	Net gain on fair value changes of derivative instruments	29.66	330.10
	Lease income (Refer Note 30.2)	39.01	84.55
	Miscellaneous income	-	75.73
		2,473.26	**1,459.19**
		2,883.18	**1,870.44**

30.1 Guarantee commission income includes ₹ Nil (2021-2022: ₹ 34.71 lakh) towards cancellation of guarantee given on behalf of subsidiary pursuant to repayment of loan by subsidiary.

30.2 Lease income includes ₹ Nil (2021-2022: ₹ 45.54 lakh) towards lease modification (Refer Note 3).

31 COST OF MATERIALS CONSUMED

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials and Packing materials consumed		
Opening inventories	6,317.17	4,780.12
Add: Purchases	46,946.22	39,753.69
Less: Closing inventories	(12,988.00)	(6,317.17)
	40,275.39	**38,216.64**

32 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening inventories		
Finished goods	1,009.75	1,644.60
Stock-in-trade	65.47	231.30
Work-in-progress	6,288.34	5,959.16
	7,363.56	**7,835.06**
Closing inventories		
Finished goods	4,713.46	1,009.75
Stock-in-trade	35.03	65.47
Work-in-progress	6,875.67	6,288.34
	11,624.16	**7,363.56**
	(4,260.60)	**471.50**

33 EMPLOYEE BENEFITS EXPENSE

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages (Refer Note 33.1(a))	5,146.64	3,963.23
Contributions to -		
Provident Fund and other funds (Refer Note 33.1 (b))	296.44	218.07
Gratuity Fund (Refer Note 33.1(c))	55.90	211.33
Share based payments (Employee Stock Option Plan / Scheme) (Refer Note 33.2)	234.10	738.90
Staff welfare expenses	285.81	200.38
	6,018.89	**5,331.91**
Less: Reimbursement of expenses	(47.44)	(43.04)
	5,971.45	**5,288.87**

33.1 Employee Benefit Plans

(a) Other long term employee benefits

Leave encashment is payable to the employees of the Company due to death, retirement, superannuation or resignation. Employees are entitled to encash leave while in service. The leave encashment benefit is payable to all the eligible employees of the Company at the rate of daily salary as per current accumulation of leave days.

The Privilege Leave encashment liability and amount charged to Statement of Profit and Loss determined on actuarial valuation using projected unit credit method are as under:

(i) Provisions in Balance Sheet:

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Current	153.13	112.64
Non-Current	470.08	332.46
	623.21	**445.10**

(ii) Recognised in Statement of Profit and Loss

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expenses	178.11	64.53

(b) Defined Contribution Plans:

The contributions to the Provident Fund of eligible employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. Under the plan, the Company has contributed ₹ 296.44 lakh during the year (2021-2022: ₹ 218.07 lakh).

(c) Defined Benefit Plans:

The Company makes contributions to the Group Gratuity cum Life Assurance Scheme administered by the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. On retirement / resignation, the Scheme provides for payment as per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service. On death / permanent disablement in service, vesting period is not applicable.

The most recent actuarial valuation of plan assets and present value of defined benefit obligation of gratuity was carried out as at March 31, 2023. The present value of defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The following table summarizes the net benefit expense recognised in the Statement of Profit and Loss, the details of the defined benefit obligation and the funded status of the Company's gratuity plan:

₹ (in Lakh)

	Particulars	As at March 31, 2023	As at March 31, 2022
I	**Change in the Present Value of Projected Benefit Obligation**		
	Present Value of Benefit Obligation at the beginning of the year	527.65	487.25
	Interest Cost	38.15	33.13
	Current Service Cost	51.76	43.49
	Past Service Cost	-	173.71
	Benefits paid from the Fund	(39.78)	(246.70)

₹ (in Lakh)

	Particulars	As at March 31, 2023	As at March 31, 2022
	Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	(0.21)
	Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	72.71	(13.90)
	Actuarial (Gains) / Losses on Obligations - Due to Experience	18.89	50.88
	Present Value of Benefit Obligation at the end of the year	**669.38**	**527.65**
II	**Change in the Fair Value of Plan Assets**		
	Fair Value of Plan Assets at the beginning of the year	470.42	573.59
	Interest Income	34.01	39.00
	Contributions by the Employer	106.29	91.06
	Benefits paid from the Fund	(39.78)	(246.70)
	Return on Plan Assets, excluding Interest Income	4.16	13.47
	Fair Value of Plan Assets at the end of the year	**575.10**	**470.42**
III	**Net Asset / (Liability) recognised in Balance Sheet.**		
	Present value of defined benefit obligation at the end of the year	(669.38)	(527.65)
	Fair value of plan assets at the end of the year	575.10	470.42
	Net Asset / (Liability) at the end of the year	**(94.28)**	**(57.23)**
IV	**Expenses recognised in the Statement of Profit and Loss**		
	Current Service Cost	51.76	43.49
	Net Interest Cost	4.14	(5.87)
	Past Service Cost	-	173.71
	Expenses recognised in the Statement of Profit and Loss	**55.90**	**211.33**
V	**Expenses recognised in the Other Comprehensive Income (OCI)**		
	Actuarial (Gains) / Losses on Obligation for the year	91.60	36.77
	Return on Plan Assets, excluding Interest Income	(4.16)	(13.47)
	Net (Income) / Expense for the year recognised in OCI	**87.44**	**23.30**
VI	**Actuarial assumptions considered**		
(i)	Discount rate	7.50%	7.23%
(ii)	Expected return on plan assets	7.50%	7.23%
(iii)	Salary escalation rate	7.00%	5.00%
(iv)	Rate of employee turnover	4.00%	4.00%

₹ (in Lakh)

	Particulars	As at March 31, 2023	As at March 31, 2022
(v)	Mortality Table	Indian Assured Lives Mortality (2012-2014) Urban	Indian Assured Lives Mortality (2012-2014) Urban
	The assumptions of future salary increases, considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors.		
VII	**Category of asset as at the end of the year**		
	Insurer Managed Funds (100%)		
	(Fund is managed by LIC as per guidelines of Insurance Regulatory and Development Authority of India. Category-wise composition of plan assets is not available).		
VIII	**Maturity profile of Benefit Payments**		
(i)	Year 1	50.95	69.30
(ii)	Year 2	82.53	23.91
(iii)	Year 3	46.77	91.36
(iv)	Year 4	77.37	39.13
(v)	Year 5	50.87	64.62
(vi)	Years 6 -10	341.39	268.94
(vii)	Years 11 and above	663.13	363.21
	Maturity Analysis of benefit payments is undiscounted cash flows considering future salary, attrition and death in respective year for members as mentioned above.		
IX	**Sensitivity Analysis of Projected Benefit Obligation for Significant Assumptions**		
	Projected Benefit Obligation on Current Assumptions	**669.38**	**527.65**
	1% increase in Discount Rate	(43.03)	(29.66)
	1% decrease in Discount Rate	49.18	33.52
	1% increase in Salary Escalation Rate	48.93	33.94
	1% decrease in Salary Escalation Rate	(43.60)	(30.53)
	1% increase in Rate of Employee Turnover	0.02	4.17
	1% decrease in Rate of Employee Turnover	(0.18)	(4.73)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same method as applied in calculating the defined benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

33.2 Employee Stock Option Plan / Scheme

33.2.1 Employee Stock Option Plan 2020

The Company has granted options on August 20, 2020 to senior management employees under "CFSL Employees Stock Option Plan, 2020" (ESOP 2020) approved by the Board of Directors, Shareholders and Remuneration Committee. The options granted under these schemes are equity settled. The details of the scheme are summarised below:

Particulars	Details of options
Options granted	3,912,096
Exercise Price	63.59
Market Price of shares as on grant date	70.65
Basis of Exercise Price	At discount to Market Price
Vesting Period	2 years

a) Details of option granted are as under:

Particulars	No. of Options	Weighted Average Exercise Price (WAEP) (₹)	No. of Options	Weighted Average Exercise Price (WAEP) (₹)
	March 31, 2023		March 31, 2022	
Options outstanding at the beginning of the year	3,912,096	63.59	3,912,096	-
Options granted during the year	-	N.A.	-	N.A.
Options exercised during the year	-	N.A.	-	N.A.
Options expired / lapsed and forfeited during the year #	-	N.A.	-	N.A.
Options eligible for re-issue	-	63.59	-	63.59
Options outstanding at the end of the year	3,912,096	63.59	3,912,096	63.59
Exercisable at the end of the year	3,912,096	63.59	3,912,096	63.59
Other Information:				
Average of exercise price of options outstanding at the end of the year (₹)	63.59		63.59	
Average Share price during the year (₹)	133.07		162.86	
Weighted average remaining contractual life of the option outstanding at the end of the year	N.A.		0.33 years	
Weighted average fair value of the options as on date of grant (granted during the year)	N.A.		N.A.	
# The options lapsed under the Scheme are added to the stock inventory and may be granted afresh by the Compensation Committee to such eligible employees as it may deem fit in its sole discretion.				
Option pricing model used	**Black-Scholes Option Pricing Model**			

b) Assumptions used in arriving at fair value of options are as under:

Particulars	Details	Description of input used
Risk free interest rate	4.98%	Based on yield to maturity on zero coupon government securities having a maturity of 5 years.
Expected life of stock options	4 years	Period for which options are expected to be alive
Expected volatility	54.00%	Volatility is a measure of the amount by which a price is expected to fluctuate during a period based on the historic data.
Expected dividend yield	Nil	The dividends declared by the Company in the past and its share price.
Price of share on the date of granting of options	70.65	Fair market value
The fair value of options:	**35.38**	

33.2.2 Employee Stock Option Scheme 2018

The Company has granted options on April 08, 2019 to eligible employees of Group under " CFS - Camlin Fine Sciences Employees Stock Option Scheme, 2018" (ESOP - 2018) approved by the Board of Directors, Shareholders and Remuneration Committee. The options granted under these schemes are equity settled. The details of the scheme are summarised below:

Particulars	Details of options				Total
	1st Vesting	2nd Vesting	3rd Vesting	4th Vesting	
Options granted	135,250	135,250	135,250	135,250	541,000
Exercise Price	50	50	50	50	
Market Price of shares as on grant date	50	50	50	50	
Basis of Exercise Price	At market price				
Vesting Period	1 year	2 years	3 years	4 years	

a) Details of options granted are as under:

Particulars	No. of Options	Weighted Average Exercise Price (WAEP) (₹)	No. of Options	Weighted Average Exercise Price (WAEP) (₹)
	March 31, 2023		March 31, 2022	
Options outstanding at the beginning of the year	310,750	50	446,525	50
Options granted during the year	-	N.A.	-	N.A.
Options exercised during the year	109,250	50	135,775	50
Options expired / lapsed and forfeited during the year	-	N.A.	8,000	50
Options eligible for re-issue	-	50	8,000	50

Particulars	No. of Options	Weighted Average Exercise Price (WAEP) (₹)	No. of Options	Weighted Average Exercise Price (WAEP) (₹)
	March 31, 2023		March 31, 2022	
Options outstanding at the end of the year	201,500	50	310,750	50
Exercisable at the end of the year	201,500	50	310,750	50
Other Information:				
Average of exercise price of options outstanding at the end of the year (₹)	50		50	
Average Share price during the year (₹)	133.07		162.86	
Weighted average remaining contractual life of the option outstanding at the end of the year	0.01 years		0.45 years	
Weighted average fair value of the options as on date of grant (granted during the year)	N.A.		N.A.	
63,500 options lapsed under the Scheme are added to the stock inventory and may be granted afresh by the Compensation Committee to such eligible employees as it may deem fit in its sole discretion.				
Option pricing model used	**Black-Scholes Option Pricing Model**			

b) Assumptions used in arriving at fair value of options are as under:

Particulars	Vesting Period				Description of input used
	1st Vesting	2nd Vesting	3rd Vesting	4th Vesting	
Risk free interest rate	7.41%	7.41%	7.41%	7.41%	Based on yield to maturity on zero coupon government securities maturing after 1 year.
Expected life of stock options	1 year	2 years	3 years	4 years	Period for which options are expected to be alive
Expected volatility	59.31%	59.31%	59.31%	59.31%	Volatility is a measure of the amount by which a price is expected to fluctuate during a period based on the historic data.
Expected dividend yield	Nil	Nil	Nil	Nil	The dividends declared by the Company in the past and its share price.
Price of share on the date of granting of options	50	50	50	50	Fair market value
Fair value of options	12.78	18.43	22.64	26.02	

34 FINANCE COSTS

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense	4,683.10	3,060.09
Interest on lease liabilities (Refer Note 3(b))	118.88	75.67
Foreign exchange loss / (gain) (Refer Note 34.1)	2,518.93	850.83
Other borrowing cost	224.46	101.32
Total finance costs	7,545.37	4,087.91
Less: Interest income from temporary investments (Refer Note 2.b.i)	(7.98)	(28.53)
Less: Capitalised to Capital Work in Progress (Refer Note 2.b.i)	(1,843.15)	(716.70)
	5,694.24	**3,342.68**

34.1 Foreign Exchange loss / (gain) includes exchange loss on foreign currency borrowings amounting to ₹ 321.86 lakh (2021-2022: ₹ 193.71 lakh), regarded as an adjustment to interest costs.

35 DEPRECIATION AND AMORTISATION EXPENSE

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Property, Plant and Equipment (Refer Note 2(a))	2,602.21	2,122.13
Depreciation / Amortisation on Right-Of-Use Assets (Refer Note 3(a))	416.31	288.00
Amortisation on Intangible Assets (Refer Note 4)	263.58	258.15
	3,282.10	**2,668.28**

36 OTHER EXPENSES

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spares	1,453.36	852.07
Power and fuel	9,276.16	5,396.72
Short term leases (Refer Note (3(d))	98.17	91.05
Rates and taxes	76.22	72.33
Insurance	579.56	470.98
Repairs to building	1.39	22.31
Repairs - plant and equipment	481.13	424.73
Repairs - others	468.40	456.88
Sub-Contract charges	2,189.24	923.49
Labour charges	1,658.27	1,384.84

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Advertisement and sales promotion	993.29	561.80
Transport and forwarding charges	2,052.51	2,288.57
Commission / discount / service charges on sales	150.88	280.70
Travelling and conveyance	914.17	390.79
Directors' fees	61.25	66.25
Auditor's remuneration (Refer Note 37)	50.69	53.25
Commission to directors	45.00	-
Legal & professional fees	620.49	854.70
Bad debts written off	63.90	-
Provision for doubtful debts written back	(63.90)	-
Provision / Allowance for Credit Loss	375.56	(118.22)
Provision for doubtful advances and deposits	139.74	109.64
Loss on Property, Plant and Equipment sold / discarded	25.83	0.09
Corporate Social Responsibility Contribution (Refer Note 38)	58.00	42.00
Bank charges	338.15	296.11
Insurance claim loss	244.63	-
Export licenses written off	49.56	390.76
Establishment expenses	303.95	236.70
Water charges	174.83	113.93
Miscellaneous expenses	808.15	418.93
	23,688.58	**16,081.40**
Less: Reimbursement of expenses	(41.45)	(17.90)
	23,647.13	**16,063.50**

37 AMOUNT PAID TO AUDITORS

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit fees	50.00	50.00
Certification	0.45	2.57
Reimbursement of expenses	0.24	0.68
Total	**50.69**	**53.25**

38 CORPORATE SOCIAL RESPONSIBILITY

The Company has spent ₹ 58.00 lakh during the financial year (2021-2022: ₹ 42 lakh) as per the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII thereof, towards Corporate Social Responsibility (CSR) activities.

a) Gross amount required to be spent by the Company during the year - ₹ 58.00 lakh (2021-2022: ₹ 42.00 lakh)

b) Amount spent during the year on:

₹ (in Lakh)

Particulars	Amount spent in cash	Amount yet to be paid in cash	Total
Year ending March 31, 2023			
(i) Construction / Acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	58.00	-	58.00
Year ending March 31, 2022			
(i) Construction / Acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	42.00	-	42.00

c) Nature of CSR activities during the year

The Company operates CSR Policy in the areas of promoting healthcare, education including special education and employment enhancing vocation skills especially among children, the differently abled, tribal communities and measures for reducing inequalities faced by socially and economically backward classes. The projects identified and adopted are as per the activities included and amended from time to time in Schedule VII of the Companies Act, 2013.

During the year, the Company has spent ₹ 58.00 lakh towards CSR activities through NGOs operating in the said areas.

39 OPERATIONS AT CFS WANGLONG FLAVORS (NINGBO) CO., LTD.

Supreme People's Court of China vide its judgement dated February 19, 2021 had imposed a penalty of RMB 159.32 million (about USD 25 million / ₹ 18,000 lakh) including right protection cost of RMB 3.49 million (about USD 0.55 million / ₹ 390 lakh) on our JV partner Ningbo Wanglong Technology Limited (being 49% stake holder in Company's subsidiary CFS Wanglong Flavors (Ningbo) Co., Ltd. (CFSWL) & others for alleged infringement of intellectual property used in the process for manufacturing Vanillin. Further, 7% of the aforesaid penalty amounting to RMB 11.15 million (about USD 1.70 million / ₹ 1,265 lakh) had also been levied on CFSWL. Consequent to the Order, as an abundant legal caution, the production of Vanillin at CFSWL's manufacturing facility in China has been stopped till further directions of the Court.

In the opinion of the management, based on the discussions with the JV Partner, the findings and allegations of the Honourable Court are not based on the facts and that the order passed by the Court is arbitrary. As a co-defendant with the JV Partner, CFSWL had preferred an application for retrial of the aforesaid order before Supreme People's Court of China which was heard in the month of October

2021, the decision thereof is awaited. Though the management is confident of favourable decision in the retrial proceedings and /or settlement between the JV partner and the litigant, it has been decided to utilise the existing CFSWL manufacturing facility for alternative use by manufacturing Heliotropin, an aromatic product which is downstream of Catechol.

Based on the impairment testing of the investments, there are no indications of impairment in the value of investments and / or receivables in the financial statements.

Further in terms of the shareholders' agreement dated April 28, 2017 and its subsequent amendments, the Company and CFSWL are indemnified against penalty and or legal consequences emanating from the violation of IP rights.

40 EARNINGS PER SHARE

a) Basic Earnings Per Share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

i) Profit attributable to ordinary shareholders

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to ordinary shareholders of the Company	4,755.47	2,586.98
Add: Interest (net of tax) on Foreign Currency Convertible Bonds (FCCBs) pursuant to conversion after the reporting period (Refer Note 18(g))	562.28	431.06
Adjusted profit attributable to ordinary shareholders of the Company	**5,317.75**	**3,018.04**

ii) Weighted average number of ordinary shares

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Number of equity shares at the beginning of the year	156,984,246	127,498,471
Add: Effect of employee stock option exercised	71,956	103,616
Add: Effect of shares issued pursuant to conversion of preferential share warrants	-	2,975,205
Add: Effect of shares issued pursuant to conversion of FCCBs after the reporting period (Refer Note 18(g))	10,258,986	10,258,986
Weighted average number of equity shares for Basic EPS	**167,315,188**	**140,836,278**

Basic Earnings Per Share (Amount in ₹)	**3.18**	**2.14**

b) Diluted Earnings Per Share

The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

i) Profit attributable to ordinary shareholders

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to ordinary shareholders of the Company	4,755.47	2,586.98
Add: Interest (net of tax) on Foreign Currency Convertible Bonds (FCCBs) pursuant to conversion after the reporting period (Refer Note 18(g))	562.28	431.06
Adjusted profit attributable to ordinary shareholders of the Company	**5,317.75**	**3,018.04**

ii) Weighted average number of ordinary shares

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Weighted average number of equity shares outstanding (Basic)	167,315,188	140,836,278
Add: Potential equity shares under Employee Stock Option Plan / Scheme	2,168,401	2,599,960
Weighted average number of equity shares for Diluted EPS	**169,483,589**	**143,436,238**

Diluted Earnings Per Share (Amount in ₹)	**3.14**	**2.10**

41 SEGMENT REPORTING

As per the requirements of Ind AS 108 on "Operating Segments", segment information has been provided in Note 43 to Consolidated Financial Statements.

42 CONTINGENT LIABILITIES AND COMMITMENTS

₹ (in Lakh)

	Particulars	As at March 31, 2023	As at March 31, 2022
I	**Contingent liabilities**		
a)	**Claims for Excise Duties, Taxes and Other Matters**		
i)	In respect of Income Tax matter	1,680.72	1,736.33
ii)	In respect of VAT / CST and Excise Matter	356.02	356.02
b)	**In respect of Bank guarantees issued to VAT, Excise and Custom Authorities**	229.80	57.75
c)	**Guarantees given on behalf of Subsidiaries**		
	In respect of corporate guarantees issued against the borrowings of:		
i)	Dresen Quimica S.A.P.I. De C.V	2,079.17	1,920.53
	Loan balance outstanding in respect of the above guarantee is ₹ 1,660.42 lakh (March 31, 2022: ₹ 1,787.51 lakh)		
ii)	Chemolutions Chemicals Limited	50.00	50.00
	Loan balance outstanding in respect of the above guarantee is ₹ Nil (March 31, 2022: ₹ Nil)		
iii)	CFS De Mexico Blends S.A.P.I. DE C.V.	7,108.63	6,566.24
	Loan balance outstanding in respect of the above guarantee is ₹ 5,718.87 lakh (March 31, 2022: ₹ 6,161.85 lakh)		
d)	**In respect of compensation attributed by the National Green Tribunal (NGT) (Refer Note 42.1)**	1,712.31	1,712.31
e)	**In respect of Notice received from Vendors**	207.86	-
II	**Commitments**		
	Value of contracts (net of advance) remaining to be executed on capital account not provided for	311.79	1,498.38

42.1 Pursuant to the directions of the Honorable Supreme Court dated December 14, 2020, National Green Tribunal had reheard the matter and vide its direction dated January 24,2022 had enhanced the portion of compensation attributable to the Company for alleged violations of environmental norms by manufacturers at Tarapur MIDC for an amount of ₹ 1,712.31 lakh from ₹ 515.56 lakh. The Honourable Supreme Court vide its order dated April 27, 2022 has stayed the proceedings of the aforesaid directions until the matter is heard. Further the Honourable Supreme Court has directed to deposit ₹ 515.56 lakh until the matter is heard. The Company has deposited ₹ 154.97 lakh which is disclosed as recoverable advance (Refer Note 16). Based on the assessment of the management, the Company believes that it has strong grounds to defend its position against these directions and hence no provision for the compensation is considered necessary in the financial statements.

42.2 There are numerous interpretative issues relating to the Supreme Court judgements on Provident Fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the Supreme Court Order and the provisions will be updated on receiving further clarity on the subject.

43 RELATED PARTY DISCLOSURES

I List of Related Parties as required by Ind AS 24,"Related Party Disclosures", are given below:

i Related parties where control exists

Subsidiaries

CFS Do Brasil Industria, Comercio, Importacao De Exportacao De Aditivos Alimenticios LTDA (herein after referred as "CFS do Brazil")

Solentus North America Inc

CFS North America LLC

Chemolutions Chemicals Limited

CFS Wanglong Flavors (Ningbo) Co., Ltd.

Dresen Quimica S.A.P.I. De.C.V.

CFS Pahang Asia Pte Ltd

CFS Europe S.P.A.

AlgalR Nutrapharms Pvt. Ltd. (with effect from November 11, 2021)

CFS De Mexico Blends S.A.P.I. DE C.V. (with effect from September 24, 2021)

CFS PP (M) SDN.BHD. (with effect from July 1, 2022)

Step down subsidiaries

Industrias Petrotec de Mexico S.A.De.C.V.

Britec S.A.

Inovel S.A.S

Nuvel S.A.C

Grinel S.R.L

CFS De Chile SpA

CFS Argentina S.A

ii Associate

Fine Lifestyle Brands Limited (upto February 1, 2022)

AlgalR Nutrapharms Pvt. Ltd. (June 8, 2021 - November 10, 2021)

iii Key Management Personnel (KMP)

a) Chairman

Dilip Dandekar (upto May 31, 2021)

b) Chairman and Managing Director

Ashish Dandekar (from June 17, 2021)

c) Managing Director

Ashish Dandekar (upto June 16, 2021)

Nirmal Momaya (from June 1, 2021)

d) Non-Executive Directors

Anagha Dandekar

Amol Shah

Sutapa Banerjee

Harsha Raghavan

Sarvjit Singh Bedi (upto April 19, 2023)
Joseph Conrad D'souza
Mahabaleshwar G. Palekar
Thomas Videbaek (upto February 23, 2023)
Pradip Kanakia (from October 18, 2021)
Atul Pradhan (upto July 20,2021)
Nicola A. Paglietti (upto July 20,2021)
Nirmal Momaya (upto May 31, 2021)

e) Executive Director

Arjun Dukane

f) Chief Financial Officer

Santosh Parab

g) Company Secretary

Rahul Sawale (from November 12, 2021)
Mandar Godbole (upto August 31, 2021)

iv Relatives of KMP

Subhash Dandekar - Management Consultant / Relative of Managing Director

v Entities where control / significant influence by KMP and their relatives exist

Fine Lifestyle Solutions Limited (upto February 1, 2022)
Fine Renewable Energy Limited
Abana Medisys Private Limited
Pagoda Advisors Private Limited
Hardware Renaissance Inc
V R Momaya & Associates
Kokuyo Camlin Ltd
Studio Internazionale (upto July 20, 2021)

vi Post-employment benefit plan

Camlin Fine Sciences Limited Group Gratuity Scheme

II The details of transactions with related parties during the year are given below:

₹ (in Lakh)

Sr. No.	Nature of Transactions	Name of Related Party	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Sale of products (net of returns)	CFS Europe S.P.A	3,121.13	2,962.31
		CFS do Brazil	4,924.16	4,179.29
		CFS North America LLC	1,641.95	2,303.53
		CFS Wanglong Flavors (Ningbo) Co., Ltd.	-	(1,104.81)
		Dresen Quimica S.A.P.I. De.C.V.	2,865.70	3,427.36
		Inovel S.A.S.	732.62	375.24

₹ (in Lakh)

Sr. No.	Nature of Transactions	Name of Related Party	For the year ended March 31, 2023	For the year ended March 31, 2022
		Chemolutions Chemicals Limited	-	17.04
		Hardware Renaissance Inc	183.06	186.44
		AlgalR NutraPharms Private Limited	1.00	-
			13,469.62	**12,346.40**
2	**Services availed:**			
	(a) Reimbursement of IT services	CFS Europe S.P.A	42.56	30.46
		CFS do Brazil	4.26	3.05
		CFS North America LLC	10.64	7.62
		Dresen Quimica S.A.P.I. De.C.V.	25.05	15.24
		CFS Wanglong Flavors (Ningbo) Co., Ltd.	6.38	4.57
			88.89	**60.94**
	(b) Job work charges	Chemolutions Chemicals Limited	153.46	177.23
3	**Purchase of goods**	CFS Europe S.P.A	605.59	3,879.69
		Chemolutions Chemicals Limited	-	63.21
			605.59	**3,942.90**
4	**Commission Expenses**	CFS do Brazil	-	25.25
5	**Interest Income**	CFS do Brazil	136.56	125.32
		CFS North America LLC	135.88	124.69
		AlgalR NutraPharms Private Limited	45.07	22.34
			317.51	**272.35**
6	**Investments**	Industrias Petrotec de Mexico S.A.De.C.V. (Refer Note 5.5)	0.91	1.47
		CFS Wanglong Flavors (Ningbo) Co., Ltd. (Refer Note 5.6)	0.91	1.47
		Dresen Quimica S.A.P.I. De.C.V.	-	37.23
		CFS De Mexico Blends S.A.P.I. DE C.V.	-	126.58
		AlgalR NutraPharms Private Limited	-	654.56
			1.82	**821.31**
7	**Loans given**	AlgalR NutraPharms Private Limited	311.07	680.41

₹ (in Lakh)

Sr. No.	Nature of Transactions	Name of Related Party	For the year ended March 31, 2023	For the year ended March 31, 2022
8	**Consultancy / Professional services**	Subhash D. Dandekar	6.60	6.60
		Pagoda Advisors Private Limited	-	12.64
			6.60	**19.24**
9	**Lease Income**	Chemolutions Chemicals Limited	39.01	39.01
10	**Guarantee Commission Income**	Dresen Quimica S.A.P.I. De.C.V.	6.20	41.90
		CFS De Mexico Blends S.A.P.I. DE C.V.	21.07	7.85
			27.27	**49.75**
11	**Re-imbursement of expenses**	CFS North America LLC	321.61	66.47
		CFS do Brazil	-	0.14
		CFS Europe S.P.A	4.27	4.60
		Dresen Quimica S.A.P.I. De.C.V.	3.19	4.60
		CFS Wanglong Flavors (Ningbo) Co., Ltd.	0.16	0.14
		CFS De Mexico Blends S.A.P.I. DE C.V.	-	88.36
		AlgalR NutraPharms Private Limited	0.29	-
			329.52	**164.31**
12	**Compensation to KMP**	Short term benefits (including bonus and value of perquisites)*	793.48	578.79
		Post employment and long term benefits	50.16	17.91
		Share-based payments	239.16	714.10
		Sitting fees	61.25	66.25
		Commission to Non-Executive Directors	45.00	-
			1,189.05	**1,377.05**
13	**Contribution paid to the Group Gratuity Scheme**	Paid to Life Insurance Corporation on behalf of Camlin Fine Sciences Limited Group Gratuity Scheme	106.29	91.06

*The compensation to Key Managerial Personnel figures does not include premium paid for group medical and accident insurance.

III The details of outstanding with related parties as at year end are given below:

₹ (in Lakh)

Sr. No.	Nature of transactions	Name of Related party	As at March 31, 2023	As at March 31, 2022
1	Trade Receivable	CFS Europe S.P.A	2,069.60	1,261.83
		CFS do Brazil	14,487.17	9,926.34
		Dresen Quimica S.A.P.I. De.C.V.	512.85	2,057.94
		CFS North America LLC	7,692.20	6,143.25
		Inovel S.A.S.	220.90	202.41
		CFS Wanglong Flavors (Ningbo) Co., Ltd.	11,575.43	11,228.85
		CFS Argentina S.A	233.50	215.68
		AlgalR NutraPharms Private Limited	44.31	43.78
		Hardware Renaissance Inc	228.88	186.95
			37,064.84	**31,267.03**
2	Trade Payable	CFS Europe S.P.A	2,728.43	4,181.88
		CFS Wanglong Flavors (Ningbo) Co., Ltd.	6,071.36	5,724.00
		Chemolutions Chemicals Limited	317.39	307.16
			9,117.18	**10,213.04**
3	Other Payable	CFS do Brazil	146.52	135.34
		CFS Europe S.P.A	101.68	95.70
		CFS Wanglong Flavors (Ningbo) Co., Ltd.	2.87	2.76
		CFS North America LLC	386.37	65.75
			637.44	**299.55**
4	Loan and Advances Receivable	CFS do Brazil	1,643.61	1,518.21
		Solentus North America Inc	189.18	189.18
		CFS North America LLC	1,635.40	1,510.60
		AlgalR NutraPharms Private Limited	991.48	680.41
			4,459.67	**3,898.40**
		Provision for Credit Impaired (Refer Note 6.3)	(189.18)	(189.18)
			4,270.49	**3,709.22**
5	Interest Receivable	CFS do Brazil	624.00	468.18
		Solentus North America Inc	53.09	53.09
		CFS North America LLC	785.10	617.52

₹ (in Lakh)

Sr. No.	Nature of transactions	Name of Related party	As at March 31, 2023	As at March 31, 2022
		AlgalR NutraPharms Private Limited	60.67	20.11
			1,522.86	**1,158.90**
		Provision for Credit Impaired (Refer Note 6.3, Note 15)	(53.09)	(53.09)
			1,469.77	**1,105.81**
6	Other Receivable	CFS Europe S.P.A	10.24	17.99
		CFS do Brazil	12.33	8.91
		Solentus North America Inc	15.79	15.79
		CFS North America LLC	189.12	164.16
		Dresen Quimica S.A.P.I De C.V.	92.87	59.56
		CFS Wanglong Flavors (Ningbo) Co., Ltd.	47.61	38.04
		CFS De Mexico Blends S.A.P.I. DE C.V.	97.55	90.11
		AlgalR NutraPharms Private Limited	0.29	-
			465.80	**394.56**
		Provision for Credit Impaired (Refer Note 6.3, Note 15)	(15.79)	(15.79)
			450.01	**378.77**
7	Material Advance given	AlgalR NutraPharms Private Limited	27.30	27.30
8	Compensation to KMP	Post employment and long term benefits	208.02	157.86
		Commission payable to Non-Executive Directors	45.00	-
			253.02	**157.86**
9	Lease Income Receivable	Abana Medisys Private Limited	-	0.56
		Fine Renewable Energy Limited	-	0.04
			-	**0.60**

44 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ (in Lakh)

March 31, 2023	Carrying amount/Fair Value			Fair Value Hierarchy			
	Fair Value Through Profit or Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non Current							
Loans	-	991.48	991.48	-	-	-	-
Security deposits	-	390.81	390.81	-	-	-	-
Derivative assets	183.18	-	183.18	-	183.18	-	183.18
Current							
Trade receivables	-	52,629.73	52,629.73	-	-	-	-
Cash and cash equivalents	-	435.06	435.06	-	-	-	-
Bank balances other than above	-	547.53	547.53	-	-	-	-
Loans	-	4,279.01	4,279.01	-	-	-	-
Security deposits	-	100.59	100.59	-	-	-	-
Derivative assets	186.56	-	186.56	-	186.56	-	186.56
Other financial assets	-	1,995.24	1,995.24	-	-	-	-
	369.74	**61,369.45**	**61,739.19**	**-**	**369.74**	**-**	**369.74**
Financial Liabilities							
Non Current							
Foreign Currency Convertible Bonds	-	6,614.58	6,614.58	-	-	-	-
Term loans	-	22,616.53	22,616.53	-	-	-	-
Lease liabilities	-	998.48	998.48	-	-	-	-
Current							
Borrowings	-	31,202.81	31,202.81	-	-	-	-
Trade payables	-	24,881.49	24,881.49	-	-	-	-
Lease liabilities	-	281.56	281.56	-	-	-	-
Put Option Liability	-	-	-	-	-	-	-
Fair value of forward contract	13.94	-	13.94	-	13.94	-	13.94
Other financial liabilities	-	2,025.74	2,025.74	-	-	-	-
	13.94	**88,621.19**	**88,635.13**	**-**	**13.94**	**-**	**13.94**

44.a.1 The above table excludes investments in subsidiaries amounting to ₹ 8,179.55 lakh (March 31, 2022: ₹ 8,177.73 lakh) measured at amortised cost net of provision for impairment in the value of investments.

44.a.2 The value of put option liability as on March 31, 2023 is immaterial (Refer Note 5.3). The fair value hierarchy for put option liability is Level 3.

₹ (in Lakh)

March 31, 2022	Carrying amount/Fair Value			Fair Value Hierarchy			
	Fair Value Through Profit or Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non Current							
Loans	-	680.41	680.41	-	-	-	-
Security deposits	-	331.51	331.51	-	-	-	-
Other financial assets	340.08	-	340.08	-	340.08	-	340.08
Current							
Trade receivables	-	44,065.22	44,065.22	-	-	-	-
Cash and cash equivalents	-	2,216.62	2,216.62	-	-	-	-
Bank balances other than above	-	3,431.36	3,431.36	-	-	-	-
Loans	-	3,028.81	3,028.81	-	-	-	-
Security deposits	-	177.31	177.31	-	-	-	-
Other financial assets	-	2,015.03	2,015.03	-	-	-	-
	340.08	**55,946.27**	**56,286.35**	**-**	**340.08**	**-**	**340.08**
Financial Liabilities							
Non Current							
Foreign Currency Convertible Bonds	-	11,988.69	11,988.69	-	-	-	-
Term loans	-	13,838.52	13,838.52	-	-	-	-
Lease liabilities	-	996.46	996.46	-	-	-	-
Current							
Borrowings	-	19,005.31	19,005.31	-	-	-	-
Trade payables	-	21,160.19	21,160.19	-	-	-	-
Lease liabilities	-	249.02	249.02	-	-	-	-
Put Option Liability	-	-	-	-	-	-	-
Other financial liabilities	-	3,796.67	3,796.67	-	-	-	-
	-	**71,034.86**	**71,034.86**	**-**	**-**	**-**	**-**

44.a.3 The above table excludes investments in subsidiaries amounting to ₹ 8,177.73 lakh (March 31, 2021: ₹ 7,356.42 lakh) measured at amortised cost net of provision for impairment in the value of investments.

44.a.4 The value of put option liability as on March 31, 2022 is Nil (Refer Note 5.3). The fair value hierarchy for put option liability is Level 3.

b) Fair value hierarchy (Refer Note B to significant accounting policies)

c) Measurement of Fair Value

The fair values of financial assets or liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in both years. The following methods and assumptions are used to estimate the fair values:

(i) The Management assesses that fair values of trade receivables, cash and cash equivalents, other bank balances, loans, trade payables, current borrowings and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments. The Company does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled.

(ii) The embedded derivative in FCCB is fair valued by an external independent valuer by computing the average cash flows determined through the Monte Carlo Simulation technique based on the market observable rates and published price.

(iii) The fair value of forward contracts for the remaining maturity period of the contracts is determined using Mark-to-Market report provided by the Company's bankers.

Unobservable inputs used in Level 3 of fair value hierarchy for the year ended March 31, 2023

The fair value of put option is calculated by independent expert based on the shareholders agreement using 'Income Approach'. The unobservable inputs used in fair valuation under level 3 are determined by considering historical financial statements, management's estimates of probability of put option being exercised by the minority shareholders, Share Holder's Agreement, discount rate and the review of projected revenue and profits after tax.

d) Risk Management Framework

The Company's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk and market risks. Market risks comprise of currency risk and interest rate risk. The Company's Senior Management and Key Management Personnel have the ultimate responsibility for managing these risks. The Company has a process to identify and analyse the risks faced by the Company, to set appropriate risk limits, to control and monitor risks and adherence to these limits. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. Further, Audit Committee undertakes regular reviews of Risk Management Controls and Procedures.

(i) Credit Risk

Credit risk is the risk that a customer or counterparty fails to meet its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (trade receivables) and from its financing activities including investments in mutual funds, deposits with banks and financial institutions and financial instruments.

Trade Receivables

Credit risk from trade receivables is managed by establishing credit limits, credit approvals and monitoring creditworthiness of the customers. Outstanding customer receivables are regularly monitored. The Company has computed credit loss allowances based on Expected Credit Loss Model, which excludes transactions with subsidiaries.

The ageing of trade receivables is as follows:

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Not due	14,994.84	13,334.01
Less than 6 months	8,225.29	8,392.73
6 months - 1 year	2,951.09	3,398.43
1-2 years	7,804.92	11,941.79
2-3 years	12,678.17	7,017.49
More than 3 years	6,541.99	235.69
	53,196.30	**44,320.14**
Less: - Loss allowance	(566.57)	(254.92)
	52,629.73	**44,065.22**

Term Deposits and Bank Balances

The Company's exposure in term deposits with banks is limited, as the counterparties are highly rated banks.

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

Tabulated below are the Company's remaining contractual maturities of financial liabilities as at the reporting date with agreed repayment periods. The tables have been drawn up considering the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

₹ (in Lakh)

March 31, 2023	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non Current						
Borrowings						
Foreign Currency Convertible Bonds (FCCBs)#	6,614.58	224.46	224.46	-	-	-
Term loans	22,616.53	30,130.92	-	4,509.74	15,450.36	10,170.82
Lease liabilities	998.48	1,167.02	-	383.97	771.52	11.53

₹ (in Lakh)

March 31, 2023	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Current						
Borrowings	31,202.81	32,650.80	32,650.80	-	-	-
Trade payables	24,881.49	24,881.49	24,881.49	-	-	-
Lease liabilities	281.56	414.82	414.82	-	-	-
Other financial liabilities	2,039.68	2,039.68	2,039.68	-	-	-
Financial guarantee*	-	9,237.80	9,237.80	-	-	-
	88,635.13	**100,746.99**	**69,449.05**	**4,893.71**	**16,221.88**	**10,182.35**

FCCBs have been converted into equity shares of the Company on May 12, 2023, i.e. after the end of the financial year . The cash flows shown above represent interest payable till the date of conversion.

₹ (in Lakh)

March 31, 2022	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non Current						
Borrowings						
Foreign Currency Convertible Bonds#	11,988.69	13,788.08	-	7,010.40	6,777.68	-
Term loans	13,838.52	16,113.05	-	2,670.63	8,901.40	4,541.02
Lease liabilities	996.46	1,208.45	-	306.53	889.71	12.21
Current						
Borrowings	19,005.31	20,292.77	20,292.77	-	-	-
Trade payables	21,160.19	21,160.19	21,160.19	-	-	-
Lease liabilities	249.02	369.37	369.37	-	-	-
Other financial liabilities	3,796.67	3,709.46	3,709.46	-	-	-
Financial guarantee*	-	8,536.77	8,536.77	-	-	-
	71,034.86	**85,178.14**	**54,068.56**	**9,987.56**	**16,568.79**	**4,553.23**

The contractual cash flows of FCCBs are calculated on the assumption that the FCCBs will not get converted into equity shares of the company before the maturity date.

* The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

(iii) Currency Risk

The Company's operations result in it being exposed to foreign currency risk on account of trade receivables, trade payables, borrowings and lendings. The foreign currency risk may affect the Company's income and expenses, or its financial position and cash flows. The objective of the Company's Management of foreign currency risk is to maintain these risk within acceptable parameters, while optimising returns.

The Company uses derivative financial instruments such as foreign exchange forward contracts to hedge its risks associated with foreign exchange fluctuations. The outstanding position and notional value of forward exchange contracts is as under:

Figures (in Lakh)

Particulars	Currency Pair	As at March 31, 2023		As at March 31, 2022	
		Amount (USD)	Amount (in ₹)	Amount (USD)	Amount (in ₹)
Cash Flow Hedge					
Sell	USD / ₹	204.50	17,026.58	-	-
Fair Value Hedge					
Sell	USD / ₹	37.00	3,069.93	-	-

The movement in effective portion of Cash Flow Hedge Reserve (CFHR) is as under:

Particulars	₹ (in Lakh)
Balance as at April 1, 2022	-
Net (losses) / gains recognised in CFHR	(181.49)
Amount re-classified from CFHR and included in the consolidated statement of Profit & Loss (due to settlement of contracts) within revenue from operations	167.55
Deferred tax	4.87
Balance as at March 31, 2023	**(9.07)**

The Company's exposure to unhedged foreign currency denominated monetary assets and liabilities at the end of the reporting period expressed in ₹ (in lakh), is as follows:

a) Trade receivables

Figures (in Lakh)

Foreign Currency	As at March 31, 2023		As at March 31, 2022	
	Amount (in original currency)	Amount (in ₹)	Amount (in original currency)	Amount (in ₹)
USD	526.13	43,237.83	487.81	37,029.90
EURO	0.50	44.58	0.81	67.68
		43,282.41		**37,097.58**

b) Loan and other receivable

Figures (in Lakh)

Foreign Currency	As at March 31, 2023		As at March 31, 2022	
	Amount (in original currency)	Amount (in ₹)	Amount (in original currency)	Amount (in ₹)
USD	66.90	5,498.09	63.45	4,816.15
EURO	0.11	10.24	0.21	17.99
		5,508.33		**4,834.14**

c) Borrowings

Figures (in Lakh)

Foreign Currency	As at March 31, 2023		As at March 31, 2022	
	Amount (in original currency)	Amount (in ₹)	Amount (in original currency)	Amount (in ₹)
USD	438.49	36,043.93	301.29	22,871.39
		36,043.93		**22,871.39**

d) Trade payable

Figures (in Lakh)

Foreign Currency	As at March 31, 2023		As at March 31, 2022	
	Amount (in original currency)	Amount (in ₹)	Amount (in original currency)	Amount (in ₹)
USD	133.05	10,934.01	143.81	10,916.02
EURO	1.35	120.20	1.14	95.70
RMB	0.24	2.87	0.24	2.68
		11,057.08		**11,014.40**

The following significant exchange rates have been applied during the year:

Foreign Currency	Year end spot rate as at	
	March 31, 2023	March 31, 2022
USD / ₹	82.1807	75.9103
EUR / ₹	89.3070	84.0620

Sensitivity for above exposures

A fluctuation in the exchange rates of 5% with other conditions remaining unchanged would have the following effect on Company's profit or loss before tax and equity for the year ended March 31, 2023 and March 31, 2022:

₹ (in Lakh)

Particulars	Impact on profit before tax		Impact on equity (Net of Tax)	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
USD / ₹ increase by 5%	163.81	402.95	106.57	262.14
USD / ₹ decrease by 5%	(163.81)	(402.95)	(106.57)	(262.14)
EUR / ₹ increase by 5%	(3.27)	(0.50)	(2.13)	(0.33)
EUR / ₹ decrease by 5%	3.27	0.50	2.13	0.33

(iv) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of change in market interest rates relates primarily to its borrowings. The Company's borrowings are at floating rates and its future cash flows will fluctuate due to changes in market interest rates.

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period is as follows:

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Liabilities		
Borrowings		
Fixed rate instruments		
Foreign Currency Convertible Bonds	13,453.63	11,988.69
Variable rate instruments		
Term loans (including current maturities)	25,012.08	14,824.09
Cash credit	20,401.14	17,377.69
Other short term loans	1,567.07	642.05
	60,433.92	**44,832.52**

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Assets		
Fixed rate instruments		
Fixed deposits	540.17	5,573.74
Security deposits	425.32	508.82
Loans given	5,459.67	3,898.40
	6,425.16	**9,980.96**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rate with other conditions remaining unchanged would have the following effect on Company's profit or loss before tax and equity for the year ended March 31, 2023 and March 31, 2022. This calculation assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period. The analysis assumes that all other variables, in particular foreign currency exchange rates remains constant.

₹ (in Lakh)

Particulars	Impact on profit before tax		Impact on equity (Net of Tax)	
	100 BP increase	100 BP decrease	100 BP increase	100 BP decrease
Financial Liabilities				
Variable rate instruments - Borrowings				
Cash flow sensitivity				
March 31, 2023	**(469.30)**	**469.30**	**(305.31)**	**305.31**
March 31, 2022	(327.77)	327.77	(216.36)	216.36

45 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maintain an efficient capital structure and to maximise shareholder's value. The Management seeks to maintain a balance between higher returns that is achieved by raising funds through equity and the advantages by a sound capital position.

The Company monitors capital using a ratio of 'Net Debt to Equity'. For this purpose, Capital includes issued capital and all other equity reserves. Net Debt is defined as total borrowings less cash & bank balances and other current investments.

The Company's Net Debt to Equity ratio are as follows:

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current borrowings #	29,231.11	25,827.21
Current borrowings	31,202.81	19,005.31
Gross Debt	**60,433.92**	**44,832.52**
Less : Cash and cash equivalents	435.06	2,216.62
Less : Bank balances other than above	547.53	3,431.36
Net Debt	**59,451.33**	**39,184.54**
Total Equity	**64,214.21**	**59,234.16**
Net Debt to Equity Ratio	**0.93**	**0.66**

#Non-current borrowings includes FCCBs, being compound financial instruments convertible into equity shares of the Company at the option of the holder of bonds. The FCCBs have been converted into equity shares of the Company on May 12, 2023, i.e. after the end of the financial year.

46 DISCLOSURES U/S 186(4) OF THE COMPANIES ACT, 2013

a Details of investments made are disclosed in Note 5.

b Details of Loans given to subsidiaries, associates, firms/companies in which directors are interested are disclosed in Note: 14.1, 14.2 and 14.3.

c Details of Guarantee given on behalf of subsidiaries are disclosed in Note: 42(I)(c).

47 DISCLOSURES MADE IN TERMS OF SCHEDULE V OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

For disclosure of loans, investments and Guarantee- 'Refer Note 46'. Further, there is no investment in shares of the Company by the parties to whom loan have been given.

48 ANALYTICAL RATIOS

Ratio Name	Numerator	Denominator	Current Period			Previous Period			% Variance	Reason for Variance
			Numerator	Denominator	Ratio Value	Numerator	Denominator	Ratio Value		
Current Ratio	Current Assets	Current Liabilities	87,365.19	62,956.60	1.39	71,847.43	47,172.50	1.52	(8.89%)	-
Debt Equity Ratio	Total Debt	Shareholders Equity	60,433.92	64,214.21	0.94	44,832.51	59,234.16	0.76	24.35%	-
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	13,731.80	4,349.56	3.16	8,597.93	2,588.47	3.32	(4.95%)	-
Return on Equity	Net profit after taxes	Average Shareholders Equity	4,755.47	61,724.19	7.70%	2,586.98	52,848.86	4.90%	57.39%	Increase in profitability during the year.
Inventory Turnover Ratio	Cost of goods sold	Average inventory	36,569.23	19,723.96	1.85	39,450.22	13,692.51	2.88	(35.65%)	Increase in inventories as at the end of current year.
Trade Receivables Turnover Ratio	Sales	Average trade receivables	78,943.57	48,347.47	1.63	68,550.81	40,443.33	1.69	(3.67%)	-
Trade Payables Turnover Ratio	Cost of goods sold	Average trade payables	47,500.66	23,020.84	2.06	40,515.76	20,223.98	2.00	3.00%	-
Net Capital Turnover Ratio	Sales	Average Working Capital	78,943.57	24,541.76	3.22	68,550.81	23,949.18	2.86	12.38%	-
Net Profit Ratio	Net profit after taxes	Sales	4,755.47	78,943.57	6.02%	2,586.98	68,550.81	3.77%	59.62%	Increase in profitability during the year.
Return on Capital Employed	Earnings before interest, depreciation and taxation	Capital Employed	12,356.84	126,158.54	9.79%	6,950.38	105,097.44	6.61%	48.11%	Increase in profitability during the year.

49 ADDITIONAL REGULATORY INFORMATION

1 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

2 The Company has not been declared as wilful defaulter by any lender who has the powers to declare a company as wilful defaulter at any time during the financial year or after the end of the reporting period but before the date when financial statements are approved.

3 The Company has complied with the number of layers prescribed under clause 87 of section 2 of Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

4 The Company does not have any approved scheme of Arrangement during the year.

5 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;

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

6 The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding that the Company shall;

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

7 The Company does not have any transaction recorded in the books of account, that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

8 The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

50 Previous year's figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

Statement pursuant to first proviso to sub-section (3) of Section 129 of Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, in the prescribed form AOC-I relating to Subsidiary Companies and Associate.

PART "A": SUBSIDIARIES

(All amounts in ₹ lakh, except exchange rate)

Sr. No.	Name of Subsidiary	Reporting Period	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	Proposed Dividend	% of Shareholding
1	CFS Europe S.p.A.	Apr 22 to Mar 23	EUR	89.31	1,053.23	29,812.71	44,965.59	17,735.63	3,635.98	48,827.89	2,962.60	(473.23)	2,489.37	-	100%
2	CFS Do Brasil Importacao E Exportacao De Aditivos Alimenticios LTDA.	Apr 22 to Mar 23	BRL	16.23	1,603.11	(5,564.60)	14,345.41	18,429.18	122.28	11,291.18	(1,660.20)	-	(1,660.20)	-	100%
3	Solentus North America Inc	Apr 22 to Mar 23	CAD	60.76	56.01	(420.49)	5.89	370.37	-	-	(18.74)	-	(18.74)	-	100%
4	CFS North America LLC	Apr 22 to Mar 23	USD	82.18	978.17	(8,789.83)	3,780.09	11,591.75	-	8,501.94	(964.42)	-	(964.42)	-	100%
5	Dresen Quimica, S.A.P.I. de C.V. ^#	Apr 22 to Mar 23	MXP	4.56	3,566.33	17,762.34	24,448.66	9,219.85	6,099.85	35,127.04	4,013.50	(1,076.80)	2,936.70	-	98.50%
6	Industrias Petrotec de Mexico, S.A. de C.V. ^#	Apr 22 to Mar 23	MXP	4.56	4.98	470.47	886.02	410.57	-	3,413.78	329.15	(109.20)	219.95	-	98.50%
7	Inovel, S.A.S.^#	Apr 22 to Mar 23	MXP	4.56	102.02	1,146.26	2,881.21	1,632.94	-	3,447.87	375.84	(113.48)	262.36	-	98.50%
8	Nuvel, S.A.C.^#	Apr 22 to Mar 23	MXP	4.56	38.79	1,567.73	2,511.99	905.46	-	2,527.42	110.20	(2.55)	107.65	-	98.50%
9	Britec, S.A.^#	Apr 22 to Mar 23	MXP	4.56	39.01	726.05	1,247.77	482.71	-	1,520.03	48.48	(12.12)	36.36	-	98.50%
10	Grinel, S.R.L. ^#	Apr 22 to Mar 23	MXP	4.56	1.87	-	1.87	-	-	-	-	-	-	-	98.50%
11	Chemolutions Chemicals Ltd.	Apr 22 to Mar 23	INR	1.00	676.70	(272.63)	461.65	57.58	-	153.79	11.93	(4.30)	7.63	-	94.08%
12	CFS Wanglong Flavors (Ningbo) Co., Ltd.*	Apr 22 to Mar 23	CNY	11.96	7,798.63	(5,393.06)	16,665.52	14,259.95	-	-	(2,089.25)	589.88	(1,499.37)	-	51%
13	CFS Argentina SA	Apr 22 to Mar 23	ARG	0.39	71.83	(1,107.58)	1,333.07	2,368.82	-	1,919.63	(868.58)	-	(868.58)	-	100%
14	CFS Chile SpA	Apr 22 to Mar 23	CLP	0.10	50.46	211.63	654.18	392.09	-	840.35	0.15	-	0.15	-	100%
15	CFS Pahang Asia Pte Ltd.	Apr 22 to Mar 23	SGD	61.75	35.11	(12.49)	25.30	2.68	-	-	(3.84)	-	(3.84)	-	51%
16	AlgaIR Nutrapharms Private Limited	Apr 22 to Mar 23	INR	1.00	115.00	(919.44)	511.37	1,315.81	-	203.68	(272.14)	-	(272.14)	-	80%
17	CFS De Mexico Blends S.A.P.I. DE C.V.	Apr 22 to Mar 23	MXP	4.56	0.00	(1,592.04)	15.92	7,952.76	6,344.80	-	272.77	(265.27)	7.50	-	100%
18	CFS PP(M) SDN. BHD.@	Jul 22 to Mar 23	MYR	-	-	-	-	-	-	-	-	-	-	-	51%

^ The numbers shown above are unconsolidated numbers (before intercompany eliminations).

* The Company holds 7.65% stake and CFS Europe S.p.A, holds 43.35% stake in CFS Wanglong Flavors (Ningbo) Co. Ltd.

The Company holds 65% stake and CFS De Mexico Blends S.A.P.I. DE C.V., holds 33.50% stake in Dresen Quimica, S.A.P.I. de C.V. and its subsidiaries.

@ The Company has incorporated CFS PP(M) SDN. BHD., a subsidiary in Malaysia during the year. There are no operations in the Company during the year. No amount towards subscription of shares has been remitted as on March 31, 2023.

FORM AOC-I (contd.)

PART "B": ASSOCIATES AND JOINT VENTURES

1	Name of Associate	NA
2	Latest audited Balance Sheet Date	NA
3	Shares of Associate held by the company on the Year end	
	Number of Shares	NA
	Amount of Investment in Associate	NA
	Extend of Holding %	NA
4	Description of how there is Significant Influence	NA
5	Reason why the Associate is not consolidated	NA
6	Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in lakhs)	NA
7	Profit for the Year	
	i. Considered in Consolidation (₹ in lakhs)	NA
	ii. Not Considered in Consolidation (₹ in lakhs)	NA
8	Names of associates or joint ventures which are yet to commence operations	NA

For and on behalf of the Board

Ashish Dandekar
Chairman & Managing Director
DIN: 01077379

Nirmal Momaya
Managing Director
DIN:01641934

Santosh Parab
Chief Financial Officer

Rahul Sawale
Company Secretary & VP – Legal
Membership No: A 29314

Mumbai, Dated: May 22, 2023

TO THE MEMBERS OF
CAMLIN FINE SCIENCES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **CAMLIN FINE SCIENCES LIMITED** ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 "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 the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group as at March 31, 2023, of consolidated profit (financial performance including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 39 of the Consolidated Financial Statements relating to the decision of the Supreme People's Court of China ("Honorable Court") which has imposed penalty amounting to RMB 159.32 million on the JV partner of the subsidiary company and others for alleged infringement of intellectual property used in the manufacturing process. An amount of RMB 11.15 million i.e. ₹ 1,265 lakhs which is 7% of the total penalty imposed is attributed to the subsidiary i.e. CFS Wanglong Flavours (Ningbo) Co., Ltd. As an abundant legal caution, the subsidiary company has stopped the production facility till further directions of the Honorable Court. As per the terms of the shareholders' agreement dated April 28, 2017 and amendments made thereafter, the Holding Company and its subsidiary company are indemnified against penalty and or legal consequences emanating from the violation of the IP rights. As a co-defendant with the JV Partner, the subsidiary company has preferred an application for retrial of the aforesaid order before Honorable Court which was heard in the month October 2021, the decision thereof is awaited. In the opinion of the Holding Company's Management, based on the above and for reasons as more fully discussed in the aforesaid note, no impairment of cash generating unit consisting of property plant and equipment of the said subsidiary or on goodwill on consolidation in respect of the said subsidiary company is required. However, Intangible assets in relation to Technical Knowhow for manufacturing vanillin with a carrying amount of ₹ 967.84 lakhs has been impaired during the year and disclosed as a exceptional item.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Key Audit Matter Description	Auditor's Response
Capitalalisation of Vanillin Plant at Dahej Identification of cost that is required to be capitalized requires management judgement. Inaccurate cost capitalization may result in amounts being capitalized that do not meet capitalization criteria and affects the accuracy of cost to be capitalized.	**Principal Audit Procedures Performed** Our audit work amongst other audit procedures included testing the design, implementation and operating effectiveness of controls in respect of cost of property, plant and equipment and intangible assets. We assessed the nature of costs incurred in capital projects through testing of amounts recorded and considering whether the expenditure met the criteria for capitalization under accounting standards. We have visited the plant and during our visit focused on physically verifying key assets which were distinctly identifiable as well as ensuring that accounting for capitalisation of assets was in line with the applicable accounting standards. We tested the source documentation to determine whether the expenditure is of capital nature and has been appropriately approved and properly segregated into appropriate categories. Assessed the appropriateness of accounting and the disclosure in the Consolidated Financial Statements in accordance with the applicable financial reporting framework.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, namely Financial Highlights, Directors' Report, Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility and Sustainability Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to 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 statement of changes in equity and consolidated cash flows of the Group is in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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 judgement and maintain professional skepticism throughout the audit. We also:

(a) 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.

(b) 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 and its subsidiary company incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

(d) 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 to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) 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.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters:

1. We did not audit the financial statements of twelve subsidiaries incorporated outside India and two subsidiaries in India included in the Consolidated Financial Statements, whose financial statements reflect total asset of ₹ 1,23,009.10 lakh as at March 31, 2023; total revenue of ₹ 1,04,308.72 lakh and net cash outflows amounting to ₹ 98.75 lakh for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates

to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

2. These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India (Indian Accounting Standards 'Ind AS'). We have audited these conversion adjustments made by the Holding Company's Management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of the other auditors and the conversion adjustments made by the Holding Company's Management and audited by us. Our report on the statement is not modified in respect of these matters.

3. We did not audit the financial statements of three subsidiaries incorporate outside India, whose financial statements reflect total assets of ₹ 1,993.14 lakh as at March 31, 2023, total revenues of ₹ 2,759.98 lakh and net cash inflows amounting to ₹ 473.38 lakh for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by 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 of the Consolidated Financial Statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the Directors of the Group Companies incorporated in India as on March 31, 2023 taken on record by the Board of Directors of the respective Group Companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**".

(g) According to information and explanation given to us and based on our examination of the records of the Holding Company, the Holding Company has paid/provided managerial remuneration in accordance with the provisions of Section 197 of the Act.

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

i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements - Refer Note 41.I to the Consolidated Financial Statements.

ii. The Group did not have any long-term contracts during the year ended March 31, 2023, for which there were any material foreseeable losses. Derivative contracts are appropriately dealt with in the books of account.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2023.

iv. (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the auditors of such subsidiaries respectively that, to the best of their knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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 performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause(i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Holding Company and its subsidiary companies incorporated in India has not declared or paid any dividend during the year.

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

2. According to the information and explanations given to us, and based on the CARO report issued by the component auditor of two subsidiary companies included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, we report that in respect of the two Companies where audit have been completed under section 143 of the Act, the auditor of respective companies have not reported any qualifications or adverse remarks.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number: 127355
UDIN: 23127355BGWIFK5067

Place: Mumbai
Date: May 22, 2023

Referred to in Para 1 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Consolidated Financial Statements for the year ended March 31, 2023.

Report on the Internal Financial Controls with reference to financial statements 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 financial statements of **CAMLIN FINE SCIENCES LIMITED** ("the Holding Company") and its subsidiaries, which are companies incorporated in India, as of March 31, 2023 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries, which are incorporated in India, are 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 (the "Guidance Note") 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company and its subsidiaries company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal Financial Controls and, both issued by the 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 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to the financial statement of the Holding Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated

Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 Consolidated 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

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with respect to 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 and it's subsidiaries which are companies incorporated in India have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company and it's subsidiary companies incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the subsidiaries which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies incorporated in India.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number: 127355
UDIN: 23127355BGWIFK5067

Place: Mumbai
Date: May 22, 2023

CONSOLIDATED BALANCE SHEET
as at March 31, 2023

₹ (in Lakh)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2(a)	75,251.60	48,183.36
Capital Work-in-Progress	2(b)	4,083.62	21,471.10
Right-of-Use Assets	3(a)	4,108.44	4,371.31
Goodwill		5,279.29	5,279.29
Intangible Assets	4(a)	1,122.28	2,286.62
Intangible Assets under development	4(b)	218.55	32.31
Financial Assets			
Investments	5	795.88	722.55
Other Financial Assets	6	1,662.41	1,768.71
Deferred Tax Assets (Net)	7	2,997.51	3,638.05
Income Tax Assets	8	1,257.73	1,335.10
Other Non-Current Assets	9	450.70	1,565.83
Total Non-Current Assets		**97,228.01**	**90,654.23**
Current Assets			
Inventories	10	56,814.39	37,085.89
Financial Assets			
Trade Receivables	11	30,458.89	29,967.64
Cash and Cash Equivalents	12	9,374.24	10,781.16
Bank Balances other than Cash and Cash Equivalents	13	548.57	3,432.40
Loans	14	1,013.95	8.47
Other Financial Assets	15	414.00	754.99
Other Current Assets	16	9,950.63	7,116.31
Total Current Assets		**108,574.67**	**89,146.86**
Assets Held For Sale	17	207.19	207.19
TOTAL ASSETS		**206,009.87**	**180,008.28**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	18	1,570.93	1,569.84
Other Equity	19	80,366.47	73,223.56
Non-Controlling Interests	20	471.04	1,711.91
Total Equity		**82,408.44**	**76,505.31**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	21	40,809.53	38,764.72
Lease Liabilities	3(b)	1,433.06	1,701.25
Other Financial Liabilities	22	29.64	2,102.14
Provisions	23	481.47	332.46
Deferred Tax Liabilities (Net)	7	1,510.42	1,030.77
Other Non-Current Liabilities	24	38.60	46.50
Total Non-Current Liabilities		**44,302.72**	**43,977.84**
Current Liabilities			
Financial Liabilities			
Borrowings	25	37,149.10	23,560.31
Lease Liabilities	3(b)	662.70	600.94
Trade Payables	26		
(A) Total outstanding dues of Micro Enterprises and Small Enterprises		1,614.01	375.73
(B) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		27,221.07	23,002.66
Other Financial Liabilities	27	6,392.14	6,903.28
Other Current Liabilities	28	3,786.10	3,480.93
Provisions	29	1,048.61	947.05
Current Tax Liabilities	30	1,424.98	654.23
Total Current Liabilities		**79,298.71**	**59,525.13**
Total Liabilities		**123,601.43**	**103,502.97**
TOTAL EQUITY AND LIABILITIES		**206,009.87**	**180,008.28**
Significant Accounting Policies			

The accompanying notes 1 to 50 form an integral part of the Consolidated Financial Statements

As per our Report of even date.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 22, 2023

Signatures to the Consolidated Balance Sheet and Notes to Consolidated Financial Statements
For and on behalf of the Board

Ashish Dandekar
Chairman & Managing Director
DIN: 01077379

Nirmal Momaya
Managing Director
DIN:01641934

Santosh Parab
Chief Financial Officer

Rahul Sawale
Company Secretary & VP – Legal
Membership No: A 29314

Mumbai, Dated: May 22, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2023

₹ (in Lakh)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from Operations	31	168,156.40	141,208.91
Other Income	32	579.93	3,303.42
Total Income		**168,736.33**	**144,512.33**
EXPENSES			
Cost of Materials Consumed	33	85,557.32	72,760.09
Purchases of Stock-in-Trade		6,070.82	4,530.31
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	34	(10,304.99)	(1,340.97)
Employee Benefits Expense	35	16,262.09	14,504.81
Finance Costs	36	5,850.48	3,576.61
Depreciation and Amortisation Expense	37	6,251.21	5,596.47
Other Expenses	38	50,043.86	35,473.83
Total Expenses		**159,730.79**	**135,101.15**
Profit before exceptional item and tax		**9,005.54**	**9,411.18**
Exceptional Item	39	**967.84**	**-**
Profit Before Share of Loss of Associate		**8,037.70**	**9,411.18**
Share of Loss of Associate (Net of Tax)		**-**	**(13.33)**
Profit Before Tax		**8,037.70**	**9,397.85**
Tax Expense			
Current tax	7(b)	2,867.78	3,207.41
Deferred tax	7(b)	1,188.88	153.25
Total Tax Expenses		**4,056.66**	**3,360.66**
Profit for the year		**3,981.04**	**6,037.19**
Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined Benefit Plans		(93.35)	(23.30)
Income Tax relating to items that will not be reclassified to Profit or Loss	7(c)	30.55	8.14
(B) Items that will be reclassified to Profit or Loss			
Exchange differences in translating the financial statements of foreign operations		2,095.02	(761.40)
The effective portion of gains and losses on hedging instruments in a cash flow hedge		(13.94)	-
Income Tax relating to items that will be reclassified to Profit or Loss	7(c)	4.87	-
Total Other Comprehensive Income for the Year		**2,023.15**	**(776.56)**
Total Comprehensive Income for the Year		**6,004.19**	**5,260.63**
Profit / (Loss) for the Year attributable to:			
Owners of the Company		5,210.64	6,067.78
Non-Controlling Interests		(1,229.60)	(30.59)
Total Other Comprehensive Income for the Year attributable to:			
Owners of the Company		2,034.40	(880.33)
Non-Controlling Interests		(11.25)	103.77
Total Comprehensive Income for the Year attributable to:			
Owners of the Company		7,245.04	5,187.45
Non-Controlling Interests		(1,240.85)	73.18
Earnings per Equity Share (Face Value ₹ 1 each)			
Basic	40	3.45	4.61
Diluted		3.41	4.53
Significant Accounting Policies	1		

The accompanying notes 1 to 50 form an integral part of the Consolidated Financial Statements

As per our Report of even date.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 22, 2023

Signatures to the Consolidated Statement of Profit and Loss and Notes to Consolidated Financial Statements
For and on behalf of the Board

Ashish Dandekar
Chairman & Managing Director
DIN: 01077379

Nirmal Momaya
Managing Director
DIN:01641934

Santosh Parab
Chief Financial Officer

Rahul Sawale
Company Secretary & VP – Legal
Membership No: A 29314

Mumbai, Dated: May 22, 2023

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended March 31, 2023

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash Flow from Operating Activities		
Profit Before Tax	8,037.70	9,397.85
Adjustment for:		
Depreciation and Amortisation Expense	6,251.21	5,596.47
Finance Costs	5,850.48	3,576.61
Foreign Exchange Loss / (Gain) (Unrealised)	(887.74)	(1,695.63)
(Gain)/Loss on sale of Property, Plant & Equipment and Intangible Assets	6.49	23.29
Provision for impairment in the value of assets	967.84	-
Allowance / (Reversal) for Credit Loss	312.74	(362.78)
Allowance for Doubtful Advances	141.51	109.64
Expenses / (reversal) recognised in respect of equity settled share based payments	235.92	738.90
Provision for defined benefit plans and compensated absences	250.57	230.21
Interest income	(73.19)	(156.38)
Rent Expense	-	0.31
Hyperinflationary effect on Consolidated Statement of Profit and Loss	(75.71)	23.03
Share of loss of associate	-	13.33
Net gain arising on Financial Liabilities measured at Fair Value Through Profit or Loss (FVTPL)	(29.66)	(330.10)
Operating Profit before working capital changes	**20,988.16**	**17,164.75**
Adjustment for:		
Increase/(Decrease) in Non Financial Liabilities	309.60	1,238.00
Increase/(Decrease) in Financial Liabilities	3,358.68	8,033.61
(Increase)/Decrease in Non Financial Assets	(20,575.73)	(6,764.43)
(Increase)/Decrease in Financial Assets	3,028.78	(2,090.15)
Cash generated from / (used in) operations	**7,109.49**	**17,581.78**
Taxes Paid (Net)	(2,019.66)	(3,037.04)
Net Cash Flow from / (used in) Operating activities	**5,089.83**	**14,544.74**
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and Intangible Assets	(14,430.87)	(21,378.72)
Sale of Property, Plant & Equipment and Intangible Assets	90.09	-
Sale/ (Purchase) of non-current investments	(73.33)	-
Loans given	(1,005.47)	-
Maturity of / (Investment in) Fixed Deposit	2,883.83	2,849.94
Interest Received	73.19	169.80
Acquisition of subsidiaries (net)	-	(6,553.56)
Net Cash Flows from/(used in) Investing Activities	**(12,462.56)**	**(24,912.54)**
Cash Flow from Financing Activities		
Proceeds from Issue of Equity Shares under Employee Stock Option Scheme	54.63	67.06
Proceeds from Issue of Equity Shares pursuant to conversion of Preferential Share Warrants	-	9,417.33

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Proceeds from / (Repayment of) Long Term Borrowings (Net)	8,084.25	10,577.47
Proceeds from / (Repayment of) Short Term Borrowings (Net)	5,227.37	(2,971.49)
Payment of lease liabilities	(821.73)	(882.58)
Interest Paid	(5,193.63)	(2,539.51)
Preferred dividend / Dividend paid to non-controlling interests of Dresen Quimica S.A.P.I. de C.V.	(1,385.08)	(71.28)
Net Cash Flow from Financing Activities	**5,965.81**	**13,597.00**
Net Increase/(Decrease) in Cash & Cash Equivalents	**(1,406.92)**	**3,229.20**
Cash & Cash Equivalents at the beginning of the year	**10,781.16**	**7,551.96**
Cash & Cash Equivalents at the end of the year	**9,374.24**	**10,781.16**

Notes :

(a) The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

(b) Cash and Cash Equivalents comprises of :

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks in current accounts	9,365.94	8,614.26
Bank deposits with original maturity of less than three months	-	2,158.33
Cash on hand	8.30	8.57
Cash and cash equivalents in Consolidated Statement of Cash Flows	**9,374.24**	**10,781.16**

(c) Previous period's figures have been regrouped/reclassified wherever applicable.

The accompanying notes 1 to 50 form an integral part of the Consolidated Financial Statements

As per our Report of even date.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 22, 2023

Signatures to the Consolidated Statement of Cash Flows and Notes to Consolidated Financial Statements
For and on behalf of the Board

Ashish Dandekar
Chairman & Managing Director
DIN: 01077379

Nirmal Momaya
Managing Director
DIN:01641934

Santosh Parab
Chief Financial Officer

Rahul Sawale
Company Secretary & VP – Legal
Membership No: A 29314

Mumbai, Dated: May 22, 2023

A) EQUITY SHARE CAPITAL

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the reporting year	**1,569.84**	**1,274.98**
Issued pursuant to exercise of Employee Stock Options	1.09	1.36
Issued pursuant to conversion of Preferential Share Warrants	-	293.50
Changes in equity share capital during the year	**1.09**	**294.86**
Balance at the end of the reporting year	**1,570.93**	**1,569.84**

B) OTHER EQUITY

₹ (in Lakh)

Particulars	Share application money pending allotment	Equity Component of Foreign Currency Convertible Bonds (FCCBs)	Reserves and Surplus						Revaluation Surplus	Foreign Currency Translation Reserve (FCTR)	Money received against Preferential Share Warrants	Issue expenses towards non-converted preferential share warrants	Effective portion of Cash Flow hedges	Loss on change in proportion held by non-controlling interests	Total before Non-Controlling Interest	Non-Controlling Interest	Total after Non-Controlling Interest
			Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Employee Stock Option Outstanding	General Reserve	Retained Earnings									
Balance as at March 31, 2021	0.83	330.97	2,220.05	1,080.63	24,392.22	501.52	2,536.29	15,453.67	10,021.92	1,946.25	4,638.38	(57.63)	-	-	63,065.10	6,974.95	70,040.05
Profit for the Year	-	-	-	-	-	-	-	6,067.78	-	-	-	-	-	-	6,067.78	-	6,067.78
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-	(15.16)	-	-	-	-	-	-	(15.16)	-	(15.16)
Exchange differences in translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	(875.57)	-	-	-	-	(875.57)	-	(875.57)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,052.62**	**-**	**(875.57)**	**-**	**-**	**-**	**-**	**5,177.05**	**-**	**5,177.05**
Amount received during the year	-	-	-	-	-	-	-	-	-	-	9,417.33	-	-	-	9,417.33	-	9,417.33
Issue of Equity Shares pursuant to exercise of Employee Stock Options (ESOP)	(0.83)	-	-	-	66.53	-	-	-	-	-	-	-	-	-	65.70	-	65.70
Issue of Equity Shares pursuant to conversion of preferential share warrants	-	-	-	-	13,762.24	-	-	-	-	-	(14,055.71)	-	-	-	(293.47)	-	(293.47)
Issue expenses towards converted preferential share warrants transferred to Securities Premium	-	-	-	-	(57.63)	-	-	-	-	-	-	57.63	-	-	-	-	-

₹ (in Lakh)

Particulars	Share application money pending allotment	Equity Component of Foreign Currency Convertible Bonds (FCCBs)	Reserves and Surplus						Revaluation Surplus	Foreign Currency Translation Reserve (FCTR)	Money received against Preferential Share Warrants	Issue expenses towards non-converted preferential share warrants	Effective portion of Cash Flow hedges	Loss on change in proportion held by non-controlling interests	Total before Non - Controlling Interest	Non-Controlling Interest	Total after Non - Controlling Interest
			Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Employee Stock Option Outstanding	General Reserve	Retained Earnings									
Deferred Tax on QIP Issue expenses	-	-	-	-	-	-	-	(27.46)	-	-	-	-	-	-	(27.46)	-	(27.46)
Fair valuation Share Based Payments	-	-	-	-	-	741.84	-	-	-	-	-	-	-	-	741.84	-	741.84
Transferred to Securities Premium	-	-	-	-	23.86	(23.86)	-	-	-	-	-	-	-	-	-	-	-
Depreciation on revaluation of assets transferred to retained earnings	-	-	-	-	-	-	-	1,763.87	(1,763.87)	-	-	-	-	-	-	-	-
Loss on change in proportion held by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,922.53)	(4,922.53)	-	(4,922.53)
Changes in Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,263.04)	(5,263.04)
Balance as at March 31, 2022	**-**	**330.97**	**2,220.05**	**1,080.63**	**38,187.22**	**1,219.50**	**2,536.29**	**23,242.70**	**8,258.05**	**1,070.68**	**-**	**-**	**-**	**(4,922.53)**	**73,223.56**	**1,711.91**	**74,935.47**
Profit for the Year	-	-	-	-	-	-	-	5,210.64	-	-	-	-	-	-	5,210.64	-	5,210.64
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-	(62.80)	-	-	-	-	-	-	(62.80)	-	(62.80)
Exchange differences in translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	2,091.82	-	-	-	-	2,091.82	-	2,091.82
Effective portion of Cash Flow Hedges	-	-	-	-	-	-	-	-	-	-	-	-	(9.07)	-	(9.07)	-	(9.07)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,147.84**	**-**	**2,091.82**	**-**	**-**	**(9.07)**	**-**	**7,230.59**	**-**	**7,230.59**
Amount received during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Equity Shares pursuant to exercise of Employee Stock Options (ESOP)	-	-	-	-	53.53	-	-	-	-	-	-	-	-	-	53.53	-	53.53
Fair valuation of Share Based Payments	-	-	-	-	-	235.91	-	-	-	-	-	-	-	-	235.91	-	235.91
Transferred to Securities Premium	-	-	-	-	24.73	(24.73)	-	-	-	-	-	-	-	-	-	-	-

₹ (in Lakh)

Particulars	Share application money pending allotment	Equity Component of Foreign Currency Convertible Bonds (FCCBs)	Reserves and Surplus						Revaluation Surplus	Foreign Currency Translation Reserve (FCTR)	Money received against Preferential Share Warrants	Issue expenses towards non-converted preferential share warrants	Effective portion of Cash Flow hedges	Loss on change in proportion held by non-controlling interests	Total before Non - Controlling Interest	Non-Controlling Interest	Total after Non - Controlling Interest
			Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Employee Stock Option Outstanding	General Reserve	Retained Earnings									
Depreciation on revaluation of assets transferred to retained earnings	-	-	-	-	-	-	-	1,873.93	(1,873.93)	-	-	-	-	-	-	-	-
Movement in Loss on change in proportion held by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(377.12)	(377.12)	-	(377.12)
Movement in Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,240.87)	(1,240.87)
Balance as at March 31, 2023	**-**	**330.97**	**2,220.05**	**1,080.63**	**38,265.48**	**1,430.68**	**2,536.29**	**30,264.47**	**6,384.12**	**3,162.50**	**-**	**-**	**(9.07)**	**(5,299.65)**	**80,366.47**	**471.04**	**80,837.51**

The accompanying notes 1 to 50 form an integral part of the Consolidated Financial Statements

As per our Report of even date.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 22, 2023

Signatures to the Consolidated Statement of Changes in Equity to Consolidated Financial Statements
For and on behalf of the Board

Ashish Dandekar
Chairman & Managing Director
DIN: 01077379

Nirmal Momaya
Managing Director
DIN:01641934

Santosh Parab
Chief Financial Officer

Rahul Sawale
Company Secretary & VP – Legal
Membership No: A 29314

Mumbai, Dated: May 22, 2023

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A. Group Overview:

Camlin Fine Sciences Limited ("the Holding Company") including its subsidiaries, collectively referred to as "the Group" is engaged in research, development, manufacturing and marketing of speciality chemicals, ingredients and additive blends. The Holding Company is a public listed Company incorporated and domiciled in India having its registered office at Floor 2 to 5, In G.S. Point, CST Road, Kalina, Santacruz (East) Mumbai 400 098. The Holding Company is listed on BSE Limited and National Stock Exchange of India Ltd.

The Financial Statements of the Group for the year ended March 31, 2023 are approved by the Board of Directors on May 22, 2023.

B. Basis of Preparation of Consolidated Financial Statements

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Amendment Rules as amended from time to time. The Group's Financial Statements for the year ended March 31, 2023 comprises of the Balance Sheet, Statement of Profit and Loss, Statement of Cash Flows, Statement of Changes in Equity and the Notes to Consolidated Financial Statements.

Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

Functional and Presentation Currency

The financial statements are presented in Indian rupee, which is the functional currency of the Holding Company. All financial information has been rounded to the nearest lakh, unless otherwise indicated.

a. Basis of Measurement

The Financial Statements have been prepared on a going concern basis using historical cost convention and on accrual method of accounting, except for:

- certain financial assets and liabilities, including financial instruments which have been measured at fair value or amortised cost as described below.
- defined benefit plans which have been measured on the basis of actuarial valuation as required by relevant Ind ASs.
- financial statements of a subsidiary whose functional currency is the currency of hyperinflationary economy are stated in terms of the measuring unit at the end of the reporting period.

b. Key Accounting Estimates and Judgements:

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. 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. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities, are included in the following notes:

(i) Determination of the estimated useful lives of property, plant and equipment and intangible assets.

(ii) Recognition and measurement of defined benefit obligations, key actuarial assumptions.

(iii) Fair valuation of employee share options, key assumptions made with respect to expected volatility and dividend yield.

(iv) Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.

(v) Recognition of deferred tax assets.

(vi) Fair value of financial instruments, including derivative contracts and applicable discount rate.

(vii) Impairment of financial and non-financial assets.

(viii) Measurement of Lease Liabilities and Right of Use Assets.

(ix) Key assumptions used in discounted cash flow projections.

c. Measurement of fair values

The Group's accounting policies and disclosures require the financial instruments to be measured at fair values.

The Group has an established control framework with respect to measurement of fair values. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusions that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

C. Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

1 Ind AS 1 - Presentation of Financial Statements

The amendment requires the Group to disclose material accounting policies rather than significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

2 Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

3 Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The above amendments are effective from annual periods beginning on or after 1st April, 2023. The Group is assessing the impact of these changes and will accordingly incorporate the same in the financial statements for the year ending March 31, 2024.

D. Significant Accounting Policies

a. Business Combination

The Group accounts for each business combination (other than common control transactions) by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group measures goodwill as of the applicable acquisition date at excess of the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (measured at fair value) of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised as capital reserve on consolidation.

Transaction costs that the Group incurs in connection with a business combination are expensed as incurred.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Put options issued to non-controlling interests are recognised as a liability and the subsequent changes in fair value of the put option liability are recognised in Consolidated Statement of Profit and Loss.

Common control transactions are accounted for based on pooling of interests method where the assets and liabilities of the acquiree are recorded at their existing carrying values, the identity of reserves of the acquiree is preserved and the difference between consideration and the face value of the share capital of the acquiree is adjusted with capital reserve on consolidation.

The financial information in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements irrespective of the actual date of the combination.

b. Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exists when the Group is exposed to, or has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of Profit & Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost and the differential is recognised in Consolidated Statement of profit or loss. Subsequently, it is accounted for as an equity-accounted investee depending on the level of influence retained.

c. Associates

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

d. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealised gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

e. Acquisition of non-controlling interests

Acquisition of some or all of the non-controlling interest ("NCI") is accounted for as a transaction with equity holders in their capacity as equity holders. Consequently, the difference arising between the fair value of the purchase consideration paid and the carrying value of the NCI is recorded as an adjustment to retained earnings that is attributable to the Holding Company. The associated cash flows are classified as investing activities. No goodwill is recognised as a result of such transaction. Obligation to acquire non-controlling interests is regarded as a financial liability.

f. Basis of Consolidation

I Principles of consolidation

(i) The consolidated financial statements relate to Camlin Fine Sciences Limited, its subsidiaries and an associate.

(ii) Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over a subsidiary.

(iii) The financial statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are fully eliminated while preparing these consolidated financial statements.

(iv) The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company.

(v) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their policies in line with the Group's accounting policies.

II Investments in Associate

An associate is an entity over which the Group has significant influence. Investment in associate is accounted by using the equity method of accounting, after initially being recognised at cost.

g. Property, Plant & Equipment

(i) Recognition and Measurement

Property, plant and equipment is initially measured at cost net of tax credit availed less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

When significant parts of Property, Plant and Equipment are required to be replaced, the Group recognises the replaced part and recognises the new part with its own associated useful life and it is depreciated accordingly.

Revaluation of property, plant and equipment is made for a class of property, plant and equipment. Any increase in the carrying amount of property, plant and equipment is recognised (net of tax) in other comprehensive income and accumulated in equity under the heading revaluation surplus. The difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets' original cost is transferred from revaluation surplus to retained earnings.

(ii) Depreciation

Depreciable amount for property, plant and equipment is the cost of property, plant and equipment less its estimated residual value.

Depreciation is provided on Straight Line Method over the estimated useful lives of the property, plant and equipment prescribed under Schedule II to the Companies Act, 2013 on *pro rata* basis. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on internal technical evaluation.

The estimated useful lives, residual values and depreciation methods are reviewed by the management at each reporting date and adjusted if appropriate.

(iii) Disposal or Retirement

Property, plant and equipment are derecognised either on disposal or when no economic benefits are expected from its use. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and recognised in the Consolidated Statement of Profit and Loss in the year of occurrence.

h. Capital Work In Progress

Capital work in progress includes the acquisition/commissioning cost of assets under expansion/acquisition and pending commissioning. Expenditure of revenue nature related to such acquisition/expansion is also treated as capital work in progress and capitalized along with the asset.

i. Leases

The Group assesses whether a contract contains a lease at the inception of the contract. Leases of assets (other than short term leases or leases for which the underlying asset is of low value) are recognised if the lease contract conveys the right to the Group to control the use of an identified asset for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time, if throughout the period of lease, the Group has both of the following:

a) The right to obtain substantially all of the economic benefits from use of the identified asset.

b) The right to direct the use of the identified asset.

At the date of commencement of lease, the Group recognises a Right-Of-Use asset and a corresponding lease liability for all lease arrangements in which it is a lessee except for leases for a term of twelve months or less (short term leases) and low value leases. For short term leases and low value leases, the Group recognises the lease payments as an expense on a straight-line basis over the lease term. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of future lease payments. The lease payments are discounted using the incremental borrowing rate in the country of domicile of the leases. The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments or if Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease Liabilities and Right-of-Use Asset have been presented seperately in the Consolidated Balance Sheet and lease payments have been classified as financing cash flows.

j. Investment Property

(i) Recognition and Measurement

Land or building held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business is recognised as Investment Property. Land held for a currently undetermined future use is also recognised as Investment Property.

An investment property is measured initially at cost of acquisition or construction including transaction cost.

After initial recognition, the Group measures investment property using cost model and discloses the fair value of investment property in the notes. Fair value is determined based on the evaluation performed by an external independent valuer.

(ii) Derecognition

Investment property is derecognised from the financial statement either on disposal or when no economic benefits are expected from its use.

The gain or loss arising from disposal of investment property are determined by comparing the proceeds from disposal with the carrying amount of investment property and recognised in the Consolidated Statement of Profit and Loss in the year of occurrence.

k. Intangible Assets

(i) Initial Recognition

Acquired Intangible Assets

Intangible assets acquired separately 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.

Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised if, and only if, all of the following conditions have been met:

a) It is technically feasible to complete the intangible asset so that it will be available for use or sale.

b) There is an intention to complete the asset.

c) There is an ability to use or sell the asset.

d) The asset will generate future economic benefits.

e) Adequate resources are available to complete the development and to use or sell the asset.

f) The expenditure attributable to the intangible asset during development phase can be measured reliably.

Where no internally generated intangible asset can be recognised, the development expenditure is recognised in the Consolidated Statement of Profit and Loss in the period in which it is incurred.

(ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the Straight-Line Method over their estimated useful lives, and is recognised in Consolidated Statement of profit and loss.

Estimated useful lives by major class of intangible assets are as follows:

Software - 3 to 6 years

Technical know-how - 5 to 41 years

(iii) Derecognition

An item of intangible asset is derecognised either on disposal or when no economic benefits are expected from its use. The gain or loss arising from disposal of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and recognised in the Consolidated Statement of Profit and Loss in the period of occurrence.

l. Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any).

If the recoverable amount of asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of an asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

m. Investment in Associate (Equity accounted investees)

Investment in associate is accounted by using the equity method of accounting, after initially being recognised at cost. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. If the associate subsequently reports profits, the entity resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investment in associate, the difference between net disposal proceeds and the carrying amounts are recognized in the Consolidated Statement of Profit and Loss.

n. Financial Instruments

A financial instrument is any contract that gives rise to financial asset of one entity and financial liability or equity instrument of another entity.

I. Financial Assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

(i) Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

(ii) Subsequent measurement and classification

For the purpose of subsequent measurement, the financial assets are classified into three categories on the basis of its business model for managing the financial assets

- Financial assets at amortised cost
- Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)
- Financial assets at Fair Value Through Profit or Loss (FVTPL)

(iii) Financial assets 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 assets for collecting contractual cash flows and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment, if any. The EIR amortisation is included in other income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss.

(iv) Financial asset at Fair Value through other comprehensive income (FVTOCI)

A financial asset is measured at fair value through other comprehensive income (FVTOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that 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 movements are recognized in the other comprehensive income (OCI).

Interest income measured using the EIR method and impairment losses, if any are recognised in the Consolidated Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from equity to‘other income’ in the Consolidated Statement of Profit and Loss.

(v) Financial Asset at Fair Value through profit or loss (FVPTL)

A financial asset which are not classified in any of the above categories are measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as ‘other income’ in the Consolidated Statement of Profit and Loss.

(vi) Financial Assets as Equity Investments

All equity instruments other than investment in associate are initially measured at fair value; the Group may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL.

The Group makes such election on an instrument-by-instrument basis. A fair value change on an equity instrument is recognised as other income in the Consolidated Statement of Profit and Loss unless the Group has elected to measure such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Consolidated Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Consolidated Statement of Profit and Loss.

(vii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset 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.

(viii) Impairment of Financial Assets

The Group applies 'Simplified Approach' for measurement and recognition of impairment loss on the following financial assets and credit exposure:

- Financial assets that are debt instruments and are measured at amortised cost e.g. loans, deposits and bank balance
- Trade receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

II. Financial Liabilities

(i) Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost except hybrid instruments with embedded derivatives where the embedded derivative cannot be measured separately either at inception or at the end of a subsequent reporting financial period in which case it is measured at Fair Value Through Profit or Loss. In case the embedded derivatives can be separated, the same is measured at Fair Value Through Profit or Loss and the host contract is measured at amortised cost.

(ii) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

(iii) Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings 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 transactions costs. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss. Gains and losses are recognised in the Consolidated Statement of Profit and Loss when the liabilities are derecognised.

(iv) Compound financial instruments

Compound financial instruments issued by the Holding Company which can be converted into fixed number of equity shares at the option of the holders irrespective of changes in the fair value of the instrument are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, FCCB being a hybrid contract, if the embedded derivative can be separated and measured, then the same is measured at fair value and designated as FVTPL, while the remaining liability component is subsequently measured at amortised cost using Effective Interest Rate method. The equity component of a compound financial instrument is not remeasured subsequently.

(v) Derecognition

A financial liability is derecognized 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 Consolidated Statement of Profit and Loss.

III. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(i) Cash flow hedge

The Group classifies foreign exchange forward contracts that hedge foreign currency risk associated with highly probable forecast transactions as cash flow hedge and measures them at fair value. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss, and is included in the 'Other income/ expenses' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion (as described above) are reclassified to the consolidated profit or loss in the periods when the hedged item affects consolidated profit or loss, in the same line as the recognised hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised in profit or loss.

(ii) Fair value hedge

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

IV. 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 or to realize the assets and settle the liabilities simultaneously.

V. Incremental costs directly attributable to the issue of ordinary equity shares, are recognised as a deduction from equity.

o. Inventories

Inventories are valued at lower of cost and net realizable value. Costs are computed on weighted average basis and are net of GST credits.

Raw materials, packing materials and stores: Cost includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition.

Finished Goods and Work in Progress: In case of manufactured inventories and work in progress, cost includes all costs of purchase, an appropriate share of production overheads based on the normal operating capacity and other costs incurred in bringing the inventories to the present location and condition. In case of joint products, the costs are allocated on a rational and consistent basis.

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

p. Cash and Cash Equivalents

Cash and cash equivalents in the Consolidated Balance Sheet comprise cash at bank and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated Statement of Cash Flow, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

q. Provisions, Contingent Liabilities and Contingent Assets

(i) 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 will be required to settle the obligation and a reliable estimate can be made. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss net of any reimbursement.

If the effect of 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.

(ii) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(iii) Contingent Assets

Contingent Assets are not recognised in the Consolidated Financial Statements. Contingent Assets if any, are disclosed in the notes to the Consolidated Financial Statements.

r. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan must have been initiated.

s. Revenue Recognition

(i) Sale of Goods

- Revenue from the domestic sales are recognised net of returns and allowances, trade discounts and volume rebates upon delivery which is when the control of the goods passes to the Customer and performance obligation is met at a point in time.

- Revenue from the export sales are recognised net of returns and allowances, trade discounts and volume rebates upon delivery, usually on the basis of dates of bill of lading which is when the control of the goods passes to the Customer and performance obligation is met at a point in time.

(ii) Sale of services

Revenue is recognised from sale of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. In case of services rendered by the Holding Company pertaining to scaling of production process, engineering assistance, pilot projecting etc, revenue is recognised when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts.

(iii) Export Incentives

Revenue from export incentives are accounted on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

(iv) Interest Income

(a) Interest income is recognized as the interest accrues (using the effective interest rate, that is, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

b) Interest income on fixed deposits with banks is recognised on time basis.

(v) Dividend Income

Dividend income on investments is recognised when the right to receive dividend is established.

t. Employee Benefits

Liabilities in respect of employee benefits to employees are provided for as follows:

(i) Short term employee benefits:

Liabilities for wages, salaries, bonus and medical benefits including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be incurred when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Consolidated balance sheet.

(ii) Post-Employment Benefits:

Defined Contribution Plans

Payments to defined contribution plans for eligible employees in the form of superannuation fund and the Company's contribution to Provident Fund are recognised as an expense in the Consolidated Statement of Profit and Loss as the related service is provided.

Defined Benefit Plans

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in current and prior periods, after discounting the same. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. The defined benefit obligation recognised in the Consolidated Balance Sheet represent the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any defined benefit asset (negative defined benefit obligation resulting from this calculation) representing the present value of available refunds and reductions in future contributions to the plan is recognised.

All expenses represented by current service cost, past service cost, if any, and net interest expense / (income) on the net defined benefit liability / (asset) are recognised in the Consolidated Statement of Profit and Loss. Re-measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses are recognised immediately in Other Comprehensive Income (OCI).

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Consolidated Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Other long-term employee benefits

Other long term employee benefits represent liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the service. These liabilities are measured as the present value of expected future payments to be made in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. Re-measurements are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise. Actuarial gains and losses in respect of such benefits are charged to the Consolidated Statement of Profit and Loss in the period in which they arise.

u. Share-Based Payment

Employees Stock Options Plans ("ESOPs"): The fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Employee Stock Options Outstanding".

v. Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

The benefit of loans or similar assistance provided by governments or related institutions, with an interest rate below the current applicable market rate is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the consolidated statement of profit and loss in the period in which they become receivable.

w. Borrowing Cost

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs also include exchange differences on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs pertaining to the period from commencement of activities relating to the construction / development of qualifying asset till the time all activities necessary to prepare the qualifying asset for its intended use or sale are complete are capitalised. Any income earned from temporary investment of borrowed funds is deducted from borrowing costs incurred.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready to its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

x. Foreign Currency Transactions / Translations

Transactions in foreign currencies are initially recorded at the functional currency spot rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies and remaining unsettled at the reporting date are translated into the functional currency at the exchange rate prevailing on the reporting date.

Non- monetary items that are measured based on historical cost in a foreign currency are not translated.

Exchange differences arising on settlement of transactions or translation of monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in the previous financial statements are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise except for exchange differences recognised as a part of qualifying assets.

In case of foreign operations whose functional currency is different from the Holding Company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year. Resulting foreign currency differences are recognised in Other Comprehensive Income / (Loss) and accumulated within equity as a part of Foreign Currency Translation Reserve (FCTR). The financial statements of a subsidiary whose functional currency is the currency of hyperinflationary economy, the inflation effects of origin country are recognised and subsequently translated into reporting currency. When a foreign operation is disposed of, in part or in full, the relevant amount in FCTR is transferred to the Consolidated Statement of Profit and Loss.

y. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

(i) Current Tax

Current tax is determined as the amount of tax payable or recoverable in respect of taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates that are enacted or substantively enacted at the reporting date.

In case Indian entities, Minimum Alternate Tax (MAT) is accounted as current tax when these entities are subjected to such provisions of the Income Tax Act, 1961. However, credit of such MAT paid is available when these entities are subject to tax as per normal provisions in the future.

Current tax assets and liabilities are offset only if, the Group:

a) has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are amounts of income taxes in future periods in respect of deductible temporary differences, unused tax losses, and unused tax credits to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

MAT (Minimum Alternate Tax) credit is recognised as an asset only when, and to the extent, there is convincing evidence that the Group will pay normal income tax during the specified period and the said is created by way of credit to the Consolidated Statement of Profit and Loss and shown as MAT credit entitlement. The Group reviews carrying amount of MAT credit at each reporting date and writes down the same to the extent that there is no longer convincing evidence to the effect that the Group will pay normal income tax during the period.

z. Recognition of effects of inflation in countries with hyperinflationary economic environment

The Group recognises the effect of inflation on the financial statements of a subsidiary that operates in hyperinflationary economic environment which consists of:

- using inflation factors to restate non-monetary assets such as inventories, property, plant and equipment including related costs and expenses when such assets are consumed or depreciated.
- applying inflation factors to restate capital stock, net income, retained earnings by the necessary amount to maintain the purchasing power equivalent in the currency of the country on the dates when such capital was contributed or income was generated upto the reporting date.
- include the gain or loss in consolidated statement of profit and loss.

The Group restates the financial information of subsidiary that operates in hyperinflationary economic environment using the general price index of the country.

aa. Earnings per Share

Basic earnings per share are computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares outstanding during the year adjusted for the effect of all dilutive potential equity shares.

ab. Dividend

The Group recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Group on or before the end of the reporting period. As per Corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

ac. Segment Reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) which is a single business segment in Speciality Chemicals.

ad. Events after the reporting period

When events occur after the reporting period provide evidence of the conditions that existed at the end of the reporting period, the impact of such events is adjusted in the financials statements. Otherwise, events after the reporting period of material size or nature are only disclosed.

2 (a) PROPERTY, PLANT & EQUIPMENT

₹ (in Lakh)

Particulars	Freehold Land	Leasehold Improvement	Factory & Other Building	Site Development	Plant, Equipment & Machinery	Furniture & Fixtures	Vehicles	Computer / Hardware Cost	Total
Gross Block									
Balance as at April 1, 2022	**311.65**	**587.68**	**7,176.71**	**348.54**	**56,830.95**	**964.86**	**404.12**	**499.59**	**67,124.10**
Additions	-	12.52	3,733.57	6.43	26,857.89	203.99	259.96	76.16	31,150.52
Deletions / Disposals	-	12.28	196.72	-	53.24	346.13	97.89	75.54	781.80
Foreign currency translation difference	17.93	89.57	133.41	0.15	2,478.13	1.55	21.94	45.00	2,787.68
Balance as at March 31, 2023	**329.58**	**677.49**	**10,846.97**	**355.12**	**86,113.73**	**824.27**	**588.13**	**545.21**	**100,280.50**
Accumulated Depreciation									
Balance upto April 1, 2022	**-**	**143.58**	**1,228.38**	**64.90**	**16,504.44**	**520.13**	**239.97**	**239.34**	**18,940.74**
Depreciation for the year (Refer Note 2.a.ii)	-	53.57	376.80	26.42	4,495.02	89.19	65.05	94.09	5,200.14
Deletions / Disposals	-	-	186.89	-	44.72	334.17	47.79	71.65	685.22
Foreign currency translation difference	-	20.99	69.60	0.08	1,432.30	4.20	20.90	25.17	1,573.24
Balance upto March 31, 2023	**-**	**218.14**	**1,487.89**	**91.40**	**22,387.04**	**279.35**	**278.13**	**286.95**	**25,028.90**
Net Carrying Amount as at March 31, 2023	**329.58**	**459.35**	**9,359.08**	**263.72**	**63,726.69**	**544.92**	**310.00**	**258.26**	**75,251.60**

₹ (in Lakh)

Particulars	Freehold Land	Leasehold Improvement	Factory & Other Building	Site Development	Plant, Equipment & Machinery	Furniture & Fixtures	Vehicles	Computer / Hardware Cost	Total
Gross Block									
Balance as at April 1, 2021	**292.44**	**526.50**	**6,463.50**	**348.50**	**53,615.66**	**889.41**	**404.41**	**441.18**	**62,981.60**
Additions	1.93	24.98	728.01	-	3,747.66	52.83	7.64	71.91	4,634.96
Deletions / Disposals	-	5.30	56.45	5.97	322.39	-	45.24	19.47	454.82
Assets acquired in business combinations	24.23	-	90.68	-	145.68	3.95	-	0.66	265.20
Foreign currency translation difference	(6.95)	41.50	(49.03)	6.01	(355.66)	18.67	37.31	5.31	(302.84)
Balance as at March 31, 2022	**311.65**	**587.68**	**7,176.71**	**348.54**	**56,830.95**	**964.86**	**404.12**	**499.59**	**67,124.10**
Accumulated Depreciation									
Balance upto April 1, 2021	**-**	**108.42**	**919.95**	**39.09**	**12,924.47**	**430.25**	**204.38**	**179.91**	**14,806.47**
Depreciation for the year (Refer Note 2.a.ii)	-	31.53	311.59	26.52	4,002.33	78.50	63.39	80.40	4,594.26
Deletions / Disposals	-	11.15	24.09	2.61	177.57	-	41.12	26.92	283.46
Relating to assets acquired in business combinations	-	-	4.47	-	17.11	0.83	-	0.25	22.66
Foreign currency translation difference	-	14.78	16.46	1.90	(261.90)	10.55	13.32	5.70	(199.19)
Balance upto March 31, 2022	**-**	**143.58**	**1,228.38**	**64.90**	**16,504.44**	**520.13**	**239.97**	**239.34**	**18,940.74**
Net Carrying Amount as at March 31, 2022	**311.65**	**444.10**	**5,948.33**	**283.64**	**40,326.51**	**444.73**	**164.15**	**260.25**	**48,183.36**

2.a.i Refer Note 21.3, 21.5, 25.1.a, 25.2.a and 25.2.b for information on Property, Plant and Equipment pledged as security for borrowings.

2.a.ii Depreciation for the current year includes additional depreciation on account of revaluation in respect of plant, equipment and machinery in relation to subsidiary in Italy amounting to ₹ 1,873.93 lakh (2021-2022: ₹ 1,763.87 lakh).

2.(b)Capital Work-in-Progress (CWIP)

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Work-in-Progress	4,083.62	21,471.10
	4,083.62	**21,471.10**

2.b.i Capital Work-in-Progress includes ₹ 361.49 lakh (2021-2022: ₹ 230.13 lakh) towards borrowing costs on general borrowing capitalised during the year. The average capitalisation rate for general borrowing is 9.02% p.a (2021-2022: 8.64% p.a). Capital Work-in-Progress also includes ₹ 1,481.66 lakh ((2021-2022: ₹ 486.57 lakh towards specific borrowing capitalised during the year. The capitalisation rate is 9.70% p.a. (2021-2022: 4.15% p.a).

2.b.ii Refer Note 41 (II) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

2.b.iii Capital Work-in-Progress Ageing Schedule

As at March 31, 2023

₹ (in Lakh)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	1,774.93	1,839.27	420.57	48.85	4,083.62
	1,774.93	**1,839.27**	**420.57**	**48.85**	**4,083.62**

Projects in Progress as on March 31, 2022 include projects amounting to ₹ 702.69 lakh which had exceeded their original budgeted cost and / or expected time of completion. These projects are expected to be completed within 1 year.

As at March 31, 2022

₹ (in Lakh)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	19,655.73	1,736.26	53.11	26.00	21,471.10
	19,655.73	**1,736.26**	**53.11**	**26.00**	**21,471.10**

Projects in Progress as on March 31, 2022 included projects amounting to ₹ 18,912.37 lakh which had exceeded their original budgeted cost and / or expected time of completion. These projects have been completed during the year.

3 RIGHT-OF-USE ASSETS

(a) Changes in the carrying value of right of use assets during the year ended March 31, 2023

₹ (in Lakh)

Particulars	Category of Asset					
	Land	Buildings	Plant & Machinery	Vehicles	Computer / Hardware Cost	Total
Balance as at April 1, 2022	**2,211.52**	**2,078.96**	**-**	**80.83**	**-**	**4,371.31**
Additions	-	144.74	80.75	54.77	144.16	424.42
Deletions / Disposals	-	-	-	-	-	-
Depreciation for the year	(59.77)	(674.07)	(3.85)	(31.52)	(6.86)	(776.07)
Foreign currency translation difference	0.49	87.20	-	1.09	-	88.78
Balance as at March 31, 2023	**2,152.24**	**1,636.83**	**76.90**	**105.17**	**137.30**	**4,108.44**

Changes in the carrying value of right of use assets during the year ended March 31, 2022

₹ (in Lakh)

Particulars	Category of Asset					
	Land	Buildings	Plant & Machinery	Vehicles	Computer / Hardware Cost	Total
Balance as at April 1, 2021	**2,019.15**	**1,092.78**	**-**	**16.95**	**-**	**3,128.88**
Additions	228.89	1,776.81	-	89.95	-	2,095.65
Deletions / Disposals	-	-	-	-	-	-
Adjustment on account of lease modifications (Refer Note 32.1)	-	(281.90)	-	-	-	(281.90)
Depreciation for the year	(56.78)	(603.51)	-	(25.67)	-	(685.96)
Foreign currency translation difference	20.26	94.78	-	(0.40)	-	114.64
Balance as at March 31, 2022	**2,211.52**	**2,078.96**	**-**	**80.83**	**-**	**4,371.31**

(b) Movement in lease liabilities during the year ended March 31, 2023

₹ (in Lakh)

Particulars	Category of Asset					
	Land	Buildings	Plant & Machinery	Vehicles	Computer / Hardware Cost	Total
Balance as at April 1, 2022	**5.65**	**2,213.71**	**-**	**82.83**	**-**	**2,302.19**
Additions	-	89.13	80.75	54.77	144.16	368.81
Deletions / Disposals	-	-	-	-	-	-
Interest incurred during the year	0.62	164.55	1.69	8.19	3.02	178.07
Payment of lease liabilities	(0.68)	(775.16)	(3.49)	(35.70)	(6.70)	(821.73)
Foreign currency translation difference	-	68.43	-	(0.01)	-	68.42
Balance as at March 31, 2023	**5.59**	**1,760.66**	**78.95**	**110.08**	**140.48**	**2,095.76**

Movement in lease liabilities during the year ended March 31, 2022

₹ (in Lakh)

Particulars	Category of Asset					
	Land	Buildings	Plant & Machinery	Vehicles	Computer / Hardware Cost	Total
Balance as at April 1, 2021	**5.71**	**1,185.13**	**-**	**17.79**	**-**	**1,208.63**
Additions	-	1,745.46	-	89.95	-	1,835.41
Deletions / Disposals	-	-	-	-	-	-
Adjustment on account of lease modifications (Refer Note 32.1)	-	(327.44)	-	-	-	(327.44)
Interest incurred during the year	0.62	137.20	-	2.91	-	140.73
Payment of lease liabilities	(0.68)	(620.36)	-	(26.98)	-	(648.02)
Foreign currency translation difference	-	93.72	-	(0.84)	-	92.88
Balance as at March 31, 2022	**5.65**	**2,213.71**	**-**	**82.83**	**-**	**2,302.19**

(c) Contractual maturities of lease liabilities on an undiscounted basis

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	834.56	778.53
One to two years	667.16	684.83
Two to five years	942.34	1,263.02
More than five years	11.53	12.21
Total	**2,455.59**	**2,738.59**

(d) The Group has incurred ₹ 887.17 lakh (2021-2022: ₹ 614.13 lakh) towards short term leases (Refer Note 38)

4.(a)INTANGIBLE ASSETS

₹ (in Lakh)

Particulars	Software	Technical Know-How	Development Expenditure	R & D Process Development	Patents	Total
Gross Block						
Balance as at April 1, 2022	**250.26**	**508.72**	**1,847.37**	**80.20**	**2,141.08**	**4,827.63**
Additions	23.08	-	-	-	-	23.08
Deletions / Disposals	18.80	-	-	-	-	18.80
Impairment (Refer Note 39)	-	-	-	-	2,150.76	2,150.76
Foreign currency translation difference	0.58	-	82.79	-	9.68	93.05
Balance as at March 31, 2023	**255.12**	**508.72**	**1,930.16**	**80.20**	**-**	**2,774.20**
Accumulated Amortisation						
Balance upto April 1, 2022	**196.35**	**157.88**	**1,089.60**	**80.20**	**1,016.98**	**2,541.01**
Amortisation for the year	18.21	45.14	50.34	-	161.31	275.00
Deletions / Disposals	18.80	-	-	-	-	18.80
Impairment (Refer Note 39)	-	-	-	-	1,182.92	1,182.92
Foreign currency translation difference	0.78	-	32.22	-	4.63	37.63
Balance upto March 31, 2023	**196.54**	**203.02**	**1,172.16**	**80.20**	**-**	**1,651.92**
Net Carrying Amount as at March 31, 2023	**58.58**	**305.70**	**758.00**	**-**	**-**	**1,122.28**

₹ (in Lakh)

Particulars	Software	Technical Know-How	Development Expenditure	R & D Process Development	Patents	Total
Gross Block						
Balance as at April 1, 2021	**228.47**	**401.86**	**1,871.52**	**80.20**	**2,002.53**	**4,584.58**
Additions	10.56	106.86	8.59	-	-	126.01
Deletions / Disposals	0.68	-	-	-	-	0.68
Foreign currency translation difference	11.91	-	(32.74)	-	138.55	117.72
Balance as at March 31, 2022	**250.26**	**508.72**	**1,847.37**	**80.20**	**2,141.08**	**4,827.63**
Accumulated Amortisation						
Balance upto April 1, 2021	**175.23**	**119.17**	**1,060.99**	**80.20**	**750.91**	**2,186.50**
Amortisation for the year	15.98	38.71	47.45	-	214.11	316.25
Deletions / Disposals	0.68	-	-	-	-	0.68
Foreign currency translation difference	5.82	-	(18.84)	-	51.96	38.94
Balance upto March 31, 2022	**196.35**	**157.88**	**1,089.60**	**80.20**	**1,016.98**	**2,541.01**
Net Carrying Amount as at March 31, 2022	**53.91**	**350.84**	**757.77**	**-**	**1,124.10**	**2,286.62**

4.(b)INTANGIBLE ASSETS UNDER DEVELOPMENT AGEING SCHEDULE

As at March 31, 2023

₹ (in Lakh)

Particulars	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	200.70	17.85	-	-	218.55
	200.70	**17.85**	**-**	**-**	**218.55**

As at March 31, 2022

₹ (in Lakh)

Particulars	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	17.85	14.46	-	-	32.31
	17.85	**14.46**	**-**	**-**	**32.31**

5 INVESTMENTS

₹ (in Lakh)

Particulars		As at March 31, 2023		As at March 31, 2022	
		Number of Shares	Amount	Number of Shares	Amount
Investment in Equity Instruments (Fully Paid) (At Cost)					
Unquoted					
(i)	**Subsidiaries**				
	Dresen Quimica, S.A.P.I de C.V (Refer Note 5.1)	-	615.15	-	615.15
(ii)	**Others**				
	Fine Renewable Energy Limited (of ₹ 10 each)	50,995	5.10	50,995	5.10
	Ravenna Servizi Industrial Consortium (of EUR 1 each)	224,359	171.93	141,783	98.60
	Unicredit Bank (of EUR 1 each)	10,000	8.30	10,000	8.30
	Saraswat Co-Operative Bank Limited (of ₹ 10 each)	5,000	0.50	5,000	0.50
	Total (ii)		**185.83**		**112.50**
(iii)	**Total (i+ii)**		**800.98**		**727.65**
(iv)	Provision for impairment in value of investments (Refer Note 5.2)		(5.10)		(5.10)
(v)	**Net Investments (iii-iv)**		**795.88**		**722.55**
	Aggregate amount of unquoted investments		**795.88**		**722.55**
	Aggregate amount of impairment in value of investments		**5.10**		**5.10**

5.1 As per the amended shareholders agreement dated October 18, 2021 entered into by the Holding Company with the non-controlling shareholder of Dresen Quimica S.A.P.I. de CV (Dresen Quimica), on November 11, 2021, the Holding Company, through its wholly owned subsidiary CFS De Mexico Blends S.A.P.I. DE C.V. (CFS Blends), had acquired 33.50% stake in Dresen Quimica (total stake is 98.50%) for a total consideration of US$ 8.50 million equivalent to ₹ 6,344.80 lakh. The balance 1.50% non-controlling interest will extinguish on the payment of balance unpaid preferred dividend by Dresen Quimica over a period upto December 31, 2023 as escalated by 3% per annum from January 1, 2021 till the date of respective payments. If the aforesaid payments are not made or are inadequate, then the amended agreement provides a put option to the non-controlling interest to sell 1.50% stake which will be valued at the unpaid portion of the preferred dividend. There are no participating rights in any profits to the non-controlling interest effective January 1, 2021.

The fair value of put option obligation calculated on the basis of 'Income Approach' at the inception of option was Nil. The fair value of put option obligation as on March 31, 2023 being immaterial, there is no recognition thereof as investment and there is no corresponding recognition in other equity and/or of Financial obligation.

5.2 The provision for impairment in the value of investments represents the provision in respect of investments in Fine Renewable Energy Limited.

6 OTHER FINANCIAL ASSETS

₹ (in Lakh)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Security deposits	1,479.23	1,428.63
Derivative asset (Refer Note 6.1 and Note 15)	183.18	340.08
	1,662.41	**1,768.71**

6.1 The derivative asset amounting to ₹ 369.74 lakh (March 31, 2022: ₹ 340.08 lakh) represents the embedded derivative portion of compound financial instrument i.e FCCB. The Holding Company has measured the embedded derivative at FVTPL and the host contract has been accounted at amortised cost. The change in the carrying amount of the embedded derivative amounting to ₹ 29.66 lakh (2021-2022: ₹ 330.10 lakh) has been recognised in the Consolidated Statement of Profit and Loss (Refer Note 32(b)).

7 DEFERRED TAX ASSETS / (LIABILITIES) (NET)

a) Movement in Deferred Tax Balances

₹ (in Lakh)

Particulars	As at April 1, 2022		Movement during the year			As at March 31, 2023	
	Deferred Tax Assets / (Liabilities)	Deferred Tax Assets / (Liabilities)	Recognised in Consolidated Statement of Profit and Loss	Recognised in Equity	Recognised in OCI	Deferred Tax Assets/ (Liabilities)	Deferred Tax Assets/ (Liabilities)
Deferred Tax Assets/ (Liabilities)							
Property, Plant and Equipment & Intangible Assets	(39.14)	(3,050.28)	(1,747.72)	-	-	(16.31)	(4,820.83)
Provision for Bad and Doubtful Debts and Advances	474.09	286.41	(280.93)	-	-	(1.26)	480.83
Transaction costs (net) relating to borrowings	-	33.40	42.24	-	-	-	75.64
Employee benefits	3.73	325.99	(5.61)	-	30.55	(1.73)	356.39
Unabsorbed depreciation/losses	785.02	371.57	(375.89)	-	-	780.70	-
Items allowable for tax purposes on payments	300.15	-	(36.15)	-	-	264.00	-
Consolidation adjustments	1,594.49	-	(223.31)	-	-	1,371.18	-
Unutilised MAT Credit	-	1,007.99	1,244.15	-	-	-	2,252.14
Indexation benefit on long term capital asset	-	-	59.68	-	-	-	59.68
Others	81.84	(5.85)	134.69	-	4.87	129.82	85.73
Exchange differences	437.87	-	-	-	-	471.11	-
Deferred Tax Assets/ (Liabilities)	**3,638.05**	**(1,030.77)**	**(1,188.85)**	**-**	**35.42**	**2,997.51**	**(1,510.42)**

Deferred Tax Asset has been recognised at ₹ 780.70 lakh (March 31, 2022: ₹ 1,156.59 lakh) based on the current sale contracts on hand and the probable future taxable profits based on the budgets of the Group.

₹ (in Lakh)

Particulars	As at April 1, 2021		Movement during the year			As at March 31, 2022	
	Deferred Tax Assets / (Liabilities)	Deferred Tax Assets / (Liabilities)	Recognised in Consolidated Statement of Profit and Loss	Recognised in Equity	Recognised in OCI	Deferred Tax Assets / (Liabilities)	Deferred Tax Assets / (Liabilities)
Deferred Tax Assets/ (Liabilities)							
Property, Plant and Equipment & Intangible Assets	(49.57)	(2,849.61)	(190.24)	-	-	(39.14)	(3,050.28)
Provision for Bad and Doubtful Debts and Advances	474.09	336.63	(50.22)	-	-	474.09	286.41
QIP Issue expenses	-	27.46	-	(27.46)	-	-	-

₹ (in Lakh)

Particulars	As at April 1, 2021		Movement during the year			As at March 31, 2022	
	Deferred Tax Assets / (Liabilities)	Deferred Tax Assets / (Liabilities)	Recognised in Consolidated Statement of Profit and Loss	Recognised in Equity	Recognised in OCI	Deferred Tax Assets / (Liabilities)	Deferred Tax Assets / (Liabilities)
Transaction costs (net) relating to borrowings	-	(166.21)	199.61	-	-	-	33.40
Employee benefits	5.57	125.55	190.46	-	8.14	3.73	325.99
Unabsorbed depreciation/losses	958.30	1,528.51	(1,330.22)	-	-	785.02	371.57
Items allowable for tax purposes on payments	280.73	-	19.42	-	-	300.15	-
Consolidation adjustments	1,234.91	-	359.58	-	-	1,594.49	-
Unutilised MAT Credit	-	377.66	630.33	-	-	-	1,007.99
Others	68.51	(10.55)	18.03	-	-	81.84	(5.85)
Exchange differences	328.31	-	-	-	-	437.87	-
Deferred Tax Assets/ (Liabilities)	**3,300.85**	**(630.56)**	**(153.25)**	**(27.46)**	**8.14**	**3,638.05**	**(1,030.77)**

Deferred Tax Asset has been recognised at ₹ 1,156.59 lakhs (March 31, 2020: ₹ 2,468.81 lakhs) based on the current sale contracts on hand, and the probable future taxable profits based on the budgets of the Group.

7 b) Tax expense recognised in Consolidated Statement of Profit and Loss

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax		
In respect of current year	2,785.81	3,200.69
In respect of prior year	81.97	6.72
	2,867.78	**3,207.41**
Deferred Tax		
Origination and reversal of tax on temporary differences	2,433.03	783.58
(Origination)/Utilisation of MAT Credit entitlement	(1,244.15)	(630.33)
	1,188.88	**153.25**
Tax expense for the year	**4,056.66**	**3,360.66**

c) Tax recognised in Other Comprehensive Income

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Items that will not be reclassified to Profit and Loss		
Remeasurements of defined benefit plans	(30.55)	(8.14)
Items that will be reclassified to Profit and Loss		
The effective portion of gains and losses on hedging instruments in a cash flow hedge	(4.87)	-
Total	**(35.42)**	**(8.14)**

d) Reconciliation of Effective Tax Rate

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit Before Tax	**8,037.70**	**9,411.18**
Statutory Indian Income Tax rate#	34.944%	34.944%
Expected Income Tax Expense	**2,808.69**	**3,288.64**
Tax effect of:		
Effect of income exempt from tax / non taxable on compliance of conditions	(1,262.95)	(208.64)
Effect of income chargeable at specified tax rates	(2,030.71)	(1,494.93)
Effect of expenses / provisions allowable / deductible in determining taxable profit	(309.92)	(602.36)
Effect of net additional / (reversal) of provision in respect of prior years	78.86	6.71
Effect of allowances on Property, Plant & Equipment / Intangible Assets and unabsorbed depreciation	2,152.28	1,669.99
Effect of unrecognised deferred tax assets	2,045.83	1,134.65
Others	574.58	(433.40)
Total Income Tax Expense	**4,056.66**	**3,360.66**

The Holding Company has elected not to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 for the current financial year. The tax rate applicable to the Company for the current financial year is 34.944%.

e) Unrecognised tax items

As at March 31, 2023, unrecognised deferred tax assets on account of tax losses for which no deferred tax assets is recognised is ₹ 4,173.37 lakh (March 31, 2022: ₹ 2,923.94 lakh) in various jurisdictions, which can be carried forward up to a specified period or indefinitely. The total unused tax losses as at March 31, 2023 is ₹ 17,883.91 lakh (March 31, 2022: ₹ 12,025.48 lakh).

8 INCOME TAX ASSETS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Tax and Tax Deducted at Source (Net of Provision for Tax)	1,257.73	1,335.10
	1,257.73	**1,335.10**

9 OTHER NON-CURRENT ASSETS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	418.28	1,471.71
Prepaid expenses	32.42	94.12
	450.70	**1,565.83**

10 INVENTORIES

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials and Packing materials		
(i) in stock	24,009.35	12,552.40
(ii) in transit	2,769.37	4,832.14
Work-in-progress	10,323.39	9,516.45
Finished goods	15,348.52	6,228.60
Stock-in-trade	3,038.38	2,660.25
Stores and spares	1,325.38	1,296.05
	56,814.39	**37,085.89**

10.1 Refer Note 21.3.(a) - 21.3.(e) , 25.1.a, 25.2.a and 25.2.b for information on inventories pledged as security for borrowings.

10.2 The above amounts are net of provision in respect of write down towards slow moving and non moving inventories amounting to ₹ 445.82 lakh (2021-2022: ₹ 22.72 lakh). These are recognised as an expense under Note 33, 34 and 38.

11 TRADE RECEIVABLES

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
Considered good (Refer Note 11.1)	30,981.23	30,236.90
Which have significant increase in credit risk	2,655.50	2,499.80
Credit impaired	5.63	5.56
	33,642.36	**32,742.26**
Less: Loss allowance (Refer Note 11.4)	(3,183.47)	(2,774.62)
	30,458.89	**29,967.64**

11.1 Includes ₹ 228.88 lakh (March 31, 2022: ₹ 186.95 lakh) from related parties. (Refer Note 42(III)(1))

11.2 Details of ageing of gross amount of trade receivables outstanding from the due date of payment

As at March 31, 2023

₹ (in Lakh)

Particulars	Not Due	Outstanding for the following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed, considered good	24,843.67	4,171.10	174.83	90.24	428.99	1,201.72	30,910.55
Disputed, considered good	-	-	-	-	-	70.68	70.68
Disputed, which have significant increase in credit risk	-	-	-	-	-	2,655.50	2,655.50
Disputed, credit impaired	-	-	-	-	-	5.63	5.63
	24,843.67	**4,171.10**	**174.83**	**90.24**	**428.99**	**3,933.53**	**33,642.36**

As at March 31, 2022

₹ (in Lakh)

Particulars	Not Due	Outstanding for the following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed, considered good	23,909.95	4,600.54	307.20	163.25	46.33	1,139.60	30,166.87
Disputed, which have significant increase in credit risk	-	-	0.26	-	-	-	0.26
Disputed, considered good	-	-	-	-	-	70.03	70.03
Disputed, which have significant increase in credit risk	-	-	-	-	-	2,499.54	2,499.54
Disputed, credit impaired	-	-	-	-	5.56	-	5.56
	23,909.95	**4,600.54**	**307.46**	**163.25**	**51.89**	**3,709.17**	**32,742.26**

11.3 Relationship with struck off companies

₹ (in Lakh)

Name of struck off company	Nature of transactions	Transaction during the year ended March 31, 2023	Balance outstanding as at March 31, 2023	Transaction during the year ended March 31, 2022	Balance outstanding as at March 31, 2022	Relationship with struck off company
Motherland Formulations Private Limited	Sale of goods	-	-	16.89	5.57	Customer
Only One Pharma Industries Private Limited	Sale of goods	-	-	0.24	0.24	Customer
		-	**-**	**17.13**	**5.81**	

11.4 Details of loss allowance

The Group has used practical expedient by computing expected credit loss allowance for trade receivables by taking into consideration historical credit loss experience and adjusted for forward looking information. The expected credit loss is calculated on the basis of ageing of the days the receivables are due and the expected credit loss rate.

The movement in loss allowance is as follows:

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	2,774.62	3,189.40
Add: Created during the year	312.74	-
Less: Released during the year	(63.90)	(362.78)
Add /(Less):- Effect of foreign currency translation difference	160.01	(52.00)
Balance as at end of the year	**3,183.47**	**2,774.62**

11.5 The carrying amount of trade receivables include receivables discounted with banks, which are with re-course to the Group. Accordingly, the Group continues to recognise the transferred receivables in its Consolidated Balance Sheet. The carrying amount of these receivables is ₹ 754.80 lakh (March 31, 2022: ₹ Nil). The corresponding carrying amount of associated liabilities are recognised as short term borrowings. (Refer Note 25.2.b and 25.3.a)

12 CASH AND CASH EQUIVALENTS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks in current accounts	9,365.94	8,614.26
Bank deposits with original maturity of less than three months	-	2,158.33
Cash on hand	8.30	8.57
	9,374.24	**10,781.16**

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Earmarked balances with banks (Refer Note 13.1)	7.36	15.95
Bank deposits with original maturity of more than three months but less than 12 months	-	2,055.32
Balances with banks to the extent held as margin money or security against borrowings, guarantees and other commitments which have original maturity period of more than three months but less than 12 months.	541.21	1,361.13
	548.57	**3,432.40**

13.1 Earmarked balances with banks refers to balances carried in designated bank accounts towards unclaimed dividend.

14 LOANS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured, considered good		
Loans to others	1,000.00	-
Unsecured, considered good		
Loans to employees	13.95	8.47
	1,013.95	**8.47**

14.1 No loans are due from Directors or other officers of the Company either Severally or jointly with other person or amount due by firms or private companies in which any director is a partner a director or member.

15 OTHER FINANCIAL ASSETS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Security deposits	82.66	216.09
Insurance claim receivable	-	496.38
Derivative asset (Refer Note 6.1)	186.56	-
Others	144.78	42.52
Unsecured, credit impaired		
Security deposits	66.08	-
Less: Provision for credit impaired	(66.08)	-
	414.00	**754.99**

16 OTHER CURRENT ASSETS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advances to vendors	640.24	887.59
Prepaid expenses	1,138.83	890.38
Balance with Statutory/Government Authorities	7,713.96	4,900.51
Others (Refer Note 41.1)	457.60	437.83
Unsecured, credit impaired		
Advances to vendors	430.57	355.14
Less:- Provision for credit impaired	(430.57)	(355.14)
	9,950.63	**7,116.31**

17 ASSET CLASSIFIED AS HELD FOR SALE

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Freehold land	207.19	207.19

17.1 The Holding Company intends to dispose off freehold land situated at Pali in the next 12 months. This land was not utilised by the Holding Company for its operations. No impairment loss was recognised neither on reclassification of the land as held for sale nor as at reporting date, as the management expects that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount.

18 EQUITY SHARE CAPITAL

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Authorised		
180,000,000 Equity Shares of ₹ 1 each (March 31, 2022: 180,000,000 Equity Shares of ₹ 1 each)	1,800.00	1,800.00
	1,800.00	**1,800.00**
b) Issued, Subscribed and Paid - up		
157,093,496 Equity Shares of ₹ 1 each (March 31, 2022: 156,984,246 Equity Shares of ₹ 1 each).	1,570.93	1,569.84
	1,570.93	**1,569.84**

c) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹ (in Lakh)	No. of Shares	₹ (in Lakh)
Equity Shares				
Outstanding at the beginning of the year	156,984,246	1,569.84	127,498,471	1,274.98
Add: Issued pursuant to exercise of employee stock options	109,250	1.09	135,775	1.36
Add: Issued pursuant to conversion of preferential share warrants	-	-	29,350,000	293.50
Outstanding at the end of the year	**157,093,496**	**1,570.93**	**156,984,246**	**1,569.84**

d) Rights, preferences and restrictions attached to Equity Shares

The Holding Company has only one class of shares having par value of ₹ 1 per share. Each holder of Equity Shares is entitled to one vote per share. The Holding 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 Holding Company, the holders of Equity Shares are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

e) Shareholders holding more than 5% Equity Shares as at the end of the year

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% held	No. of Shares	% held
Infinity Direct Holdings	25,500,000	16.23	25,500,000	16.24
Ashish Subhash Dandekar	14,837,250	9.44	14,060,400	8.96
ICICI Prudential Midcap Fund	-	-	11,473,477	7.31
Infinity Holdings	10,663,586	6.79	10,663,586	6.79
ICICI Prudential Smallcap Fund	9,673,633	6.16	-	-
SBI Flexicap Fund	8,554,216	5.45	9,644,844	6.14
	69,228,685	**44.07**	**71,342,307**	**45.44**

f) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

i) The Holding Company has 4,500,000 (March 31, 2022: 4,500,000) Equity Shares reserved for issue under Employee Stock Option Plan, 2021 as at March 31, 2023. As at March 31, 2023, the Holding Company has not issued grant letters to any eligible employees under the said plan.

ii) The Holding Company has 4,400,000 (March 31, 2022: 4,400,000) Equity Shares reserved for issue under Employee Stock Option Plan, 2020 as at March 31, 2023. As at March 31, 2023, the Holding Company has issued grant letters for 3,912,096 options to eligible employees under the said plan. (Refer Note 35.2.1 for terms of employee stock options).

iii) The Holding Company has 201,500 (March 31, 2022: 310,750) Equity Shares reserved for issue under Employee Stock Option Scheme, 2018 as at March 31, 2023 (Refer Note 35.2.2 for terms of employee stock options).

g) Terms of any securities convertible into equity shares issued along with earliest date of conversion

The Holding Company has 10,258,986 Equity Shares reserved towards conversion of Foreign Currency Convertible Bonds (Refer Note 21.1 for terms of Foreign Currency Convertible Bonds) at a conversion price of ₹ 105 per share. These Bonds were converted and 10,258,986 fully paid-up Equity Shares of face value of ₹ 1 per equity share at a conversion price of ₹ 105 per equity share were issued on May 12, 2023 that is after the end of financial year.

h) Shareholding of promoters as at the end of the year and percentage change during the year

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022		% change during the year	As at March 31, 2021		% change during the year*
	No. of Shares	% held	No. of Shares	% held		No. of Shares	% held	
Ashish Subhash Dandekar	14,837,250	9.44%	14,060,400	8.96%	0.48%	14,060,400	11.03%	(2.07%)
Subhash Digambar Dandekar	1,016,000	0.65%	1,016,000	0.65%	-	1,016,000	0.80%	(0.15%)
S D Dandekar (HUF)	-	-	1,028,900	0.66%	(0.66%)	1,028,900	0.81%	(0.15%)
Rajani Subhash Dandekar	-	-	524,800	0.33%	(0.33%)	524,800	0.41%	(0.08%)
Camart Finance Ltd.	5,319,360	3.39%	5,319,360	3.39%	-	5,319,360	4.17%	(0.78%)
Vibha Agencies Pvt. Ltd.	2,606,340	1.66%	2,606,340	1.66%	-	2,606,340	2.04%	(0.38%)
Cafco Consultants Limited	1,497,600	0.95%	1,497,600	0.95%	-	1,497,600	1.17%	(0.22%)
M K Falcon Agro Tech Pvt. Ltd.	-	-	-	-	-	-	-	-
Anagha Subhash Dandekar	2,293,906	1.46%	1,517,056	0.97%	0.49%	1,517,056	1.19%	(0.22%)
	27,570,456	**17.55%**	**27,570,456**	**17.57%**		**27,570,456**	**21.62%**	

*Pursuant to shares issued on conversion of preferential share warrants and exercise of employee stock options.

19 OTHER EQUITY

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity component of Foreign Currency Convertible Bonds (FCCBs) (Refer Note 19.1)	**330.97**	**330.97**
Capital Reserve (Refer Note 19.2)	**2,220.05**	**2,220.05**
Capital Reserve on Consolidation (Refer Note 19.3)	**1,080.63**	**1,080.63**
Securities Premium (Refer Note 19.4)		
Opening Balance	38,187.22	24,392.22
Issue of equity shares pursuant to exercise of employee stock options	53.53	66.53
Issue of equity shares pursuant to conversion of preferential share warrants	-	13,762.24
Transferred from Employee Stock Option Outstanding	24.73	23.86
Utilisations during the year	-	(57.63)
Closing Balance	**38,265.48**	**38,187.22**

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Stock Option Outstanding (Refer Note 19.5)		
Opening Balance	1,219.50	501.52
Additions/(Reversals) during the year	235.91	741.84
Transferred to Securities Premium	(24.73)	(23.86)
Closing Balance	**1,430.68**	**1,219.50**
General Reserve (Refer Note 19.6)	**2,536.29**	**2,536.29**
Retained Earnings		
Opening Balance	23,242.70	15,453.67
Profit for the Year	5,210.64	6,067.78
Remeasurement of defined employee benefit plan	(62.80)	(15.16)
Depreciation for the year on revaluation of assets transferred from revaluation surplus	1,873.93	1,763.87
Deferred tax on QIP expenses	-	(27.46)
Closing Balance	**30,264.47**	**23,242.70**
Revaluation Surplus (Refer Note 19.7)		
Opening Balance	8,258.05	10,021.92
Depreciation for the year on revaluation of assets transferred to retained earnings	(1,873.93)	(1,763.87)
Closing Balance	**6,384.12**	**8,258.05**
Foreign Currency Translation Reserve		
Opening Balance	1,070.68	1,946.25
Additions during the Year	2,091.82	(875.57)
Closing Balance	**3,162.50**	**1,070.68**
Money received against preferential share warrants (Refer Note 19.8)		
Opening Balance	-	4,638.38
Amount received during the year	-	9,417.33
Issue of equity shares pursuant to conversion of preferential share warrants	-	(14,055.71)
Closing Balance	**-**	**-**
Issue expenses towards non-converted preferential share warrants (Refer Note 19.9)		
Opening Balance	-	(57.63)
Issue expenses towards converted preferential share warrants transferred to Securities Premium	-	57.63
Closing Balance	**-**	**-**
Effective portion of Cash Flow Hedges (Refer Note 19.10)	**(9.07)**	**-**
Loss on change in proportion held by non-controlling interests (Refer Note 19.11)	**(5,299.65)**	**(4,922.53)**
	80,366.47	**73,223.56**

Nature and Purpose of Reserves:

19.1 Equity component of Foreign Currency Convertible Bonds (FCCBs)

FCCBs issued by the Holding Company are split into equity and liability component and presented under other equity and non-current financial liabilities respectively.

19.2 Capital Reserve

i. Capital Reserve comprises of amount received pursuant to preferential share warrants forfeited by the Holding Company on account of warrants not exercised by the allottees.

ii Capital reserve also includes a non-distributable profit reserve for EUR 78,903 (₹ 53.92 lakh) being subordinated to the collection of a receivable due from one supplier of CFS Europe S.p.A. and approved in accordance with a resolution passed by the shareholders of CFS Europe S.p.A.

19.3 Capital Reserve on Consolidation

Gain on bargain purchase, i.e. excess of fair value of net assets acquired over the fair value of consideration in a business combination is recognised as Capital Reserve on Consolidation.

19.4 Securities Premium

The Securities premium account has been created to record the premium on issue of Equity Shares. This reserve is utilised for writing off the expenses incurred towards issue of preferential share warrants in accordance with the provisions of Section 52 of the Companies Act, 2013.

19.5 Employee Stock Option Outstanding

The Holding Company has Employee Stock Option Plan / Scheme under which options to subscribe to the Holding Company's shares have been given to certain employees of the Group. This reserve is used to recognise the value of equity settled share based payments provided to the employees, including Key Management Personnel, as a part of their remuneration.

The addition to Employee Stock Options Outstanding during the year is on account of CFS Employees' Stock Option Scheme, 2018 and CFS Employees' Stock Option Plan, 2020.

19.6 General Reserve

General Reserve is created from time to time by way of transfer of profits from Retained Earnings.

19.7 Revaluation Surplus

During the financial year ended March 31, 2021, CFS Europe SpA, a wholly owned subsidiary of the Holding Company had revalued a class of assets, being plant and machinery of diphenol plant based on the certificate issued by an independent approved valuer. Consequently, the said assets are stated at revalued amount of ₹ 16,526.76 lakh as against the cost of ₹ 6,194.88 lakh. The surplus on revaluation amounting to ₹ 10,021.92 lakh (net of tax payable of ₹ 309.96 lakh) was accounted through Revaluation Surplus.

The difference, during the year, between depreciation based on the revalued carrying amount and based on the original cost of the plant & machinery amounting to ₹ 1,873.93 lakh has been transferred to retained earnings.

19.8 Money received against Preferential Share Warrants

At the EOGM held on July 25, 2020, the shareholders had approved an issue of 35,500,000 warrants at a price of ₹ 47.89 each on a preferential basis to certain proposed allottees aggregating to ₹ 17,000.95 lakh. An amount equivalent to 1/3rd price of ₹ 5,610.31 lakh was subscribed on September 17, 2020 on the issue of the warrants. Each warrant is converted into 1 Equity Share at the face value of ₹ 1 and premium of ₹ 46.89 each on or before 18 months from the date of allotment of warrants by the Holding Company.

On November 17, 2020, the investors exercised their option of conversion of 6,150,000 warrants by subscribing the balance amount of ₹ 1,973.31 lakh. Pursuant to this conversion, 6,150,000 equity shares had been issued on November 24, 2020. On February 17, 2022, the investors exercised their option of conversion of balance 29,350,000 warrants by subscribing the balance amount of ₹ 9,417.33 lakh. Pursuant to this conversion, 29,350,000 equity shares were issued on February 23, 2022.

19.9 Issue expenses towards non-converted preferential share warrants

Issue expenses towards non-converted preferential share warrants comprise expenses incurred towards issue of preferential share warrants which were not converted. The same are transferred to Securities Premium on conversion of share warrants to equity shares.

19.10 Effective portion of Cash Flow Hedges

The Group uses foreign exchange forward contracts as part of its risk management policy for managing foreign currency risk. The effective portion of change in the fair value of forward contracts classified as cash flow hedges is recognised in other comprehensive income and accumulated in other equity under cash flow hedge reserve.

19.11 Loss on change in proportion held by non-controlling interest

Further to Note 5.1, in terms of provisions of Ind AS 110, the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid, is to be attributed to the owners' equity. Accordingly, difference amounting to ₹ 1,101.47 lakh has been adjusted under ' Other Equity'.

Further to Note 5.1 and in terms of the provisions of Ind AS 110, the obligation to acquire non-controlling interests, valued at the unpaid portion of the preferred dividend as escalated by 3% per annum till March 31, 2023, is a financial liability. The aforesaid financial liability has been recognised and disclosed under Note 27 and the corresponding impact has been adjusted and disclosed under Other Equity.

20 Non-Controlling Interests

20.1 The details of Non-Controlling Interests in Subsidiaries are provided below:

₹ (in Lakh)

Name	Country of Incorporation	Share of Non-Controlling Interests		Profit / (Loss) allocated to Non-Controlling Interests		Accumulated Non-Controlling Interests	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Dresen Quimica S.A.P.I. de C.V. (Dresen Quimica)	Mexico	1.50%	1.50%	-	783.98	-	-
Chemolutions Chemicals Ltd.	India	5.92%	5.92%	0.45	(0.42)	23.24	22.79
CFS Wanglong Flavors (Ningbo) Co., Ltd.	China	49.00%	49.00%	(1,174.88)	(787.61)	723.59	1,910.88
CFS Pahang Asia Pte Ltd.	Singapore	49.00%	49.00%	(1.88)	(1.56)	11.21	11.98
AlgalR Nutrapharms Private Limited#	India	20.00%	20.00%	(53.29)	(24.98)	(287.00)	(233.74)
				(1,229.60)	**(30.59)**	**471.04**	**1,711.91**

The Company has incorporated CFS PP(M) SDN. BHD., a subsidiary in Malaysia during the year. The share of non-controlling interest in this subsidiary is 49%. There are no operations in the Company during the year. No amount towards subscription of shares has been remitted as on March 31, 2023.

#On November 11, 2021, the Holding Company acquired 69.33% stake in AlgalR Nutrapharms Private Limited (AlgalR). Pursuant to additional investment made during the financial year ended March 31, 2022, by the Holding Company the share of non-controlling interests in AlgalR as on March 31, 2022 is 20%.

20.2 Movement of Non-Controlling Interests

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**1,711.91**	**6,974.95**
Share of Loss for the year	(1,229.60)	(30.59)
Dividend declared	-	(71.28)
Change in non-controlling interest on acquisition of additional 33.5% stake in Dresen Quimica	-	(5,056.18)
Change in non-controlling interests on acquisition of AlgalR	-	(208.76)
Effect of foreign currency translation differences	(11.27)	103.77
Balance at the end of the year	**471.04**	**1,711.91**

20.3 The summarised financial information of subsidiaries with non-controlling interests are as follows:

The summarised financial information of subsidiaries below represents amounts before intra group eliminations.

₹ (in Lakh)

Particulars	Dresen Quimica S.A.P.I. de C.V.		Chemolutions Chemicals Limited		CFS Wanglong Flavors (Ningbo) Co., Ltd.		CFS Pahang Asia Pte. Ltd.		AlgalR Nutrapharms Private Limited	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022#
Non-current assets	4,777.17	4,863.14	116.21	152.54	7,919.84	8,145.17	1.48	1.34	347.53	318.35
Current assets	27,358.03	23,996.64	345.42	333.43	8,745.68	9,382.20	23.82	24.27	163.84	111.01
Non-current liabilities	1,601.05	1,830.78	3.22	39.61	832.01	757.68	-	-	1,131.78	785.67
Current liabilities	8,375.07	8,691.26	54.36	49.95	13,427.92	12,855.99	2.67	1.41	184.02	169.32
Equity attributable to the owners	22,159.08	18,337.74	380.81	373.62	1,682.00	2,002.82	11.42	12.22	(517.43)	(291.89)
Non-controlling interests	-	-	23.24	22.79	723.59	1,910.88	11.21	11.98	(287.00)	(233.74)
Total income	35,424.66	32,010.49	154.26	242.32	14.55	198.10	-	0.07	208.72	31.51
Total expenses	31,124.39	26,287.52	142.33	237.79	2,103.80	2,245.72	3.84	3.24	480.86	156.42
Exceptional item (Refer Note 39)	-	-	-	-	967.84	-	-	-	-	-
Profit / (loss) for the year	3,120.78	4,176.32	7.63	7.18	(2,467.21)	(1,635.28)	(3.84)	(3.17)	(272.14)	(124.91)
Profit / (loss) attributable to owners of the Company	3,120.78	3,392.34	7.18	7.60	(1,292.33)	(847.67)	(1.96)	(1.61)	(218.85)	(99.93)
Profit / (loss) attributable to non-controlling interests	-	783.98	0.45	(0.42)	(1,174.88)	(787.61)	(1.88)	(1.56)	(53.29)	(24.98)

The details of non-controlling interests and summarised financial information for Dresen Quimica S.A.P.I. de C.V. shown above are consolidated results of Dresen Quimica and its five subsidiaries.

The summarised financial information pertaining to Profit & Loss for AlgalR Nutrapharms Private Limited shown above for the year ended March 31, 2022 is from the date the Group obtained control of AlgalR i.e. November 11, 2021.

21 BORROWINGS

₹ (in Lakh)

Particulars		As at March 31, 2023		As at March 31, 2022	
		Non-current	Current	Non-current	Current
I	**Foreign Currency Convertible Bonds - Unsecured (Refer Note 21.1)**	**6,614.58**	**6,839.05**	**11,988.69**	**-**
II	**Term Loans**				
(a)	**From Banks - Secured**				
(i)	In Foreign Currency (Refer Note 21.2)	6,156.53	1,547.63	6,977.34	1,192.83
(ii)	In Rupees (Refer Note 21.3)	2,144.46	1,032.13	2,955.83	985.57
(b)	**From Banks - Unsecured**				
(i)	In Foreign Currency (Refer Note 21.4)	5,024.35	3,038.52	5,583.40	3,280.93
(c)	**From Others - Secured**				
(i)	In Foreign Currency (Refer Note 21.5)	20,472.07	1,363.42	10,882.69	-
(d)	**From Others - Unsecured**				
(i)	In Foreign Currency (Refer Note 21.6)	397.54	-	376.77	-
		40,809.53	**13,820.75**	**38,764.72**	**5,459.33**

21.1 Foreign Currency Convertible Bonds - Unsecured

Foreign Currency Convertible Bonds (FCCBs) denominated in USD carried at ₹ 13,453.63 lakh as at March 31, 2023 (March 31, 2022: ₹ 11,988.69 lakh) represent 30 unsecured, unlisted and unrated FCCBs of US$ 5,00,000 each aggregating to US$ 15,000,000. FCCBs are convertible into Holding Company's fully paid equity shares of ₹ 1 each at a conversion price of ₹ 105 per share at the option of the bond holder. If the conversion option is not exercised by the bond holder, the amount is payable in two equal instalments at the end of September 14, 2023 and September 14, 2024. The simple interest at the rate of 5.5% per annum from October 29, 2021 (4.5% per annum from inception upto October 28, 2021) is payable semi-annually on the outstanding amount of FCCBs, compound interest at the rate of 1% per annum from October 29, 2021 (2% per annum from inception upto October 28, 2021) and additional interest at the rate of 0.5% shall accrue on semi-annual basis and be payable in two equal instalments on the 5th and 6th anniversary of the FCCB subscription date. These Bonds were converted and 10,258,986 Equity Shares were issued on May 12, 2023 that is after the end of financial year.

21.2 Term Loans from Banks in Foreign Currency - Secured

a) ₹ 162.56 lakh (March 31, 2022: ₹ 220.81 lakh) pertains to subsidiary in Brazil secured against trade receivables. The loan is repayable in remaining 27 monthly instalments by June 2025. The current interest rate is 11.30% p.a.

b) ₹ 162.31 lakh (March 31, 2012: ₹ Nil) pertains to subsidiary in Brazil secured against trade receivables. The loan is repayable in remaining 18 monthly instalments by September 2024. The current interest rate is 7.80% p.a.

c) ₹ 1,660.42 lakh (March 31, 2022: ₹ 1,787.51 lakh) pertains to subsidiary in Mexico secured by pledge of 100% equity shares of Dresen Quimica S.A.P.I. de C.V. held by the Holding Company and held by CFS De Mexico Blends S.A.,P.I. DE C.V. (CFS Blends). Further secured by corporate guarantee of the Holding Company to the extent of US$ 2.53 million. The loan is repayable in remaining 19 structured quarterly instalments by November 2027. The current interest rate is at a spread of 320 basis points over 3 month USD LIBOR.

d) ₹ 5,718.87 lakh (March 31, 2022: 6,161.85 lakh) pertains to subsidiary in Mexico secured by pledge of 100% equity shares of Dresen Quimica S.A.P.I. de C.V. held by the Holding Company and held by CFS Blends and 100% equity shares of CFS Blends held by the Holding Company. Further secured by corporate guarantee of the Holding Company to the extent of US$ 8.65 million. The loan is repayable in remaining 19 structured quarterly instalments by November 2027. The current interest rate is at a spread of 320 basis points over 3 month USD LIBOR.

21.3 Term Loans from Banks in Rupees - Secured

a) ₹ Nil (March 31, 2022: ₹ 56.25 lakh) secured by first *pari passu* charge on all current assets of the Holding Company, both present and future. Further secured by first *pari passu* charge by an equitable mortgage on entire movable and immovable fixed assets of the Holding Company, both present and future, excluding assets charged exclusively to other lenders.

b) ₹ 1,121.15 lakh (March 31, 2022: ₹ 1,463.80 lakh) secured by first *pari passu* charge by way of hypothecation of inventories and book debts of the Holding Company along with other working capital lenders. Further secured by first *pari passu* charge by an equitable mortgage on entire movable and immovable fixed assets of the Holding Company, both present and future, excluding assets charged exclusively to other lenders. The loan is repayable in remaining 36 monthly instalments by March 2026. The current interest rate is at a spread of 100 basis points over 1 year MCLR.

c) ₹ 459.06 lakh (March 31, 2022: ₹ 565.00 lakh) secured by first *pari passu* charge by way of hypothecation of inventories and book debts of the Holding Company along with other working capital lenders. Further secured by first *pari passu* charge by an equitable mortgage on entire movable and immovable fixed assets of the Holding Company, both present and future, excluding assets charged exclusively to other lenders. The loan is repayable in remaining 39 monthly instalments by June 2026. The current interest rate is at a spread of 100 basis points over 1 year MCLR.

d) ₹ 1,187.10 lakh (March 31, 2022: ₹ 1,581.35 lakh) secured by first *pari passu* charge by way of hypothecation of inventories and book debts of the Holding Company. Further secured by first *pari passu* charge by an equitable mortgage on entire movable and immovable fixed assets of the Holding Company, both present and future, excluding assets charged exclusively to other lenders. The loan is repayable in remaining 35 monthly instalments by February 2026. The current interest rate is at a spread of 100 basis points over 6 months MCLR.

e) ₹ 229.17 lakh (March 31, 2022: ₹ 275.00 lakh) secured by first *pari passu* charge by way of hypothecation of inventories and book debts of the Holding Company. Further secured by first *pari passu* charge by an equitable mortgage on entire movable and immovable fixed assets of the Holding Company, both present and future, excluding assets charged exclusively to other lenders. The loan is repayable in remaining 40 monthly instalments by July 2026. The current interest rate is at a spread of 100 basis points over 1 year MCLR.

f) ₹ 150.70 lakh (March 31, 2022: ₹ Nil) secured by way of hypothecation of vehicle. The loan is repayable in remaining 54 monthly instalments by September 2027. The current interest rate is at a spread of 290 basis points over 1 year Repo Linked rate.

g) ₹ 29.41 lakh (March 31, 2022: ₹ Nil) secured by way of hypothecation of vehicle. The loan is repayable in remaining 50 monthly instalments by May 2027. The current interest rate is 7.25% p.a.

21.4 Term Loans from Banks in Foreign Currency - Unsecured

a) ₹ 851.48 lakh (March 31, 2022: ₹ 1,428.99 lakh) pertains to a subsidiary in Italy. The loan is repayable in remaining 5 structured instalments by April 2024. The interest rate is at a spread of 190 basis points over 3 month EURIBOR.

b) ₹ 133.96 lakh (March 31, 2022: ₹ 338.52 lakh) pertains to a subsidiary in Italy. The loan is repayable in remaining 7 structured instalments by October 2023. The interest rate is at a spread of 200 basis points over 1 month EURIBOR.

c) ₹ Nil (March 31, 2022: ₹ 281.06 lakh) pertains to a subsidiary in Italy. The interest rate is at a spread of 130 basis points over 3 month EURIBOR.

d) ₹ Nil (March 31, 2022: ₹ 141.76 lakh) pertains to a subsidiary in Italy. The interest rate is at a spread of 150 basis points over 3 month EURIBOR.

e) ₹ 907.41 lakh (March 31, 2022: ₹ 1,181.16 lakh) pertains to a subsidiary in Italy. The loan is repayable in remaining 10 structured instalments by July 2025. The current interest rate is 2.25% p.a.

f) ₹ 121.33 lakh (March 31, 2022: ₹ 570.86 lakh) pertains to a subsidiary in Italy. The loan is repayable in remaining 1 structured instalments by June 2023. The interest rate is at a spread of 160 basis points over 3 month EURIBOR.

g) ₹ 3,138.16 lakh (March 31, 2022: ₹ 3,765.68 lakh) pertains to a subsidiary in Italy. The loan is repayable in remaining 14 structured instalments by September 2026. The interest rate is at a spread of 160 basis points over 3 month EURIBOR.

h) ₹ 781.44 lakh (March 31, 2022: ₹ 1,156.30 lakh) pertains to a subsidiary in Italy. The loan is repayable in remaining 7 structured instalments by December 2024. The interest rate is at a spread of 90 basis points over 3 month EURIBOR.

i) ₹ 2,129.09 lakh (March 31, 2022: ₹ Nil) pertains to a subsidiary in Italy. The loan is repayable in remaining 19 structured instalments by October 2027. The interest rate is at a spread of 160 basis points over 3 month EURIBOR.

21.5 Loan from others in Foreign Currency - Secured

a) ₹ 12,129.03 lakh (March 31, 2022: ₹ 10,882.69 lakh) pertains to the Holding Company secured by first *pari passu* charge over entire movable and immovable fixed assets at Plot No. Z/96/D at Dahej SEZ. The loan is repayable in remaining 12 semi-annual instalments by July 2029 commencing after a moratorium period of three years from the date of first disbursement. The current interest rate is at spread of 400 basis points over 6 months LIBOR.

b) ₹ 9,706.46 lakh (March 31, 2022: ₹ Nil) pertains to Holding Company secured by first pari passu charge over entire movable and immovable fixed assets at Plot No. Z/96/D at Dahej SEZ. The loan is repayable from April 2025 in 24 structured quarterly instalments by January 2031 commencing after moratorium period of 7 quarters. The current interest rate is at a spread of 400 basis points over SOFR.

21.6 Loan from others in Foreign Currency - Unsecured

₹ 397.54 lakh (March 31, 2022: ₹ 376.77 lakh) pertains to a subsidiary in China. The interest rate is 6.75% p.a.

21.7 The balances shown above include interest accrued amounting to ₹ 1,330.29 lakh (March 31, 2022: ₹ 820.51 lakh).

22 OTHER FINANCIAL LIABILITIES

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Obligation to acquire non-controlling interest in subsidiary (Refer Note 19.11)	-	2,063.47
Others (Refer Note 22.1)	29.64	38.67
	29.64	**2,102.14**

22.1 ₹ 29.64 lakh (March 31, 2022: ₹ 38.67 lakh) relates to grant-in-aid received by a subsidiary. The said grant has been recognised as government loan at below market rate of interest and measured in accordance with Ind AS 109 - Financial Instruments. The benefit of the below market rate of interest, measured as the difference between the fair value of the grant-in-aid determined in accordance with Ind AS 109 and the proceeds received is recognised as Government Grant.

23 PROVISIONS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employment benefits		
Compensated absences	470.08	332.46
Gratuity	11.39	-
	481.47	**332.46**

24 OTHER NON-CURRENT LIABILITIES

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred grant liabilities (Refer Note 24.1)	38.60	46.50
	38.60	**46.50**

24.1 ₹ 38.60 lakh (March 31, 2022: ₹ 46.50 lakh) relates to grant towards property, plant and equipment received by a subsidiary. The said grants are amortised on a systematic basis over the period of useful life of the assets towards which the grants are received. The unamortised portion of the grants received is disclosed as deferred grant liabilities.

25 BORROWINGS

₹ (in Lakh)

Particulars		As at March 31, 2023	As at March 31, 2022
I	**Loans repayable on demand**		
	From Banks -Secured		
	Working Capital loans (Refer Note 25.1)	20,401.14	17,458.93
II	**Other Short Term Borrowings**		
(a)	**From Banks -Secured**		
	Working Capital loans (Refer Note 25.2)	1,324.72	642.05
(b)	**From Banks -Unsecured**		
	Working Capital loans (Refer Note 25.3)	1,602.49	-
III	Current maturities of long term borrowings (Refer Note 21)	13,820.75	5,459.33
		37,149.10	**23,560.31**

25.1 Loans repayable on demand - Secured

(a) ₹ 20,401.14 lakh (March 31, 2022: ₹ 17,458.93 lakh) pertains to the Holding Company on account of working capital facilities availed from banks and are secured by first *pari passu* charge over Holding Company's current assets, both present and future. Further, secured by first *pari passu* charge by an equitable mortgage on the entire movable and immovable fixed assets of the Holding Company, both present and future, excluding assets exclusively charged to other lenders. The said working capital facilities are additionally guaranteed by Mr. Ashish Dandekar, Chairman & Managing Director of the Holding Company and promoter of the Holding Company. The current interest rates range from 8.90% to 10.40% p.a.

(b) ₹ Nil (March 31, 2022: ₹ 70.35 lakh) pertains to a subsidiary in Brasil on account of overdraft facility availed from banks. The current interest rate is 13.90% p.a.

25.2 Other Short Term Borrowings - Secured

(a) ₹ 812.27 lakh (March 31, 2022: ₹ 642.05 lakh) pertains to the Holding Company towards buyers credit availed from banks and is secured by security stated against Note 25.1.a.

(b) ₹ 442.61 lakh (March 31, 2022: ₹ Nil) pertains to the Holding Company towards Bill Discounting availed from banks and is secured by security stated against Note 25.1.a.

(c) ₹ 69.84 lakh (March 31, 2022: ₹ Nil) pertains to subsidiary in Brazil secured by receivables. The current interest rate is 5.04% p.a.

25.3 Other short term borrowings - Unsecured

(a) ₹ 312.19 lakh (March 31, 2022: ₹ Nil) pertains to Holding Company towards bill discounting availed from banks.

(b) ₹ 1,290.30 lakh (March 31, 2022: ₹ Nil) pertains to Subsidiary in Italy towards vendor financing availed from banks.

25.4 The Holding Company has submitted stock statements, debtors statements and other information / returns as required by the banks on a monthly as well as quarterly basis. Such monthly / quarterly statements and returns are generally in agreement with the books of account except for differences in some cases on account of valuation, provisions etc, the impact of which is not material.

25.5 Movement in borrowings

₹ (in Lakh)

Particulars	As at March 31, 2022	Cash flows	Non-cash changes	As at March 31, 2023
Non-current borrowings	38,764.72	8,084.25	(6,039.44)	40,809.53
Current borrowings	23,493.88	5,227.37	8,427.85	37,149.10
Total borrowings	**62,258.60**	**13,311.62**	**2,388.41**	**77,958.63**

₹ (in Lakh)

Particulars	As at March 31, 2021	Cash flows	Non-cash changes	As at March 31, 2022
Non-current borrowings	27,324.97	10,577.47	862.28	38,764.72
Current borrowings	26,465.37	(2,971.49)	-	23,493.88
Total borrowings	**53,790.34**	**7,605.98**	**862.28**	**62,258.60**

25.6 The balances shown above include interest accrued amounting to ₹ 49.94 lakh (March 31, 2022: ₹ 66.43 lakh).

26 TRADE PAYABLES

₹ (in Lakh)

Particulars		As at March 31, 2023	As at March 31, 2022
(A)	Total Outstanding dues of Micro Enterprises and Small Enterprises	1,614.01	375.73
(B)	Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises (Refer Note 26.1 and 39)	27,221.07	23,002.66
		28,835.08	**23,378.39**

26.1 Details of ageing of trade payables outstanding from the due date for payment

As at March 31, 2023

Particulars	Not Due	Outstanding for the following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed, MSME	865.68	622.38	88.19	5.02	12.94	19.80	1,614.01
Undisputed, Others	19,305.54	5,592.02	1,083.57	893.26	121.02	225.66	27,221.07
	20,171.22	**6,214.40**	**1,171.76**	**898.28**	**133.96**	**245.46**	**28,835.08**

As at March 31, 2022

Particulars	Not Due	Outstanding for the following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed, MSME	296.79	51.87	7.45	15.44	-	4.18	375.73
Undisputed, Others	18,334.27	2,671.30	567.61	1,128.22	65.76	235.50	23,002.66
	18,631.06	**2,723.17**	**575.06**	**1,143.66**	**65.76**	**239.68**	**23,378.39**

26.2 Relationship with struck off companies

₹ (in Lakh)

Name of struck off company	Nature of transactions	Transaction during the year ended March 31, 2023	Balance outstanding as at March 31, 2023	Transaction during the year ended March 31, 2022	Balance outstanding as at March 31, 2022	Relationship with struck off company
Wisdom Global Logistics India Private Limited	Services availed	0.24	-	-	-	Vendor
Jumbo India Private Limited	Purchase of goods	0.17	-	0.68	-	Vendor

27 OTHER FINANCIAL LIABILITIES

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unpaid / Unclaimed dividends (Refer Note 27.1)	5.97	12.03
Deposits	0.29	0.29
Unclaimed interest on public deposit (Refer Note 27.2)	-	2.53
Unclaimed public deposit (Refer Note 27.2)	-	2.30
Payable towards purchase of Property, Plant and Equipment	1,149.34	3,090.18
Put Option Liability (Refer Note 5.1)	-	-
Fair value of forward contracts	13.94	-
Obligation to acquire non-controlling interest in subsidiary (Refer Note 19.11 & 27.3)	2,813.07	1,757.59
Other outstanding liabilities	2,409.53	2,038.36
	6,392.14	**6,903.28**

27.1 There are no amounts due to be credited to Investor Education and Protection Fund in accordance with Section 125 of the Companies Act, 2013 as at the year end.

27.2 The unclaimed public deposits and unclaimed interest on public deposit outstanding at March 31, 2022 represent deposits taken under the Companies Act, 1956. The said deposits and interest have been transferred to Investor Education and Protection Fund during the year.

27.3 During the year, Dresen Quimica has declared and paid preferred dividend of USD 1.70 million amounting to ₹ 1,385.08 lakh.

28 OTHER CURRENT LIABILITIES

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances received from customers	2,840.86	2,026.34
Statutory dues	941.30	1,067.63
Deferred grant liabilities (Refer Note 24.1)	3.94	-
Others	-	386.96
	3,786.10	**3,480.93**

29 PROVISIONS

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employment benefits		
Compensated absences	953.86	886.95
Gratuity	94.75	60.10
	1,048.61	**947.05**

30 CURRENT TAX LIABILITIES

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Tax (Net of Income Tax Assets)	1,424.98	654.23
	1,424.98	**654.23**

31 REVENUE FROM OPERATIONS

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Sale of Products		
Finished goods	155,685.70	130,809.75
Traded goods	11,444.41	9,617.51
	167,130.11	**140,427.26**
(b) Other Operating Revenues		
Export / Import incentives	98.35	305.64
Service income	910.22	451.40
Commission income	-	13.86
Sale of scrap	17.72	10.75
	1,026.29	**781.65**
	168,156.40	**141,208.91**

31.1 Revenue from contracts with customers disaggregated based on geography

The revenue from contracts with customers are disaggregated based on geography to comply with Ind AS 115, although it is not reviewed for evaluating financial performance for the purpose of segment reporting.

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Domestic	25,654.77	23,176.17
Exports	141,475.34	117,251.09
Total	**167,130.11**	**140,427.26**

31.2 The amounts receivable from customers become due after expiry of credit period which ranges between 15 to 120 days. There is no significant financing component in any transaction with the customers.

31.3 The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a short duration.

31.4 Revenue from sale of products includes loss of ₹ 167.55 lakh (2021-22: ₹ Nil) pertaining to effective portion of changes in fair value of foreign exchange forward contracts classified as cash flow hedges.

32 OTHER INCOME

₹ (in Lakh)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	**Interest Income On**		
	Bank deposits	65.97	86.82
	Loan to others	27.80	-
	Refund of Income Tax	0.40	34.36
	Other financial assets carried at amortised cost	7.22	25.24
		101.39	**146.42**
(b)	**Other Non-Operating Income**		
	Gain on foreign exchange transactions and translation	-	2,326.88
	Net gain on fair value changes of derivative instruments	29.66	330.10
	Lease income (Refer Note 32.1)	-	45.54
	Miscellaneous income	448.88	454.48
		478.54	**3,157.00**
		579.93	**3,303.42**

32.1 Lease income includes ₹ Nil (2021-2022: ₹ 45.54 lakh) towards lease modification (Refer Note 3).

33 COST OF MATERIALS CONSUMED

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials and Packing materials consumed		
Opening inventories	17,384.54	13,638.23
Add: Purchases	94,951.50	76,506.40
Less: Closing inventories	(26,778.72)	(17,384.54)
	85,557.32	**72,760.09**

34 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening inventories		
Finished goods	6,228.60	4,826.55
Stock-in-trade	2,660.25	1,703.91
Work-in-progress	9,516.45	10,533.87
	18,405.30	**17,064.33**

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Closing inventories		
Finished goods	15,348.52	6,228.60
Stock-in-trade	3,038.38	2,660.25
Work-in-progress	10,323.39	9,516.45
	28,710.29	**18,405.30**
	(10,304.99)	**(1,340.97)**

35 EMPLOYEE BENEFITS EXPENSE

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages (Refer Note 35.1.(a))	14,786.66	12,650.58
Contributions to -		
Provident Fund and other funds (Refer Note 35.1 (b))	306.88	218.07
Gratuity and other funds (Refer Note 35.1(c))	58.97	212.18
Share based payments (Employee Stock Option Plan) (Refer Note 35.2)	235.91	741.84
Staff welfare expenses	873.67	682.14
	16,262.09	**14,504.81**

35.1 Employee Benefit Plans

(a) Other long term employee benefits

Leave encashment is payable to the employees of the Group due to death, retirement, superannuation or resignation. Employees are entitled to encash leave while in service. The leave encashment benefit is payable to all the eligible employees of the Group at the rate of daily salary as per current accumulation of leave days.

The Privilege Leave encashment liability and amount charged to Consolidated Statement of Profit and Loss determined on actuarial valuation using projected unit credit method are as under:

(i) Provisions in Consolidated Balance Sheet:

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Current	953.86	886.95
Non-Current	470.08	332.46
	1,423.94	**1,219.41**

(ii) Recognised in Consolidated Statement of Profit and Loss

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expenses	204.53	18.88

(b) Defined Contribution Plans:

The contributions to the Provident Fund of eligible employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. Under the plan, the Group has contributed ₹ 306.88 lakh during the year (2021-2022: ₹ 218.07 lakh).

(c) Defined Benefit Plans:

The Group makes contributions to the Group Gratuity cum Life Assurance Scheme administered by the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. On retirement / resignation, the Scheme provides for payment as per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service. On death / permanent disablement in service, vesting period is not applicable.

The most recent actuarial valuation of plan assets and present value of defined benefit obligation of gratuity was carried out as at March 31, 2023. The present value of defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The following table summarizes the net benefit expense recognised in the Consolidated Statement of Profit and Loss, the details of the defined benefit obligation and the funded status of the Group's gratuity plans:

₹ (in Lakh)

	Particulars	As at March 31, 2023	As at March 31, 2022
I	**Change in the Present Value of Projected Benefit Obligation**		
	Present Value of Benefit Obligation at the beginning of the year	530.52	487.25
	Interest Cost	38.36	33.13
	Current Service Cost	54.62	44.34
	Past Service Cost	-	173.71

₹ (in Lakh)

	Particulars	As at March 31, 2023	As at March 31, 2022
	Benefits paid from the Fund	(39.78)	(246.70)
	Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	-	(0.21)
	Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	72.54	(13.90)
	Actuarial (Gains) / Losses on Obligations - Due to Experience	24.96	52.90
	Present Value of Benefit Obligation at the end of the year	**681.22**	**530.52**
II	**Change in the Fair Value of Plan Assets**		
	Fair Value of Plan Assets at the beginning of the year	470.42	573.59
	Interest Income	34.01	39.00
	Contributions by the Employer	106.29	91.06
	Benefits paid from the Fund	(39.78)	(246.70)
	Return on Plan Assets, excluding Interest Income	4.14	13.47
	Fair Value of Plan Assets at the end of the year	**575.08**	**470.42**
III	**Net Asset / (Liability) recognised in Consolidated Balance Sheet**		
	Present value of defined benefit obligation at the end of the year	(681.22)	(530.52)
	Fair value of plan assets at the end of the year	575.08	470.42
	Net Asset / (Liability) at the end of the year	**(106.14)**	**(60.10)**
IV	**Expenses recognised in the Consolidated Statement of Profit and Loss**		
	Current Service Cost	54.62	44.34
	Net Interest Cost	4.35	(5.87)
	Past Service Cost	-	173.71
	Expenses recognised in the Consolidated Statement of Profit and Loss	**58.97**	**212.18**
V	**Expenses recognised in the Other Comprehensive Income (OCI)**		
	Actuarial (Gains) / Losses on Obligation for the year	97.49	36.77
	Return on Plan Assets, excluding Interest Income	(4.14)	(13.47)
	Net (Income) / Expense for the year recognised in OCI	**93.35**	**23.30**
VI	**Actuarial assumptions considered**		
(i)	Discount rate	7.50%	7.23% - 7.37%
(ii)	Expected return on plan assets	7.50%	7.23%
(iii)	Salary escalation rate	5% - 7%	5.00%
(iv)	Rate of employee turnover	2% - 4%	2.00% - 4.00%

₹ (in Lakh)

	Particulars	As at March 31, 2023	As at March 31, 2022
(v)	Mortality Table	Indian Assured Lives Mortality (2012-2014) Urban	Indian Assured Lives Mortality (2012-2014) Urban
	The assumptions of future salary increases, considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors.		
VII	**Category of asset as at the end of the year**		
	Insurer Managed Funds (100%)		
	(Fund is managed by LIC as per guidelines of Insurance Regulatory and Development Authority of India. Category-wise composition of plan assets is not available).		
VIII	**Maturity profile of Benefit Payments**		
(i)	Year 1	51.41	69.31
(ii)	Year 2	82.99	23.92
(iii)	Year 3	47.23	91.37
(iv)	Year 4	77.89	39.14
(v)	Year 5	51.38	64.73
(vi)	Years 6 -10	344.00	269.64
(vii)	Years 11 and above	687.60	372.00
	Maturity Analysis of benefit payments is undiscounted cash flows considering future salary, attrition and death in respective year for members as mentioned above.		
IX	**Sensitivity Analysis of Projected Benefit Obligation for Significant Assumptions**		
	Projected Benefit Obligation on Current Assumptions	**681.22**	**530.52**
	1% increase in Discount Rate	(44.13)	(30.02)
	1% decrease in Discount Rate	50.46	33.95
	1% increase in Salary Escalation Rate	49.32	34.37
	1% decrease in Salary Escalation Rate	(43.63)	(30.90)
	1% increase in Rate of Employee Turnover	0.59	4.22
	1% decrease in Rate of Employee Turnover	(0.81)	(4.77)

The sensitivity analysis have been determined based on reasonably possible changes in the respective assumptions occurring at the end of the reporting year, holding all other variables constant. The sensitivity analysis presented above may not be representative of the actual change in the Projected Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the Projected Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same method as applied in calculating the projected benefit obligation as recognised in the Consolidated Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

35.2 Employee Stock Option Plan / Scheme

35.2.1 Employee Stock Option Plan 2020

The Holding Company has granted options on August 20, 2020 to senior management employees under "CFSL Employees Stock Option Plan, 2020" (ESOP 2020) approved by the Board of Directors, Shareholders and Remuneration Committee. The options granted under these schemes are equity settled. The details of the scheme are summarised below:

Particulars	Details of options
Options granted	3,912,096
Exercise Price	63.59
Market Price of shares as on grant date	70.65
Basis of Exercise Price	At discount to Market Price
Vesting Period	2 years

a) Details of option granted are as under:

Particulars	No. of Options	Weighted Average Exercise Price (WAEP) (₹)	No. of Options	Weighted Average Exercise Price (WAEP) (₹)
	March 31, 2023		March 31, 2022	
Options outstanding at the beginning of the year	3,912,096	63.59	3,912,096	63.59
Options granted during the year	-	N.A.	-	N.A.
Options exercised during the year	-	N.A.	-	N.A.
Options expired / lapsed and forfeited during the year	-	N.A.	-	N.A.
Options eligible for re-issue	-	63.59	-	63.59
Options outstanding at the end of the year	3,912,096	63.59	3,912,096	63.59
Exercisable at the end of the year	3,912,096	63.59	3,912,096	63.59
Other Information:				
Average of exercise price of options outstanding at the end of the year (₹)	63.59		63.59	
Average Share price during the year (₹)	133.07		162.86	
Weighted average remaining contractual life of the option outstanding at the end of the year	N.A.		0.33 years	
Weighted average fair value of the options as on date of grant (granted during the year)	N.A.		N.A.	
The options lapsed under the Scheme are added to the stock inventory and may be granted afresh by the Compensation Committee to such eligible employees as it may deem fit in its sole discretion.				
Option pricing model used	**Black-Scholes Option Pricing Model**			

b) Assumptions used in arriving at fair value of options are as under:

Particulars	Details	Description of input used
Risk free interest rate	4.98%	Based on yield to maturity on zero coupon government securities having a maturity of 5 years.
Expected life of stock options	4 years	Period for which options are expected to be alive
Expected volatility	54.00%	Volatility is a measure of the amount by which a price is expected to fluctuate during a period based on the historic data.
Expected dividend yield	Nil	The dividends declared by the Holding Company in the past and its share price.
Price of share on the date of granting of options	70.65	Fair market value
The fair value of options:	**35.38**	

35.2.2 Employee Stock Option Scheme 2018

The Holding Company has granted options on April 08, 2019 to eligible employees of Group under " CFS Employees Stock Option Scheme, 2018" (ESOP - 2018) approved by the Board of Directors, Shareholders and Remuneration Committee. The options granted under this scheme are equity settled. The details of the scheme are summarised below:

Particulars	Details of options				Total
	1st Vesting	2nd Vesting	3rd Vesting	4th Vesting	
Options granted	135,250	135,250	135,250	135,250	**541,000**
Exercise Price	50	50	50	50	
Market Price of shares as on grant date	50	50	50	50	
Basis of Exercise Price	At market price				
Vesting Period	1 year	2 years	3 years	4 years	

a) Details of options granted are as under:

Particulars	No. of Options	Weighted Average Exercise Price (WAEP) (₹)	No. of Options	Weighted Average Exercise Price (WAEP) (₹)
	March 31, 2023		March 31, 2022	
Options outstanding at the beginning of the year	310,750	50.00	446,525	50.00
Options granted during the year	-	N.A.	-	N.A.
Options exercised during the year	109,250	50.00	135,775	50.00
Options expired / lapsed and forfeited during the year	-	N.A.	8,000	50.00
Options eligible for re-issue	-	50.00	8,000	50.00

Particulars	No. of Options	Weighted Average Exercise Price (WAEP) (₹)	No. of Options	Weighted Average Exercise Price (WAEP) (₹)
	March 31, 2023		March 31, 2022	
Options outstanding at the end of the year	201,500	50.00	310,750	50.00
Exercisable at the end of the year	201,500	50.00	310,750	50.00
Other Information:				
Average of exercise price of options outstanding at the end of the year (₹)	50.00		50.00	
Average Share price during the year (₹)	133.07		162.86	
Weighted average remaining contractual life of the option outstanding at the end of the year	0.01 years		0.45 years	
Weighted average fair value of the options as on date of grant (granted during the year)	N.A.		N.A.	
63,500 options lapsed under the Scheme are added to the stock inventory and may be granted afresh by the Compensation Committee to such eligible employees as it may deem fit in its sole discretion.				
Option pricing model used	**Black-Scholes Option Pricing Model**			

b) Assumptions used in arriving at fair value of options are as under:

Particulars	Vesting Period				Description of input used
	1st Vesting	2nd Vesting	3rd Vesting	4th Vesting	
Risk free interest rate	7.41%	7.41%	7.41%	7.41%	Based on yield to maturity on zero coupon government securities maturing after 1 year.
Expected life of stock options	1 year	2 years	3 years	4 years	Period for which options are expected to be alive
Expected volatility	59.31%	59.31%	59.31%	59.31%	Volatility is a measure of the amount by which a price is expected to fluctuate during a period based on the historic data.
Expected dividend yield	Nil	Nil	Nil	Nil	The dividends declared by the Holding Company in the past and its share price.
Price of share on the date of granting of options	50	50	50	50	Fair market value
Fair value of options	12.78	18.43	22.64	26.02	

36 FINANCE COSTS

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense	5,571.36	3,499.36
Interest on lease liabilities (Refer Note 3(b))	178.07	140.73
Foreign exchange loss / (gain) (Refer Note 36.1)	1,666.69	497.00
Other borrowing costs	285.49	184.75
Total finance costs	**7,701.61**	**4,321.84**
Less: Interest income from temporary investments (Refer Note 2.b.i)	(7.98)	(28.53)
Less: Capitalised to Capital Work-in-Progress (Refer Note 2.b.i)	(1,843.15)	(716.70)
	5,850.48	**3,576.61**

36.1 Foreign Exchange Loss / (Gain) includes exchange loss on foreign currency borrowings amounting to ₹ 321.86 lakh (2021-2022: ₹ 193.71 lakh), regarded as an adjustment to interest costs.

37 DEPRECIATION AND AMORTISATION EXPENSE

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Property, Plant and Equipment (Refer Note 2(a))	5,200.14	4,594.26
Depreciation/Amortisation on Right-Of-Use Assets (Refer Note 3(a))	776.07	685.96
Amortisation on Intangible Assets (Refer Note 4)	275.00	316.25
	6,251.21	**5,596.47**

38 OTHER EXPENSES

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spares	1,713.81	1,125.96
Power and fuel	20,126.74	12,034.65
Short Term leases (Refer Note 3(d))	887.17	614.13
Rates and taxes	231.58	180.56
Insurance	1,088.90	928.68
Repairs - buildings	6.03	28.39
Repairs - plant and equipment	1,922.60	1,429.20
Repairs - others	1,166.30	1,139.62
Sub-Contract charges	2,550.17	1,127.79

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Labour charges	1,693.76	1,431.49
Advertisement and sales promotion	1,014.82	700.72
Transport and forwarding charges	5,828.89	5,608.05
Commission / discount / service charges on sales	737.12	841.49
Travelling and conveyance	1,640.38	728.18
Directors' fees	61.25	66.25
Commission to directors	45.00	-
Auditor's remuneration	50.69	53.25
Legal & professional fees	2,795.69	3,248.27
Bad debts written off	65.09	3.24
Provision for doubtful debts written back	(63.90)	-
Provision/Allowance for Credit Loss	312.74	(362.78)
Provision for doubtful advances	141.51	109.64
Loss on Property, Plant & Equipment sold / discarded	6.49	23.29
Loss on foreign currency transactions and translation	783.66	-
Corporate Social Responsibility Contribution	58.00	42.00
Bank charges	567.41	502.98
Effluent treatment expenses	1,659.67	1,310.10
Export licenses written off	49.56	390.76
Insurance claim loss	244.63	-
Establishment expenses	333.05	236.70
Water charges	333.61	266.19
Miscellaneous expenses	1,991.44	1,665.03
	50,043.86	**35,473.83**

39 EXCEPTIONAL ITEM

Supreme People's Court of China vide its judgement dated February 19, 2021 had imposed a penalty of RMB 159.32 million (about USD 25 million / ₹ 18,000 lakh) including right protection cost of RMB 3.49 million (about USD 0.55 million / ₹ 390 lakh) on our JV partner Ningbo Wanglong Technology Limited (being 49% stake holder in Company's subsidiary CFS Wanglong Flavors (Ningbo) Co., Ltd. (CFSWL) & others for alleged infringement of intellectual property used in the process for manufacturing Vanillin. Further, 7% of the aforesaid penalty amounting to RMB 11.15 million (about USD 1.70 million / ₹ 1,265 lakh) had also been levied on CFSWL. Consequent to the Order, as an abundant legal caution, the production of Vanillin at CFSWL's manufacturing facility in China has been stopped till further directions of the Court. In the opinion of the management, based on the discussions with the JV Partner, the findings and allegations of the Honourable Court are not based on the facts and that the order passed by the Court is arbitrary. As a co-defendant with the JV Partner, CFSWL had preferred an application for retrial of the aforesaid order before Supreme People's Court of China which was heard in the month of October 2021, the decision thereof is awaited.

Though the management is confident of favourable decision in the retrial proceedings and /or settlement between the JV partner and the litigant, it has been decided to utilise the existing CFSWL manufacturing facility for alternative use by manufacturing Heliotropin, an aromatic product which is downstream of Catechol.

Based on the impairment testing of the investments and assets for alternative use, there are no indications of impairment in the value of investments, goodwill and tangible assets. However, the existing intangible asset being Patent pertaining to Technical and Process Knowhow for manufacture of Vanillin with carrying amount of ₹ 967.84 lakh has been impaired during the year and recognised under the head “Exceptional Item”.

Further in terms of the shareholders’ agreement dated April 28, 2017 and its subsequent amendments, the Company and CFSWL are indemnified against penalty and / or legal consequences emanating from the violation of IP rights. Management is of the opinion that though the said loss on the impairment is recoverable from the JV Partner, prudentially it has not been recognised in the consolidated financial statements.

40 EARNINGS PER SHARE

a) Basic Earnings Per Share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

i) Profit attributable to ordinary shareholders

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to ordinary shareholders of the Holding Company	5,210.64	6,067.78
Add: Interest (net of tax) on Foreign Currency Convertible Bonds (FCCBs) pursuant to conversion after the reporting period (Refer Note 18(g))	562.28	431.06
Adjusted profit attributable to ordinary shareholders of the Holding Company	**5,772.92**	**6,498.84**

ii) Weighted average number of ordinary shares

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Number of equity shares at the beginning of the year	156,984,246	127,498,471
Add: Effect of employee stock option exercised	71,956	103,616
Add: Effect of shares issued pursuant to conversion of preferential share warrants	-	2,975,205

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Add: Effect of shares issued pursuant to conversion of FCCBs after the reporting period (Refer Note 18(g))	10,258,986	10,258,986
Adjusted weighted average number of equity shares for Basic EPS	**167,315,188**	**140,836,278**

Basic Earnings Per Share (Amount in ₹)	**3.45**	**4.61**

b) Diluted Earnings Per Share

The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

i) Profit attributable to ordinary shareholders

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to ordinary shareholders of the Holding Company	5,210.64	6,067.78
Add: Interest (net of tax) on Foreign Currency Convertible Bonds (FCCBs) pursuant to conversion after the reporting period (Refer Note 18(g))	562.28	431.06
Adjusted profit attributable to ordinary shareholders of the Holding Company	**5,772.92**	**6,498.84**

ii) Weighted average number of ordinary shares

₹ (in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Weighted average number of equity shares outstanding (Basic)	167,315,188	140,836,278
Add: Potential equity shares under Employee Stock Option Plan / Scheme	2,168,401	2,599,960
Adjusted weighted average number of equity shares for Diluted EPS	**169,483,589**	**143,436,238**

Diluted Earnings Per Share (Amount in ₹)	**3.41**	**4.53**

41 CONTINGENT LIABILITIES AND COMMITMENTS

₹ (in Lakh)

Particulars		As at March 31, 2023	As at March 31, 2022
I	**Contingent liabilities**		
a)	**Claims for Excise Duties, Taxes and Other Matters**		
i)	In respect of Income Tax matter	1,680.72	1,736.33
ii)	In respect of VAT / CST / Excise Matter	356.02	356.02
b)	**In respect of bank guarantees issued to VAT, Excise and Custom Authorities**	229.80	57.75
c)	**In respect of compensation attributed by the National Green Tribunal (NGT) (Refer Note 41.1)**	1,712.31	1,712.31
d)	In respect of notices received from vendors	207.86	-
II	**Commitments**		
	Value of contracts (net of advance) remaining to be executed on capital account not provided for	311.79	1,498.38

41.1 Pursuant to the directions of the Honorable Supreme Court dated December 14, 2020, National Green Tribunal had reheard the matter and vide its direction dated January 24, 2022 had enhanced the portion of compensation attributable to the Holding Company for alleged violations of environmental norms by manufacturers at Tarapur MIDC for an amount of ₹ 1,712.31 lakh from ₹ 515.56 lakh. The Honourable Supreme Court vide its order dated April 27, 2022 has stayed the proceedings of the aforesaid directions until the matter is heard. Further the Honourable Supreme Court has directed to deposit ₹ 515.56 lakh until the matter is heard. The Holding Company has deposited ₹ 154.97 lakh which is disclosed as recoverable advance (Refer Note 16). Based on the assessment of the management, the Holding Company believes that it has strong grounds to defend its position against these directions and hence no provision for the compensation is considered necessary in the consolidated financial statements.

41.2 There are numerous interpretative issues relating to the Supreme Court judgements on Provident Fund dated February 28, 2019. As a matter of caution, the Holding Company has made a provision on a prospective basis from the date of the Supreme Court Order and the provisions will be updated on receiving further clarity on the subject.

42 RELATED PARTY DISCLOSURES

I List of Related Parties as required by Ind AS 24 'Related Party Disclosures' are given below:

i Associate

Fine Lifestyle Brands Limited (upto February 1, 2022)

AlgalR Nutrapharms Private Limited (June 8, 2021 - November 10, 2021)

ii Key Management Personnel (KMP)

a) Chairman

Dilip Dandekar (upto May 31, 2021)

b) Chairman and Managing Director

Ashish Dandekar (from June 17, 2021)

c) Managing Director

Ashish Dandekar (upto June 16, 2021)

Nirmal Momaya (from June 1, 2021)

d) Non-Executive Directors

Anagha Dandekar

Amol Shah

Sutapa Banerjee

Harsha Raghavan

Sarvjit Singh Bedi (upto April 19, 2023)

Joseph Conrad D'souza

Mahabaleshwar Palekar

Thomas Videbaek (upto February 23, 2023)

Pradip Kanakia (from October 18, 2021)

Atul Pradhan (upto July 20, 2021)

Nicola Paglietti (upto July 20, 2021)

Nirmal Momaya (upto May 31, 2021)

e) Executive Director

Arjun Dukane

f) Chief Financial Officer

Santosh Parab

g) Company Secretary

Rahul Sawale (from November 12, 2021)

Mandar Godbole (upto August 31, 2021)

iii Relatives of KMP

Subhash Dandekar - Management Consultant / Relative of Managing Director

iv Entities where control / significant influence by KMP and their relatives exist

Fine Lifestyle Solutions Limited (upto February 1, 2022)

Fine Renewable Energy Limited

Abana Medisys Private Limited

Pagoda Advisors Private Limited

Hardware Renaissance Inc.

V R Momaya & Associates

Kokuyo Camlin Limited

Studio Internazionale (upto July 20, 2021)

v Post-employment benefit plan

Camlin Fine Sciences Limited Group Gratuity Scheme

II The details of transactions with related parties during the year are given below:

₹ (in Lakh)

Sr. No.	Nature of Transactions	Name of Related Party	For the year ended March 31, 2023	For the year ended March 31, 2022
1	**Sale of products**	Hardware Renaissance Inc	183.06	186.44
2	**Consultancy / Professional services**	Subhash Dandekar	6.60	6.60
		Pagoda Advisors Private Limited	-	12.64
		Studio Internazionale	-	2.28
			6.60	**21.52**
3	**Compensation to KMP**	Short term employee benefits (including bonus and value of perquisites)*	793.48	578.79
		Post employment and long term benefits	50.16	17.91
		Share based payment	239.16	714.10
		Sitting fees	61.25	66.25
		Commission to Non-Executive Directors	45.00	-
			1,189.05	**1377.05**
4	**Contribution paid on behalf of Gratuity Trust**	Camlin Fine Sciences Limited Group Gratuity Scheme	106.29	91.06

*The compensation to Key Managerial Personnel figures does not include premium paid for group medical and accident insurance.

III The details of outstanding with related parties as at year end are given below:

₹ (in Lakh)

Sr. No.	Nature of transactions	Name of Related party	As at March 31, 2023	As at March 31, 2022
1	**Trade Receivable**	Hardware Renaissance Inc	228.88	186.95
2	**Compensation to KMP**	Post employment and long term benefits	208.02	157.86
		Commission payable to Non-Executive Directors	45.00	-
			253.02	**157.86**
3	**Lease Income Receivable**	Abana Medisys Private Limited	-	0.56
		Fine Renewable Energy Limited	-	0.04
			-	**0.60**

43 SEGMENT REPORTING

a) General Information

Factors used to identify the entity's reportable segments, including the basis of organisation

For Management purposes, the Group has only one reportable segment, namely, Speciality Chemicals. The Chairman & Managing Director of the Company who acts as the Chief Operating Decision Maker ('CODM'), evaluates the Group's performance and allocates resources based on an analysis of various performance indicators.

b) Information about products and services

The Group has revenues from external customers to the extent of ₹ 168,156.40 lakh (2021-22: ₹ 141,208.91 lakh) (Refer Note 31)

c) Information about geographical areas

The geographic information analyses the Group's revenue and non-current assets by the Holding Company's country of domicile. In presenting the geographical information, revenue in the disclosure below is based on the location of the product and service and assets in the disclosure below is based on the geographic location of the respective non current assets.

The revenue from India is ₹ 25,673.49 lakh (2021-22: ₹ 23,200.78 lakh) and from outside India is ₹ 142,482.91 lakh (2021-22: ₹ 118,008.13 lakh). Non-current assets other than financial instruments and deferred tax assets from India are ₹ 62,495.16 lakh (March 31, 2022: ₹ 53,443.21 lakh) and from outside India are ₹ 29,277.05 lakh (March 31, 2022: ₹ 31,081.71 lakh).

d) Information about major customers

No single customer contributed more than 10% to the Group's revenue in FY 2022-23 and 2021-22.

44 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ (in Lakh)

March 31, 2023	Carrying amount/Fair Value			Fair Value Hierarchy			
	Fair Value Through Profit or Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non Current							
Security deposits	-	1,479.23	1,479.23	-	-	-	-
Derivative asset	183.18	-	183.18	-	183.18	-	183.18
Current							
Trade receivables	-	30,458.89	30,458.89	-	-	-	-
Cash and cash equivalents	-	9,374.24	9,374.24	-	-	-	-
Bank balances other than above	-	548.57	548.57	-	-	-	-
Loans	-	1,013.95	1,013.95	-	-	-	-
Security deposits	-	82.66	82.66	-	-	-	-
Derivative asset	186.56	-	186.56	-	186.56	-	186.56
Other financial assets	-	144.78	144.78	-	-	-	-
	369.74	**43,102.32**	**43,472.06**	**-**	**369.74**	**-**	**369.74**

₹ (in Lakh)

March 31, 2023	Carrying amount/Fair Value			Fair Value Hierarchy			
	Fair Value Through Profit or Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities							
Non Current							
Foreign Currency Convertible Bonds	-	6,614.58	6,614.58	-	-	-	-
Term loans	-	34,194.95	34,194.95	-	-	-	-
Lease liabilities	-	1,433.06	1,433.06	-	-	-	-
Other financial liabilities	-	29.64	29.64	-	-	-	-
Current							
Borrowings	-	37,149.10	37,149.10	-	-	-	-
Lease liabilities	-	662.70	662.70	-	-	-	-
Trade payables	-	28,835.08	28,835.08	-	-	-	-
Put Option Liability (Refer Note 44.a.2)	-	-	-	-	-	-	-
Fair value of forward contract	13.94	-	13.94	-	13.94	-	13.94
Other financial liabilities	-	6,378.20	6,378.20	-	-	-	-
	13.94	**115,297.31**	**115,311.25**	**-**	**13.94**	**-**	**13.94**

44.a.1 The above table excludes investments amounting to ₹ 795.88 lakh (March 31, 2022: ₹ 722.55 lakh) measured at amortised cost net of provision for impairment in the value of investments.

44.a.2 The value of put option liability as on March 31, 2023 is immaterial (Refer Note 5.1). The fair value hierarchy for put option liability is Level 3.

₹ (in Lakh)

March 31, 2022	Carrying amount/Fair Value			Fair Value Hierarchy			
	Fair Value Through Profit or Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non Current							
Security deposits	-	1,428.63	1,428.63	-	-	-	-
Derivative asset	340.08	-	340.08	-	340.08	-	340.08
Current							
Trade receivables	-	29,967.64	29,967.64	-	-	-	-
Cash and cash equivalents	-	10,781.16	10,781.16	-	-	-	-
Bank balances other than above	-	3,432.40	3,432.40	-	-	-	-
Loans	-	8.47	8.47	-	-	-	-

₹ (in Lakh)

March 31, 2022	Carrying amount/Fair Value			Fair Value Hierarchy			
	Fair Value Through Profit or Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Security deposits	-	216.09	216.09	-	-	-	-
Other financial assets	-	538.90	538.90	-	-	-	-
	340.08	**46,373.29**	**46,713.37**	**-**	**340.08**	**-**	**340.08**
Financial Liabilities							
Non Current							
Foreign Currency Convertible Bonds	-	11,988.69	11,988.69	-	-	-	-
Term loans	-	26,776.03	26,776.03	-	-	-	-
Lease liabilities	-	1,701.25	1,701.25	-	-	-	-
Other financial liabilities	-	2,102.14	2,102.14	-	-	-	-
Current							
Borrowings	-	23,560.31	23,560.31	-	-	-	-
Lease liabilities	-	600.94	600.94	-	-	-	-
Trade payables	-	23,378.39	23,378.39	-	-	-	-
Put Option Liability (Refer Note 44.a.4)	-	-	-	-	-	-	-
Other financial liabilities	-	6,903.28	6,903.28	-	-	-	-
	-	**97,011.03**	**97,011.03**	**-**	**-**	**-**	**-**

44.a.3 The above table excludes investments amounting to ₹ 722.55 lakh (March 31, 2021: ₹ 735.88 lakh) measured at amortised cost net of provision for impairment in the value of investments.

44.a.4 The value of put option liability as on March 31, 2022 is Nil. (Refer Note 5.1). The fair value hierarchy for put option liability is Level 3.

b) Fair value hierarchy (Refer Note B to significant accounting policies)

c) Measurement of Fair Value

The fair values of financial assets or liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in both years. The following methods and assumptions were used to estimate the fair values:

(i) The Management assesses that fair values of trade receivables, cash and cash equivalents, other bank balances, loans, trade payables, current borrowings and other financial liabilities (current) approximate to their carrying amounts largely due to the short-term maturities of these instruments. The Group does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled.

(ii) The embedded derivative in FCCB is fair valued by an external independent valuer by computing the average cash flows determined through Monte Carlo Simulation technique based on the market observable rates and published price.

(iii) The fair value of forward contracts for the remaining maturity period of the contracts is determined using Mark-to-Market report provided by the Company's bankers.

Unobservable inputs used in Level 3 of fair value hierarchy

The fair value of put option is calculated by independent expert based on the shareholders agreement using 'Income Approach'. The unobservable inputs used in fair valuation under level 3 are determined by considering historical financial statements, management's estimates of probability of put option being exercised by the non - controlling shareholders, Share Holder's Agreement, discount rate and the review of projected revenue and profits after tax.

d) Risk Management Framework

The Group's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk and market risks. Market risks comprise of currency risk and interest rate risk. The Group's Senior Management and Key Management Personnel have the ultimate responsibility for managing these risks. The Group has a process to identify and analyse the risks faced by the Group, to set appropriate risk limits, to control and monitor risks and adherence to these limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group's activities. Further, Audit Committee undertakes regular reviews of Risk Management Controls and Procedures.

(i) Credit Risk

Credit risk is the risk that a customer or counterparty fails to meet its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities (trade receivables) and from its financing activities including investments in mutual funds, deposits with banks and financial institutions and financial instruments.

Trade Receivables

Credit risk from trade receivables is managed by establishing credit limits, credit approvals and monitoring creditworthiness of the customers. Outstanding customer receivables are regularly monitored. The Group has computed credit loss allowances based on Expected Credit Loss model.

The ageing of trade receivables is as follows:

₹ (in Lakh)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Not Due	24,843.67	23,909.95
Less than 6 months	4,171.10	4,600.54
6 months - 1 year	174.83	307.46
1-2 years	90.24	163.25
2-3 years	428.99	51.89
More than 3 years	3,933.53	3,709.17
	33,642.36	**32,742.26**
Less: - Loss allowance	(3,183.47)	(2,774.62)
	30,458.89	**29,967.64**

Term Deposits and Bank Balances

The Group's exposure in term deposits with banks is limited, as the counterparties are highly rated banks.

(ii) Liquidity Risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

Tabulated below are Group's remaining contractual maturities of financial liabilities as at the reporting date with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

₹ (in Lakh)

March 31, 2023	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non Current						
Borrowings						
Foreign Currency Convertible Bonds (FCCBs)#	6,614.58	224.46	224.46	-	-	-
Term loans	34,194.95	52,113.97	8,788.39	8,927.27	24,227.49	10,170.82
Lease liabilities	1,433.06	1,621.03	-	667.16	942.34	11.53
Other financial liabilities	29.64	29.64	-	29.64	-	-
Current						
Borrowings	37,149.10	39,143.02	39,143.02	-	-	-
Lease liabilities	662.70	834.56	834.56	-	-	-
Trade payables	28,835.08	28,835.08	28,835.08	-	-	-
Other financial liabilities	6,392.14	6,392.14	6,392.14	-	-	-
	115,311.25	**129,193.90**	**84,217.65**	**9,624.07**	**25,169.83**	**10,182.35**

#FCCBs have been converted into equity shares of the Company on May 12, 2023: i.e. after the end of the financial year. The cash flows shown above represent interest payable till the date of conversion.

₹ (in Lakh)

March 31, 2022	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non Current						
Borrowings						
Foreign Currency Convertible Bonds (FCCBs)#	11,988.69	13,788.08	-	7,010.40	6,777.68	-
Term loans	26,776.03	30,921.55	-	6,985.66	18,313.80	5,622.09
Lease liabilities	1,701.25	1,960.06	-	684.83	1,263.02	12.21
Other financial liabilities	2,102.14	2,102.14	-	2,102.14	-	-
Current						
Borrowings	23,560.31	25,304.10	25,304.10	-	-	-
Lease liabilities	600.94	778.53	778.53	-	-	-
Trade payables	23,378.39	23,378.39	23,378.39	-	-	-
Other financial liabilities	6,903.28	6,903.28	6,903.28	-	-	-
	97,011.03	**105,136.13**	**56,364.30**	**16,783.03**	**26,354.50**	**5,634.30**

The contractual cash flows of FCCBs are calculated on the assumption that FCCBs will not get converted into Equity Shares of the Company before the maturity date.

(iii) Currency Risk

The Group's operations result in it being exposed to foreign currency risk on account of trade receivables, trade payables and borrowings. The foreign currency risk may affect the Group's income and expenses, or its financial position and cash flows. The objective of the Group's management of foreign currency risk is to maintain this risk within acceptable parameters, while optimising returns.

The Group uses derivative financial instruments such as foreign exchange forward contracts to hedge its risks associated with foreign exchange fluctuations. The outstanding position and notional value of forward exchange contracts is as under:

Figures (in Lakh)

Particulars	Currency Pair	As at March 31, 2023		As at March 31, 2022	
		Amount (USD)	Amount (in ₹)	Amount (USD)	Amount (in ₹)
Cash Flow Hedge					
Sell	USD / ₹	204.50	17,026.58	-	-
Fair Value Hedge					
Sell	USD / ₹	37.00	3,069.93	-	-

The movement in effective portion of Cash Flow Hedge Reserve (CFHR) is as under:

Particulars	₹ (in Lakh)
Balance as at April 1, 2022	-
Net (losses) / gains recognised in CFHR	(181.49)
Amount re-classified from CFHR and included in the consolidated statement of Profit & Loss (due to settlement of contracts) within revenue from operations	167.55
Deferred tax	4.87
Balance as at March 31, 2023	**(9.07)**

The Group's exposure to unhedged foreign currency denominated monetary assets and liabilities at the end of the reporting period expressed in ₹ (in lakh), is as follows:

a) Trade receivables

Figures (in Lakh)

Foreign Currency	As at March 31, 2023		As at March 31, 2022	
	Amount (in original currency)	Amount (in ₹)	Amount (in original currency)	Amount (in ₹)
USD	171.87	13,912.93	160.60	12,192.25
EURO	24.89	2,381.33	73.43	6,162.25
MXP	434.15	1,759.18	540.25	1,864.82
RMB	85.16	1,021.30	85.16	1,010.55
BRL	103.43	1,486.64	72.61	1,161.54
		20,561.38		**22,391.41**

b) **Loan and other receivable**

Figures (in Lakh)

Foreign Currency	As at March 31, 2023		As at March 31, 2022	
	Amount (in original currency)	Amount (in ₹)	Amount (in original currency)	Amount (in ₹)
USD	15.14	1,207.15	15.25	1,141.22
EURO	14.55	1,334.67	18.89	1,604.10
MXP	1,303.61	5,946.28	1,547.56	5,910.62
RMB	88.85	1,063.07	88.54	1,057.12
BRL	8.57	139.17	3.12	49.91
		9,690.34		**9,762.97**

c) **Borrowings**

Figures (in Lakh)

Foreign Currency	As at March 31, 2023		As at March 31, 2022	
	Amount (in original currency)	Amount (in ₹)	Amount (in original currency)	Amount (in ₹)
USD	528.31	43,425.31	408.18	30,826.49
EURO	104.71	9,351.08	106.19	8,926.78
RMB	33.23	397.54	31.54	376.77
BRL	24.32	394.72	23.87	382.37
		53,568.65		**40,512.41**

d) **Trade payable**

Figures (in Lakh)

Foreign Currency	As at March 31, 2023		As at March 31, 2022	
	Amount (in original currency)	Amount (in ₹)	Amount (in original currency)	Amount (in ₹)
USD	52.65	3,996.72	46.61	3,538.17
EURO	51.32	4,582.45	63.13	5,305.06
MXP	1,292.84	5,902.05	1,026.37	3,764.44
RMB	117.00	1,429.71	99.17	1,172.37
BRL	27.08	487.30	44.77	713.22
		16,398.23		**14,493.26**

e) Other payable

Figures (in Lakh)

Foreign Currency	As at March 31, 2023		As at March 31, 2022	
	Amount (in original currency)	Amount (in ₹)	Amount (in original currency)	Amount (in ₹)
USD	36.12	2,970.33	52.65	3,996.72
EURO	13.33	1,191.46	11.48	964.88
MXP	125.29	571.51	161.03	615.02
RMB	136.52	1,633.27	162.53	1,940.49
BRL	30.82	500.31	46.51	744.95
		6,866.88		**8,262.06**

The following significant exchange rates have been applied during the year:

Foreign Currency	Year end spot rate as at	
	March 31, 2023	March 31, 2022
USD / ₹	82.1807	75.9103
EUR / ₹	89.3070	86.0420
MXP / ₹	4.5614	3.8193
BRL / ₹	16.2310	11.9450
RMB / ₹	11.9640	16.0160

Sensitivity for above exposures

A fluctuation in the exchange rates of 5% with other conditions remaining unchanged would have the following effect on Group's profit or loss before tax and equity as at 31st March 2023 and 31st March 2022:

₹ (in Lakh)

Particulars	Impact on profit before tax		Impact on equity	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
USD / ₹ increase by 5%	(1,411.91)	(1,086.78)	(273.85)	(172.84)
USD / ₹ decrease by 5%	1,411.91	1,086.78	273.85	172.84
EUR / ₹ increase by 5%	14.91	26.37	(787.91)	(404.43)
EUR / ₹ decrease by 5%	(14.91)	(26.37)	787.91	404.43
MXP / ₹ increase by 5%	-	-	294.04	370.47
MXP / ₹ decrease by 5%	-	-	(294.04)	(370.47)
BRL / ₹ increase by 5%	-	-	212.34	(33.80)
BRL / ₹ decrease by 5%	-	-	(212.34)	33.80
RMB / ₹ increase by 5%	-	-	(39.73)	(77.71)
RMB / ₹ decrease by 5%	-	-	39.73	77.71

(iv) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of change in market interest rates relates primarily to its borrowings. The Group's borrowings are at floating rates and its future cash flows will fluctuate because of changes in market interest rates.

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period is as follows:

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Liabilities		
Borrowings		
Fixed rate instruments		
Foreign Currency Convertible Bonds	13,453.63	11,988.69
Loan from others	397.54	376.77
Variable rate instruments		
Term loans (including current maturities)	40,779.11	31,858.59
Cash credit	20,401.14	17,388.58
Other short term loans	2,927.21	712.40
	77,958.63	**62,325.03**
Financial Assets		
Fixed rate instruments		
Fixed deposits	541.21	5,574.78
Security deposits	1,627.97	1,644.72
	2,169.18	**7,219.50**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rate with other conditions remaining unchanged would have the following effect on Group's profit or loss before tax and equity as at March 31 2023 and March 31 2022. This calculation assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period. The analysis assumes that all other variables, in particular foreign currency exchange rates remains constant.

₹ (in Lakh)

Particulars	Impact on profit before tax		Impact on equity (Net of Tax)	
	100 BP increase	100 BP decrease	100 BP increase	100 BP decrease
Financial Liabilities				
Variable rate instruments - Borrowings				
Cash flow sensitivity				
March 31, 2023	**(640.97)**	**640.97**	**(423.10)**	**423.10**
March 31, 2022	(499.56)	499.56	(329.76)	329.76

45 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maintain an efficient capital structure and to maximise shareholder's value. The Management seeks to maintain a balance between higher returns that is achieved by raising funds through equity and the advantages by a sound capital position.

The Group monitors capital using a ratio of 'Net Debt to Equity'. For this purpose, Capital includes issued capital and all other equity reserves. Net Debt is defined as total borrowings less cash & bank balances and other current investments.

The Group's net debt to equity ratio is as follows:

₹ (in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current borrowings#	40,809.53	38,764.72
Current borrowings	37,149.10	23,560.31
Gross Debt	**77,958.63**	**62,325.03**
Less - Cash and cash equivalents	9,374.24	10,781.16
Less - Bank balances other than above	548.57	3,432.40
Net Debt	**68,035.82**	**48,111.47**
Total Equity	**81,937.40**	**74,793.40**
Net Debt to Equity ratio	**0.83**	**0.64**

Non-current borrowings includes FCCBs, being compound financial instruments convertible into equity shares of the Holding Company at the option of the holder of bonds. The FCCBS have been converted into equity shares of the Company on May 12, 2023 i.e. after the end of the financial year.

46 RECOGNITION OF EFFECTS OF INFLATION IN COUNTRIES WITH HYPERINFLATIONARY ECONOMIC ENVIRONMENT

The effect of inflation on the Consolidated Statement of Profit and Loss on account of a subsidiary that operates in hyperinflationary economic environment is as under:

(₹ in Lakh)

Particulars	Amount before hyperinflation effect	Effect of Inflation	For year ended March 31, 2023
INCOME			
Revenue from Operations	167,746.70	409.70	168,156.40
Other Income	568.46	11.47	579.93
Total Income	**168,315.16**	**421.17**	**168,736.33**
EXPENSES			
Cost of Materials Consumed	85,508.68	48.64	85,557.32
Purchases of Stock-in-Trade	5,727.99	342.83	6,070.82
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	(10,304.99)	-	(10,304.99)
Employee Benefits Expense	16,239.70	22.39	16,262.09
Finance Costs	5,850.48	-	5,850.48
Depreciation and Amortisation Expense	6,248.69	2.52	6,251.21
Other Expenses	50,114.78	(70.92)	50,043.86
Total Expenses	**159,385.33**	**345.46**	**159,730.79**
Profit Before Tax	**8,929.83**	**75.71**	**9,005.54**

47 GROUP INFORMATION

The following entities have been considered in the preparation of Consolidated Financial Statements:

Sr. No.	Name of the Entity	Country of Incorporation	% of ownership interest either directly or indirectly through Subsidiaries	
			As at March 31, 2023	As at March 31, 2022
I	**Subsidiaries**			
(a)	**Direct subsidiaries**			
1	CFS Do Brasil Industria Comercio Importacao E Exportacao De Aditivos Alimenticios LTDA (CFS Do Brasil)	Brazil	100%	100%
2	Solentus North America Inc.	Canada	100%	100%
3	CFS North America LLC	USA	100%	100%
4	Chemolutions Chemicals Limited	India	94.08%	94.08%

Sr. No.	Name of the Entity	Country of Incorporation	% of ownership interest either directly or indirectly through Subsidiaries	
			As at March 31, 2023	As at March 31, 2022
5	CFS Wanglong Flavors (Ningbo) Co., Ltd. (Refer Note 47.1)	China	51%	51%
6	CFS Pahang Asia Pte Ltd.	Singapore	51%	51%
7	Dresen Quimica, S.A.P.I. de C.V. (Refer Note 47.2)	Mexico	98.50%	98.50%
8	CFS Europe S.p.A.	Italy	100%	100%
9	AlgalR Nutrapharms Private Limited (Refer Note 47.3)	India	80%	80%
10	CFS De Mexico Blends S.A.P.I. DE C.V. (Refer Note 47.4)	Mexico	100%	100%
11	CFS PP (M) SDN. BHD. (Refer Note 47.5)	Malaysia	51%	-
(b)	**Indirect subsidiaries**			
1	Industrias Petrotec de Mexico, S.A. de C.V.	Mexico	100% held by Dresen Quimica, S.A.P.I. de C.V.	100% held by Dresen Quimica, S.A.P.I. de C.V.
2	Britec, S.A.	Guatemala	100% held by Dresen Quimica, S.A.P.I. de C.V.	100% held by Dresen Quimica, S.A.P.I. de C.V.
3	Inovel, S.A.S.	Colombia	100% held by Dresen Quimica, S.A.P.I. de C.V.	100% held by Dresen Quimica, S.A.P.I. de C.V.
4	Nuvel, S.A.C.	Peru	100% held by Dresen Quimica, S.A.P.I. de C.V.	100% held by Dresen Quimica, S.A.P.I. de C.V.
5	Grinel, S.R.L.	Republic of Dominicana	100% held by Dresen Quimica, S.A.P.I. de C.V.	100% held by Dresen Quimica, S.A.P.I. de C.V.
6	CFS Argentina S.A. (Refer Note 47.6)	Argentina	100%	100%
7	CFS Chile De SpA	Chile	100% held by CFS Do Brasil	100% held by CFS Do Brasil

47.1 The Holding Company holds 7.65% stake and CFS Europe S.p.A, holds 43.35% stake in CFS Wanglong Flavors (Ningbo) Co., Ltd.

47.2 The Holding Company holds 65% stake and CFS De Mexico Blends S.A.P.I. DE C.V. holds 33.50% stake in Dresen Quimica, S.A.P.I. de C.V.

47.3 During the financial year ended March 31, 2022, the Company had acquired equity stake and also invested in AlgalR Nutrapharms Private Limited ('AlgalR'). Pursuant to the above, the Company holds 80% stake in the equity share capital of AlgalR with effect from November 11, 2021.

47.4 During the financial year ended March 31, 2022, the Company had participated in 49,999 shares of CFS De Mexico Blends S.A.P.I. DE C.V. its wholly owned subsidiary. The amount towards the aforesaid subscription has not been remitted as on March 31, 2023.

47.5 The Holding Company has incorporated CFS PP (M) SDN. BHD, a Subsidiary in Malaysia during the year. There are no operations in the Company during the year. No amount towards Subscription of shares has been remitted as at March 31, 2023.

47.6 CFS Do Brasil holds 99.85% stake and CFS Europe S.p.A holds 0.15% stake in CFS Argentina S.A.

48 ADDITIONAL REGULATORY INFORMATION

1 The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

2 None of the Indian Companies in the Group have been declared as wilful defaulter by any lender who has the powers to declare a company as wilful defaulter at any time during the financial year or after the end of the reporting period but before the date when financial statements are approved.

3 Each Indian Company in the Group has complied with the number of layers prescribed under clause 87 of section 2 of Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

4 The Group does not have any approved scheme of Arrangement during the year.

5 No Group Company has advance or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall;

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

6 No Group Company has received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding that the Company shall;

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

7 None of the Indian Companies in the Group have any transaction not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

8 The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

49 ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, PERTAINING TO THE HOLDING COMPANY AND SUBSIDIARIES

Sr. No.	Name of Entity in the Group	Net Assets		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount (₹ in Lakh)	As % of Consolidated Profit/(Loss)	Amount (₹ in Lakh)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Lakh)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Lakh)
	Holding Company								
	Camlin Fine Sciences Limited	78.37	64,214.21	91.26	4,755.47	(3.24)	(65.96)	64.73	4,689.51
	Subsidiaries								
	Indian								
1	Chemolutions Chemicals Limited	0.49	404.07	0.15	7.63	-	-	0.11	7.63
2	AlgalR Nutrapharms Private Limited	(0.98)	(804.44)	(5.22)	(272.14)	(0.29)	(5.91)	(3.84)	(278.05)
	Foreign								
1	CFS Europe S.P.A	37.67	30,865.94	47.77	2,489.37	84.06	1,710.16	57.96	4,199.53
2	CFS Do Brasil Industria Comercio Importacao E Exportacao De Aditivos Alimenticios LTDA	(4.83)	(3,961.49)	(31.86)	(1,660.20)	(4.20)	(85.47)	(24.09)	(1,745.67)
3	Solentus North America Inc	(0.44)	(364.48)	(0.36)	(18.74)	(0.02)	(0.40)	(0.26)	(19.14)
4	CFS North America LLC	(9.53)	(7,811.66)	(18.51)	(964.42)	(26.61)	(541.39)	(20.78)	(1,505.81)
5	Dresen Quimica S.A.P.I de C.V. (Refer Note)	27.04	22,159.06	59.89	3,120.78	112.47	2,288.02	74.66	5,408.80
6	CFS De Mexico Blends S.A.P.I. DE C.V.	(1.94)	(1,592.04)	0.14	7.50	(63.50)	(1,291.75)	(17.73)	(1,284.25)
7	CFS Wanglong Flavors (Ningbo) Co., Ltd.	2.94	2,405.57	(28.78)	(1,499.37)	0.54	11.08	(20.54)	(1,488.29)
8	CFS Argentina SA	(1.26)	(1,035.75)	(16.67)	(868.58)	(0.69)	(14.04)	(12.18)	(882.62)
9	CFS Chile SpA	0.32	262.09	0.00	0.15	0.93	19.00	0.26	19.15
10	CFS Pahang Asia Pte Ltd.	0.03	22.62	(0.07)	(3.84)	0.15	3.08	(0.01)	(0.76)
11	CFS PP (M) SDN. BHD. (Refer Note 47.5)	-	-	-	-	-	-	-	-
	Total	**127.88**	**104,763.70**	**97.74**	**5,093.61**	**99.60**	**2,026.42**	**98.29**	**7,120.03**
a)	**Consolidation eliminations/adjustments**	(27.31)	(22,355.26)	(21.34)	(1,112.57)	(0.15)	(3.27)	(15.42)	(1,115.84)
b)	**Non-Controlling Interests**								
	Indian Subsidiaries								
	Chemolutions Chemicals Limited	0.03	23.24	0.01	0.45	-	-	0.01	0.45
	AlgalR Nutrapharms Private Limited	(0.35)	(287.00)	(1.02)	(53.29)	-	-	(0.74)	(53.29)
	Foreign Subsidiaries								
	Dresen Quimica S.A.P.I de C.V.	-	-	-	-	-	-	-	-
	CFS Wanglong Flavors (Ningbo) Co., Ltd.	0.88	723.59	(22.55)	(1,174.88)	(0.61)	(12.37)	(16.39)	(1,187.25)
	CFS Pahang Asia Pte Ltd.	0.01	11.21	(0.04)	(1.88)	0.06	1.12	(0.01)	(0.76)
	CFS PP (M) SDN. BHD. (Refer Note 47.5)	-	-	-	-	-	-	-	-
	Total Non-Controlling Interest	**0.57**	**471.04**	**(23.60)**	**(1,229.60)**	**(0.55)**	**(11.25)**	**(17.13)**	**(1,240.85)**
	Total Consolidated	**100.00**	**81,937.40**	**100.00**	**5,210.64**	**100.00**	**2,034.40**	**100.00**	**7,245.04**

Note The numbers for Dresen Quimica S.A.P.I. de C.V. shown above are consolidated numbers of Dresen Quimica and its five subsidiaries.

50 Previous year’s figures have been regrouped / reclassified wherever necessary to conform to current year’s classification.

Disclaimer

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

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IN/CORP/JUN152023