



# Ami Organics Limited

CIN No. : L24100GJ2007PLC051093

Registered Office :- Plot No. 440/4, 5 & 6, Road No. 82/A, G.I.D.C. Sachin, Surat - 394230, Dist. Surat, Gujarat, India.

July 18, 2022

To,  
The Listing Department,  
**BSE LIMITED,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai- 400 001

To,  
The Listing Department  
**National Stock Exchange of India Limited,**  
Exchange Plaza, 5<sup>th</sup> Floor, Plot no. C-1,  
G-Block, Bandra Kurla Complex,  
Mumbai -400051

Scrip Code: 543349

NSE Symbol: AMIORG

**Subject: Annual Report for the Financial Year 2021-22**

As required under Regulation 30 and Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith submit the Annual Report of the Company for the Financial Year 2021-22 along with the Notice convening the 15<sup>th</sup> Annual General Meeting ("AGM") scheduled to be held on Tuesday, August 9, 2022 at 11.30 A.M. (IST) through Video Conferencing/ Other Audio Visual Means in accordance with relevant circulars issued by the Ministry of Corporate Affairs and Securities Exchange Board of India.

In compliance with the aforesaid circulars, the Annual Report along with the Notice of the AGM is being sent today, only by electronic mode to those shareholders whose e-mail address is registered with the Company/ Registrar and Transfer Agent of the Company /Depository Participants. The Annual Report along with the Notice of the AGM for the Financial Year 2021-22 is also available on the website of the Company at [www.amiorganics.com](http://www.amiorganics.com)

Kindly take the above intimation on record.

Yours faithfully,

**For, AMI ORGANICS LIMITED**

**CS Ekta K. Srivastava**  
**Company Secretary & Compliance Officer**



Encl : Annual Report for FY 2021-22





AMI ORGANICS LIMITED

Ami Organics Limited  
Annual Report **2021-22**

# Amplifying Value Everyday

with Research, Innovation and Sustainability

# Contents

Pg. \_\_\_\_\_ **02-23**

## Corporate Overview

|  |      |
|--|------|
| Know more about us                                   | — 02 |
| Chairman's message                                   | — 04 |
| Our journey  | — 07 |
| Differentiation helps us amplify value               | — 08 |
| Responsible value creation for all stakeholders      | — 10 |
| Contributing to the UN Sustainable Development Goals | — 11 |
| Preferred by customers across geographies            | — 12 |
| Robust financials amplifying stakeholder returns     | — 14 |
| Deep-dive into our business                          | — 15 |
| Tapping opportunities to amplify value               | — 16 |
| Innovation is at the heart of our value creation     | — 17 |
| Crafting a sustainable future for all                | — 18 |
| Board of Directors                                   | — 20 |
| Awards and accreditations                            | — 22 |
| Corporate information                                | — 23 |

Pg. \_\_\_\_\_ **24-96**

## Notice & Statutory Reports

|                                    |      |
|------------------------------------|------|
| Notice                             | — 24 |
| Management Discussion and Analysis | — 34 |
| Board's Report                     | — 45 |
| Corporate Governance Report        | — 68 |
| Business Responsibility Report     | — 88 |

Pg. \_\_\_\_\_ **97-188**

## Financial Statements

### Standalone Financial Statements

|  |       |
|--|-------|
| Independent Auditor's Report                   | — 97  |
| Balance Sheet                                  | — 106 |
| Statement of Profit & Loss                     | — 107 |
| Cash Flow Statement                            | — 108 |
| Statement of Change in Equity                  | — 109 |
| Notes forming part of the Financial Statements | — 110 |

### Consolidated Financial Statements

|  |       |
|--|-------|
| Independent Auditor's Report                   | — 144 |
| Balance Sheet                                  | — 150 |
| Statement of Profit & Loss                     | — 151 |
| Cash Flow Statement                            | — 152 |
| Statement of Change in Equity                  | — 153 |
| Notes forming part of the Financial Statements | — 154 |



Scan QR code to see this annual report online



To know more about us visit our website : <http://www.amiorganics.com/>

## Forward-looking statements

Some of the information in this report may contain forward-looking statements, which include statements regarding the Company's expected financial position and results of operations, business plans and prospects, etc. They are generally identified by forward-looking words, such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may", "will", or other similar words. Forward-looking statements are dependent on assumptions or the basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that the actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

# Consistent research-driven innovation, agile adoption of new technologies and aggressive forays into new business segments and geographies have always been the key enablers of value creation at Ami Organics.

Notwithstanding headwinds in the operating environment, FY22 was a year of milestones for us. We began our maiden journey as a listed company in the financial year, with the overwhelming support of stakeholders. We also posted record revenue, driven by our impressive growth in the pharma intermediate business, coupled with the multi-time expansion of the specialty chemicals business due to the acquisition of facilities from Gujarat Organics.

Our integration of two facilities has also been completed, and our teams have shown the operational finesse to strengthen our operating margin during the year. We also successfully commercialised a few products using continuous flow technology, which validates our industry-leading technical capabilities.

## We are young and energised to deliver and amplify value across every aspect of the operating canvas every day.

We have already embarked on a new capex journey to support the future growth of our Advanced Intermediates business. FY22 also saw us foray into Electrolyte Additive and became the first Indian and global company outside of China to successfully develop core Electrolyte Additive for cells used in energy storage devices.

## We are putting in place the growth pivots for all our business verticals for the next stage of our journey.





# Know more about us

We are a leading research-driven company towards the development and manufacture of advanced pharma intermediates for regulated and generic active pharmaceutical ingredients (APIs), new chemical entities (NCE) and key starting materials for agrochemicals and fine chemicals.

Started in 2007, we have now developed and commercialised over 450 plus pharma intermediaries for APIs across 17 therapeutic areas, backed by strong R&D process. We are a prominent global manufacturer of speciality chemicals as well for Agrochemicals, Cosmetics and Polymers for some of the leading companies in the world. With three strategic manufacturing units in country's industrial state (Gujarat), we have a strong market presence in domestic and across 50 plus countries across the globe.

At Ami Organics Limited our mission is to be a Globally Integrated Pharma Intermediates Company by focusing on three key areas - Innovation, Quality, and Technology.



Our Mission





Rs. **5,201**  
million

Revenue for FY22

Rs. **1,052**  
million

Operational EBITDA for FY22

Rs. **719**  
million

PAT

**50**

Countries of presence

**450+**

Products developed since inception

**17**

New products added in FY22

**40**

new customers added in FY22



# Chairman's message



Dear Shareholders,

## Amplify value through Research, Innovation, and Sustainability.

It gives me immense pleasure in addressing all of you for the first time. This is a milestone year for us at Ami Organics and I want to take a moment to thank you all for the phenomenal response to our IPO. We are overwhelmed by investors' response, which was visible in the 64x subscription for the IPO. This is a validation of the belief you have shown in our vision of amplifying value for our stakeholders and this vote of confidence has infused new energy into me and the team at Ami Organics. We are very motivated to continue our journey of creating an R&D driven sustainable company, focused on niche chronic therapeutic areas and complex chemistries. I am also extremely proud of how our team rose to the challenges of a turbulent business environment, excelled, and clocked in outstanding business performance. Our acquisition at the end of the year FY21 has opened a plethora of opportunities as it has given us access to an additional 600+ doors (customers), two well-maintained fungible plants with available land for expansion, a foray into petrochemicals, Agrochemicals, Cosmetics, Preservatives, electronic chemicals, and other chemistries. Our focus on ESG continues to be strong. At our Sachin facility in Gujarat, we have successfully started treating all the water waste and are re-using the same. Our focus on synthesizing new products as well as developing existing products in newer ways has made us a force to reckon with in the industry. Together, these developments have perfectly exemplified how we amplify value with Research, Innovation, and Sustainability.

In this message, I would like to share our thought process behind the IPO, discuss business and financial highlights, and our outlook for the coming year.

## Capitalizing on the Growth Opportunities

During the year under review, our Company made a public offer of equity shares to investors and raised ₹3000 mn in fresh capital. Post this success, our shares are listed on both the national bourses in India i.e., BSE and NSE. Since the last few years, the Indian specialty chemicals industry is going through an interesting transition as production increasingly started shifting to India due to the tightening of environmental norms and for reducing dependence on certain geographies for input material. The global industry is also taking note of the value leadership demonstrated by the Indian chemical manufacturers by focusing on R&D, process engineering, developing capabilities of handling complex chemistries, etc. These enablers have changed the perception of the Indian chemicals manufacturers which has led to higher business enquires and demand from global players. It was an opportune time to tap the market to capitalise on this opportunity as well as to support the existing growth in the advanced intermediate business. Our acquisition of Gujarat Organics on slump sale basis was on the same thought process which I will discuss in detail as we go further. After successfully fund raising Rs. 3,000 mn from the market by way of the IPO, we used the funds to pay back the borrowing taken for the acquisition of Gujarat Organics, to support the working capital, and for the expansion of the advanced pharma intermediate business.

## An eventful year

Financial Year 2022 has been a landmark year for us. We crossed the milestone of Rs. 5000 mn sales along with Rs. 1000 mn EBITDA mark. On the technology front, Ami Organics is known as one of the first few companies to commercialize not one but two products using continuous flow technology. On the products front, we introduced 17 advanced intermediates and developed an electrolyte additive that

**Ami Organics continues to stay ahead of the pack for its consistent research-driven innovation - one of the examples being, to keep a pipeline of products ready which are expected to be launched 10-15 years down the line. This gives us the first mover advantage and secures our place in the DMFs of our customers.**

is harnessed in the manufacturing of cells that are used in energy storage devices. Speaking of business, we also created a new business vertical of import substitute products. We also announced Rs. 1900 mn Capex for the expansion of the advanced pharmaceutical intermediate business. I believe these will be the key growth drivers for our business in coming years.

## Agile adoption of new technologies

What stands out for Ami Organics is that we have always been ahead of the curve when it comes to imbibing technology in our business. Our technological dexterity has made us an affordable supplier with great quality and supply continuity thereby leading to customer stickiness. As input prices continued to rise and supply chain issues challenged business operations, scientists at Ami Organics were already researching and innovating newer ways of manufacturing existing products to stay cost-competitive and restrict margin pressure.

During the year, we developed a couple of big products using continuous flow technology to keep costs under check,

reduce higher dependence on solvents, and release excess capacity for other products. It gives me immense pride to inform you that, both the products were developed by our R&D team at our R&D center in Surat. This is a validation of our technical capabilities not only in synthetic chemistry but also in process technology. I am proud to inform you that we have successfully developed capabilities in Plug Flow, Catalytic fixed-bed flow as well as Tubular flow reactors. We continue to design and upgrade our indigenously developed processes which is one of the key differentiators for Ami Organics. We have one process patent granted, seven process patents published, while four process patents are under review. We will continue to file more patents in the coming years to secure our process IP.

## Consistent research-driven innovation

Ami Organics continues to stay ahead of the pack for its consistent research-driven innovation – one of the examples being, to keep a pipeline of products ready which are expected to be launched 10-15 years down the line. This gives us



# Chairman's message

the first mover advantage and secures our place in the DMFs of our customers. Developing products in advance leads to better engagement with customers in turn creating customer stickiness. Another highlight of our research capabilities is the Company's foray into electrolyte additives for cells used in energy storage devices, Ami Organics is the first Indian Company to do so successfully. As per a research report obtained from a reputed agency, currently, the electrolyte additive is being manufactured in China and we will be the only manufacturer of the product outside China.

## Foray into new business segments and geographies

At Ami Organics, we continue to tap opportunities that give us inroads into newer geographies and create new business segments. Our foray into electronic chemicals is one such instance. Before our IPO, we acquired two facilities of Gujarat Organics for Rs. 930 mn situated in Ankleshwar and Jhagadia, Gujarat. This acquisition gave us access to specialty chemicals which caters to Petro-chemicals, Electronic Chemicals, and Cosmetic industry. As mentioned before, it opened 600+ doors (customers) for us. Both plants acquired from Gujarat Organics are fungible plants, as we have embarked on our capex journey of Rs. 1900mn at Ankleshwar for Pharma Intermediate business, we have shifted the existing machinery at Ankleshwar to Jhagadia without incurring any revenue loss and without using any excess land available at Jhagadia. Jhagadia site still has a great parcel of land available for future expansion. We believe, this will be one of the key pillars of growth in the coming years.

During the year under review, we also developed import substitute products to form a new business vertical. Currently, we have two products under this segment, and we are already working towards adding

more products in the pipeline which will be commercialized in the coming years. I continue to see strong demand for the pharma intermediates business and to address this we plan to set up a plant at Ankleshwar which is estimated to have a CAPEX of Rs. 1900 mn. This will help us secure business growth FY25 onwards.

## Growing Sustainably

Our full-year revenue grew by an impressive 52.7% to Rs. 5201 mn as compared to Rs. 3406 mn in FY21. This was aided by the acquisition of Gujarat Organics as well as robust growth in the core business. Our pharma intermediate business grew by ~30% YoY in FY22. Our ability to swiftly pass on elevated KSM cost has helped us maintain our gross margins which came at 47.5% slightly above the gross margin of last year. Integration of the Gujarat Organics business put pressure on our consolidated EBITDA margins but I am happy to report that our team has shown operational competence by improving the EBITDA margin from Gujarat Organics facilities from merely 5% in FY21 to 11% in FY22. Our consolidated EBITDA margins came at 20.2% with EBITDA for advanced pharma intermediates business at ~22%. PAT for the FY22 was at Rs. 719mn up 33.2% as compared to the same period last year. PAT margins for the full year came at 13.8%. The Board has recommended a dividend of 30%. On the balance sheet side, we have brought down our debt from Rs. 1366mn as of FY21 to Rs. 6mn as of FY22. Cash and Cash equivalents at the end of March 2022 were at Rs. 989mn.

## Outlook

The current global environment remains unsettled with supply chains disrupted and input prices at elevated levels. Even as the pandemic situation has improved drastically, the on-going geopolitical crisis continues to shadow economic growth prospects in the coming year. As Ami Organics' majority of business is in

Advanced Pharma Intermediate space focused on chronic therapies, we continue to see good demand despite an uncertain environment. Given most raw materials are sourced within India, your company is relatively hedged from the supply chain disturbances. Therefore, I remain optimistic of delivering robust growth in the coming years supported by new product launches, growth in new business verticals and strong demand in core business.

As we move ahead, our focus will be on building an impressive and responsible corporate entity that actively contributes to building a safer world for our generations, today and tomorrow. Our agility and responsiveness to capture opportunities while constantly evolving our offerings has helped us become a trusted and dedicated partner to our customers, clients, and end-users across all our business divisions.

## Gratitude!

I take this opportunity to thank our stakeholders, my colleagues on the Board, our employees, customers, and regulators for their continued trust and support. Your faith in us is a catalyst to amplify value while shaping a formidable organisation with an optimistic future. We are committed to work our way through the current environment, driving progress with our core purpose of enabling a safer and healthier world.

With Warm Regards,

**Nareshkumar Patel**

Chairman and Managing Director

# Our journey

## 2004

Formation of Partnership Firm in the name of "Ami Organics"

## 2005

Gujarat Gas Safety Award – developing and implementing effective HSE Management System

## 2007

Ami Organics changed its constitution from Partnership Firm into 'Ami Organics Private Limited'

## 2011

- Implemented the Integrated Management System (IMS)

## 2015

- Achieved turnover of INR 1,000 mn
- Incorporated Ami Onco-Theragnostics, LLC in Delaware, USA along with Photolitec LLC as a 50-50 JV

## 2018

- Completed assessment of and established a GMP compliant manufacturing and warehouse facility at Sachin
- Applied for process patents for 3 additional products in India
- Recognized as "Two Star Export House" by DGFT
- "Business Innovation Award" under Dare to Dream awards by SAP
- Received first EIR from USFDA

## 2017

- Increased warehouse capacity, equipped with modern infrastructure & a storage capacity of 1,050 MT of RM
- Achieved turnover of Rs 1,500 mn
- Outstanding export performance "Second Award" Panel - II: Inorganic, Organic and Agro Chemicals
- Applied for process patents for 5 products in India

## 2016

- Obtained certifications for ISO 9001:2015 and ISO 14001:2015
- Established a tertiary ETP to become zero liquid discharge plant
- Received recognition from the DSIR of India for in-house R&D unit.

## 2019

- Obtained certifications for ISO 45001:2018

## 2020

- Received second EIR from USFDA for manufacturing facility at Sachin
- Commencement of a new R&D lab at Sachin
- Commencement of the new solvent recovery plant at Sachin

## 2021

- Acquisition of the Ankleshwar and Jhagadia units from GOL
- Excellence in 'Research in Science & Technology' Award
- Fairdeal Filaments Awards for Outstanding Entrepreneur in MSME Segment
- Applied for process patents for three additional products in India
- Got listed on BSE & NSE after its successful maiden IPO in September 2021

## 2022

- Achieved sales milestone of 5000mn and EBIDTA of 1000mn
- Outstanding Business Leader for the year award to chairman & MD by FGI

# Differentiation helps us amplify value

## Niche product portfolio



Since inception, our product offering has been on developing niche products for the chronic diseases. Today, our offerings across niche therapeutic segments comprise of 91% of pharma intermediates revenue for the year FY22.

## Marquee customer profile



Our diverse customer profile consists of world's leading pharmaceutical and chemical companies, present across domestic and international markets.

## Innovation at core



We typically produce products ranging from the N-1 to the N-8 stage via several synthesis pathways for a single intermediate, on the backdrop of our robust innovative culture and R&D team.

## Wide product offering



Our 450+ product portfolio serves a large number of pharma and chemical companies with their APIs and intermediaries for their value-chain. The acquisition of Gujarat Organics Limited widens our portfolio to include added preservatives (parabens and parabens formulations) and other specialty chemicals.

## Operational efficiencies



Continuous focus on process optimisation and improvement has led us to achieving cost leadership with sustained profitability. Streamlined raw material management and optimum quality control checks help us develop products with high quality and minimum costs.

## Raw material sourcing



The total raw material sourcing 64% from India, derisk us from any volatility in macroeconomic scenarios. Unlike many other intermediaries, our dependency on China for raw material sourcing is restricted to 27% over all basis and 19% for Pharma intermediate business.



### Superior R&D Capabilities



A key USP of Ami Organics has always been launching the products ahead of the market which gives it a first mover advantage. This has been possible due to the strong R&D team which has been able to attract talent from the big players in the industry. 60+ team members including 10 PhDs, continues to work on various projects with freedom to innovate has led to Ami organics showcasing its technical leadership capabilities not only in synthetic chemistry but also in process technology.



# Responsible value creation for all stakeholders

We aim to continuously deliver sustainable, profitable growth with a positive impact on the communities and the environment.

## The resources we put



**Financial Capital**

**Rs. 5,251 Million**

Capital employed

**Rs. 70 Million**

R&D expenses



**Human Capital**

**561**

Employees

**60+**

R&D team



**Social Capital**

**Rs. 9.3 Million**

CSR spent



## Our operating model

|                              |  |   |
|------------------------------|--|---|
| Vision, Mission and Strategy | Integrated Business model                  | Strategic plant locations ensure customer proximity in domestic and international markets |
| Niche product portfolio      | Continuous R&D for new product development | Experienced leadership  |



## The value we create



**Customers**

**Customised products**

for their value-chain

**Enhanced**

quality



**Shareholders**

**49.18%**

premium on listing in 2021

**Rs. 36,424 Million\***

Market Capitalisation

**30%**

Dividend payout (recommended by board)



**Business partners**

**1800+**

Vendors on-board

**Long-term**

relationship

**Regular**

audits conducted



**Employees**

**A engaging**

work culture

**Prioritise**

health and safety

**Continuous**

learning and training



**Environment / Social / Governance (ESG)**

**Strong**

Governance framework

**Usage**

of clean Energy

**Regular waste and water**

recycle practices

\* as on March 31, 2022

# Contributing to the UN Sustainable Development Goals

Our focus areas on sustainability are aligned to our daily operations, backed by strong policy framework and regular monitoring tools. A long-term strategy and with key performance indicators helps measure performance across our value chain.



## SDG 4

Promote quality education among the underprivileged



## SDG 5

Strive towards increasing diversity at workplace



## SDG 6

Working towards reduced water consumption



## SDG 7

Reduce CO<sub>2</sub> emissions from our operations and adopt clean energy



## SDG 8

Building a strong governance framework, focused on ethics, safety and well-being of our employees and business partners



## SDG 9

Continuously driven by innovation to develop new products that add value to our customer's businesses



## SDG 12

Optimise operation and consume resources sustainably

# Preferred by customers across geographies

We have nurtured enduring relationships with domestic clients as well as MNCs across large and fast-growing markets globally. Our supply contracts with key customers span long periods of time. We adhere to stringent client requirements, leading to new businesses from existing clients as well as from new clients.

## 54%

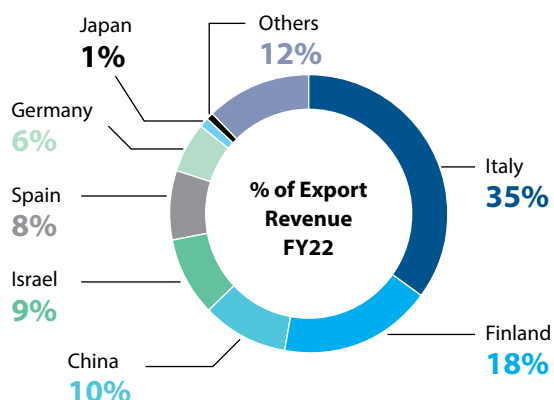
Revenue contributed by top 10 customers

Successfully developed an

## electrolyte additive for Cells

use in energy storage devices

### Key Export Areas



# 13

 customers

With more than decade long relations

Commercialized

# Two

 products

using continuous flow reactors

# 50

 customers

Associated since last 5 years

Capex of

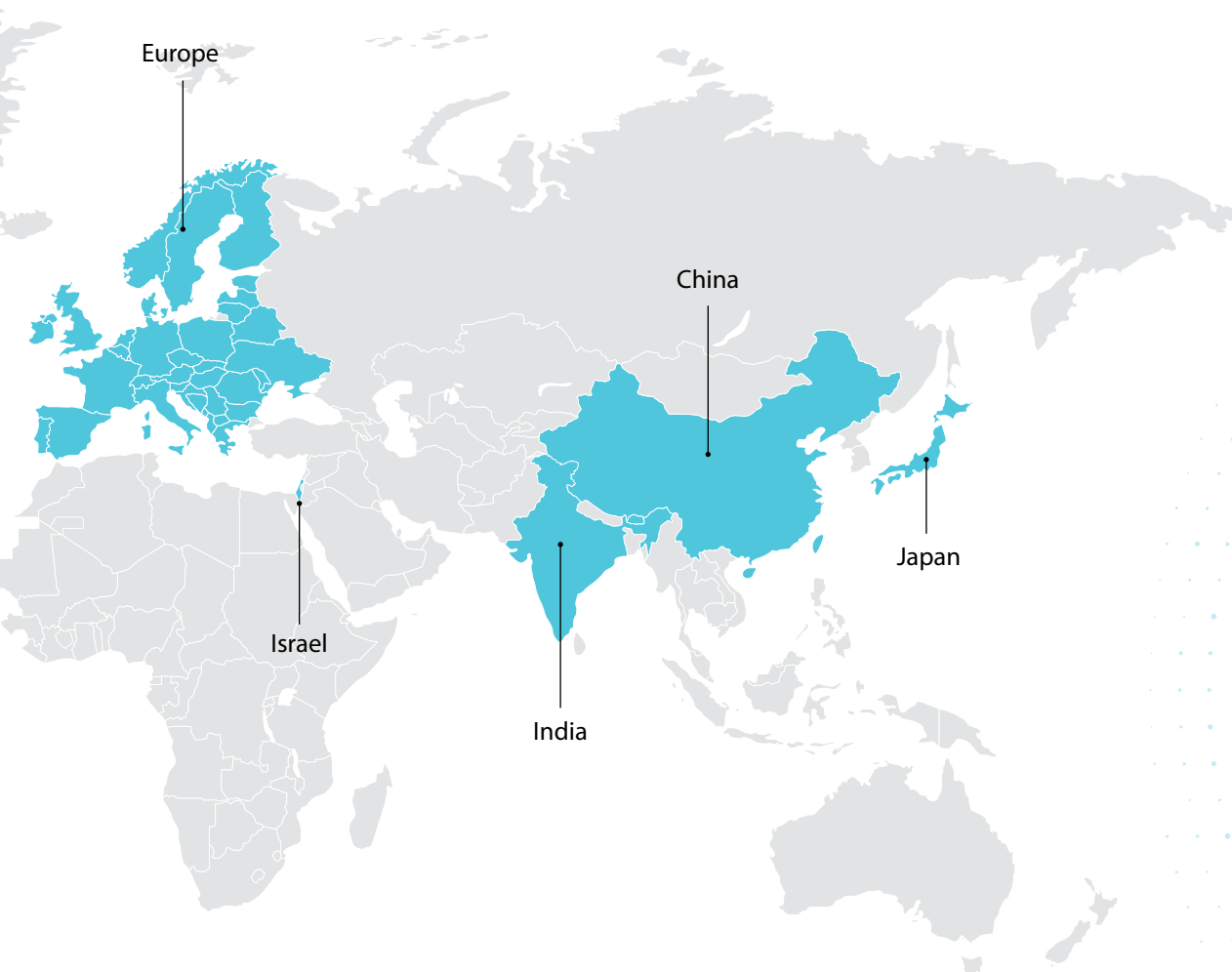
# Rs. 1,900

 million

to build a brownfield plant in Ankleshwar, Gujarat

# 58%

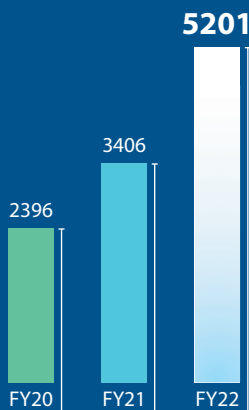
Revenue from international markets in FY22



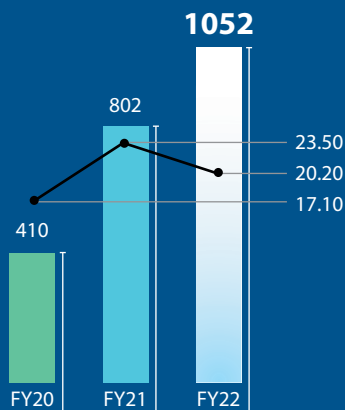


# Robust financials amplifying stakeholder returns

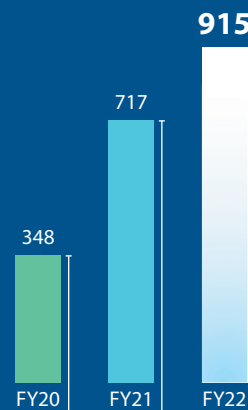
**Revenue from Operations**  
(in Rs. Million)



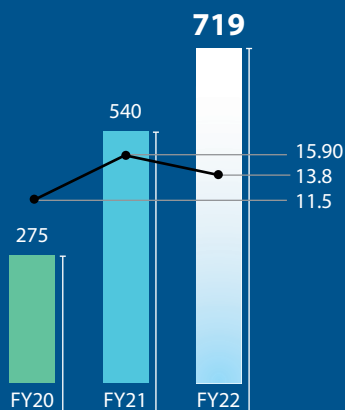
**Operational EBITDA** (in Rs. Million)  
**Operational EBITDA Margin** (in %)



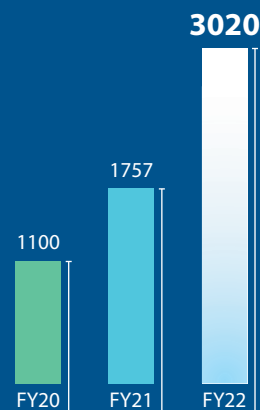
**Profit Before Tax**  
(in Rs. Million)



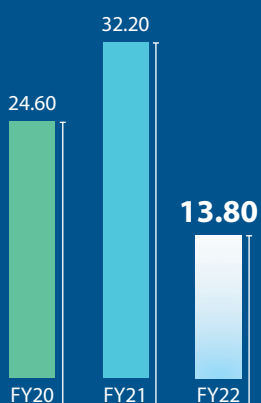
**PAT** (in Rs. Million)  
**PAT Margin** (in %)



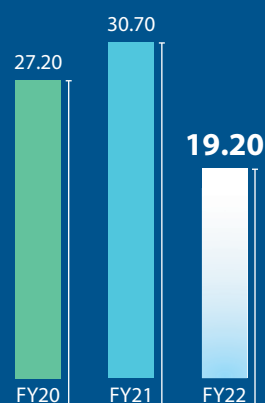
**Revenue from Exports**  
(in Rs. Million)



**ROE**  
(in %)



**ROCE**  
(in %)



# Deep-dive into our business

## Advanced Pharmaceutical Intermediates

Advanced Pharmaceutical Intermediates is our core business contributing 90% of our total revenue with a wide portfolio of 450 plus products. We work closely with innovators on various NCE molecules. Our key products have captured 50-90% of the global market share.

# 160+

Customers (added 30 new customers in FY22)

# 12

Process Patents



# Rs. 4,005 million

FY22 Revenue from Advanced Pharmaceutical Intermediates

## Specialty Chemicals

We manufacture a specialist KSM (Key Starting Material) for Agrochem and Finechem companies in our specialty chemicals division. We also manufacture parabens and paraben formulations, salicylic acid, and other specialty chemicals that are used in cosmetics, dyes, polymers and agrochemical industries, animal feeds, and personal care products.

We have entered a new segment, becoming the first company outside of China to develop and manufacture an additive electrolyte for cells - used in cells for energy storage devices.

# 300+

Customers (added 10 new customers in FY22)

# 30+ countries

Global presence



# Rs. 936 million

FY22 Revenue from Specialty Chemicals

# Tapping opportunities to amplify value

At Ami organics, we look to improve continually and take on challenges and propel our brand to greater heights. Even though competition might be challenging, expansion through acquisition can assist obtain a competitive advantage in the industry. The approach aids in the achievement of market synergy.

Our Company focuses on its inorganic development strategy of expanding into the speciality chemicals market, and strategic acquisitions are essential to building a sustainable business. These acquisitions provides substantial diversification in our existing product range, widen our customer wallet share and expand our market presence. With the Gujarat Organics Limited acquisition, we have expanded our manufacturing capabilities to a combined manufacturing capacity of 6060 MTPA. Our team worked closely to turnaround the operations by streamlining processes, optimising capacities and achieving economies of scale, to add to our profitability levels.

Rs. **857** million

Total Sales turnover of 2 units acquired

**6060**  
MTPA

Total manufacturing capacity of Ami Organics after acquisition



# Innovation is at the heart of our value creation

We have a dedicated in-house R&D Centre approved by DSIR with a strong technical team. Our R&D strategy is centred around new product development in line with our existing and new customer requirements.

2,200  
sq. mtrs

R&D Lab DSIR approved facility

60+

Specialized team

1

Patent granted

7

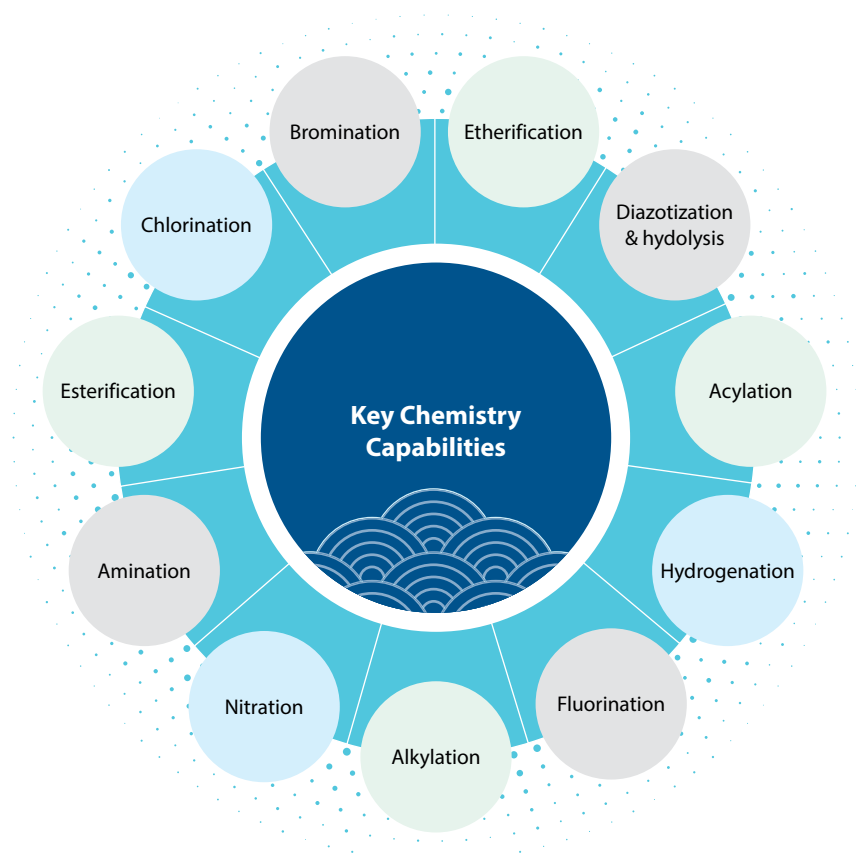
Patents published

4

Patents applied

## Continuous Flow Reactor

We have successfully developed capabilities in Plug Flow, Catalytic fixed-bed flow, and Tubular flow kind of reactors. This technology reduces the cycle time to manufacture a product, leading to lower utilisation of utilities. The space required to fit a flow reactor is considerably lower than the traditional reactors. We have successfully developed and commercialised two products under continuous flow while we have acquired three existing products under pilot-scale now.





# Crafting a sustainable future for all

As a responsible corporation, we strive to instil sustainable practices across the business. We are dedicated to bringing about good change and are continually working to include social and environmental care across our value chain.

## Environment



We hold environment management as a priority and take complete responsibility of the impact our operations may have on the environment. To fulfil this responsibility, we have established machinery and equipment to manage the discharge of effluents across our value-chain, including:

- A Zero Liquid Discharge based effluent plant spread at Sachin Facility
- A state of art effluent treatment plant equipped with zero liquid discharge solutions, including the multiple-effect evaporator, Reverse Osmosis system at Jhagadia Facility
- A soil biological treatment system
- An RO plant with a pre-treatment section consisting of pressure sand filter, activated carbon filter and micron filters followed by chemical dosing systems.



## Social



We aspire to empower our people and communities through multiple projects. We seek to establish a favourable atmosphere for our employees to grow and succeed by emphasising learning, skill development, teamwork, and employee involvement policies. To show our commitment to empowering our social capital, we have undertaken the following measures:

- Our Sachin Facility is SA 8000:2014 certified
- The SA8000® Standard for factories and organisations across the globe
- The occupational health and safety management system at Sachin Facility has been certified to comply with ISO 45001:2018 standards by the Bureau Veritas Certification Holding SAS – UK Branch



## Community Outreach



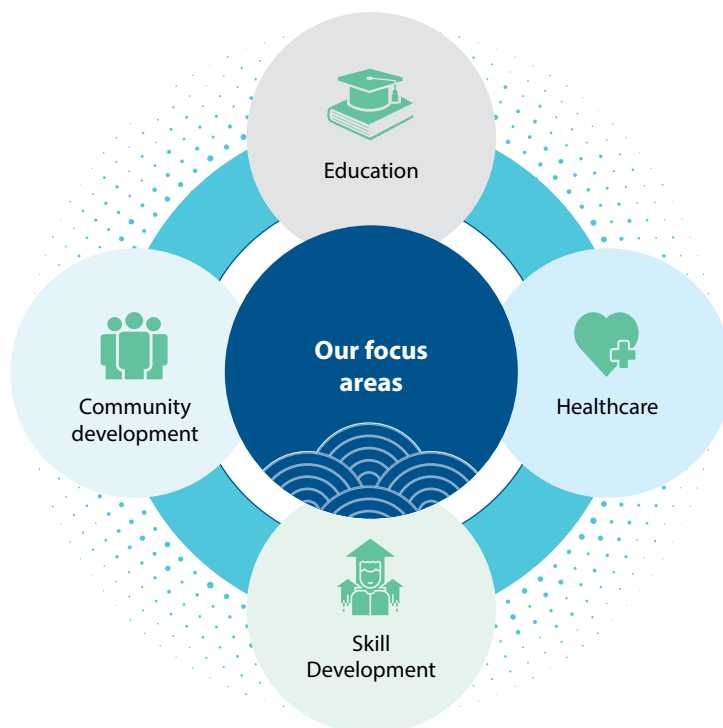
Ami Organics is a socially responsible, collaborating with communities, NGO partners, and institutions regularly. We contribute to sustainable development in essential areas of interest through projects aiming to solve the issues faced underprivileged communities.

# Rs. 9.3 Million

Spent on CSR activities in FY22

### Highlights during the year

During the year, we collaborated with communities, non-profit organisation and institutions to make a positive impact to the lives. Financial contributions were made for school fees and vocational training during the year for promoting education and skill development as well as for medical assistance. Similar contributions were made in across the fields of rural development, forest resource conservation and development, economic empowerment of women and uplifting tribal people.



# Board of Directors



**Nareshkumar Patel**

**Executive Chairman, MD**

- Mr. Nareshkumar Patel is the visionary who co founded the Company in the year 2007 with a vision to become a research driven international pharmaceutical intermediate and chemicals company providing innovative solution to customer
- He has been associated with the Company since its inception and has extensive experience in the global generic pharma business.
- He oversees Process Engineering, Business Development, Marketing, R&D and Product Implementation divisions of the Company.
- He holds a Bachelors Degree in Chemical Engineering from Gujarat University.



**Chetankumar Vaghasia**

**Whole-time Director**

- Mr. Chetankumar Vaghasia is one of the co-founders of the Company.
- He has been associated with the Company since its inception and has over 20 years of deep experience in the chemicals industry
- He oversees the Procurement, Planning, Logistics, IT, Marketing, People Development and Administration divisions of the Company.
- He holds a Diploma in Man-made textile processing



**Virendra Mishra**

**Whole-time Director**

- Mr. Virendra Nath Mishra has vast experience of around 27 years in chemical industry
- He oversees Production Planning & Inventory Control, Project Management and Operations of Company
- He holds Master of Science degree in Chemistry



**Ram Mohan Rao Locande**

**Whole-time Director**

- Mr. Ram Mohan has around 20 years of vast experience with leading pharmaceutical and chemical manufacturing companies in India.
- He is an API Pharma professional with core competency in API Manufacturing, API Projects, New Facility Commissioning, Project Management and Technology Absorption among others. He has rich experience in Plant Operations, Environment Health & Safety, Production Planning, Projects & Maintenance, Quality Process
- He is responsible for Production, Plant Operations, Project Management & Commissioning and Technology Absorption in Company.
- He is a B. Tech. Chemical Engineer from National Institute of Technology "NIT" Warangal





### Girikrishna Maniar

**Non-executive,  
Independent Director**

- Mr. Girikrishna Maniar is having rich experience of more than 35 years in his capacity as cost Accountant and advisory roles in various MSME companies
- He is the senior partner in GMVP & Associates LLP, a leading cost advisory and auditing firm, serving the profession for 35 years
- His strong business acumen includes financial management, corporate negotiation, financial control, strategic planning, due diligence, cost control, organisational development and people development
- He holds a Bachelor of Science degree in Chemistry and is a fellow member of the Institute of Cost Accountants of India



### Richa Goyal

**Non-executive,  
Independent Director**

- Mrs. Richa Goyal is an acclaimed legal consultant and legal expert in the area of Insolvency and Bankruptcy law, Intellectual Property and Company Law having more than 22 years of experience in the field
- She is the Founder and Managing Partner of "RM Legal"
- She holds Bachelor of Commerce degree and an LLB degree; fellow member of the Institute of Company Secretaries of India



### Hetal Gandhi

**Non-executive,  
Independent Director**

- Mr. Hetal Gandhi has over 34 years of experience in the financial services industry that encompasses private equity investments, credit markets and investment banking.
- He is the co-founder and Managing Director of Tano India Advisors Private Limited
- He holds Bachelors of Commerce degree and is an Associate Member of the Institute of Chartered Accountants of India



### Dr. Anita Bandyopadhyay

**Non-executive,  
Independent Director**

- Dr. Anita is an acclaimed HR consultant with extensive expertise in Leadership Development, Talent Management, Performance Management, HR Processes and corporate succession planning.
- She has serviced Pharmaceuticals, Glass packaging, Education, Adhesives, Textile & Apparels Industries and has exposure to Manufacturing, Education, FMCG, Retail and B2B business sectors.
- She is the Founder Director at "KafeHR" a strategic HR consultancy solutions firm
- She Holds a Doctorate in Applied Psychology from Kolkata University and an Executive MBA from SP Jain Institute of Management & Research, Mumbai.



# Awards and accreditations

## Awards



### CHEMEXCIL

2nd Award for highest exports



### Federation of Gujarat Industries

Award for excellence in Research & Development



### Safe & Secure Manufacturing Facility

Fire & Safety Association of India



### Federation of Gujarat Industries (FGI)

Outstanding Business Leader



### Southern Gujarat Chamber of Commerce and Industry (SGCCI)

Outstanding entrepreneur in MSME segment

## Accreditations



ISO 9001  
BUREAU VERITAS  
Certification



FDA U.S. FOOD & DRUG  
ADMINISTRATION

# Corporate information

## Ami Organics Limited

**CIN :** L24100GJ2007PLC051093

**Website :** www.amiorganics.com

**Investors Relation mail id :**

investorinfo@amiorganics.com

## Board of Directors :

**Mr. Nareshkumar R. Patel**

Executive Chairman & Managing Director

**Mr. Chetankumar C. Vaghasia**

Whole Time Director

**Mr. Virendra Nath Mishra**

Whole Time Director

**Mr. Ram Mohan Rao Locande**

Whole Time Director

(w.e.f February 8, 2022)

**Mr. Girikrishna Maniar**

Independent Director

**Mr. Hetal M. Gandhi**

Independent Director

**Mrs. Richa M. Goyal**

Independent Director

**Dr. Anita Bandyopadhyay**

Independent Director

(w.e.f February 8, 2022)

## Key Managerial Personnel :

**Mr. Ekta Kumari Srivastava**

Company Secretary & Compliance Officer

**Mr. Abhishek Patel**

Chief Financial Officer

(Till May 31, 2022)

**Mr. Bhavin N. Shah**

Chief Financial Officer

(Appointed w.e.f June 1, 2022)

## Registered Office

Plot No. 440/4, 5 & 6, Road No. 82/A,  
GIDC Sachin, Surat – 394 230 Gujarat, India

## Works :

**Unit 1 :**

Plot No. 440/4, 5 & 6, Road No. 82/A,  
GIDC Sachin, Surat – 394 230 Gujarat, India

**Unit 2:**

Plot No. 127/1 G.I.D.C. Industrial Estate,  
Ankleshwar, Gujarat , 393002

**Unit 3 :**

Plot No. 910/1, GIDC Industrial Estate,  
Jhagadia, District Bharuch- 393110

## Bankers :

Axis Bank Limited

## Statutory Auditors :

M/s Maheshwari & Co.

## Secretarial Auditor :

M/s Kashyap Shah & Co.

## Cost Auditors :

M/s Chirag Vekariya & Co.

## Internal Auditors :

K.C. Mehta & Co. LLP

## Registrar & Share Transfer Agent :

Link Intime India Pvt. Ltd  
C-101, 247 Park, LBS Marg, Vikhroli (West)  
Mumbai 400083  
Contact No. 022 49186000  
Email : rnt.helpdesk@linkintime.co.in

## Board Committees

### Audit Committee:

**Mr. Girikrishna Maniar**

Chairman & Independent Director

**Mr. Hetal Gandhi**

Member & Independent Director

**Mrs. Richa Goyal**

Member & Independent Director

### Nomination & Remuneration Committee:

**Mr. Hetal Gandhi**

Chairman & Independent Director

**Mr. Girikrishna Maniar**

Member & Independent Director

**Dr. Anita Bandyopadhyay**

Member & Independent Director

## Stakeholder Relationship Committee

**Mrs. Richa Goyal**

Chairperson & Independent Director

**Mr. Nareshkumar Patel**

Member & Managing Director

**Mr. Chetankumar Vaghasia**

Member & Whole Time Director

## Corporate Social Responsibility Committee

**Mrs. Richa Goyal**

Chairperson & Independent Director

**Mr. Nareshkumar Patel**

Member & Managing Director

**Mr. Chetankumar Vaghasia**

Member & Whole Time Director

## IPO Committee :

**Mr. Nareshkumar Patel**

Chairman & Managing Director

**Mr. Chetankumar Vaghasia**

Member & Whole Time Director

**Mr. Virendra Nath Mishra**

Member & Whole Time Director

## Risk Management Committee :

**Mr. Chetankumar Vaghasia**

Chairman & Whole Time Director

**Mrs. Richa Goyal**

Member & Independent Director

**Mr. Abhishek Patel**

Member & Chief financial Officer  
(Till May 31, 2022)

**Mr. Bhavin Shah**

Member & Chief Financial Officer  
(Since July 15, 2022)

# NOTICE

## 15<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Fifteenth (15th) Annual General Meeting of members of **AMI ORGANICS LIMITED** ("the Company") will be held on Tuesday, August 9, 2022 at 11.30 A.M. Indian Standard Time (IST) through Video conferencing ("VC"/ Other Audio Visual Means ("OAVM") facility deemed to be held at the Registered Office of the Company at Plot No. 440/4, 5 & 6, Road No. 82/A, G.I.D.C. Sachin, Surat - 394 230, to transact the following business:

### ORDINARY BUSINESS :

- To consider, approve and adopt the Audited Standalone & Consolidated Financial Statements of the Company together with the schedules and notes attached thereto for the financial year ended on 31st March, 2022 along with the reports of the Board of Directors and Auditors thereon.**

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the Audited Standalone & Consolidated Balance Sheet as at March 31, 2022 and Profit & Loss Account and Cash Flow Statement for the year ended on that date together with the schedules and notes attached thereto, along with the Reports of Board of Directors and the Auditors thereon be and are hereby considered, approved and adopted."

- To declare a final dividend for the financial year 2021-22 at the rate of 30% i.e. Rs. 3/- per Equity shares of the face value of Rs. 10/- each:**

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Final Dividend at the rate of 30% i.e. Rs. 3/- (rupees three) per equity shares of the face value of Rs. ten each, on 3,64,37,062 equity shares of the Company be and is hereby declared to the shareholders of the Company whose name appear in the Register of Members / list of beneficial owners as on the record date fixed for the purpose of determining the eligibility of members for final dividend, which shall be paid out of the profits of the Company for the financial year ended on 31st March 2022."

- To appoint a Director in place of Mr. Chetankumar Chhaganlal Vagharia (DIN: 01375540), who retires by rotation and being eligible, offers himself for re-appointment :**

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Mr. Chetankumar Chhaganlal Vagharia (DIN: 01375540), Whole Time Director of the Company, who retires by rotation at this Annual General Meeting in accordance with section 152 of the Companies Act, 2013 and being eligible for re-appointment, be and is hereby reappointed as Director of the Company, liable to retire by rotation."

### SPECIAL BUSINESS :

- To ratify the remuneration of Cost Auditors for FY 2022-23:**

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to provision of Section 148(3) of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules, 2014 and other applicable provision of the Companies Act 2013 read with rules made thereunder including statutory modification or re-enactments thereof from time to time, the Company hereby ratifies the remuneration of Rs. 2,00,000/- (Rs. Two Lakhs only) excluding out of pocket expenses plus applicable taxes payable to M/s Chirag Vallabhbai Vekariya & Co., Cost and Management Accountants (Firm's Registration No. 001422) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the cost audit of Company for the F.Y. 2022-23."

- To reappoint Mr. Girikrishna Maniar (DIN 07515981), as Director (Non-Executive & Independent) for a second term of five years :**

To consider, and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

**RESOLVED THAT** pursuant to Sections 149, 150 and 152 read with Schedule IV, and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments, modifications or re-enactment), rules made thereunder, each as amended ("**Companies Act**"), the Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") and other applicable provisions of law, if any, and based upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Girikrishna Maniar (DIN:07515981), who was appointed as Independent Director of the Company by the Members for a term of five years starting w.e.f 23rd April, 2018 and who holds office upto April 22, 2023 and who is eligible for re-appointment and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years starting from April 23, 2023 till April 22, 2028.

**RESOLVED FURTHER THAT**, Mr. Girikrishna Maniar shall be entitled to receive sitting fees for attending meetings of the Board or any committees thereof and annual profit based commission, as may be determined by the Board from time to time, provided that the aggregate of commission paid to all Non Executive Directors including Independent Directors of Company, shall not exceed limits prescribed under section

197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof.

**RESOLVED FURTHER THAT** Mr. Nareshkumar R. Patel, Managing Director and Mr. Chetankumar C. Vaghasia and Mrs. Ekta Kumari, Company Secretary, be and are hereby severally authorised to do all the acts, deeds and things which are necessary for the reappointment of Mr. Girikrishna Maniar as an Independent Director of the Company.

By order of the Board of Directors  
**AMI ORGANICS LIMITED**

Sd/-

**Ekta Kumari Srivastava**  
 Company Secretary

Date : July 15, 2022  
 Place: Surat

**Registered Office :**

Plot No. 440/4, 5 & 6, Road No. 82/A , GIDC, Sachin  
 Surat -394230 Gujarat, INDIA  
 CIN : L24100GJ2007PLC051093  
 Tel : + 91 7573015366  
 Email : [investorinfo@amiorganics.com](mailto:investorinfo@amiorganics.com)  
 Website : [www.amiorganics.com](http://www.amiorganics.com)

**NOTE :**

1. An Explanatory Statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013 and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India ("SS- 2"), relating to Special Businesses as set out under Item Numbers 4 to 5, to be transacted at the Fifteenth Annual General Meeting ("AGM") of the Company and forms part of this Notice convening the 15th AGM of the Company ("the Notice"). The said Statement also contain the recommendation of the Board of Directors of the Company in terms of Regulation 17(11) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").
2. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India ("MCA") issued General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021 and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021 and May 5, 2022, respectively, ("MCA Circulars") allowing, inter-alia, conduct of AGMs by Companies through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility upto December 31, 2022, in accordance with the requirements provided in paragraph 3 and 4 of the MCA General Circular No. 20/2020. In compliance with these Circulars, provisions of the Act and the Listing Regulations, the 15th AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 15th AGM shall be the Registered Office of the Company.
3. In terms of the MCA Circulars, physical attendance of members has been dispensed with and therefore, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 15th AGM. However, pursuant to Section 112 and Section 113 of the Act, representatives of the members may be appointed for the purpose of voting through remote e-Voting, for participation in the AGM through VC/OAVM facility and e-Voting during the 15th AGM.
4. In terms of the MCA Circulars and relevant circulars issued by the Securities and Exchange Board of India, the Notice of the 15th AGM and Annual Report for the financial year ended March 31, 2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Registrar and share Transfer Agent (R&TA) / Depositories). Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.amiorganics.com](http://www.amiorganics.com) and websites of the Stock Exchanges, i.e., BSE India Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
5. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), SS-2 issued by the ICSI and Regulation 44 of Listing Regulations read with MCA Circulars, the Company is providing remote e-Voting facility to its members in respect of the business to be transacted at the 15th AGM and facility for those members



participating in the 15th AGM to cast vote through e-Voting system. For this purpose, NSDL shall provide facility for voting through remote e-Voting, for participation through VC/ OAVM facility.

6. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM and /or for E Voting on the resolutions proposed. The said Resolution/Authorization for evoting shall be sent to the Scrutinizer by email through its registered email address to [kashyap.cs@gmail.com](mailto:kashyap.cs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
7. Members may join the 15th AGM through VC/ OAVM facility by following the procedure as mentioned hereinafter, which shall be kept open for the members from 11:15 A.M. IST i.e. 15 minutes before the time scheduled to start the 15th AGM and the Company may close the window for joining the VC/ OAVM facility 30 minutes after the scheduled time to start the 15th AGM.
8. Members may note that the VC/ OAVM facility provided by NSDL, allows participation of at least one thousand members on a first-come-first-served basis. The large members (i.e. members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the 15th AGM without any restriction on account of first-come-first-served basis.
9. Attendance of the members participating in the 15th AGM through VC/ OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. The details of the directors seeking appointment/reappointment as required by Regulation 36(3) of SEBI LODR Regulations and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed hereto. The Board of Directors recommend all the appointments/reappointments as proposed. The documents referred to in Explanatory Statement will be available for inspection at the Registered office of the Company during business hours. Members seeking to inspect the same can send an email to [investorinfo@amiorganics.com](mailto:investorinfo@amiorganics.com)
11. The Company has appointed M/s. Link InTime India Private Limited as the Registrars and Transfer Agents (R&TA ) for investor services relating to shares of company.

## 12. Important dates for Members:

**Book Closure Date:** The Register of Members and Share Transfer Books in respect of the Equity Shares of the Company shall remain closed from Tuesday, August 2, 2022 to Tuesday, August 09, 2022 (both days inclusive) for the purpose of AGM.

**Cut-Off Date:** The Cut-Off Date for the purpose of determining the Members eligible for participation in remote e-Voting and voting at the AGM through e-Voting system is

Monday, August 1, 2022. A person who is not a Member as on the Cut-Off Date should treat this Notice of AGM for information purpose only. The voting rights of Members shall be in proportion to their shareholding in the paid-up equity share capital of the Company as on the Cut-Off Date, as aforesaid.

**Remote e-Voting Period** commences on Saturday, August 6, 2022 from 9:00 A.M. (IST) and ends on Monday, August 8, 2022 at 5:00 P.M. (IST). Remote e-Voting will be disabled thereafter.

**E-Voting Facility at the AGM** will also be provided on the date of the AGM i.e., on Tuesday, August 9, 2022 to eligible Members who have not cast their votes through remote e-Voting and who attends the AGM through VC/ OAVM facility.

13. General instructions for accessing and participating in the 15th AGM through VC/ OAVM facility and voting through electronic means including remote e-Voting are as under:

### 1. Instructions for Remote e-voting:

- The remote e-Voting period will commence from August 6, 2022 at 09:00 A.M. IST and end on August 8, 2022 at 5:00 P.M. IST. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., August 1, 2022, may cast their vote electronically. The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- A person who is not a member as on the cut-off date should treat this Notice of the 15th AGM for information purpose only.
- The details of the process and manner for remote e-Voting are explained herein below:
- Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>
- Step 2: Cast your vote electronically on NSDL e-Voting system.

### Step 1: How to Log-in to NSDL e-Voting website.

#### I. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated December 09, 2020 on "e-Voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat account(s)/websites of Depositories/ Depository Participant(s) ("DPs") in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ("ESP") thereby not only facilitating seamless authentication but also ease and

convenience of participating in e-voting process. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

| Type of shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | <p>a. If you are already registered for <b>NSDL IDeAS</b> facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under “<b>IDeAS</b>” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period.</p> <p>b. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>c. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 held 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 options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>d. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> |

#### NSDL Mobile App is available on



|  |  |
|--|--|
| Individual Shareholders holding securities in demat mode with CDSL                                     | <p>a. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>b. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>c. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>d. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you 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 options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining the virtual meeting &amp; voting during the meeting.</p>   |

**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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30              |
| 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43 |

## II. Login method for e-Voting and joining virtual meeting for Individual Members holding securities in demat mode and members holding securities in physical form

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

- 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, 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.*

- Your User ID details are given below :

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

- Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial

password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

- If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

- IV. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - i. 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](http://www.evoting.nsdl.com).
  - ii. **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - iii. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - iv. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- V. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- VI. Now, you will have to click on "Login" button.
- VII. 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?

- a. 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 are open.
- b. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
- c. Now you are ready for e-Voting as the Voting page opens.
- d. 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.
- e. Upon confirmation, the message "Vote cast successfully" will be displayed.
- f. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- g. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

- a. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/

JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [kashyap.cs@gmail.com](mailto:kashyap.cs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

- b. 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](http://www.evoting.nsdl.com) to reset the password.
- c. 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](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote, Assistant Manager or Ms. Pallavi Mhatre, Senior Manager, National Securities Depository Limited at the designated email address: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the Company's email address [investorinfo@amiorganics.com](mailto:investorinfo@amiorganics.com)

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

- a. 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 [investorinfo@amiorganics.com](mailto:investorinfo@amiorganics.com)
- b. 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 [investorinfo@amiorganics.com](mailto:investorinfo@amiorganics.com).
- c. If you are an Individual shareholder 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.**
- d. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.



- e. 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.

**Instructions for Members for participating in the 15th AGM through VC/ OAVM are as under:**

- a. The members will be provided with a facility to attend the 15th AGM through VC/ OAVM through the NSDL e-Voting system. Members may access the same by following the steps mentioned above for "Access to NSDL e-Voting system". The link for VC/ OAVM will be available in "Shareholder/ Member login" where the EVEN ("E-voting Event Number") of the Company will be displayed (EVEN). After successful login, the members will be able to see the link of ("VC/ OAVM") placed under the tab "Join Meeting" against the name of the Company. On clicking this link, the members will be able to attend the 15th AGM. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID/ Password may retrieve the same by following the remote e-Voting instructions mentioned above in the notice, to avoid last minute rush.
- b. Members may join the Meeting through Laptops, Smartphones and Tablets. Further, members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, MS Edge or Firefox. Please note that participants connecting from Smartphones or Tablets or through Laptops connecting via mobile hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- c. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the 15th AGM, from their registered email address, mentioning their name, DP ID and Client ID number/ folio number and mobile number, to reach the Company's email address at [investorinfo@amiorganics.com](mailto:investorinfo@amiorganics.com) at least 48 hours in advance before the start of the meeting. Such questions by the members shall be taken up during the meeting and replied by the Company suitably.
- d. Members, who would like to express their view/ ask questions during the 15th AGM with regard to the financial statements or any other matter to be placed at the 15th AGM, need to pre-register themselves as a speaker by sending a request from their registered email address mentioning their name, DP ID and Client ID number/ folio number and mobile number, to reach the Company's email address at [investorinfo@amiorganics.com](mailto:investorinfo@amiorganics.com) at least 48 hours in advance before the start of the meeting. Only those members who have pre-registered themselves as a

speaker will be allowed to express their view/ ask questions during the 15th AGM, depending upon the availability of time.

- e. When a pre-registered speaker is invited to speak at the meeting, but he/ she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
- f. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the 15th AGM.
- g. Institutional Investors who are members of the Company, are encouraged to attend and vote in the 15th AGM through VC/ OAVM facility.

**Instructions for Members for e-Voting during the 15th AGM are as under:**

- a) Members may follow the same procedure for e-Voting during the 15th AGM as mentioned above for remote e-Voting.
- b) Only those members/ shareholders, who will be present in the 15th AGM through VC/ OAVM facility and have not cast their vote on the Resolution(s) through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the 15th AGM.
- c) Members who have cast their vote by remote e-Voting prior to the 15th AGM may also participate in the 15th AGM through VC/ OAVM facility. However, they shall not be entitled to cast their vote again.
- d) The Helpline details of the person who may be contacted by the member needing assistance with the use of technology, before or during the 15th AGM shall be the same persons mentioned for remote e-Voting and reproduced here for convenience:

Ms. Sarita Mote , Assistant Manager or Ms. Pallavi Mhatre, Senior Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, at the designated email address: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or at telephone nos.: 1800-1020-990 or 1800-224-430. Members may also write to the Company Secretary at the Company's email address [investorinfo@amiorganics.com](mailto:investorinfo@amiorganics.com).

**Other Guidelines for Members :**

- a. The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of August 1, 2022.
- b. Any person, who acquires shares of the Company and becomes member of the Company after the Company sends the Notice of the 15th AGM by email and holds shares as on the cut-off date i.e., August 1, 2022, may obtain the User ID and password by sending a request

to the email address at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “**Forgot User Details/ Password?**” or “**Physical User Reset Password?**” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- c. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the 15th AGM.
  - d. During the 15th AGM, the Chairman shall, after response to the questions raised by the members in advance or as a speaker at the 15th AGM, formally propose to the members participating through VC/ OAVM facility to vote on the resolutions as set out in the Notice of the 15th AGM and announce the start of the casting of vote through the e-Voting system. After the members participating through VC/ OAVM facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 15th AGM.
  - e. Mr. Kashyap Shah of M/s. Kashyap Shah & Co. has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.
  - f. The Scrutinizer shall after the conclusion of e-Voting at the 15th AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, who shall then countersign and declare the result of the voting forthwith.
  - g. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.amiorganics.com](http://www.amiorganics.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.
10. Electronic copy of the Annual Report for the financial year ended March 31, 2022 along with the Notice of the 15th AGM of the Company, inter alia indicating the process and manner of e-voting is being sent to all the members whose email addresses are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.
  11. Pursuant to the MCA's Circular, the Company had earlier published newspaper advertisements urging its Members (who have not registered their e-mail IDs) to register their e-mail IDs at the earliest. However, Members who have still not registered their e-mail IDs, are requested to do so at the earliest, in the following manner:
    - a. Shareholders whose email IDs are not registered, are requested to avail the facility provided by Link Intime to register their email address along with mobile number and bank account details at the web portal [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) by following the instructions mentioned therein.
    - b. Members holding shares in dematerialised mode are requested to register/ update their e-mail address with the relevant Depository Participant.
  12. Final Dividend on the Equity Share as recommended by the Board of Directors on the equity share capital of the Company i.e. Rs. 3 per Equity Share of face value of 10/- each for the FY ended 31st March 2022, if declared at the meeting, will be made payable within 30 days of declaration to those members whose names appear as beneficial owners as on cut off date, as per lists to be furnished by the depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. Members who have not updated their bank account details for receiving the dividends directly in their bank accounts through electronic remittance may register the same at [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html)
  13. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective DPs, with whom they maintain their demat accounts, will be used by the Company for payment of dividend.
  13. Members who hold shares in electronic form and want to change/correct the bank account details should send the same immediately to their concerned DP and not to the Company. Members are also requested to give the MICR Code of their bank to their DPs. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. The said details will be considered, as will be furnished by NSDL/CDSL to the Company.
  14. Further, to avoid the incidence of fraudulent encashment of dividend warrants, Members are requested to intimate the Company or the R&TA, under the signature of the Sole/ First Joint Holder, the following information, so that the bank account number and name and address of the bank can be printed on the dividend warrants
    1. Name of Sole/ First Joint holder and Folio number.
    2. Particulars of bank account, viz.
      - i) Name of the bank
      - ii) Name of branch
      - iii) Complete address of bank with Pin code
      - iv) Account type, whether saving (SB) or Current Account (CA)
      - v) Bank Account Number

15. In case the Company is unable to pay the dividend to any Shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrants / pay order to such Shareholder by post.
16. As per the Income Tax Act, 1961 ("IT Act"), dividends paid or distributed by the Company after April 01, 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to the shareholders, subject to approval of shareholders in the ensuing AGM. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof.
17. A separate email communication is being sent to the shareholders, informing the relevant procedure to be adopted by them/documents to be submitted for availing the applicable tax rate. The said communication and draft of the exemption forms and other documents will be available on the Company's website at [www.amiorganics.com](http://www.amiorganics.com). The resident and nonresident shareholders should upload the scanned copies of the requisite documents at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before August 1, 2022 to enable the Company to determine the appropriate TDS/withholding tax rate, as may be applicable.
18. Documents referred to in the accompanying Notice of the 15th AGM and the Explanatory Statement, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available at the commencement of the meeting and shall remain open and accessible to the members during the continuance of the 15th AGM. During the 15th AGM, Members may access the scanned copy of these documents, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.

### **Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013:**

#### **Special Business : Item No. 4**

As per the provision of Section 148 of the Companies Act, 2013 and as per Companies (Audit & Auditors) Rules, 2014, the proposal for Appointment of Cost Auditor was considered by the Board in its meeting held on May 16, 2022. The Board considered and approved the proposal to appoint M/s Chirag Vallabhbhai Vekariya & Co., as Cost Auditor of the Company for the FY. 2022-2023 at the remuneration of Rs. 2,00,000/- excluding out of pocket expenses plus applicable taxes. The resolution is being placed before the Members of the Company for the approval and ratification of the remuneration payable to the Cost Auditor.

None of the Directors, relative of Directors or Key Managerial Personnel of the Company are in any way concerned or interested in the resolution proposed under item no. 4.

Accordingly the Board recommends the resolution set forth in Item No. 4 of the notice for approval of the members as Ordinary Resolution.

#### **Special Business : Item No. 5**

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company proposed the re-appointment of Mr. Girikrishna Maniar (DIN 07515981), as Independent Director, for a second term of five consecutive years starting w.e.f April 23, 2023 till April 22, 2028 and whose office shall not be liable to retire by rotation.

Mr. Girikrishna Maniar was appointed as an Independent Director by members of the Company at the Extra Ordinary General Meeting held on April 23, 2018 for a term of five consecutive years starting w.e.f April 23, 2018 and holds office up to April 22, 2023.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his vast knowledge, background, varied experience and valuable contributions given, the continued association of Mr. Girikrishna Maniar would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director and accordingly commends this Special Resolution under Item Number 5 of the Notice convening the Company's fifteenth AGM to the Members for their approval.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"). In terms of Regulation 25(8) of SEBI LODR Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In the opinion of the Board, he fulfils the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the Management of the Company.

Brief particulars of Mr. Girikrishna Maniar in terms of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI) are incorporated in the Report on Corporate Governance.

Except Mr. Girikrishna Maniar, the appointee, none of the other Directors or Promoters or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

**Accordingly, the Board recommends the resolution set forth in Item No. 4 as Ordinary Resolution and Item No. 5 as Special Resolution**

## ANNEXURE 1

### DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT / REGULARISATION AT THE FORTHCOMING AGM

| Name of the Director  | Mr. Chetankumar C. Vaghasia   | Mr. Girikrishna Maniar   |
|---|---|--|
| DIN   | 01375540  | 07515981   |
| Date of Birth and Age   | April 11, 1974 , Age 47 years   | October 18, 1961 Age 61 years  |
| Date of Appointment   | June 12, 2007   | April 23, 2018   |
| Qualifications  | Diploma in Man-Made Textile Processing.   | FICWA, Cost Accountant B.Sc. (Chemistry & Computer Prog.) Diploma in Textile Chemistry   |
| Experience and Expertise  | Mr. Chetankumar C. Vaghasia has around 20 years of experience in the specialty chemicals manufacturing sector. He is the promoter Director of Ami Organics Limited and is associated with the Company since its incorporation. He has rich and varied experience in production, operations, strategy & planning, purchase, logistics and people development in the chemical industry. Presently he is heading the human resource, Logistics and Dispatch, purchase and IT functions of Company and is also involved in the operations, business planning & strategy development of Company. | Mr. Girikrishna Maniar is having rich experience of more than 35 years in his capacity as cost Accountant and advisory roles in various MSME companies. His strong business acumen includes financial management, corporate negotiation, financial control and strategic planning, due diligence, cost control, organisational development. He has devised cost control systems and budgetary control systems in various industries like Chemicals, Pharmaceuticals, Textile Processing, Engineering and Pesticide industries. |
| Brief Resume  | Mr. Chetankumar Vaghasia is a Whole-time Director of the Company and has been associated with the Company since its incorporation. He holds a Diploma in Man-Made Textile Processing from the Mantra Education Institute, Surat. He has around 20 years of experience in the specialty chemicals manufacturing sector. He set up a partnership firm in Surat, CNR Intermediates, for manufacturing, purchasing and selling all kinds of chemicals, before founding the partnership firm Ami Organics in 2004.   | Mr. Girikrishna Maniar is a Cost and Management Accountant from "The Institute of Cost Accountant of India" He is the senior partner in GMVP & Associates LLP, a leading cost advisory and auditing firm, serving the profession for 35 years. He joined the cost advisory and auditing in 1985 after completing his B.Sc. in Chemistry.   |
| Number of Board Meetings attended during the year                                 | 12 out of 12  | 12 out of 12   |
| List of Directorship of other Board   | NIL   | NIL  |
| List of Membership / Chairmanship of Committees of other Board                    | NIL   | NIL  |
| Listed entities from which the person has resigned in the past 3 years            | NIL   | NIL  |
| Shareholding in Ami Organics Limited  | 30,97,500 Equity Shares   | NIL  |
| Relationship with other Directors, Manager and other KMP of the Company           | Not related to any Directors, Manager or other KMP of the Company.  | Not related to any Directors, Manager or other KMP of the Company.   |
| Terms and Conditions of re-appointment  | Re appointment on rotation  | Reappointment for a term of five consecutive years starting w.e.f April 23, 2023 till April 22, 2028   |
| Details of remuneration last drawn (FY 21-22)                                     | 40 Millions during FY 2021-22   | 1.2 Millions including sitting fees and annual commission.   |
| Details of remuneration sought to be paid   | On recommendation of the Nomination and Remuneration committee and Board of Directors of Company remuneration aggregating to Rs. 46.2 Millions per annum and performance bonus if any, subject to the limits approved by members in the 14 <sup>th</sup> AGM.   | Sitting fees of Rs. 30,000/- for attending meetings of Board and committees and annual commission as may be decided by the Board subject to the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013   |
| Justification for choosing the appointee for appointment as Independent Directors | NA  | Mr. Girikrishna Maniar has contributed immensely for the growth and progress of company by his impeccable advisory contribution towards building strategies and plans, establishing costing and budget control systems, financial controls, organisational development etc. and the Board considers his continuation as an Independent Director in the best interests of the Company,  |



# Management Discussion and Analysis

## Global economy

The world witnessed a never-seen-before situation in the year 2020 to disrupt global economic flows to an unprecedented scale. However, what is important today is the time ahead of us - the year 2022 and beyond. Adapting to the current situation and capitalizing on the global market trends will be imperative more than ever.

After rebounding to an estimated 5.9 percent in FY 2021, global growth is expected to slowdown to 4.9 percent in FY 2022,<sup>1</sup> reflecting continued COVID-19 flare-ups, diminished fiscal support, and lingering supply bottlenecks. The near-term outlook for global growth is somewhat weaker. Although output and investment in advanced economies are projected to return to pre-pandemic trends next year, in emerging market and developing economies (EMDEs)— particularly in small states and fragile and conflict -afflicted countries—they will remain markedly below, owing to lower vaccination rates, tighter fiscal and monetary policies, and more persistent scarring from the pandemic.<sup>2</sup>

Inflation is set to rise in 2022 and beyond. The inflation after 20 years of low and stable pace is long-due in play and the economic contraction of 2020 has simply made the situation more vulnerable. As per the market situation, the inflation rise will be set-off by the 4-D's:

**De-Population:** There has been an acute shortage of labour, especially with the population growth rate slowing down in countries considered as the factories to the world like China and India. The working-age population growth rate has turned negative in China.

**De-Globalization:** From the decline in exports to promoting the idea of "Production within the Country", the markets will turn largely into a lesser-competition & higher-monopoly spaces fueling the inflation trend with price hikes.

**Declining Productivity:** From USA to South-Asian and Asian countries, political inclination, restrictive policies and interference are the major factors that have declined the productivity of industries and thereby, surging higher prices.

**Debt:** Again, with an enormous amount of stimulus that has been pushed into economies and is largely sitting in savings due to lack of spending opportunities, there is a break in economic cash flow. The resort to this is an increased debt which is assisted by more money printing.

There are strong signs of comeback for the developing countries in the coming years. With the pandemic-inspired digitization (and pre-pandemic momentum towards digitization), the expected annual growth of digital revenue 2020-2024 is set to reach around 13% in developing countries as compared to 11% in emerging markets & 6% in developed markets. With a much greater need than ever, economic reforms in developing countries would drive higher productivity and therefore, could lead to better economic growth.

## Outlook:

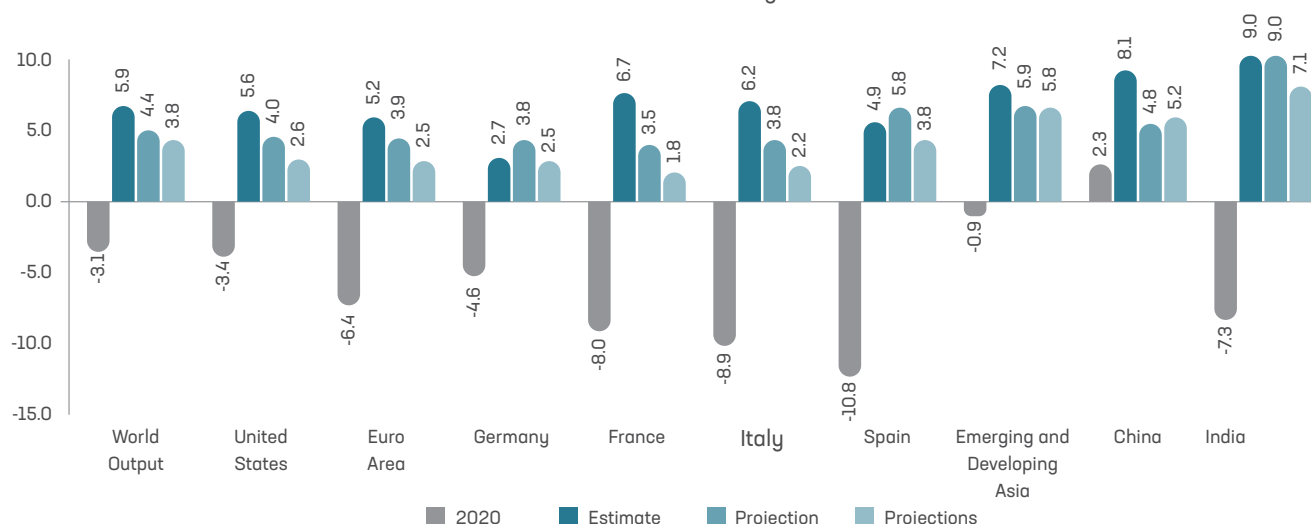
Global growth is projected to decelerate in 2022 and 2023. It is set to slow sharply, as the initial rebound in consumption and investment fades and macroeconomic support is withdrawn. Also, the geopolitical instability caused by the Russia-Ukraine conflict will lead to new supply chain bottlenecks and an uptick in the fuel prices around the world.

## EMDEs are projected to experience a weaker recovery than advanced economies

In contrast to advanced economies, most EMDEs are expected to suffer substantial scarring to output from the pandemic, with growth trajectories not strong enough to return investment or output to pre-pandemic trends over the forecast horizon of 2022-23.

## After surprising upside in 2021, global inflation is expected to remain elevated this year

The rebound in global activity, together with supply disruptions and higher food and energy prices, have pushed up headline inflation across many countries. More than half of inflation-targeting EMDEs experienced above-target inflation in 2021, prompting central banks to increase policy rates. Consensus forecasts anticipate median global inflation to remain elevated in 2022.



## Indian economy

As per the first advance estimate, Indian economy is expected to register a growth rate of 9.2% in FY 2021-22 from a contraction of 7.3% in FY 2020-21. The growth was supported by positive development in key sectors including agriculture and allied activities which are expected to grow by 3.9% in FY 2021-22, from 3.6% in FY 2020-21.<sup>4</sup> The industrial sector recovered exceptionally, after a contraction of 7% in FY 2020-21 to an expansion of 11.8% this fiscal year.<sup>5</sup> The service industry, particularly those entailing human contact, has been severely affected by the pandemic. It is estimated to grow by 8.2% in FY 2021-22, following 8.4% contraction in the last year.<sup>6</sup> It is critical to consider that different sub-sectors are demonstrating a wide dispersion of performance.

Investment, as measured by Gross Fixed Capital Formation (GFCF), is predicted to restore to pre-pandemic levels after rising by 15% in FY 2021-22.<sup>7</sup> The boosted capital creation in the economy has increased investment-to-GDP ratio by more than 29.6%. This can be attributed to the government's focus on growth through capex and infrastructure spending. Despite supply-chain interruptions, India's exports of both commodities and services have been extraordinarily high so far in FY2021-22. Moreover, India's balance of payments has been in surplus for the past two years.<sup>8</sup>

In 2021-22, goods and services exports and imports are expected to expand by 16.5 percent and 29.4 percent, respectively (at constant prices).<sup>9</sup> These estimates support the strengthening of the economic recovery as a result of rising public-sector capex, increased export resilience, an acceleration in the investment cycle, and higher consumption levels.

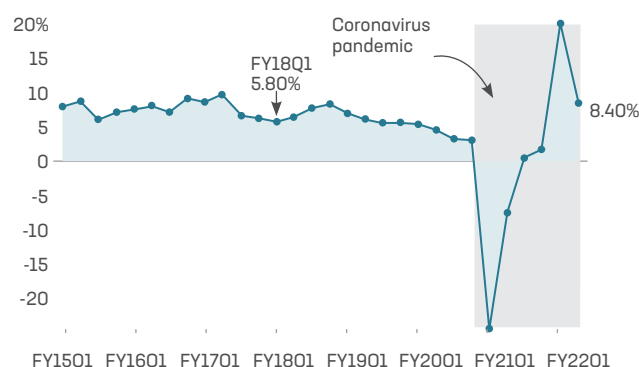
Inflation has resurfaced as a global issue in both advanced and emerging economies. Energy prices, non-food commodities, input prices, global supply chain disruptions, and increased freight costs all contributed to worldwide inflation this year.

**11.8%** growth  
in the industrial sector

**15%** growth  
in investments.

### Indian economy recovered from pandemic-induced lows

GDP growth for Q2 of FY22 came in at 8.4%



Source: <https://timesofindia.indiatimes.com/business/india-business/in-10-charts-state-of-indian-economy-ahead-of-union-budget-2022/articleshow/89226795.cms>

## Outlook

Growth in 2022-23 will be aided by widespread vaccination coverage, advantages from supply-side reforms and regulatory relaxation, healthy export growth, and the availability of fiscal freedom to increase capital investment. The next year would see an increase in private sector investment, with the financial system in a solid position to support the economy's recovery. Also the government has launched various schemes and initiatives to boost investments like reduction in Corporate Tax Rates, easing liquidity problems of NBFCs and Banks, FDI Policy reforms, Reduction in Compliance Burden, policy measures to boost domestic manufacturing through Public Procurement Orders, Phased Manufacturing Programme (PMP) etc. Many indicators point to India becoming a more attractive investment destination. A strong and clean banking sector is prepared to effectively support private investment. Thus, India's GDP is expected to rise by 8.0-8.5 percent in real terms in 2022-23.<sup>10</sup> This forecast assumes there will be no further devastating pandemic-related economic disruption, the monsoon will be normal, major central banks will withdraw global liquidity in a relatively orderly manner, and global supply chain disruptions will gradually ease over the course of the year.

## Global specialty chemical industry

Specialty chemicals provide one-of-a-kind ingredients to improve the performance of a wide range of end-user sectors, including

<sup>4</sup><https://pib.gov.in/PressReleasePage.aspx?PRID=1793826#:~:text=As%20per%20the%20IMF's%20latest,in%20all%20these%20three%20ye>

<sup>5</sup><https://pib.gov.in/PressReleasePage.aspx?PRID=1793826#:~:text=As%20per%20the%20IMF's%20latest,in%20all%20these%20three%20ye>

<sup>6</sup><https://pib.gov.in/PressReleasePage.aspx?PRID=1793826#:~:text=As%20per%20the%20IMF's%20latest,in%20all%20these%20three%20ye>

<sup>7</sup>Measurement by Gross Fixed Capital Formation (GFCF)

<sup>8</sup><https://pib.gov.in/PressReleasePage.aspx?PRID=1793826#:~:text=As%20per%20the%20IMF's%20latest,in%20all%20these%20three%20ye>

<sup>9</sup>[indiabudget.gov.in](https://indiabudget.gov.in)

<sup>10</sup>[indiabudget.gov.in](https://indiabudget.gov.in)

pharmaceuticals, construction, automotive, cosmetics, textiles, and agriculture. Rising population, decrease in arable land, and expansion of horticulture industries are important growth factors for the specialty chemicals industry.

The global specialty chemical market is poised to grow by \$155.04 bn during 2021-2025, progressing at a CAGR of 3.41% during the forecast period.<sup>11</sup> The rapid growth of the pharmaceutical, construction and agrochemical sectors, particularly in the Asia-Pacific, Europe, the Middle East and Africa region are expected to influence the specialty chemical market growth in the short term

#### Growth Drivers of Specialty Chemicals by different segments:

- Growing global population, diminishing arable land, and the resulting need to boost agriculture yields, drives the demand for **Agrochemicals**. The utilisation of agricultural goods for industrial uses such as fuel blending and polymer manufacture would also generate new demand for agricultural products, opening up new avenues of application for **Agrochemicals**.
- Spike in worldwide demand for generic medications, coupled with India's position as the world's largest supplier of generic drugs, leads to increased local demand for **Pharmaceutical Chemicals**.
- A growth in construction projects in emerging economies, as well as an increase in the use of **Construction Chemicals** to improve project quality.
- Demand for **Personal Care Products** is being driven mostly by rising economies in the Asia-Pacific region, notably China and India, which are projected to rise at a CAGR of 9-10 percent. The United States and Europe are predicted to increase at a 4% annual rate, owing mostly to a trend toward natural active ingredients.
- There is a rising need for **Finishing Chemicals** that impart several advantageous features to textiles such as anti-microbial properties, wrinkle-free properties, stain-resistance, and so on.
- Demand for **High Performance Pigments (HPP)**, which are durable and are resistant to UV radiation, heat, and chemicals, is increasing. Eco-friendly colourants, such as minimal impact dyes, are becoming more popular

### Indian specialty chemical industry

Domestic and export demand are expected to support robust development in the medium term. Except for a few segments including dyes and pigments and refrigerant segments, the segment did not see any negative effects from COVID-19 in FY2022. Domestic demand began to improve in Q2 FY2022, and accelerated in H2 FY2022 due of strong export demand. While revenue growth persisted, margins declined due to rising raw material prices.

In the medium term, the sector is projected to benefit from potential shifts in the global supply chain, with global chemical majors trying to diversify their reliance on China, and Indian enterprises being well-positioned to take advantage. The specialty chemicals segment's medium to long-term outlook remains positive, boosted by development prospects in the domestic market as well as strong demand from the export market.

Major driving factors of the Indian Specialty chemical market can be listed as:

- Growing demand from end-user industries like food.
- Increased intensity of consumption
- Significant exports with room to expand
- Significant imports with scope for domestic substitution.
- Improved consumption standards

In India, the industry is highly diversified, with Pharmaceuticals, Agrochemicals, and Dyes-Pigments accounting for majority of sales. Construction chemicals, polymer chemicals, textile chemicals, surfactants, functional ingredients, nutra-functional, base ingredients, and many others are among the market's various divisions. Given the high number of unorganised firms servicing to smaller unorganised customers, India's market is predominantly disorganised. Surprisingly, in some cases, such as chemicals used in base components, unorganised firms have a higher market share than organised players.

### Global pharmaceutical industry

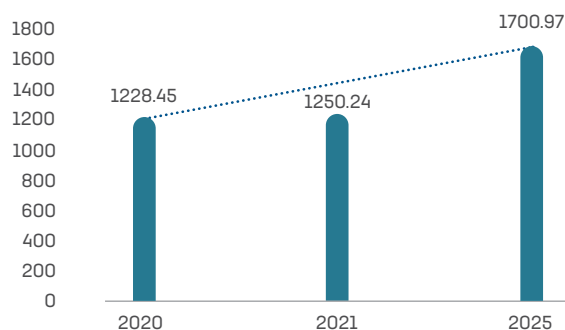
The worldwide medicines industry is estimated to increase at a 9.1% compound annual growth rate (CAGR) from \$1454.66 billion in 2021 to \$1587.05 billion in 2022.<sup>12</sup> The increase is primarily due to companies reorganising their operations and recovering from the impact of COVID-19, which had previously resulted in restrictive containment measures such as social distancing, remote working, and the closure of commercial activities, all of which created operational challenges. At an annual growth rate of 7.7%, the market is estimated to reach \$2135.18 billion in 2026.<sup>13</sup>

<sup>11</sup><https://www.researchandmarkets.com/reports/4894410/global-specialty-chemicals-market-2021-2025>

<sup>12</sup>Pharmaceuticals Global Market Report 2022 (globenewswire.com)

<sup>13</sup>Pharmaceuticals Global Market Report 2022 (globenewswire.com)

**Indian Pharma Industry Volume  
(in billion) (in\$)**



The population profile of most countries is becoming older. The global population aged 65 years or over was 703 million in 2019.<sup>14</sup> This rise in the aging population increased the patient pool of many chronic diseases such as rheumatoid arthritis, hypertension, diabetes, and cancer. The increase in the patient pool drove the demand for pharmaceuticals used in the treatment

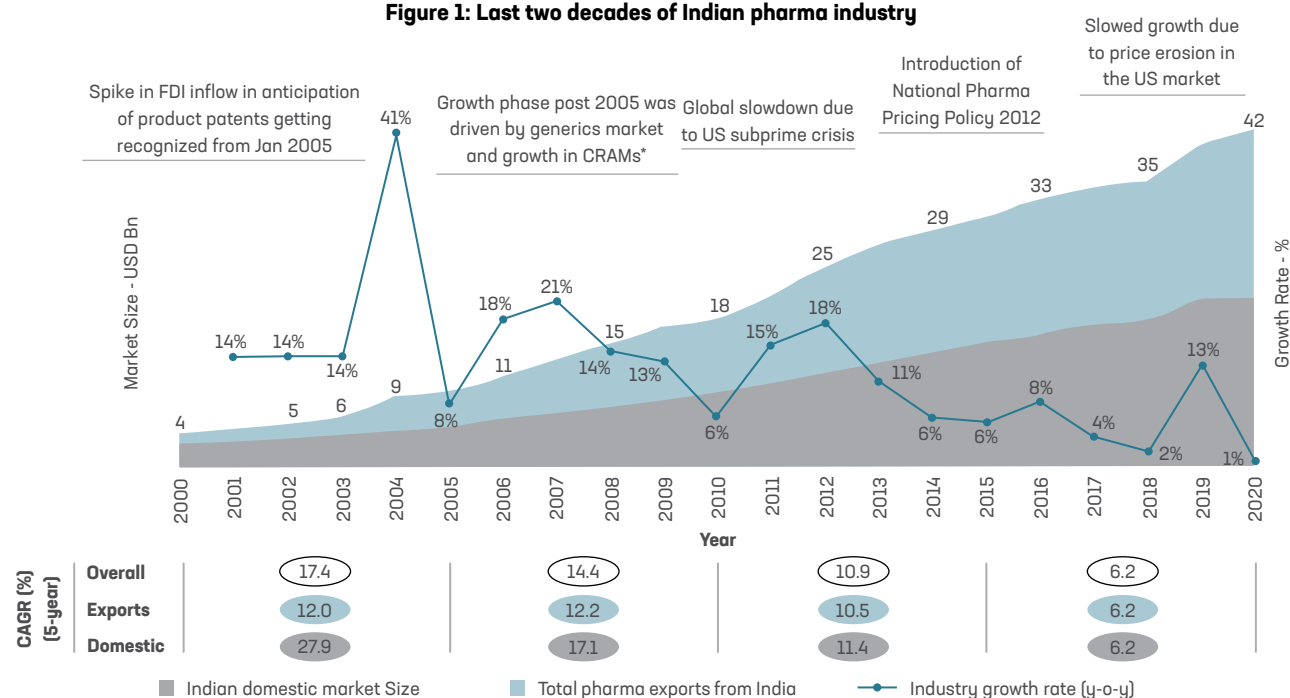
of these diseases, significantly impacting market growth during this period.

### Indian pharmaceutical industry

Over the previous two decades, the Indian pharmaceutical industry has developed at a compounded annual growth rate (CAGR) of 11% in the domestic market and 16% in exports. While the local market has expanded at a similar rate to GDP, the industry's overall expansion has been fuelled by its leadership in delivering generic formulations to markets across the world.

It is predicted that Indian pharmaceutical business will increase at a compound annual growth rate (CAGR) of 12% between 2020 and 2030, reaching US\$130 billion by 2030, up from US\$41.7 billion in 2020.<sup>19</sup> Though the pharmaceutical sector has expanded at a CAGR of almost 13% over the last two decades, it has grown at an 8.5 percent CAGR in the last decade and is currently growing at an 6.2 percent CAGR over past five years.<sup>15</sup>

**Figure 1: Last two decades of Indian pharma industry**



Source: ey-ficci-indian-pharma-report-2021.pdf

India's pharmaceutical sector produces approximately 40% of generics in the world's largest pharma market, the United States, and over 25% of prescription medications in the United Kingdom, as well as over 60% of worldwide vaccine demand.<sup>21</sup> As one of the top ten industries in lowering trade deficits and attracting Foreign Direct Investment, the pharmaceutical industry has made a substantial contribution to India's economic growth (FDI). Between April 2000 and June 2020, the medications and

pharmaceuticals sector received a total of US\$16.54 billion in FDI. More importantly, over the same period, the country rose to the top of the global generic medicines sector, earning the moniker "Pharmacy of the World."<sup>16</sup>

### Global API industry

The global active pharmaceutical ingredient (API) market is expected to rise in response to the growing ageing population and

<sup>14</sup><https://www.globenewswire.com/news-release/2021/03/31/2202135/28124/en/Global-Pharmaceuticals-Market-Report-2021-Market-is-Expected-to-Grow-from-1228-45-Billion-in-2020-to-1250-24-Billion-in-2021-Long-term-Forecast-to-2025-2030.html>

<sup>15</sup>ey-ficci-indian-pharma-report-2021.pdf

<sup>16</sup>ey-ficci-indian-pharma-report-2021.pdf

<sup>17</sup><https://www.europeanpharmaceuticalreview.com/news/157247/global-api-market-to-value-300-billion-by-2030/>

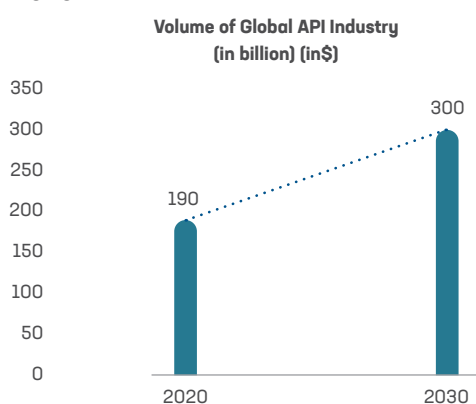
<sup>19</sup><https://www.europeanpharmaceuticalreview.com/news/163653/indian-active-pharmaceutical-ingredients-market-to-grow-by-12-24-percent/>



increased investment in biologic treatments. The global active pharmaceutical ingredient (API) industry, which was estimated at \$190 billion in 2020, is expected to increase to almost \$300 billion in the following decade.<sup>17</sup>

The factors driving growth include:

- expiration of patented biologics/investments in biosimilars
- rising incidence of chronic and lifestyle-associated diseases, like cancer, diabetes and cardiovascular diseases
- growing geriatric population
- government initiatives promoting generic drugs
- increasing healthcare expenditure
- surging awareness about diseases.

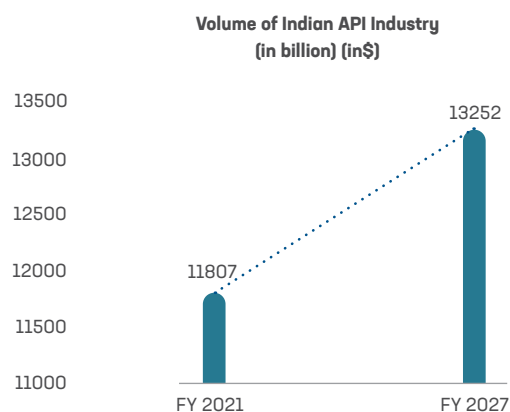


Between 2015 and 2020, captive manufacturing had the biggest market share, and this trend is expected to continue between 2021 and 2030. This, according to the report, is due to the simple availability of raw materials and the key players' rising investments in developing high-end manufacturing facilities.<sup>18</sup> During the year, cardiology/cardiovascular was the largest therapy segment in API. Increasing cardiovascular diseases and high demand for fast-acting drugs are some of the key growth drivers for the segment. Oncology, HIV, Central Nervous System (CNS) and Cardiovascular (CVS) are likely to be the fastest growing during the forecast period.

### Indian API industry

In 2021, the Indian active pharmaceutical ingredients (APIs) market was valued at \$11.8 billion, and it is still growing. In the financial year 2021 (FY2021), the Indian active pharmaceutical ingredients (APIs) market was valued at \$11.807 billion, with a compound annual growth rate (CAGR) of 12.24 percent predicted during the forecast period (2021 to 2027).<sup>19</sup>

This expansion can be ascribed to the country's burgeoning biopharmaceutical industry. India's growing senior population is likely to drive demand even more through FY2027. Furthermore, the market will benefit from the rising prevalence of chronic diseases such as cardiovascular disease, diabetes, cancer, and respiratory disorders, among others.<sup>24</sup>



Rising drug research, increased drug development and manufacturing, increased uptake of biopharmaceuticals, the need for active pharmaceuticals during the COVID-19 pandemic, and supportive government policies such as Atmanirbhar Bharat, Pharma Vision 2020, and Production Linked Incentive Scheme, among others, are all driving the growth of the Indian APIs market.

The market is divided into generics and innovators based on medicine kind. In FY2021, generics dominated the market, with a share of 69.56 percent. India is the third-largest producer of pharmaceuticals by volume and the fourteenth-largest by value. The pharmaceutical sector in India is responsible for the second-largest number of Abbreviated New Drug Applications (ANDAs).<sup>24</sup>

### Global API-RM/KSM industry

For 2020, the global market for specialty intermediates for pharmaceutical usage was estimated to be worth \$30 billion.<sup>20</sup> Key Starting Material (KSM) is used for pharmaceutical industry and are building blocks of the drug industry.

### Indian API-RM/KSM industry

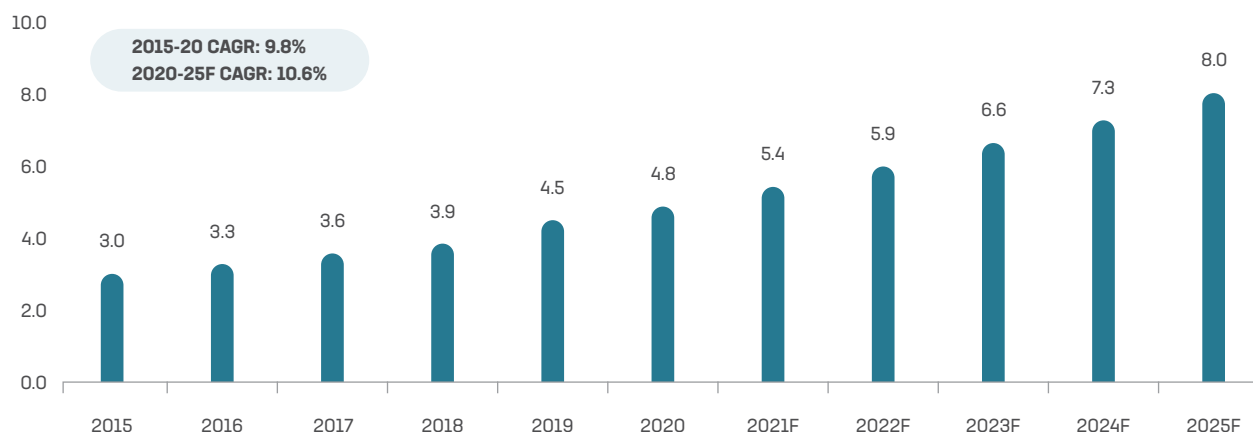
The market for pharmaceutical intermediates in India is expected to be over \$4.8 billion by 2020, with a CAGR of 9.8% from 2015 to 2020.<sup>21</sup>

<sup>20</sup>Frost and Sullivan analysis

<sup>21</sup>Frost and Sullivan analysis

<sup>22</sup>Frost and Sullivan analysis

<sup>23</sup>Frost and Sullivan analysis



Source: Frost and Sullivan analysis

#### Growth drivers of Indian API-RM/KSM market:

- **Reduced reliance on imports:** The Government has started offering impetus for local manufacturing of various possible raw materials which had been imported in considerable quantities from China for over a decade. This is likely to boost the domestic market by reducing reliance on imports.
- **Shifting investments from regulated markets:** Domestic production is likely to rise as investments shift from regulated markets like Europe to developing countries like India. This is expected to further boost the intermediate exports.

#### Overview of therapeutics

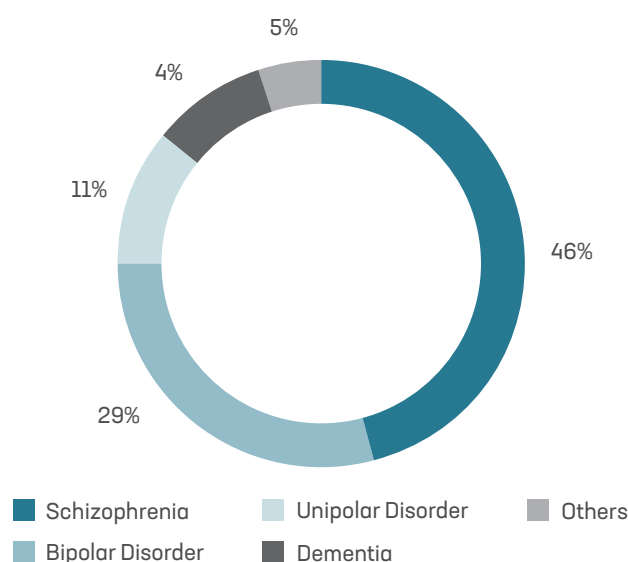
##### Global antidepressants market

The demand for mental-health drugs have surged as a result of increasing anxiety among people, especially due to subsequent lockdowns that isolated people for lengthy periods of time. As per the report, prescriptions for the antidepressant medicine increased by 12% in March compared to the same month in 2019 in the US.<sup>22</sup> The global antidepressant drugs market is dominated by North America. A significant part of this is due to the <sup>27</sup> increasing prevalence of depression and the government's efforts to raise awareness about depression.

##### Global antipsychotic drugs market

Psychosis and related illnesses affect roughly 1.25% of the global population. Hence, there is a potential market for antipsychotic medications of around 7.5 million people.<sup>23</sup> Even though the market reaches a smaller user base in comparison to other diseases, the high costs of antipsychotic medications effectively bridge that gap. However, the user base is rising significantly around the world, creating huge potential for the industry in the future.

#### Global antipsychotic drugs market



Source: Frost & Sullivan Research & Analysis

##### Global anticoagulants market:

In 2020, the global anticoagulants market was worth \$30.4 billion, and is likely to expand at a rate of 7.5% until 2025.<sup>24</sup>

##### Global Parkinson's disease treatment market:

The Global Parkinson's disease treatment was valued at \$5.2 billion in 2020 and is expected to grow at 8.1% over the forecast period till 2025.<sup>29</sup>

##### Global idiopathic pulmonary fibrosis (IPF) treatment market

In 2020, the global IPF treatment market was worth USD 3.2 billion, and is predicted to grow at a CAGR of 12.1% until 2025.<sup>29</sup>

<sup>24</sup>Frost and Sullivan analysis

<sup>25</sup>Frost and Sullivan analysis

<sup>26</sup>Frost and Sullivan analysis

<sup>27</sup>Frost and Sullivan analysis

<sup>28</sup>Frost and Sullivan analysis

<sup>29</sup>Frost and Sullivan analysis

- **Global anti-retroviral (ARV) market overview**

ARV therapy is being scaled up at a breakneck pace. The number of HIV positive people receiving antiretroviral medication (ARTs) roughly grew to 23.3 million (62%) in December 2018. In 2020, the global ARV market was estimated to be worth \$23.5 billion, with AGR of 3.8%.<sup>29</sup>

- **Global kidney cancer drugs market**

The market for kidney cancer drugs was worth \$5.6 billion in 2020. It is predicted to expand at a rate of 5.7% until 2025. In 2020, the US will have a market share of more than 35%.<sup>25</sup> The market is growing in Japan. Multiple product launches in the region during the projection period and the presence of a large ageing population who are prone to kidney cancer, contributes to its high growth rate.

- **Global prostate cancer treatment market**

The market for prostate cancer treatment was worth \$9.5 billion in 2020, and it is predicted to expand at a rate of 5.3% until 2025.<sup>26</sup> Major growth factors include rising geriatric population, a surge in generic products, increasing public awareness about prostate cancer treatment, effective R&D investment by drug innovators, advanced pipeline drugs along with availability of new prostate cancer treatments.

## API industrial overview

- **API - Dolutegravir (DTG)**

DTG is used with other drugs to treat HIV/AIDS. It is an ARV medication with a large market in Africa and Asia. There are more than 30 API manufacturers worldwide, with 19 of them having a US drug master file (DMF).<sup>27</sup> India is home to the majority of DTG producers.

- **API - Trazodone**

Trazodone is an antidepressant that belongs to the serotonin receptor antagonists and reuptake inhibitors class of medicines (SARIs). The global API market is expected to be valued at US\$ 300 billion by 2030. With 45% of the demand, the US leads the way, followed by Europe. The market is projected to increase at a CAGR of more than 6% over 2019-2025.<sup>32</sup>

- **API - Entacapone**

Entacapone is used to treat Parkinson's disease. In 2020, the overall API volume is expected to be around 155-160 MT. Although the global growth is constant, Indian market is rising at a rate of 6-8%. Europe leads the demand in terms of volume, with 32-33%. India accounts for around 5% of the total volume.<sup>32</sup>

- **API - Nintedanib**

Nintedanib belongs to the kinase inhibitor class of drugs. It acts by inhibiting the activity of enzymes that cause fibrosis. IPF is treated with oral drug administration. In 2020, the market was roughly valued at \$125 million.<sup>32</sup>

- **API - Rivaroxaban**

Rivaroxaban is a blood thinner and an anticoagulant drug used to treat and prevent blood clots. In 2020, the global market for the medicine is expected to be worth roughly \$15-16 billion.<sup>32</sup>

- **API - Pazopanib**

It belongs to the tyrosine kinase inhibitor class of medicines. It slows tumour growth by reducing the blood flow to the cancer tumour. Between 2015 and 2020 this pazopanib industry grew at a CAGR of 8.9%, and from 2020 to 2025 it is expected to grow at a CAGR of 11.8%.<sup>28</sup>

- **API - Apixaban**

Apixaban is an anticoagulant medicine, used to treat and prevent blood clots in people with non-valvular atrial fibrillation and hence prevents stroke. In 2020, the global market for the medicine is expected to be worth around \$14-15 billion.<sup>33</sup>

- **API - Darolutamide**

It is a nonsteroidal antiandrogen of the second or third generation (NSAA). The current market size is as little as 50 kg, with a revenue of \$0.25-0.3 million.<sup>33</sup>

## Global Contract research and manufacturing services (CRAMS) industry

For global fine chemicals contract manufacturing, the global market for modified synthesis and manufacture was estimated to be worth \$121 billion in 2020. The market is expected to increase at an annual rate of 8%,<sup>11</sup> in the next 5 years (2020-2025). Major drivers of global customs synthesis and manufacturing market are new active ingredients development, innovators shifting focus to core competencies and outsourcing of production to low manufacturing cost destinations.

### Indian CRAMS industry

In 2020, India accounted for over 8% of the global CRAMS market. In the next five years (2020-2025), the market is projected to grow at an annual rate of 10%.<sup>29</sup> Rise in fine chemical contract production due to the country's cheaper production costs coupled with investments from multinational companies are constantly driving the growth of the industry.

<sup>24</sup>Frost and Sullivan analysis

<sup>25</sup>Frost and Sullivan analysis

<sup>26</sup>Frost and Sullivan analysis

<sup>27</sup>Frost and Sullivan analysis

<sup>28</sup>Frost and Sullivan analysis

<sup>29</sup>Frost and Sullivan analysis

<sup>30</sup>Frost and Sullivan analysis

<sup>31</sup>Frost and Sullivan analysis

## Salicylic acid industry

The global salicylic acid market is extremely fragmented. A small number of manufacturers offer different pricing models depending on the end-use application. Europe accounts for a large market share of over 30%, owing to the rising beauty industry as well as an increasing awareness about health and hygiene. Furthermore, growing use of aspirin to treat and prevent disorders such as strokes and dementia among the elderly population is likely to boost market expansion over the forecast period. However, the European Commission's severe regulations governing the use of salicylic acid are expected to have an impact on growthParabens industry

The global parabens market is highly fragmented, characterised by a small number of manufacturers with varied pricing patterns by end-use application. Asia Pacific is likely to present lucrative growth opportunities to the players in the global parabens market. Countries like China, India, and South Korea are likely to generate immense demand for cosmetic and personal care products. North America is likely to emerge as another prominent region in the market. However, Europe has banned parabens for use in cosmetics and personal care industry. The global parabens market grew at a CAGR of 6.1% from 2015 to 2020. And is expected to grow at a CAGR of 6.7% for upcoming 5 years (2020-2025).<sup>31</sup>

## Company Overview

Ami Organics Ltd. (Ami) is a R&D driven manufacturer of specialty chemicals with varied end uses. Notably the emphasis lies on the development and manufacturing of advanced pharmaceutical intermediates (Pharma Intermediates) for regulated and generic APIs. The Company also develops key starting materials for agrochemical and fine chemicals, owing to their recent acquisition of Gujarat Organics Limited (GOL).

Ami is a prominent maker of pharma intermediates for a number of essential APIs, including Trazodone, Entacapone, Oxcarbazepine, Nintedanib, Apixaban and Rivaroxaban. Ami-produced pharma intermediates are used in a number of high-growth medicinal fields. It operates three production plants with a total installed capacity of 6060 Mtpa. The Company has created over 450 plus pharmaceutical intermediates in 17 different therapeutic areas serving customers across countries.

### Pharma intermediates business:

The Company has an experience of over 15 years of developing, manufacturing and commercialising advanced pharma intermediates used for manufacturing API and NCE in India and overseas market. It has developed and commercialised over 450 plus pharma intermediates across 17 key therapeutic areas since inception and NCE, which are being supplied to over 150 customers in India and 20 plus countries overseas. Some of the key therapeutic areas catered to by the company include anti-retroviral, anti-inflammatory, anti-psychotic, anti-cancer, anti-Parkinson, antidepressant and anticoagulant.

### Specialty chemicals:

The Company manufactures specialty chemicals, which are primarily chemical components that find use in agrochemicals, fine chemicals and have, over the years, expanded commercialised product portfolio. The products are sold to various domestic and multinational customers for diverse end-user segments including preservatives, cosmetics, and agrochemicals. After acquiring GOL, the existing product portfolio of specialty chemicals has expanded to also include capabilities to manufacture preservatives and other specialty chemicals, which are used in the manufacture of cosmetics, dyes, polymers, petrochemicals, and agrochemicals.

### Growth Drivers:

**Diversification of product portfolio by strengthening R&D capabilities:** Company's primary goal is to persistently ramp up its R&D capabilities to develop and introduce new products to explore potential growth areas and to meet domestic and overseas regulatory standards. The Company also focuses on creating cost-effective production procedures. It has submitted eight process patent applications related to the same, as well as three further pending process patent applications for which applications were made, in March 2021, and has established substantial knowledge in chemistry and series of molecules. Furthermore, the acquisition of GOL's business has enabled it to produce some items that the firm manufactures in India, such as PHBA, paraben derivatives, and Cyano phenol.

**Continue to focus on cost efficiency, improving productivity:** The Company strives to keep technology, facilities, and machinery current and updated with the latest international standards. We continue focusing on developing strong backward integration capabilities for key raw materials to ensure competitiveness, price flexibility and profitability. The procurement of raw materials is also critical in maintaining competitiveness, pricing flexibility, and profitability. Generally, the corporation does not enter long-term supply contracts with raw material suppliers. For each purchase order, pricing and volume are negotiated. In general, the buying price of raw materials follows market pricing. It purchases raw materials from third-party merchants and suppliers.

**Diversification of business by focusing on organic, inorganic growth opportunities:** To boost organic development and internal knowledge, company continues to explore strategic acquisitions and collaborations. In order to attain the desired levels of organic development, the Company also wants to enhance internal capacity and manufacturing capabilities. The Company believes that by pursuing strategic acquisitions, such as the acquisition of GOL's business, it will be able to add capabilities and technical expertise, as well as enter into partnerships, to strengthen product infrastructure and overall manufacturing capabilities in the specialty chemicals sector.



**Augmenting scale through organic and inorganic routes in the current geographic markets and expanding into new geographic markets:**

We are well positioned to consolidate our existing capacity to capitalise upon future growth that is envisaged. We aim to strengthen our manufacturing capability and achieve better economies of scale by organic and inorganic growth. We have, and continue to expand our business through organic growth to increase our production capacities and product portfolio, including by way of our acquisitions which we believe significantly increases our production capabilities. Consistent with past practice, we will look to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels. In addition, the acquisition of the Ankleshwar Facility and the Jhagadia Facility, both multipurpose backward integrated facilities have enabled us to expand our product portfolio to include the manufacture of specialty chemicals.

## Challenges and risks

**Higher RMAT cost, inability to pass on to impact performance:**

The Other Commodity materials used by the Company are solvents like ethyl alcohol, dimethylformamide, isopropyl alcohol, toluene, caustic, benzene and alkalies. It does not have long-term contracts with the majority of its raw material suppliers. The

Company's inability to accurately estimate demand and supply may have a major negative impact on working capital, business, and operating performance.

**Regulatory related challenges for any plant to hurt performance:**

The Company operates in an industry which is heavily regulated. Company deals in pharma API intermediates and we are required to comply with various regulations and quality standards. Since we supply our products to customers across global markets, our manufacturing facilities and products may be subjected to audit and inspection by Indian and overseas regulatory agencies (including US-FDA). Any abnormalities may result in a suspension of production activity, affecting the Company's financial performance.

**Increasingly stringent environmental, health and safety ("EHS") laws, regulations and standards:**

Our manufacturing facilities are subject to numerous laws and regulations designed to protect the environment, and we expect that additional requirements with respect to environmental matters will be imposed in the future. Our operations generate pollutants and waste, some of which may be hazardous and flammable. We are therefore subject to a wide range of laws and government regulations, including in relation to safety, health, labour, and environmental protection. Any failure on our part to comply with any existing or future regulations applicable to us may result business loss and legal proceedings.

## Risk Management

| Risks Faced       | Risk Description   | Mitigation Strategy  |
|-------------------|--|--|
| Raw Material Risk | The Company is vulnerable to changes in raw material availability and prices, and may not be able to pass on any increase in raw material costs to customers effectively, affecting margins, sales, results of operations, and cash flows.                       | The Company selects and approves a number of vendors to supply critical raw materials, and place purchase orders with them on a regular basis. The Company buys higher volumes of raw materials as the product line expands and production capacity expands. The Company prefers to place buy orders with vendors on a regular basis rather than entering into long-term supply contracts to keep the prices cost-competitive. |
| Technology Risk   | The cost of developing new products and technologies, improving production facilities, and retaining research staff is substantial, and it has a considerable impact on operating results and cash flows.  | The Company invests a significant amount of time, capital, and other resources in Research and Development to develop the product pipeline. Furthermore, due to technical advancements and scientific breakthroughs, Ami Organics adapts to rapid changes in the sector. The Company continues to ensure that technology, facilities, and machinery meet the most recent international standards.                              |
| Product Risk      | Changes in market demand may also force the Company to halt existing or planned product development, and if the necessary investments are not made at the right time, the business, reputation, and financial situation might suffer considerably and adversely. | Ami Organics creates, tests, and produces innovative goods that satisfy regulatory standards and receive the necessary regulatory clearances in order to stay competitive. The company's financials are stable and will be able to work around such situations.  |



| Risks Faced        | Risk Description  | Mitigation Strategy  |
|--------------------|---|--|
| Operational Risk   | Breakdown or failure of equipment, power supply, or processes, performance below planned levels of output, efficiency, labour conflicts, strikes, environmental difficulties, lockouts, and non-availability of services from external contractors are all operational risks that the manufacturing facility faces. | The Company complies with cGMP guidelines, which include well designed and maintained equipment and facilities, established standard operating procedures, an independent quality assurance unit, well-trained employees and management, and adherence to and correct documentation of process and product controls, as well as lab controls required for drug quality assurance.  |
| Environmental Risk | The Company may be susceptible to future penalties or production suspension if it fails to comply with current and future environmental laws and regulations, which might impact business or results of operations.   | The Company expends substantial capital expenditure in establishing machinery and equipment to regulate the discharge of effluents, including a Zero Liquid Discharge based effluent plant, a soil biological treatment system, and a RO plant with a pre-treatment system, due to the many hazards involved with the manufacture of chemicals, such as the use, handling, processing, storage, and transportation of hazardous materials, as well as incidents such as chemical leakage or spillages. |
| Customer Risk      | Revenue levels and results of operations are determined by the demand from customers, particularly top five customers, and sales are directly affected by customers' production and inventory levels.   | Ami Organics has long-standing customer ties with both domestic and multinational pharmaceutical companies. Sales to the key customers are based on purchase orders that they place on a regular basis. The Company anticipates production volumes and revenue for specific products with the assistance of customer order volume projections.   |
| Demand Risk        | The actual production volumes may differ significantly from the estimates due to variations in product demand.  | When actual production volumes differ significantly from the estimates, the Company generally seeks to make up for any shortfalls through new orders, either with existing or with new customers.  |
| Regulatory Risk    | The products, as well as the process of manufacturing, storing, and distributing them, are subject to numerous stringent quality, safety, and health-related laws and regulations.  | The Company complies with international authorities' norms and quality standards in addition to Indian legislation and has a growth-oriented goal for maintaining and improving quality standards in accordance with internationally recognised regulatory norms. Ami Organics complies with all regulatory requirements for manufacturing intermediates based on Good Manufacturing Practices ("GMP"), and this gives a major competitive advantage over Indian and international competitors.        |
| Currency Risk      | The Company operates on a global scale, with the majority of sales and purchases, taking place in foreign currency. As a result, it is subject to currency risk.  | The Company assesses the exchange rate risk posed by foreign currency transactions and hedge exposure with derivatives such as foreign exchange forward contracts. The Company purchases goods, commodities, and services in the respective currencies to help offset foreign exchange risk.   |
| Competition Risk   | If one of the competitors or their customers acquires one of the Company's customers or suppliers, Ami Organics risks losing revenue from that customer or losing a significant raw material or component supplier, which might harm business, cash flow, and financial position.                                   | The Company increases its capacity to compete successfully by its ability to differentiate and effectively provide products, as well as the ability to cut costs by increasing productivity, removing redundancies, and adapting to new technology.  |

## Human resources

Human capital forms an integral part of the Company's operations. Given the volatile market environment, the Company is investing significantly towards training and development of its employees to ensure that they stay at par with the changing market landscape. Moreover, it strives to build a diverse work environment wherein employees can thrive and grow. As on 31st March 2022, the Company has a total of 561 employees.

**Financial review**

| Ratio                                     | Numerator  | Denominator   | As at<br>March 31,<br>2022 | As at<br>March 31,<br>2021 | Variance<br>% | Reason for Variance<br>(In case of variance<br>for more than 25%) |
|---|--|---|----------------------------|----------------------------|---------------|---|
| <i>Current Ratio</i>                      | Total Current Assets   | Total Current Liabilities                               | 3.32                       | 1.30                       | 154.8%        | Repayment of working capital loan through IPO proceeds            |
| <i>Debt-to-equity Ratio</i>               | Total Debt   | Total Equity  | 0.00                       | 0.82                       | (99.8%)       | Repayment of long term loan through IPO proceeds                  |
| <i>Debt Service Coverage Ratio</i>        | Earning for Debt Service = Net Profit after Taxes + Non-Cash Operating Expenses + Interest + Other Non-cash Adjustments Debt | Debt Service = Interest Payments + Principal Repayments | 0.61                       | 3.06                       | (80.2%)       | Prepayment of Debt out of IPO funds                               |
| <i>Return on Equity Ratio(in %)</i>       | Profit for the year less Preference dividend (if any)  | Average Total Equity                                    | 0.21                       | 0.39                       | (46.1%)       | This is due to addition of equity through IPO                     |
| <i>Inventory Turnover Ratio</i>           | Cost of Goods Sold   | Average Inventory                                       | 3.16                       | 3.19                       | (0.8%)        | -   |
| <i>Receivables Turnover Ratio</i>         | Net Credit Sales   | Avg. Accounts Receivable                                | 3.66                       | 3.85                       | (4.9%)        | -   |
| <i>Payables Turnover Ratio</i>            | Net Credit Purchases   | Average Trade Payables                                  | 3.17                       | 2.80                       | 13.3%         | -   |
| <i>Net working capital turnover Ratio</i> | Net Sales  | Working Capital   | 1.73                       | 6.79                       | (74.4%)       | Prepayment of CC facilities post IPO                              |
| <i>Net profit Ratio(in %)</i>             | Net Profit   | Net Sales   | 13.83%                     | 15.85%                     | (12.8%)       | -   |
| <i>Return on Capital employed Ratio</i>   | Earning before Interest and Taxes  | Capital Employed  | 18.49%                     | 25.21%                     | (26.7%)       | This is due to addition of equity through IPO                     |
| <i>Return on investment</i>               | Income generated from Investments  | Time Weighted Average Investments                       | 3.71%                      | -                          | 0.0%          | -   |
| <i>Operating Profit Margin Ratio (%)</i>  | Net Operating Profit   | Net Sales   | 18.28%                     | 22.30%                     | (18.0%)       | -   |
| <i>Return on Networth</i>                 | Net Profit   | Total Equity  | 13.78%                     | 32.35%                     | (57.4%)       | This is due to addition of equity through IPO                     |

**Internal control systems and their adequacy**

The Company has comprehensive internal control systems commensurate with the nature of its business and size and complexity of its operations. They provide reasonable assurance on effectiveness and efficiency of its operations, reliability of financial reporting and compliance with the applicable laws and regulations. The internal control systems that deploy an amalgam of modern and traditional processes are routinely tested and upgraded for both design and operational effectiveness by the Management and the same is audited by the Statutory Auditors. Significant audit observations and follow-up actions and recommendations thereon are also reported to the Senior Management and the Audit Committee for their review.

The Company has appointed M/S. K.C.Mehta & Co. (Chartered Accountants) a reputed audit firm specialising in internal audits and assurance domain. The annual internal audit plan is reviewed and approved by the Audit Committee in beginning of the financial year to ensure adequate coverage. Progress of internal audit plan, significant observations noted during internal audits and status of identified actions are reviewed by the Management periodically and by the Audit Committee on quarterly basis.

**Cautionary statement**

Statements in Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward looking statements' within the meaning of applicable securities law and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to results include economic conditions affecting demand / supply, price conditions in domestic and overseas markets in which the Company operates, competitive pressures in these markets, changes in government regulations, tax laws and other statutes and incidental factors.

# Board's Report

To  
The Members,  
**Ami Organics Limited**

Your Directors are pleased to present the Fifteenth (15th) Annual Report on the business and operations of the Company along with the Standalone and Consolidated Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2022.

## 1. Corporate Overview and General Information:

Your Company is a R&D driven manufacturer of pharma intermediates & specialty chemicals with varied end usage, focussed on the development and manufacturing of advanced pharmaceutical intermediates ("Pharma Intermediates"), New Chemical Entities ("NCE") and Other specialty chemicals for Pharmaceuticals, Agrochemicals, Cosmetics and other Industries. Company has developed and commercialised over 450 plus Pharma Intermediates for APIs across 17 key therapeutic areas since inception and NCE across select high-growth high margin chronic

therapeutic areas. On the operational front during the FY 2021-22 Company has successfully commercialized a couple of products using continuous flow reactors. It is amongst few companies in India that has successfully commercialized products using continuous flow technology. Your company has also embarked on a new CAPEX plan at the Ankleshwar manufacturing unit to support the future growth of the Advanced Intermediates business which is expected to get completed by end of the financial year 2023-24.

## 2. Financial Results: Standalone and consolidated

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the (Companies Accounts) Rules, 2014

The standalone and consolidated financial performance of the Company, for the Financial Year ended on March 31, 2022 are summarized below:

(Rs. In Million except EPS Data)

| Members   | Standalone    |               | Consolidated  |               |
|---|---------------|---------------|---------------|---------------|
|   | F.Y.2021-22   | F.Y.2020-21   | F.Y.2021-22   | F.Y.2020-21   |
| Revenue from Operations   | 5,201.35      | 3,406.08      | 5,201.35      | 3,406.08      |
| Other Income  | 27.62         | 13.30         | 27.62         | 13.80         |
| Total Revenue   | 5,228.97      | 3,419.38      | 5,228.97      | 3,419.38      |
| Expenditure   | 4,314.47      | 2,702.12      | 4,314.47      | 2,702.61      |
| Profit/Loss before Tax  | 914.50        | 717.26        | 914.50        | 717.26        |
| Provision for Tax:  |               |               |               |               |
| Current tax   | 167.22        | 175.64        | 167.22        | 175.64        |
| Deferred tax  | 27.83         | 1.63          | 27.83         | 1.63          |
| Profit/ Loss after Tax  | 719.45        | 539.99        | 719.45        | 539.99        |
| Other comprehensive Income /Loss  | 0             | 0             | 12.88         | (8.52)        |
| .Remeasurement of defined employee benefit plans                                  | 8.07          | (0.37)        | 8.07          | (0.37)        |
| Tax impact of items that will not be reclassified to statement of profit and loss | (2.03)        | 0.09          | (2.03)        | 0.09          |
| <b>Total comprehensive income for the year</b>                                    | <b>725.49</b> | <b>539.71</b> | <b>738.37</b> | <b>531.19</b> |
| Earnings per equity shares  |               |               |               |               |
| 1. Basic  | 21.03         | 17.14         | 21.03         | 17.14         |
| 2. Diluted  | 21.03         | 17.14         | 21.03         | 17.14         |

The above figures are extracted from the Consolidated and Standalone Financial Statements prepared in accordance with Indian Accounting Standards ("IND AS") as notified under Sections 129 and 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended. The financial statements of the Company are consolidated with that of Ami Onco-Theranostics LLC, Joint Venture.



### 3. State of Company's Affairs and Outlook :

#### COVID-19:

The outbreak of COVID-19 pandemic continued during FY 2021-22 with the second wave and third wave during the financial year under review.

The Company continued its operations under its respective Business Continuity Plans (BCP) and implemented a business normalization plan thereby mitigating the business impact. While following COVID-19 protocol as mandated by the Government, the Company gave utmost importance to the health and well-being of its employees and continued the operations serving customers at all locations.

Vaccination was identified as a key component in the fight against COVID-19 pandemic. To safeguard the health of the employees and their families, the Company also embarked on a vaccination drive for them and extended complete care and assistance at all levels during this pandemic time.

The outbreak of Coronavirus (COVID -19) pandemic globally and in India caused significant disturbance and slowdown of economic activity. The Company has assessed the impact of pandemic on its financial results/position based on the principle of prudence in applying judgements, estimates and assumptions including sensitivity analysis and has concluded that there is no major impact of COVID 19 on its operations and the recoverability of carrying values of assets. Considering that it is a dynamic and evolving situation, the management will continue to closely monitor and evaluate the impact of any material change in macro-economic and other related factors, which may have a bearing on the Company's operations.

#### Initial Public Offer:

During the year under review, your Company successfully completed its Initial Public Offer ("IPO"). Company raised Rs. 3,000 million in its initial public offering including Pre-IPO preferential allotment of Rs. 1000 million. The IPO was over-subscribed by 64.54 times in aggregate. The Equity Shares of the Company were listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") w.e.f. September 14, 2021.

#### Business Highlights:

The financial year 2021-22 has been an year of achievements and milestones for your Company. Your Company's Initial Public Offer got a great response with an oversubscription of 64.54 times. On the financial side company crossed the milestone of Rs. 5000 Million sales along with Rs. 1000 Million EBITDA mark. On the technology front, Company continues to evolve through extensive R&D initiatives and has become one of the first few companies in India to commercialize two products using continuous flow technology. Your Company is progressively working on expanding its business by new product developments and foraying into newer niche segments of pharma

intermediates and speciality chemicals. To cater to the incremental demand Company has embarked on setting brownfield project at Ankleshwar entailing a capex of Rs. 1,900 Million. The existing Ankleshwar facility has been demolished and work has started to set up a new plant with advance technology for pharma intermediates business, slated to have installed capacity of 436.5 KL. The new facility is expected to commercialise by end of financial year 2023-24.

The Key business highlights during the financial year 2021-22 may be summarised as under:

- During FY22, company has commercialised 17 new products.
- Company has successfully developed an electrolyte additive for cells used in energy storage devices. Samples are under approval with customers from pilot production.
- During the year, company has commercialized two products using continuous flow reactors and has also successfully developed three more existing products which are under pilot scale now. The company has already ordered equipment and the products will commercialize using continuous flow reactors in the FY23.
- Company has successfully developed capability in plug flow, catalytic fixed-bed flow reactors as well as tubular flow kind of reactors. These are all different kinds of continuous flow reactors.
- Company launched 2 new import substitute products during the year. Initial response to these products is encouraging and company plans to introduce more import substitute products in coming years.
- Company has successfully completed the integration of Gujarat Organics units and has been able to improve the EBITDA of the acquired facilities to 11% by streamlining processes, optimising use of utilities, cost reduction measures, which shows the operational finesse of your company.

#### Financial Highlights of the Company:

During the financial year of review, company's operational revenue grew by 52.7% on an YoY basis to Rs. 5,201.3 Million. The growth was driven by 30% YoY growth in the Pharma Intermediate business coupled with the expansion of the Specialty chemicals business due to the acquisition of facilities from Gujarat Organics Limited (GOL). Your company completed the integration of two facilities acquired from GOL and company's team has shown operational finesse by improving the EBITDA margin from these facilities from 5% in FY 21 to 11% in FY22. Key financial highlights on standalone results of operations as are under:

- Revenue from operations for FY22 grew by 52.7% YoY to Rs. 5201.3 Million as compared to 3406 Million in FY 21.

- Operational EBITDA for the full year came at Rs. 1052 Million up 31.2% as compared to Rs. 802 Million in FY21.
- Profit after tax registered a growth of 33.2% on Y-o-Y basis in FY22 to arrive at Rs. 719 Million as compared to 540 Million in FY21.

#### Financial Highlight of Joint Venture:

Ami Onco-Theranostics, LLC was incorporated as a limited liability company on January 29, 2015 in the State of Delaware, U.S.A. as an international corporate joint venture between Ami Onco-Theranostics LLC, a limited liability company formed under the laws of New York state in the United States of America and Ami Organics Limited. Ami Onco-Theranostics, LLC is primarily engaged in the business of commercialising, manufacturing, marketing and selling its pharmaceutical products as authorised under the objects clause of its constitutional documents. During the year of review the joint venture contributed a net loss of Rs. 1.23 Million.

#### 4. Transfer to General Reserves:

During the Financial Year under review, your Company has not transferred any amount to General Reserve.

#### 5. Dividend:

In line with the Dividend Distribution Policy of the Company which is available on the Company's website viz. [www.amiorganics.com](http://www.amiorganics.com) your Directors are pleased to recommend a final dividend at the rate of 30% i.e. of Rs. 3.00 per equity share of face value of Rs. 10/- for the financial year 2021-22. The proposed dividend, subject to approval of Shareholders in the ensuing Annual General Meeting of the Company, would result in appropriation of 109.3 Million (inclusive of TDS). The dividend would be payable to all shareholders whose names appear in the Register of Members and the list of beneficial furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited as on the Record date i.e August 1, 2022. Final Dividend once approved by members shall be disbursed within 30 days of the approval and the date of disbursement shall be communicated in advance to the Stock Exchanges, BSE Limited and National Stock Exchange of India Limited.

#### Dividend Distribution Policy:

In terms of regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") Company has formulated a Dividend Distribution Policy, which is approved by the Board of Directors at their meeting held on March 22, 2022 ["the Board"] and is uploaded on Company's website and the link for the same is <http://www.amiorganics.com/corporate-policies.html>

#### Unpaid / Unclaimed Dividend:

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016

/ Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, there was no unpaid / unclaimed dividends to be transferred during the Financial Year under review to the Investor Education and Protection Fund.

#### 6. Subsidiary Company:

Company has incorporated its Wholly owned subsidiary company with the name "Ami Organics Electrolytes Private Limited" after the end of FY 2021-22 having certificate of incorporation dated June 30, 2022. Details of wholly owned subsidiary company and foreign joint venture company have been attached under form AOC-1. (Annexure I)

#### 7. Internal Financial Controls:

Company has adequate Internal Financial Controls System over financial reporting which ensures that all transactions are authorised, recorded, and reported correctly in a timely manner. The Company's Internal Financial Controls over financial reporting provides reasonable assurance over the integrity of financial statements of the Company.

Company has laid down Standard Operating Procedures, Policies and procedures to guide the operations of the business. Functional heads are responsible to ensure compliance with all laws and regulations and also with the policies and procedures laid down by the management. During the year of review, Company has installed Complinty, a comprehensive Cloud-based Compliance Management System that tracks and monitors statutory, regulatory, central & state, secretarial and legal compliances within the company. It will help to manage and assess all applicable compliances, documents related to the compliances, activity schedule, conduct of audits, and tracking and resolving compliance issues of the Company.

Company tracks all amendments to Accounting Standards, the Companies Act and makes changes to the underlying systems, processes and financial controls to ensure adherence to the same. During the current year, the Company assessed impact of changes in Schedule III under the Act and Accounting Standards on its financial reporting and accordingly made necessary changes in its policies, processes and disclosures. All resultant changes to the policy and impact on financials are disclosed after due validation with the statutory auditors and the Audit Committee.

#### 8. Change in nature of Business:

During the financial year under review, there has been no change in the nature of business of the Company.

#### 9. Deposits:

Company has neither accepted nor renewed any deposits during the year under review to which the provisions of the Companies (Acceptance of Deposits) Rules 2014 applies.

## 10. Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013:

There were no loans or guarantees given by the Company under Section 186 of the Companies Act, 2013 during the year under review. Investments made during the year were within the limits approved by Board of Directors and the limits prescribed under section 186 of the Companies Act, 2013.

## 11. Share Capital:

As on 31st March 2022, the authorized share capital of the Company is Rs. 500 Million comprising of 50 Million equity shares of ₹ 10 each. The paid up Equity share capital of Company as on 31st March, 2022 is Rs. 36,43,70,620/- divided into 3,64,37,062 equity shares of Rs. 10/- each.

### a. Buy Back of Securities:

Company has not bought back any of its securities during the year under review.

### b. Sweat Equity:

Company has not issued any Sweat Equity Shares during the year under review.

### c. Bonus Shares:

Company has not issued any bonus shares during the year under review.

### d. Employees Stock Option Plan:

The Company has not provided any Stock Option Scheme to the employees.

### e. Fresh Issue of Shares:

During the year under review

- i. Company issued and allotted 16,58,374 number of equity shares of face value of Rs. 10/- at a price of Rs. 603/- (including a premium of Rs. 593/-) per equity shares aggregating to Rs. 1,000 Million on Preferential basis on August 10, 2021.
- ii. Further Company came up with its Initial Public Offer of 32,78,688 number of equity shares of face value of Rs. 10/- Fresh Issue and Offer for Sale of shares of 60,59,600 equity shares of face value of Rs. 10/- from existing shareholders at a price of Rs. 610/- (including a premium of Rs. 600/-) per Equity share. Total amount aggregating to Rs. 2,000 Million was raised from the Initial public offer and Rs. 3,696 Million from Offer for sale. The Board approved the allotment of total 93,38,288 equity shares of the Company on September 8, 2021.

Equity shares, aggregating to 3,64,37,062 equity shares were listed on the BSE Limited and National Stock Exchange Limited on September 14, 2021.

## 12. Directors & Key Managerial Personnel:

### i) Appointment of Directors:

During the year the Board at their meeting held on February 7, 2022 appointed two directors on the Board of the Company:

Dr. Anita Bandyopadhyay (DIN: 08672071) as the Additional Non-Executive & Independent Director of the Company for a period of Five (5) years starting from February 8, 2022 to February 7, 2027.

Mr. Ram Mohan Locande (DIN: 08117035) as the Additional Director and Designated as Whole Time Director of the Company for a term of five (5) years starting from February 8, 2022 to February 7, 2027.

The above appointments have been approved with requisite majority by the members through special resolutions by means of postal ballot held through remote e voting.

### ii) Retirement by rotation:

In accordance with the provisions of section 152(6) of the Act and in terms of the Articles of Association of the Company Mr. Chetankumar Vaghasia (DIN: 01375540), Whole Time Director will retire by rotation at ensuing Annual General Meeting and being eligible, he has offered himself to be re-appointed as Director. The Board proposes his reappointment to the members.

### iii) Re-appointment of Mr. Girikrishna Maniar as an Independent Director of the Company:

The first term of appointment of Mr. Girikrishna Maniar as an Independent Director of Company will expire on April 22, 2023.

Board of Directors of the Company based on the recommendation of Nomination and Remuneration Committee and subject to approval of members at the 15th Annual General Meeting, by way of Special Resolution, has proposed the re-appointment of Mr. Girikrishna Maniar as the Non-Executive Independent Director of the Company for second term of five (5) consecutive years on the Board of the company starting from April 23, 2023 till April 22, 2028.

### iv) Resignation and Appointment of Chief Financial Officer:

Chief Financial Officer of the Company, Mr. Abhishek Patel resigned from his post, after completing tenure of 4 years at Company and the Board accepted his resignation w.e.f June 1, 2022. Board placed on record its appreciation for his invaluable contribution and commendable services to company during his tenure as Chief Financial Officer and wished him all the success in his future endeavours.

Board at its meeting held on May 21, 2022 appointed Mr. Bhavin N. Shah as the Chief Financial Officer and Key Managerial Personnel of the Company w.e.f June 1, 2022. Mr. Bhavin N. Shah is a member of "The Institute of Chartered Accountants of India" and is having more than 18 years of rich experience in consulting, corporate accounts, and finance. Prior to joining the company, Bhavin Shah was the Deputy General Manager in Sun Pharma Advanced Research Co. Ltd. (SPARC) where he was responsible for leading Accounts, Finance, Taxation, Banking Relations, and Fundraising. He has also led the finance team at Unimark Remedies and worked as a consultant with Deloitte Haskins & Sells.

### 13. Board Evaluation:

The evaluation framework for assessing the performance of the Directors of the Company comprises of contributions at the Meeting(s) and strategic perspective or inputs regarding the growth and performance of the Company, amongst others.

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder and as provided under Schedule IV of the Act and Listing Regulations, the Board has carried an annual performance evaluation of its own performance, all the committees of Board and the directors individually including Chairman & Managing Director and Independent Directors in accordance with the criteria of evaluation approved by Nomination & Remuneration Committee.

#### Outcome of Evaluation:

Board of the Company was satisfied with the functioning of the Board and its Committees. The Committees are functioning well and besides covering the Committees' terms of reference, as mandated by law, important issues are brought up and discussed in the Committee meetings. The Board was also satisfied with the contribution of Directors, in their individual capacities

### 14. Declaration by Independent Directors:

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and 16(b) of the Listing Regulations so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the rules made thereunder and Listing Regulations.

All the Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs ("IICA"). Further, as per the declarations received, all the Independent Directors of Company have either passed or were exempted to clear online proficiency test as per the first proviso to Rule 6(4) of the MCA Notification dated October 22, 2019 and December 18, 2020.

### Familiarisation Program for Independent Directors:

The familiarisation program seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes and about the overall functioning and performance of the Company. The policy and details of familiarisation programme is available on the website of the Company at [www.amiorganics.com](http://www.amiorganics.com)

### 15. Related Parties Transactions:

All related party transactions/arrangements/contracts entered into by the Company during the financial year 2021-22 were either undertaken on the basis of omnibus approval of the Audit Committee or approved by the Audit Committee and/or Board. All related party transactions were at arm's length basis and in the ordinary course of business in compliance with the applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There are no materially significant related party transactions that may have potential conflict with interest of the Company at large. Details of related party transactions entered into by the Company, in terms of Ind AS-24 have been disclosed in the notes to the standalone / consolidated financial statements forming part of this Annual Report. Form AOC-2 pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in Annexure II to this Report.

Company's Related Party Transactions Policy appears on its website link <http://www.amiorganics.com/corporate-policies.html>

### 16. Corporate Governance:

Company has complied with the Corporate Governance requirements under the Act and as stipulated under the Listing Regulations. A separate section on detailed report on the Corporate Governance practices followed by the Company under the Listing Regulations along with a certificate from a Practicing Company Secretary, confirming the compliance forms a part of the Annual Report.

### 17. Business Responsibility Report:

Company forms part of the top 1000 listed entities on BSE Limited and National Stock Exchange of India Limited as on 31st March 2022. Accordingly, pursuant to Regulation 34(2) of SEBI Listing Regulations, Business Responsibility Report forms part of this Annual Report, describing the initiatives taken by the Company from environmental, social and governance perspective.

### 18. Management Discussion and Analysis (MDA):

MDA, for the financial year under review, as stipulated under the SEBI Listing Regulations, is presented in a separate section, which forms a part of the Annual Report.



## 19. Vigil Mechanism:

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Companies Meeting of Board and its powers Rules, 2014, and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements), 2015 Company has constituted a Vigil Mechanism for directors and employees to report genuine concerns has been established. The format of reporting and the vigil mechanism and whistle blower policy is regularly updated to the employees and Directors. The Vigil Mechanism & Whistle Blower Policy has been uploaded on the website of the Company at <http://www.amiorganics.com/corporate-policies.html>

## 20. Board Meetings:

During the F.Y. 2021-22, Twelve (12) meetings of Board were held, the details of which have been disclosed in the corporate governance report, which forms part of the Board's report. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013.

## 21. Committees of Board:

As required under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on March 31, 2022, the Board has following committees:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- IPO Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

During the year, all recommendations made by the committees were approved by the Board. A detailed note on the composition of the Board and its Committees, including its terms of reference is provided in the Corporate Governance Report. The composition and terms of reference of all the Committees of the Board of Directors of the Company is in line with the provisions of the Act and the Listing Regulations.

## 22. Risk Management

Risk Management is at the core of the business which provides framework towards risk identification, analysis & prioritization of risks, development of risk mitigation plans and reporting on the risk environment of the Company. The Board has constituted a Risk Management Committee as required under Regulation 21 of the SEBI Listing Regulations to frame, implement and monitor the risk management plan of the Company.

### **Risk Governance Framework is created within the Company in the following lines :**

- (i) Risk Management Committee : The Committee oversees implementation of mechanism of Operational Risk Management and guide the organization towards that. The Committee reports to the Board. The Committee has atleast one independent director.
- (ii) Chief Risk Officer (CRO) : CRO is appointed by the Board of Directors and his role is to facilitate risk management mechanism through decentralized approach, providing support and guidance to the whole organization.
- (iii) Three Lines of Defence : For proper Governance and control, the organization has three lines of defence.

First line of defence include actual functional owners throughout the organization, mainly consists of MD, EDs, KMPs, other Senior Management and Functional Heads. The company is run by these officials and they are supposed to take care of risks within their own functional areas.

Second line of defence include Chief Compliance Officer, Chief Risk Officer who do not participate in day to day operations of the company but facilitate compliance risk management process through support and guidance for other functions

Third line of defence is internal auditors who reports their observations to Audit Committee.

- (iv) Risk Champions / Risk Co-ordinators (RC Group) : The Company has appointed one official from each function, who is responsible for carrying out risk management initiative within their own functional area. This is under guidance of CRO and their own functional Head. This group is called RC- Group and is instrumental for decentralized effective implementation of risk management mechanism.

## 23. Business Continuity Plan :

Company has also Business Continuity Plan in place, which has been designed to ensure continuity of critical processes during any disruption. The continual disruptions caused by the COVID 19 pandemic tested the BCP of the Company, nevertheless, it continued to operate in line with the procedures outlined in its Business Continuity Plan. As a result, Company was able to continue to protect and serve customers while taking care of the health of their employees.

## 24. Risk Management Policy :

Company has adopted a Risk Management Policy aimed to ensure resilience for sustainable growth and sound corporate governance by having a process of risk identification and management in compliance with the provisions of the Companies Act, 2013 and the Listing Regulations.

Company recognises that all emerging and identified risks need to be managed and mitigated to

- Protect its shareholder's and other stakeholder's interests;
- Achieve its business objectives; and
- Enable sustainable growth.

The risk management includes identifying types of risks and its assessment, risk handling, monitoring and reporting. The Company has framed a sound Risk Management Policy to identify and evaluate potential business risks and its mitigation and the same has become integral part of Company's day to day operations. The key business risks identified by the Company are as follows viz. Industry Risk, Management and Operations Risk, Business Risks, Finance Risks, Market Risk, Regulatory risk, Liquidity risk, and Technology risk. The Company has worked out mitigation plans for the aforesaid risks. The risk management policy is available at the website of Company at <http://www.amiorganics.com/corporate-policies.html>

## 25. Nomination and Remuneration Policy:

The Nomination and Remuneration Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall: (i) formulate the criteria for board membership, including the appropriate mix of Executive & Non-Executive Directors; (ii) approve and recommend compensation packages and policies for Directors and Senior Management; and (iii) lay down the effective manner of performance evaluation of the Board, its Committees and the Directors.

The salient features of the Nomination and Remuneration Policy of the Company along with highlights are outlined in the Corporate Governance Report which forms part of this Report. The Policy is also available on the website of the Company at <http://www.amiorganics.com/corporate-policies.html>

## 26. Remuneration of Directors, Key Managerial Personnel and Senior Management:

The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 read with Schedule II of the Listing Regulations. Further details on the same are given in the Corporate Governance Report which forms part of this Annual Report. The information required under Section 197 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of directors and employees of the Company is set out in Annexure III & IV to this Report.

## 27. Corporate Social Responsibility (CSR):

During the financial year 2021-22, the Company has spent Rs. 9.3 Million towards CSR expenditure. The CSR initiatives of the Company were under the thrust area of health & hygiene, education, enhancing vocational skills, health and sanitation and rural development. Company implemented its CSR activities directly and indirectly through various NGOs as implementing agencies. The CSR Policy of the Company is available on the website of the Company at <http://www.amiorganics.com/corporate-policies.html>

The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2022, in accordance with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") is set out in Annexure V to this Report.

## 28. Director's Responsibility Statement:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement;

- That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year under review;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- That the Directors have prepared the annual accounts on a going concern basis and the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 29. AUDITORS:

### Statutory Auditors:

M/s. Maheshwari & Co., Chartered Accountants, bearing ICAI Registration Number: 105834W has been appointed as Statutory Auditor of the company for a period of five years starting from the Annual General Meeting held for FY 2018-19 till Annual General Meeting to be held for FY 2022-23. The report of the Statutory Auditors of the Company forms part of the annual report.

The Statutory Auditor has issued Audit Reports with unmodified opinion on the Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2022. The Notes on the Financials Statement referred to in the Audit Report are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) (f) of the Companies Act, 2013.

During the year under review, the statutory auditors have not reported to the Audit Committee under section 143(12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board Report

### Cost Auditors:

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, are applicable to the Company and accordingly such records are being maintained. M/s Chirag Vallabhnbhai Vekariya & Co., Cost Accountant has been appointed as Cost Auditors of the Company for the conduct of Cost Audit for the FY 2022-23. In terms of the provisions of Section 148(3) of the Act, read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members, accordingly, a resolution seeking ratification by the Members for the remuneration is listed in the AGM Notice as Special Business. The Cost Audit report for the FY 2020-21 was obtained from the Cost Auditors and e Form CRA 4 was filed to the Ministry of Corporate Affairs on time. The Cost Audit Report for the Financial Year ended 31st March, 2022 will be filed in due course.

### Internal Auditors:

Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the organization's risk management, internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations with a risk based internal audit approach.

For the FY 2021-22, Company appointed K. C. Mehta & Co. LLP as the Internal Auditors for conducting Internal audit of

systems and processes, providing of observations, impact and recommendation to strengthen the internal control framework and advise on internal control process gaps of the company. The Internal Auditors report to the Audit Committee on quarterly basis. Several recommendations were received from the Internal Auditors and most of them were complied by the management during the FY 2021-22. Company has reappointed K. C. Mehta & Co. LLP as the Internal Auditors for conducting Internal audit of the company for FY 2022-23.

### Secretarial Auditors:

The Board appointed M/s Kashyap Shah & Co., Practicing Company Secretary, to conduct secretarial audit for the financial year 2021-22. The secretarial audit report for the financial year ended March 31, 2022 is annexed herewith marked as Annexure VI to this report.

Additionally, in line with SEBI Circular dated February 8, 2019, an Annual Secretarial Compliance Report confirming compliance with all applicable SEBI Regulations, Circulars and Guidelines by the Company was issued by the Secretarial Auditors and filed with the Stock Exchanges. It is annexed to this report as Annexure VII. The remarks provided in the report are self-explanatory. The Secretarial Audit Report and/or Secretarial Compliance Report does not contain any qualification, reservation or adverse remark.

## 30. Compliance of applicable Secretarial Standards:

During the year of review, Company has complied with the applicable provisions of Secretarial Standards (I & II) issued by the Institute of Company Secretaries of India and approved by the Central Government under section 118(10) of the Companies Act, 2013.

## 31. Disclosure under the Sexual Harassment of Women at workplace (Prevention of, Prohibition and Redressal) Act, 2013.

Company has in place an Anti-Sexual Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). All employees (permanent, contractual, temporary, trainees) are covered under this policy. Company has constituted the Internal Complaints committee consisting of male and female employees of Company and a reputed female lawyer as an external member of the internal complaints committee. Three internal committees have been constituted at all place of business locations of the Company.

Company has also submitted the Annual report under POSH Act to the District Officer of concerned locations. Regular awareness sessions and interaction programmes with female employees are held. As per the Annual Report of Internal Complaints Committee there was a single case of sexual harassment complaint received from a female employee of Company during the Financial Year 2021-22. The case was heard at the meeting of Internal Complaints Committee Meeting and was resolved upon voluntary withdrawal of complaint by the complainant.

### 32. Conservation of Energy, Technology Absorption and Foreign Earnings and Outgo:

Pursuant to 134(3)(M) Of the Companies Act, 2013 Read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

#### Conservation of Energy:

All business units continued their efforts to improve energy usage efficiencies and increase the share of renewable energy. Various key performance indicators like specific energy consumption (energy consumed per unit of product), energy costs and renewable energy contributions were continuously tracked to monitor alignment with the Company's overall sustainability approach.

- i) Steps taken for conservation of energy:
  - a) Installed VFD in Brine Plant.
  - b) Installed ATFD machines to reduce power consumption
  - c) Installed ACs with effective energy conservation
  - d) Improvement in recovery of steam condensate water to reuse in boiler.
  - e) Automatic buttons on reactors for lighting and energy saving.
  - f) Company has upgraded its effluent treatment new air blower with membrane diffuser system in aeration tank and replaced surface aerator in ETP. This will help to improve the DO level in aeration tank and also reduce energy consumption.
  - g) Replacement of old pumps and motor with high efficiency pumps & motors.
  - h) Reduction in generation and distribution losses after converting into centralized operation of chilled water and sub-zero brine to save power.
- ii) The steps taken by the Company for utilising alternate sources of energy.  
NIL
- iii) The capital investment on energy conservation equipment's: Rs. 17.53 Million

#### Technology absorption :

- i) **Efforts, in brief, made towards technology absorption. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc**

Company strives through its indigenous in-house R&D to develop technologies that create significant value. R&D enables the innovation based growth agenda of company through its technology development strategies. Technological innovation is also simultaneously focused on safety, health & environmental issues. During the year Company focused its R&D efforts on development of new products, process improvement of its existing products, recovery of products from pollutants.

During the financial year of review Company has successfully developed and commercialized 2 products under continuous flow reactors. Continuous flow reactors are more efficient and sustainable when compared to manufacturing products using traditional reactors. Company has successfully developed capabilities in plug flow, catalytic fixed-bed flow, Tubular flow kind of reactors. This technology reduces the cycle time to manufacture a product which leads to lower utilization of utilities. The space required to fit a flow reactor is considerably lower than the traditional reactors.

#### ii) **The benefits derived like product improvement, cost reduction, product development or import substitution etc.**

With the adoption of new technology using continuous flow reactors the benefits derived are increase in yield, reduction in timelines of the reaction process, proportionate reduction in cost of manufacturing and reduction in power consumption. Company increased yield of its four products, decreased consumption of raw materials in eight products, decreased consumption charge of solvent in product, recovered few product from pollutants and introduced 17 new products.

#### iii) **In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:**

Company has not imported any technology and hence not applicable.

#### Expenditure incurred on Research and Development :

| Particulars         | (Amount in Rs. Million) |           |
|---------------------|-------------------------|-----------|
|                     | 2021-2022               | 2020-2021 |
| Revenue Expenditure | 47.47                   | 34.20     |
| Capital Expenditure | 22.95                   | 55.91     |

#### Foreign Exchange Earnings and Outgo :

| Particulars                         | (Amount in Rs. Million) |           |
|-------------------------------------|-------------------------|-----------|
|                                     | 2021-2022               | 2020-2021 |
| Foreign Exchange Outflows (outgo)   | 1210.70                 | 1728.65   |
| Foreign Exchange Inflows (earnings) | 3010.38                 | 526.68    |



**33. Disclosure in respect of scheme formulated under section 67(3) of the Companies act, 2013:**

Company has not formulated any scheme in terms of Section 67(3) of the Companies Act, 2013 for the benefit of employees.

**34. Disclosures pursuant to section 197 (14) of the Companies act, 2013:**

None of the Directors of the Company are in receipt of any commission from any holding or subsidiary Company.

**35. Annual Return**

Pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 Annual Return of the Company for the FY 2020-21 has been placed at website of the Company at <https://www.amiorganics.com/annual-reports.html>

**36. Awards and Recognitions:**

The year gone by has been a remarkable year for the company. Company was conferred with the following prestigious awards :

- i. Company has been awarded with the prestigious FIST Award 2021 in the category " Safe and Secure Manufacturing Facility " FIST awards are annual

awards initiated by Fire & Security Association of India ([www.fsai.in](http://www.fsai.in)). The awards recognize extraordinary contribution of organization and individuals in the field of security, safety, firefighting and emergency response.

- ii. FGI Award for Outstanding Business Leader :

Managing Director, Mr. Nareshkumar Patel has been awarded with the prestigious "Outstanding Business Leader" award hosted by the Federation of Gujarat Industries. The award felicitates the excellence of business leader in the field of Innovation, ambition and clarity of vision of an Entrepreneur/ Business Leader, overall management inputs to increase productivity and reducing cost, strong leadership with the ability to drive the business forward and solve day to day business problems.

**37. Other Disclosures :****i. Statement of Deviation(s) or Variation(s)-**

In terms of Regulation 32 of the Listing Regulations, there was no deviation or variation in connection with the terms of the objects of the issue mentioned in the Prospectus dated September 6, 2021, in respect of the Initial Public Offering of the Company. -

The net proceeds of the Initial Public Offer of Rs. 3000 million inclusive of preferential allotment of Rs. 1000 Million to qualified investors were utilised in accordance with the objects mentioned in the Prospectus dated September 6, 2021. The statement of utilisation of IPO proceeds as on March 31, 2022 is provided as below:

(Rs. In Millions)

| Original Object   | Modified Object, if any | Original Allocation as per Prospectus dated Sept 6, 2021 | Modified allocation, if any | Funds Utilised till March 31, 2022 |
|---|-------------------------|--|-----------------------------|------------------------------------|
| Repayment/prepayment of certain financial facilities availed by our Company | Not Applicable          | 1,400.00   | Not Applicable              | 1,400.00                           |
| Funding working capital requirements of our Company                         | Not Applicable          | 900.00   | Not Applicable              | 500.00                             |
| General Corporate Purpose   | Not Applicable          | 459.31   | Not Applicable              | 181.17                             |
| <b>Total</b>  |                         | <b>2759.31</b>   |                             | <b>2081.17</b>                     |

\*Offer related expenses amounted to Rs. 240.69 million

**ii. Significant and Material Order passed by the Regulators/ Courts:**

During the year, no significant and material order was passed by any of the Regulators or courts in respect of any litigation involving the Company.

**iii. Disclosure under the Insolvency and Bankruptcy Code, 2016:**

During the year under review, No application has been made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

**iv. Disclosure on one-time settlement with Banks or Financial Institutions:**

During the year under review, no one-time settlement is done with Banks and Financial Institutions and as such there is no

difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

**v. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.**

There are no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year 2021-22 to which the financial statements relate and the date of the report.



### 38. Human Resources:

Board acknowledges the impeccable contribution of all employees, at all levels of hierarchy, whether at lower, junior, mid or senior levels. Each and every employee of the company is an important factor and contributor to the growth and success story of organization. During the period under review, the personal and industrial relations with the employees remained cordial in all respects. The management has carried out systematic appraisal of performance and imparted training at periodic intervals. The Company recognizes talent and has judiciously followed the principle of rewarding performance. In the last year owing to the challenges posed by the second wave of Covid pandemic, Company's HR department had strategically undertaken various measures to combat the outbreak of CoVID 19 among its employees. Proper care was taken to provide safe and healthy work environment to employees by providing safe work place by ensuring covid related guidelines, regular health checkups, thermal screening and regular sanitization of work place. Company also undertook a drive to vaccinate without any charges free to all the employees and workers of Company.

During the start of financial year Company had acquired two business units of Gujarat Organics Limited -one in Ankleshwar and another in Jhagadia. As a part of business transfer agreement, Company had absorbed all the employees of Ankleshwar and Jhagadia unit into its payroll. Although a massive task, but the HR department of Company took up the challenge and had effectively integrated 170 employees of the units into the Company's payroll and work culture. Appointment letters, trainings, familiarization programmes and induction were provided to the employees so absorbed. During the year Company also undertook its progressive plan to digitize the entire payroll, attendance, tax calculation, leave management etc. operations of the HR department with the installation of TCS Chroma HR module. Forward looking, management is in process of redesigning and digitizing the

recruitment and performance appraisal activities to achieve efficiency and saving of manpower costs and time. During the year several cultural activities and training programs for the employees were successfully organized to keep up the employees skills, motivation and zeal.

### 39. Cautionary Statement

Statements in this Directors' Report and Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

### 40. Acknowledgment:

The Board takes this opportunity in expressing their gratitude and appreciation to the various Government Authorities, Company's stakeholders', bankers, business associates, consultants for their continued support extended to the Company. The Board also acknowledges the continuous support received from its shareholders, stakeholders, valued customers, suppliers, and employees of the Company.

On behalf of the Board  
For **Ami Organics Limited**

Sd/-  
**Nareshkumar R. Patel**

Chairman & Managing Director  
DIN: 00906232

Place: Surat  
Date: July 15, 2022

# Annexure I

## FormAOC-1

### Statement containing salient features of the financial statement of Subsidiaries or Associate Companies or Joint Ventures

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

#### Part A : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in INR)

**As on March 31, 2022 Company had no Subsidiary hence the disclosure in respect of the table below is not provided.**

1. Name of the subsidiary :-NA
2. The date since when subsidiary was acquired :-NA
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period :-NA
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries :-NA
5. Share capital :-NA
6. Reserves and surplus :-NA
7. Total assets :-NA
8. Total Liabilities :-NA
9. Investments :-NA
10. Turnover :-NA
11. Profit before taxation :-NA
12. Provision for taxation :-NA
13. Profit after taxation :-NA
14. Proposed Dividend :-NA
15. Extent of shareholding (in percentage) :-NA

Notes :

1. Name of subsidiaries which are yet to commence operations:

As on June 30, 2022 Company has incorporated a Wholly Owned Subsidiary Company with the name 'Ami Organics Electrolytes Private Limited' with authorised, issued & paid up share capital of Rs. 1,00,000/- divided into 10,000 equity shares of Rs. 10/- each. Company holds 100% of the equity share capital of its wholly owned subsidiary "Ami Organics Electrolytes Private Limited". The reporting under form AOC -1 for the wholly owned subsidiary will be covered in the next financial year.

2. Names of subsidiaries which have been liquidated or sold during the year. NIL

#### Part B Associates and Joint Ventures

**Statement pursuant to Section129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.**

| Name of Associates or Joint Ventures  | AMI ONCO-THERANOSTICS, LLC          |
|---|-------------------------------------|
| 1. Latest audited Balance Sheet Date  | March 31, 2022                      |
| 2. Date on which the Associate or Joint Venture was associated or acquired    | January 29, 2015                    |
| 3. Shares of Associate or Joint Ventures held by the company on the year end  |                                     |
| No.   | 125 units (50%)                     |
| Amount of Investment in Associates or Joint Venture                           | Rs. 316.91 Million                  |
| Extent of Holding (in percentage)   | 50%                                 |
| 4. Description of how there is significant influence                          | 50% Holding of Ami Organics Limited |
| 5. Reason why the associate/joint venture is not consolidated                 | N.A.                                |
| 6. Net worth attributable to shareholding as per latest audited Balance Sheet | Rs. 351.11 Million                  |
| 7. Profit or (Loss) for the year  |                                     |
| i. Considered in Consolidation - Loss   | Rs. 1.23 Million                    |
| ii. Not Considered in Consolidation   | Rs. 1.23 Million                    |

On behalf of the Board  
For **Ami Organics Limited**

Sd/-

**Nareshkumar R. Patel**

Chairman & Managing Director

DIN: 00906232

Place: Surat  
Date: July 15, 2022

# Annexure II

## AOC-2

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

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

- Details of contracts or arrangements or transactions **not at arm's length basis: NIL**
- Details of material contracts or arrangement or transactions **at arm's length basis:**

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions   | Nature of contracts/ arrangements/ transactions       | Salient terms of the contracts or arrangements or transactions including the value, if any  | Date(s) of approval by the Board  | Amount paid as advances, if any |
|---|---|---|---|---|---------------------------------|
| Alkoxide Fine Chem Private Limited                      | Purchase of Raw materials   | One Year - As per Omnibus approval of Audit Committee | Purchase of raw materials were done at Arm's length pricing and in the ordinary course of business of Company, aggregating to Rs. 57.55 Million during the FY 2021-22   | Omnibus approval of Audit committee on May 7, 2021  | NIL                             |
| Alkoxide Fine Chem Private Limited                      | Sale of scrap materials   | One Year - As per Omnibus approval of Audit Committee | Sale of some scarp items were done at Arm's length pricing and in the ordinary course of business of Company, aggregating to Rs. 0.14 Million during the FY 2021-22   | Omnibus approval of Audit committee dated May 7, 2021   | NIL                             |
| Globe Biocare   | Payment of rent for providing parking space   | One Year - As per Omnibus approval of Audit Committee | Payment of rentals for providing parking space to company were done at Arm's length pricing and in the ordinary course of business of Company, aggregating to Rs. 30.01 Million during the FY 2021-22   | Omnibus approval of Audit committee dated May 7, 2021   | NIL                             |
| Hare Krishna Bath Fittings LLP                          | Purchase of items of bath accessories   | One Year - As per Omnibus approval of Audit Committee | Purchase of some items of bath accessories were done at Arm's length pricing and in the ordinary course of business of Company, aggregating to Rs. 0.05 Million during the FY 2021-22   | Omnibus approval of Audit committee dated May 7, 2021   | NIL                             |
| Mrs. Shitalben Nareshbhai Patel - Relative of Director  | The advance given to Promoter for purchase of Land refunded to the Company on cancellation of agreement for purchase of land. | NA  | Agreement executed for purchase of agricultural land at the value of Rs. 130.50 Million between Company and joint holders Shitalben Patel and Chetankumar Vaghasia was cancelled on September 28, 2021 . The advance amount of Rs. 54 Million paid to the Mrs. Sheetal Patel was refunded to the Company Company alongwith interest of Rs.0.17 Million. | The cancellation of agreement for purchase of land was confirmed by the Audit Committee Meeting on October 23, 2021 | 54 Million                      |



| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions   | Nature of contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any   | Date(s) of approval by the Board  | Amount paid as advances, if any |
|---|---|---|--|---|---------------------------------|
| Mr. Chetankumar Chhaganlal Vagharia - Promoter Director | The advance given to Promoter for purchase of Land refunded to Company on cancellation of agreement for purchase of land. | NA  | Agreement executed for purchase of agricultural land at the value of Rs. 130.50 Million between Company and joint holders Shitalben Patel and Chetankumar Vagharia was cancelled on September 28, 2021 . The advance amount of Rs. 54 Million paid to Chetankumar Vagharia was refunded to the Company alongwith interest of Rs. 0.21 Million. | The cancellation of agreement for purchase of land was confirmed by the Audit Committee Meeting on October 23, 2021 | Rs. 54 Million                  |

For and on behalf of the Board of Directors

Sd/-

**Nareshkumar R. Patel**

Chairman & Managing Director

DIN: 00906232

Date: July 15, 2022

Place: Surat

# Annexure III

## Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- A. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year.** Median Remuneration of Employee for the financial year 2021-22 is Rs. 2,59,788

Other details are mentioned below:

| Name of Director/ Key Managerial Personnel | Designation                            | % Increase in Remuneration in the year 2021-22 | Ratio of Remuneration of each Director to Median remuneration of employee |
|--|--|--|---|
| Mr. Nareshkumar R Patel                    | Executive Chairman & Managing Director | 136.67%  | 156:1   |
| Mr. Chetankumar C. Vaghasia                | Whole Time Director                    | 133.33%  | 154:1   |
| Mr. Virendra Nath Mishra                   | Whole Time Director                    | 32%  | 33:1  |
| Mr. Ram Mohan Rao Locande                  | Whole Time Director                    | NA   | 38:1  |
| Mr. Hetal Madhukant Gandhi                 | Independent Director                   | NA   | 4.6:1   |
| Mr. Girikrishna Maniar                     | Independent Director                   | NA   | 4.6:1   |
| Ms. Richa Manoj Goyal                      | Independent Director                   | NA   | 2.3:1   |
| Dr. Anita Bandyopadhyay                    | Independent Director                   | NA   | 2.3:1   |
| Mr. Abhishek Patel                         | Chief Financial Officer                | 50%  | 13.5:1  |
| Ms. Ekta Kumari                            | Company Secretary                      | 31%  | 5.3:1   |

Notes: Remuneration to Non-executive & Independent Directors includes only sitting fees and annual commission. Increase or decrease in their remuneration is due to increase or decrease in the meetings held/attended during the year.

- B. The Percentage increase in median remuneration of employees in FY 2021-2022: 12.02%**
- C. Number of permanent employees on the rolls of the Company. (As on March 31, 2022) : 561**
- D. 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.** The average increase in remuneration in salaries of employees other than managerial person is 12.02%. The average increase in remuneration of managerial personnel in the last financial year has been recommended by Nomination and Remuneration committee and approved by Board of Directors and is in line with the

Nomination and Remuneration Policy of Company. The same is commensurate with the expertise and acumen and delivery of exceptional performance results.

- E. The Key parameters for any variable component of remuneration availed by the directors:** No variable remuneration was given to the Directors in financial year 2021-22.
- F. Affirmation that the remuneration is as per the remuneration policy of the Company.** It is affirmed that the remuneration of Directors and key managerial personnel was in accordance with the remuneration policy of the Company.

For and on behalf of the Board of Directors

Sd/-

**Nareshkumar R. Patel**

Chairman & Managing Director

DIN: 00906232

Date: July 15, 2022

Place: Surat

## Annexure IV

### Statement of particulars of employees pursuant to Section 134 of the Companies Act, 2013 and forming part of the Directors' Report for the year ending March 31, 2022 employed for whole of the year

The particulars of employee in the Company drawing remuneration aggregating to Rs. 8.50 Lakhs or above per month or Rs. 1.02 crore or above per annum are as under:

| Particulars  | Name of Employee                              |   |
|--|---|---|
|  | Naresh R. Patel                               | Chetan Vaghasia                               |
| Designation of the Employee  | Managing Director                             | Whole Time Director                           |
| Remuneration Received during FY 2021-22  | 4.05 crores                                   | 4 crores                                      |
| Nature of Employment, whether contractual / otherwise  | As per appointment letter for five years term | As per appointment letter for five years term |
| Qualification and experience of the Employee   | BE, Chemical                                  | Diploma                                       |
| Date of commencement of employment   | 12/06/2007                                    | 12/06/2007                                    |
| The age of the employee  | 47  | 47  |
| The last employment held by such employee before joining the Company   | Self - Employed                               | Self-Employed                                 |
| The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub - rule (2) of Rule 5 | 10.99%  | 8.50%   |
| Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager      | No  | No  |

# Annexure V

## ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

### 1. Brief outline on Corporate social Responsibility ("CSR") Policy of the Company.:

Ami Organics Limited is a socially responsible company that works with communities, NGO partner and Institutions to meet the CSR goals are as follows:

- To make CSR a key business process for sustainable development for the Society.
- To aim at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities.
- To directly or indirectly take up programs that benefit the communities in vicinity wherever the Company operates and results, over a period of time, in enhancing the quality of life & economic wellbeing of the local populace.
- Contributing to sustainable development in areas of strategic interest through initiatives designed in a manner that addresses the challenges faced by the Indian society especially in rural India.

### 2. Composition of CSR Committee:

| Name of Director         | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year 2021-22 | Number of meetings of CSR Committee attended during the year 2021-22 |
|--------------------------|--------------------------------------|--|--|
| Mrs. Richa M. Goyal      | Chairperson -Independent Director    | 2  | 2  |
| Mr. Nareshkumar Patel    | Member - Managing Director           | 2  | 2  |
| Mr. Chetankumar Vaghasia | Member -Whole Time Director          | 2  | 2  |

- Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <http://www.amiorganics.com/csr.html>
- 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**
- 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 : **Amount available for set off - Rs. 2,33,052/-during FY 2021-22**
- Average net profit of the company as per section 135(5) : **Rs. 47,95,23,884 /-**
- Two percent of average net profit of the company as per section 135(5) : **Rs. 95,90,478/-**
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**
  - Amount required to be set off for the financial year, if any : **Rs. 2,33,052 /-**
  - Total CSR obligation for the financial year (7a+7b-7c) : **Rs. 93,57,426/-**
- CSR amount spent or unspent for the financial year Total amount spent: **Rs. 93,92,150**
  - Details of CSR amount spent against ongoing projects for the financial year: **NIL**
  - Details of CSR amount spent against other than ongoing projects for the financial year: **As under**



| (1)<br>Sl. No. | (2)<br>Name of the Project.   | (3)<br>Item from the list of activities in Schedule VII to the Act. | (4)<br>Local area (Yes/No). | (5)<br>Location of the project. |           | (6)<br>Project duration. | (7)<br>Amount allocated for the project (in Rs.). | (8)<br>Amount spent in the current financial year (in Rs.). | (9)<br>Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.). | (10)<br>Mode of Implementation - Direct (Yes/No). | (11)<br>Mode of Implementation - Through Implementing Agency |                          |
|----------------|---|---|-----------------------------|---------------------------------|-----------|--------------------------|---|---|--|---|--|--------------------------|
|                |   |   |                             | State.                          | District. |                          |   |   |  |   | Name   | CSR Registration number. |
| 1.             | Education for Children  | Promoting education   | Y                           | Surat                           | Gujarat   |                          | 18,750  | 73,150  | Nil  | Yes   | -  | -                        |
| 2.             | Construction of Community Hospital  | Health Care including Preventive Healthcare                         | Y                           | Surat                           | Gujarat   |                          | 17,00,000   | 17,00,000   | Nil  | No  | Samast Patidar Samaj Trust                                   | CSR00001121              |
| 3.             | School fees and distribution of educational materials                                     | Promoting education   | Y                           | Surat                           | Gujarat   |                          | 18,000  | 18,000  | Nil  | Yes   | -  | -                        |
| 4.             | Education Project in Tribal areas of Gujarat - "One Teacher School"                       | Promoting education   | Y                           | Dang                            | Gujarat   |                          | 2,51,000  | 2,51,000  | Nil  | No  | Friends of Tribal Society                                    | CSR00001898              |
| 5.             | Funding for construction of "Maa Saraswati Multi Speciality Hospital cum Medical College" | Health Care including Preventive Healthcare                         | N                           | Ahmedabad                       | Gujarat   |                          | 22,00,000   | 22,00,000   | Nil  | No  | Raginiben Bipinchandra Seva Karyo Trust                      | CSR00012645              |
| 6.             | Vocational Training for reaching to unreached   | Education & Skill development                                       | N                           | Bhimtad                         | Gujarat   |                          | 20,00,000   | 20,00,000   | Nil  | No  | Brahmarshi Gyan Savrdhak Trust                               | CSR00010542              |
| 7.             | Rural Development, Ration distribution and medical aid                                    | Eradication of Poverty, Health and Sanitation                       | N                           | Surendranagar                   | Gujarat   |                          | 20,00,000   | 20,00,000   | Nil  | No  | Shri Jagatbharti Education and Charitable Trust              | CSR00007065              |
| 8.             | Education and Youth Awareness programme - Drug Addiction Awareness prog.                  | Promoting education   | N                           | Ahmedabad                       | Gujarat   |                          | 10,00,000   | 10,00,000   | Nil  | No  | High on Life Foundation                                      | CSR00005367              |
| 9.             | Rural Development, Community mobilisation and livelihood promotion programme              | Rural Development   | Y                           | Surat                           | Gujarat   |                          | 1,50,000  | 1,50,000  | Nil  | No  | Shree Gujarat Vanvasi Kalyan Parishad                        | CSR00025389              |
| <b>Total</b>   |   |   |                             |                                 |           |                          | <b>9392150</b>                                    | <b>9392150</b>  |  |   |  |                          |

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable : Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 93,92,150 /-

(g) Excess amount for set off, if any : Rs. 34,724/-

| Sl. No. | Particular  | Amount (in Rs.) |
|---------|---|-----------------|
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      | 95,90,478       |
|         | Amount spent in respect of preceding years unspent CSR  | NIL             |
|         | Amount available for set off in respect of excess spent in Previous year 2020-21                            | 2,33,052        |
|         | Amount required to be spent in respect of current year CSR  | 93,57,426       |
| (ii)    | Total amount spent in the Financial Year 2021-22  | 93,92,150       |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | 34724           |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | -               |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | 34724           |

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : Nil
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 and on behalf of the CSR Committee  
**Ami Organics Limited**

Sd/-  
**Nareshkumar R. Patel**  
( DIN: 00906232)  
Managing Director & Member

Sd/-  
**Richa Goyal**  
(DIN :00159889)  
Independent Director & Chairperson of CSR Committee

Place : Surat  
Date : June 04, 2022

# Annexure VI

## Secretarial Audit Report

(For the Financial year ended on 31st March, 2022)

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

To,  
The Members,  
**Ami Organics Limited**  
Plot No. 440/4, 5 & 6,  
Road No. 82/A, GIDC  
Sachin, Surat 394230

Dear Sirs,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by Ami Organics Limited, having CIN: L24100GJ2007PLC051093 (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, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings.
5. 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.
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. - Not Applicable to the Company during the Audit Period;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable to the Company during the 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;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable to the Company during the Audit Period; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. - Not Applicable to the Company during the Audit Period;

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

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

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

Further, as per representation of management letter, considering its nature of business, process and location, the following Acts are specifically applicable to the Company. There are adequate systems and processes in the company to monitor and ensure compliance.

- (i) The Water (prevention and control of pollution) Act, 1974 & Rules.
- (ii) Air (Prevention & Control of Pollution) Act, 1981 & Rules.
- (iii) Environment Protection Act, 1986 & Rules.
- (iv) Hazardous Waste (Management & Handling) Rules, 1989.



(v) Indian Boiler Regulations, 1950

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 year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance or by giving shorter notice and agenda with the consent of all the directors, 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 carried through on the basis of majority and there were no dissenting views.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of

the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period;

- (i) The Shareholders at Extra Ordinary General Meeting held on August 8, 2021 approved issuance and offer of 16,58,374 Fully paid, Equity Shares on a Preferential basis. The Board of Directors made allotment of 16,58,374 Equity Shares of the Company at an issue price of Rs. 603/- per share including a premium of Rs. 593/- per share on August 10, 2021.
- (i) The Board of Directors, under the Public Issue Offering, made allotment of 32,78,688 Equity Shares at offer price of Rs. 610 per share (including premium of Rs. 600 per share) under Fresh Issue and 60,59,600 Equity Shares offered under Offer for Sale by existing shareholders transferred at offer price of Rs. 610 per share (including premium of Rs. 600 per share) on September 8, 2021.
- (ii) The securities of the Company comprising of 3,64,37,062 Equity Shares of Rs. 10 each, fully paid up, were listed at BSE Limited and National Stock Exchange of India Limited w.e.f. September 14, 2021.

For **Kashyap Shah & Co.**

Practising Company Secretaries

Sd/-

**(Kashyap Shah)**

Proprietor

FCS No. 7662; CP No. 6672

UDIN:- F007662D000612673

Place: Vadodara

Date: July 15, 2022

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



## Annexure A to Secretarial Audit Report

To,  
The Members,  
**Ami Organics Limited**  
Plot No. 440/4, 5 & 6,  
Road No. 82/A, GIDC  
Sachin, Surat 394230

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the 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 the practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Kashyap Shah & Co.**  
Practising Company Secretaries

Sd/-  
**(Kashyap Shah)**  
Proprietor  
FCS No. 7662; CP No. 6672

Place: Vadodara  
Date: July 15, 2022

# Annexure VII

## Secretarial Compliance Report of Ami Organics Limited for the year ended on 31st March, 2022

We have examined:

- all the documents and records made available to us and explanation provided by Ami Organics Limited ("the listed entity"),
- the filings/ submissions made by the listed entity to the stock exchanges,
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended on 31st March, 2022 ("Review Period") in respect of compliance with the provisions of :
  - the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder have been examined, include:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and based on the above examination, We hereby report that, during the Review Period:

- The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

| Sl. No. | Regulation Name/ SEBI Circular No | Regulation Number/ Circular Dated | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) | Deviations | Observations Remarks of the Practising Company Secretary |
|---------|-----------------------------------|-----------------------------------|--|------------|--|
| Nil     |                                   |                                   |  |            |  |

- The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:-

| Sl. No.   | Action taken by | Details of violations | Details of action taken eg. Fines/ warning letter, debarment, etc | Observations/ remarks of Practising Company Secretary, if any. |
|---|-----------------|-----------------------|---|--|
| No action taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges |                 |                       |   |  |

- The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sl. No.  | Observations of Practising Company Secretary in previous reports | Observations made in Secretarial Compliance Report for the year ended 31.03.2021 | Action taken by listed entity, if any | Comments of Practising Company Secretary on the action taken by listed entity. |
|--|--|--|---------------------------------------|--|
| Not applicable as securities of the Company got listed on 14.09.2021 |  |  |                                       |  |

For **Kashyap Shah & Co.**

Practising Company Secretaries

Sd/-

**(Kashyap Shah)**

Proprietor

FCS No. 7662; CP No. 6672

UDIN:- F007662D000316498

Place: Vadodara

Date: May 13, 2022

# Corporate Governance Report

## COMPANY'S PHILOSOPHY:

Ami Organics Limited believes in continuous good corporate governance and always strives to improve performance by adhering to good corporate governance practices, such as managing its affairs with diligence, transparency, responsibility and accountability. We have, therefore, designed our systems and action plans to enhance performance and stakeholders' value in the long run.

Our endeavour is to adopt the best governance and disclosure practice by providing timely and accurate information regarding the financial situation, performance, ownership and governance of the Company. We believe that good corporate governance practices, is a key driver to sustainable corporate growth and long-term value creation for the shareholders/stakeholders.

The Company is in compliance with the corporate governance norms stipulated under Regulation 17 to 27 and Regulation 46 (2) (b) to (i) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the relevant provisions prescribed under the Companies Act, 2013 (the "Act") and the Rules made there under.

### 1. BOARD OF DIRECTORS:

The Board has ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Managing Director & Whole Time Directors looks after the day-to-day business affairs of the Company. The Board reviews the overall business operations at least once in a quarter based on updates on the Company's performance provided by the Chief Financial Officer, Managing Director & Whole Time Directors.

#### a) Composition: -

The Company has a combination of executive and non-executive directors. The Composition of the Board, with reference to the number of Executive and Non-Executive Directors, meets with the requirements of the SEBI LODR Regulations.

The Board is headed by the Executive Chairman & Managing Director, Mr. Nareshkumar Ramjibhai Patel, who is also a promoter Director. The Company's Board at present has 8 Directors comprising one Executive Chairman and Managing Director, three Whole Time Directors and four Non- Executive & Independent Directors.

The Non-Executive Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Listing Regulations. The terms and conditions stating the appointment of Independent Directors as provided in Companies Act, 2013 and the

Listing Regulations and has been issued and disclosed on the website of the Company viz. [www. amiorganics.com](http://www.amiorganics.com).

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which he/she is a Director. All the Directors have made the requisite disclosures regarding Committee positions occupied by them in other companies.

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

None of the directors are disqualified under section 164 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

Mr. Chetankumar Vaghasia, Whole Time Director (DIN: 01375540) who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Girikrishna Maniar, Non Executive & Independent Director (DIN: 07515981) present term expires on April 23, 2023. The Board has proposed his reappointment for a second term of five years starting from April 23, 2023.

#### b) Board Skills / Expertise / Competencies: -

Ami Organics' Board is a skill-based board comprising of Directors who collectively have the skills, knowledge and experience to effectively govern and direct the organisation.

The Board has identified the below mentioned core skills / expertise / competencies in the context of the business and the sector in which the Company is operating, for the Company to function effectively.

|                       |   |
|-----------------------|---|
| General Business      | Manufacturing, Operations, marketing, Business Management, R & D, Finance, Operations, Taxations, Banking, Legal and Human resources, leadership development etc. |
| Global Business       | Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions                                  |
| Strategy and Planning | Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions.                                     |

|            |   |
|------------|---|
| Governance | Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values. |
|------------|---|

The above core skills, expertise and competencies identified by the Company are available with the Board of Directors in their individual capacities.

**c) Board Meetings / Directors' particulars: -**

In compliance with regulation 17 of the Listing Regulations and as required under the Act, the Board meets at least once in each quarter and the gap between any two Board meetings was not more than 120 days during the F.Y. 2021-2022

During the year under review, 12 (Twelve) Board meetings were held as per following table: -

| Date of the Meeting | Total Strength | No. of Directors' present |
|---------------------|----------------|---------------------------|
| April 28, 2021      | 5              | 4                         |
| May 07, 2021        | 6              | 6                         |
| June 04, 2021       | 6              | 6                         |
| July 01, 2021       | 6              | 6                         |
| August 07, 2021     | 6              | 6                         |
| August 10, 2021     | 6              | 6                         |
| August 25, 2021     | 6              | 6                         |
| September 06, 2021  | 6              | 5                         |
| September 09, 2021  | 6              | 6                         |
| October 23, 2021    | 6              | 5                         |
| February 07, 2022   | 6              | 6                         |
| March 22, 2022      | 8              | 8                         |

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee positions as held by them in other public limited companies as on 31st March, 2022 are given below:

| Particulars   | Category                               | No. of Board Meetings Attended during 2021-22 | Whether attended AGM held on 15th May, 2021 | No. of Directorships in other public limited companies | No. of Committee positions held in other public limited companies* |        |
|---|--|---|---|--|--|--------|
|   |  |   |   |  | Chairman   | Member |
| Mr. Nareshkumar Patel                                     | Executive Chairman & Managing Director | 11  | Yes   | Nil  | Nil  | Nil    |
| Mr. Chetankumar Vaghasia                                  | Whole Time Director                    | 12  | Yes   | Nil  | Nil  | Nil    |
| Mr. Virendra Nath Mishra                                  | Whole Time Director                    | 12  | Yes   | Nil  | Nil  | Nil    |
| Mr. Ram Mohan Rao Locande<br>(appointed w.e.f 08-02-2022) | Whole Time Director                    | 01  | N.A   | Nil  | Nil  | Nil    |
| Mr. Girikrishna Maniar                                    | Non-Executive & Independent Director   | 12  | No  | Nil  | Nil  | Nil    |
| Mr. Hetal Gandhi<br>(appointed w.e.f 28-04-2021)          | Non-Executive & Independent Director   | 10  | No  | 3  | 2  | 3      |
| Mrs. Richa Goyal  | Non-Executive & Independent Director   | 11  | Yes   | 3  | 0  | 3      |
| Dr. Anita Bandyopadhyay<br>(appointed w.e.f 08-02-2022)   | Non-Executive & Independent Director   | 01  | N.A   | 1  | 1  | 1      |

\* Other Board Committees mean Audit Committee and Stakeholders' / Investors' Relationship Committee

Board of Directors at its meeting held on April 28, 2021 appointed Mr. Hetal Gandhi (DIN: 00106895) as an Additional Non-Executive and Independent Director for a period of five years' starting with effect from April 28, 2021, which was approved by the Shareholders at the 14th Annual General Meeting held on May 15, 2021.

Board of Directors at its meeting held on February 07, 2022 appointed Mr. Ram Mohan Rao Locande (DIN: 08117035) as an Additional Director designated as Whole Time Director of the Company and Dr. Anita Bandyopadhyay (DIN: 08672071) as an Additional Non-Executive and Independent Directors for a period of five years with effect from February 08, 2022. As per regulation 17(1C) of the Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 approval of the Shareholders of the Company was taken by way of Postal Ballot held through remote e-voting for the said appointment of Mr. Ram Mohan Rao Locande and Dr. Anita Bandyopadhyay.



The following table gives the names of the other listed entities where the Directors of the Company are Director and the category of their respective directorship:

| Sr No. | Name of the Director      | Name of the listed companies in which the Director of the Company is a Director | Category of Directorship in the listed companies |
|--------|---------------------------|---|--|
| 1.     | Mr. Nareshkumar Patel     | N.A   | N.A  |
| 2.     | Mr. Chetankumar Vaghasia  | N.A   | N.A  |
| 3.     | Mr. Virendra Nath Mishra  | N.A   | N.A  |
| 4.     | Mr. Ram Mohan Rao Locande | N.A   | N.A  |
| 5.     | Mr. Girikrishna Maniar    | N.A   | N.A  |
| 6.     | Mr. Hetal Gandhi          | Chalet Hotels Limited   | Non-Executive & Independent Director             |
|        |                           | Shilpa Medicare Limited   | Non-Executive & Independent Director             |
| 7.     | Mrs. Richa Goyal          | Shahlon Silk Industries Limited   | Non-Executive & Independent Director             |
| 8.     | Dr. Anita Bandyopadhyay   | Speciality Restaurants Limited  | Non-Executive & Independent Director             |

#### d) Familiarization Programme for Directors:

Regulation 25(7) of the SEBI Listing Regulations mandates the Company to familiarize the Independent Directors about the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. through various programmes. The Company through its Managing Director/ Whole time Director/ Senior Managerial Personnel periodically familiarize the Independent Directors with the strategy, business and operations of the Company.

The above programme also includes the familiarization on statutory updates and compliances as a Board member including their roles, rights and responsibilities. The Familiarization programme for Independent Directors is uploaded on the website of the Company: <http://www.amiorganics.com/corporate-policies.html>

At the time of appointing a Director, a formal letter of appointment is given to him / her, which inter alia explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The Director is also explained in detail about the Compliances required from him/her under the Companies Act, 2013, SEBI Listing Regulations 2015 and other relevant provisions and affirmation is taken with respect to the same.

The Chairman & Managing Director has also one to one discussion with the newly appointed Directors to familiarize them with the Company's operations. Further, the Company has put in place a system to familiarize the Independent Directors about the Company, its products, business and ongoing events relating to the Company at the Board Meetings.

#### e) Evaluation: -

During the year, the Board has carried out evaluation of its own performance and the performance of the committees of the Board: and Independent individual Directors. The Board has evaluated the composition of Board, its committees, experience and expertise, performance of specific duties and obligations, governance matters, etc. with an aim to improve their effectiveness. Performance review of Board as a whole, individual Executive Directors and the Board Chairman was

also carried out by Independent Directors at their separate meeting, inter alia covering respective attendance at Board / Committee meetings, contributions at the meetings, circulation of sufficient documents and information to the Directors, timely availability of the agenda, etc.

Further, the Board has carried out the evaluation of the Independent Directors, which included the performance of the Independent Directors and fulfilment of the independence criteria as specified in the Listing Regulations and their independence from the management. The Directors who were subject to evaluation did not participate in the proceedings of the meeting.

## 2. Committees of the Board:

The Board currently has the following Committees

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholder Relationship Committee
- D. Corporate Social Responsibility Committee
- E. Risk Management Committee
- F. IPO Committee

### A. AUDIT COMMITTEE

In compliance with the provisions of section 177 of the Act and regulation 18 of the SEBI LODR Regulations, the Board has constituted an Audit Committee. The Statutory Auditors, Internal Auditors of the Company and the Cost Auditors are regular invitees at the Audit Committee Meetings. The Audit Committee holds discussions with the Statutory Auditors on the 'Limited Review' of the quarterly, half-yearly, nine months, the yearly Audit Plan, matters relating to compliance of Accounting Standards, their observations arising from the annual audit of the Company's accounts and other related matters. Every quarter, the Audit Committee is presented with a summary of internal audit observations and follow up actions thereon. The terms of reference of Audit Committee includes the matters prescribed under Section 177 of the Companies Act, 2013 read with SEBI (LODR) Regulation, 2015.

The composition of the Audit Committee as at March 31, 2022:

| Name of Director       | Membership  | Category             |
|------------------------|-------------|----------------------|
| Mr. Girikrishna Maniar | Chairperson | Independent Director |
| Mr. Hetal Gandhi       | Member      | Independent Director |
| Mrs. Richa Goyal       | Member      | Independent Director |

The Company Secretary acts as the Secretary to the committee.

During the year of review, the Board reconstituted the Audit committee at its meeting held on April 28, 2021 and appointed Mr. Girikrishna Maniar, Independent Director as Chairperson, Mr. Hetal Gandhi Independent Director as member and Mr. Nareshkumar R. Patel, Managing Director as Member of the committee. Further, as a measure of good corporate governance, the Board of Directors reconstituted the Audit Committee at its meeting held on February 07, 2022 to comprise entirely of Independent Directors by appointing Mrs. Richa Goyal, Independent Director in place of Mr. Nareshkumar Patel as the member of the Audit Committee, with effect from February 8, 2022.

The Audit Committee held five meetings during the year under review, on May 7, 2021, July 01, 2021, October 23, 2021, February 07, 2022 and March 22, 2022. The time gap between any two meetings was less than 120 days. The details of the attendance of the members of the committee are as under:

| Members                  | Audit Committee Meetings during 2021-2022 |              |              |             |                |
|--------------------------|---|--------------|--------------|-------------|----------------|
|                          | May 7, 2021                               | July 1, 2021 | Oct 23, 2021 | Feb 7, 2022 | March 22, 2022 |
| Mr. Girikrishna Maniar   | Yes                                       | Yes          | Yes          | Yes         | Yes            |
| Mr. Hetal Gandhi         | Yes                                       | Yes          | Yes          | Yes         | Yes            |
| Mr. Nareshkumar R. Patel | Yes                                       | Yes          | Yes          | Yes         | NA             |
| Mrs. Richa Goyal         | NA  | NA           | NA           | NA          | Yes            |

## B. NOMINATION & REMUNERATION COMMITTEE: -

In compliance with the provisions of section 178 of the Act and regulation 19 of the SEBI Listing Regulations, the Board has constituted the Nomination and Remuneration Committee ("NRC"). The brief terms of reference of NRC as specified in clause A of Part D of Schedule II of the Listing Regulations *inter alia* contains:

- 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.
- Formulation of criteria for evaluation of performance of independent directors and the Board.
- Devising a policy on Board diversity
- Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Recommending the remuneration, in whatever form, payable to the senior management personnel.
- Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

- Perform such functions as are required to be performed by the NRC committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee

### Composition and Meetings: -

The composition of NRC as on March 31, 2022:

| Name of Director        | Membership  | Category                             |
|-------------------------|-------------|--------------------------------------|
| Mr. Hetal Gandhi        | Chairperson | Independent Director                 |
| Mr. Girikrishna Maniar  | Member      | Independent Director                 |
| Dr. Anita Bandyopadhyay | Member      | Non-Executive & Independent Director |

The Company Secretary acts as the Secretary to the committee.

During the year of review Board reconstituted the Nomination and Remuneration Committee at its meeting held on April 28, 2021 and appointed Mr. Hetal Gandhi, Independent Director as Chairperson, Mr. Girikrishna Maniar Independent Director as member and Mrs. Richa Goyal, Independent Director as Member of the committee. The Nomination and Remuneration Committee was again reconstituted by appointing Dr

Anita Bandyopadhyay in place of Mrs. Richa M. Goyal as the member of the Nomination and Remuneration Committee with effect from March 22, 2022.

The details of attendance of the Committee members at the meeting are given in the following table. The Committee met three times during the year on July 6, 2021, January 21, 2022 and January 31, 2022.

| Members                 | NRC Committee Meeting during 2021-2022 |                  |                  |
|-------------------------|--|------------------|------------------|
|                         | July 06, 2021                          | January 21, 2022 | January 31, 2022 |
| Mr. Hetal Gandhi        | Yes                                    | Yes              | Yes              |
| Mr. Girikrishna Maniar  | Yes                                    | Yes              | Yes              |
| Mrs. Richa Goyal        | Yes                                    | Yes              | Yes              |
| Dr. Anita Bandyopadhyay | NA                                     | NA               | NA               |

**I. Nomination and Remuneration Policy and details of remuneration paid / payable to the Directors for the year ended March 31, 2022:**

The Board approved the Nomination and Remuneration Policy on the recommendation of Nomination and Remuneration Committee. The Nomination and Remuneration Policy was lastly revised by the Board, based on the recommendation of NRC, at its meeting held on April 28, 2021. The salient aspects of the Policy are outlined below.

**a. Objectives: -**

1. To guide the Board in relation to the appointment and removal of Directors and Senior Management.
2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board, and
3. To recommend to the Board on remuneration payable to the Directors and Senior Management

**b. Remuneration to the Independent / Non- Executive Directors:**

1. An Independent / Non-Executive Director is paid sitting fees for attending each meeting of the Board or Committee of the Board attended by him / her, a sum of Rs. 30000/- as approved by the Board within the overall limits prescribed under the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
2. An Independent / Non- Executive Directors is also paid commission on an annual basis of such sum as approved by the Board. The total commission payable to the Independent Directors shall not exceed 1% of the net profit of the Company and subject to the limits approved by the members.
3. In determining the quantum of commission payable to the Independent / Non- Executive Directors, the Board considers the overall performance of the Company and the responsibilities required to be shouldered by the Independent / Non- Executive Directors.
4. An Independent / Non- Executive Directors is also reimbursed the expenses incurred by him / her for attending the Board and / or Committee meetings.
5. Apart from the above, there are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors except those disclosed in the financial statements for the year ended on March 31, 2022.

**c. Remuneration to Senior Management:**

Nomination & Remuneration Committee with the help of HR-Head carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors like-Key Performance Area v/s initiatives, balance between fixed and variable pay, fixed components and perquisites and retirement benefits, criticality of roles and responsibilities, industry benchmarks and current compensation trends in the market. Further, any promotion at a senior level management is approved by the Nomination & Remuneration Committee based on performance appraisal after assessing the candidate's capability to shoulder higher responsibility.

- d. Details of the remuneration / sitting fees paid / payable to the Independent / Non-Executive / Nominee Directors for the year 2021-22 are given below:

**Remuneration to Managing Director, Whole-time Directors during FY 2021-22**

(Rs. In Lakhs)

| Sr No. | Particulars  | Mr. Naresh Kumar Patel<br>Managing Director | Mr. Chetan Kumar Vagharia<br>Whole Time Director | Mr. Virendra Nath Mishra<br>Whole Time Director | Mr. Ram Mohan Rao Locande<br>Whole Time Director* | Total         |
|--------|--|---|--|---|---|---------------|
| 1.     | Gross Salary:  |   |  |   |   |               |
|        | A. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 405.50                                      | 400.00   | 85.80   | 16.5  | 907.80        |
|        | B. Value of perquisites under section 17(2) of the Income Tax Act, 1961            | -   | -  | -   | -   | -             |
|        | C. Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961       | -   | -  | -   | -   | -             |
| 2.     | Stock Option   | -   | -  | -   | -   | -             |
| 3.     | Sweat Equity   | -   | -  | -   | -   | -             |
| 4.     | Commission   | -   | -  | -   | -   | -             |
| 5.     | Others, Specify (Performance Linked incentives)                                    | -   | -  | -   | -   | -             |
|        | <b>Total</b>   | <b>405.50</b>                               | <b>400.00</b>                                    | <b>85.80</b>                                    | <b>16.50</b>                                      | <b>907.80</b> |

\* Since February 8, 2022

Remuneration to Other Directors:

(Rs. In Lakhs)

| Sr No. | Name of Director                                    | Category             | Sitting Fees | Commission   | Total        |
|--------|---|----------------------|--------------|--------------|--------------|
| 1.     | Mr. Girikrishna Maniar                              | Independent Director | 6.30         | 5.70         | 12.00        |
| 2.     | Mr. Hetal Gandhi<br>(since April 28, 2021)          | Independent Director | 5.70         | 6.30         | 12.00        |
| 3.     | Mrs. Richa Goyal                                    | Independent Director | 5.70         | 0.30         | 6.00         |
| 4.     | Dr. Anita Bandyopadhyay<br>(since February 8, 2022) | Independent Director | 0.60         | 0.00         | 0.60         |
|        | <b>Total</b>  |                      | <b>18.30</b> | <b>12.30</b> | <b>30.60</b> |

**C. STAKEHOLDER RELATIONSHIP COMMITTEE:**

In compliance with the provisions of section 178 of the Act and regulation 20 of the Listing Regulations, the Board has formed a Stakeholders' Relationship Committee:

**Terms of Reference:**

The Committee is empowered to perform all the functions of the Board in relation to approval and monitoring of transfer, transmission, transposition, dematerialization, rematerialization, issue of duplicate share certificates, splitting and consolidation of shares issued by the Company

The Investors' / Stakeholders' Relationship Committee reviews the Redressal of grievances of stakeholders pertaining to the requests / complaints of the shareholders related to transfer of shares dematerialization of shares, non-receipt of annual

reports, non-receipt of dividend or revalidation of expired dividend warrants / cheques, recording the change of address, nomination, etc.

The role of the Investors' / Stakeholders' Relationship Committee as specified in Part D of the Schedule II of the Listing Regulations has been included in the terms of reference of the Stakeholders Relationship Committee.

**Brief Terms of Reference of Stakeholders Relationship Committee**

- Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints.



- Considering and looking into various aspects of interest of shareholders, debenture holders and other security holders
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities
- Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/ consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time
- Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company

#### Composition:

The composition of the Committee as on March 31, 2022 and details of attendance of the Committee members at the meeting are given in the following table.

The Committee met once during the year on October 21, 2021. All members of Committee were present at the meeting.

| Name of Director            | Membership  | Category             |
|-----------------------------|-------------|----------------------|
| Mrs. Richa Goyal            | Chairperson | Independent Director |
| Mr. Nareshkumar R. Patel    | Member      | Managing Director    |
| Mr. Chetankumar C. Vaghasia | Member      | Whole Time Director  |

The Company Secretary acts as the Secretary to the committee.

During the year of review, Board of Directors reconstituted the Stakeholder Relationship Committee at its meeting held on April 28, 2021 and appointed Mrs. Richa Goyal, Independent Director as Chairperson, Mr. Nareshkumar Patel, Managing Director and Mr. Chetankumar Vaghasia as member of the committee.

#### Name and Designation of the compliance officer:

Ekta Kumari Srivastava is the Company Secretary and Compliance Officer of the Company and the person responsible for resolution of Investor Complaints.

#### Number of requests / complaints:

During the year, the Company has resolved investor grievances in relation to blocking/unblocking/ refund of IPO application money expeditiously. The Company and / or its RTA have received the following number requests / complaints from SEBI / Stock Exchanges and also directly from the shareholders, which were resolved within the time frame laid down by SEBI.

| Particulars  | Opening Balance | Received | Resolved | Pending |
|--|-----------------|----------|----------|---------|
| Complaints:  |                 |          |          |         |
| NSE  | 0               | 2        | 2        | 0       |
| BSE  | 0               | 0        | 0        | 0       |
| SEBI   | 0               | 55       | 55       | 0       |
| Refund of IPO Application Money (Received directly to Company/RTA) | 0               | 2330     | 2330     | 0       |
| Shareholder queries / requests:                                    |                 |          |          |         |
| Dividend Related   | 0               | 0        | 0        | 0       |
| Transfer / Transmission  | 0               | 0        | 0        | 0       |
| Demat / Remat  | 0               | 0        | 0        | 0       |
| Changes (address / bank mandates)                                  | 0               | 0        | 0        | 0       |
| Procedure for duplicate share                                      | 0               | 0        | 0        | 0       |
| Exchange of share certificates                                     | 0               | 0        | 0        | 0       |

#### D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The terms of reference of CSR Committee includes framing the CSR Policy and reviewing it from time to time to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in schedule VII of the Act and Rules made thereunder and to provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

During the year under review, CSR Committee recommended and the Board approved the amendments in the CSR Policy to incorporate the necessary clauses as mandated by CSR Amendment Rules. The details with regard to CSR, Policy, Projects, amount spent on CSR etc. are provided in the Directors Report in Annexure V forming part of the Board Report.

The Committee met twice during the year on July 1, 2021 and February 7, 2022. The composition of the CSR Committee as at March 31, 2022.

| Name of Director            | Membership  | Category             |
|-----------------------------|-------------|----------------------|
| Mrs. Richa Goyal            | Chairperson | Independent Director |
| Mr. Nareshkumar R. Patel    | Member      | Managing Director    |
| Mr. Chetankumar C. Vaghasia | Member      | Whole Time Director  |

The Company Secretary acts as the Secretary to the committee.

During the year of review, Board of Directors reconstituted the CSR Committee at its meeting held on April 28, 2021 and appointed Mrs. Richa Goyal, Independent Director as Chairperson, Mr. Nareshkumar R. Patel, Managing Director and Mr. Chetankumar Vaghasia, Whole Time Director as members the Committee.

The details of attendance of the Committee members at the meeting are given in the following table.

| Members                     | CSR Committee Meeting during 2021-22 |                  |
|-----------------------------|--------------------------------------|------------------|
|                             | July 1, 2021                         | February 7, 2022 |
| Mrs. Richa Goyal            | Yes                                  | Yes              |
| Mr. Nareshkumar R. Patel    | Yes                                  | Yes              |
| Mr. Chetankumar C. Vaghasia | Yes                                  | Yes              |

#### E. RISK MANAGEMENT COMMITTEE:

In compliance with Regulation 21 of SEBI LODR Regulations, the Company has constituted a Risk Management Committee at the Board Meeting held on March 22, 2022. Majority of the members of the Committee are Directors. The Company has a well-defined risk management framework to identify, recognize, monitor and mitigate risks and also identify business opportunities. Business risk evaluation and its management is a continuous process within the organization.

The composition of Risk Management Committee as on March 31, 2022 is as under.

| Name of Director         | Membership  | Category                |
|--------------------------|-------------|-------------------------|
| Mr. Chetankumar Vaghasia | Chairperson | Whole Time Director     |
| Mrs. Richa Goyal         | Member      | Independent Director    |
| Mr. Abhishek Patel*      | Member      | Chief Financial Officer |

\*Resigned w.e.f June 1, 2022

The Company Secretary acts as the Secretary to the committee. During the financial year 2021-22 no meeting of Risk Management Committee was held.

#### 3. Independent Directors' Meeting: -

During the year under review, a separate meeting of the Independent Directors (without the attendance of the non-Independent Directors and members of the management of the Company) was held on March 22, 2022 inter alia, to discuss:

- Evaluation of performance of Non-Independent Directors and the Board as a whole,
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors, and
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board and that is necessary to effectively and reasonably perform their duties.

All the Independent Directors had attended the meeting. The performance of the non-independent directors, the Board as a whole and Chairman of the Company was evaluated by the Independent Directors, taking into account the views of executive directors and nonexecutive directors.

#### 4. Means of Communication: -

The Company had 95,004 shareholders as on March 31, 2022. The main channel of communication to the shareholders is through Quarterly Results Presentations, Annual Report, which includes inter alia, the Directors' Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility Report and Audited Financial Statements. The AGM is a platform for face-to-face communication with the shareholders, on the performance, operations and financial results of the Company. The Chairman & MD and whole Time Director and other Key Managerial Personnel respond to the specific queries of the shareholders.

The Company also intimates to the Stock Exchanges all price sensitive information, which in its opinion are material and of relevance to the shareholders and subsequently issues a Press Release on such matters, wherever necessary. The quarterly and half yearly results are published in widely circulating national and local dailies such as "Financial Express" in English and Gujarati respectively. The results are also posted on the website of the Company [www.amiorganics.com](http://www.amiorganics.com).

The Company holds meetings and makes representations to the institutional investors and analysts. The copies of such presentations and the transcripts of the quarterly results calls are also made available on the BSE and NSE portal and also on Company's website.

**5. General Body Meetings: -**

Details of last three Annual General Meetings held are provided hereunder :

| Year      | Date and Time                           | Venue  |
|-----------|---|--|
| 2020-2021 | Saturday, May 15, 2021 at 11: 00 AM     | Plot No. 440/4, 5 & 6, Road No. 82/A, GIDC<br>Sachin, Surat 394230 |
| 2019-2020 | Saturday, December 19, 2020 at 11:00 AM |  |
| 2018-2019 | Monday September 30, 2019 at 11:00 A.M  |  |

**Special Business transacted in the previous Annual General Meetings:**

The shareholders of the Company have passed the following Special Resolution in the previous Annual General Meetings:

| Meeting   | Nature of Special Resolution Passed   | Remarks   |
|-----------|---|---|
| 2020-2021 | <ol style="list-style-type: none"> <li>1. Reappointment of Mr. Nareshkumar Ramjibhai Patel (DIN 00906232), as the Managing Director designated as Executive Chairman &amp; Managing Director and approval of payment of remuneration.</li> <li>2. Reappointment of Mr. Chetankumar Vaghasia (DIN 01375540), as the Whole Time Director and approval of payment of remuneration.</li> <li>3. Appointment of Mr. Virendra Nath Mishra (DIN 07815490), as the Whole Time Director and approval of payment of remuneration</li> <li>4. Appointment of Mr. Hetal Madhukant Gandhi (DIN 00106895), as Director (Non-Executive &amp; Independent) and approval of payment of remuneration</li> <li>5. Appointment of Mrs. Richa Manoj Goyal (DIN 00159889), as Director (Non-Executive &amp; Independent) and approval of payment of remuneration</li> <li>6. Approval of payment of commission to Non-Executive Directors.</li> <li>7. Alteration of the Memorandum of Association of the Company.</li> </ol> | All resolutions were passed with requisite majority |
| 2019-2020 | No special Resolution was passed  |   |
| 2018-2019 | No special resolution was passed  |   |

**Extra Ordinary General Meetings**

| Meeting date     | Nature of Special Resolution Passed  | Remarks   |
|------------------|--|---|
| August 08, 2021  | Approval, issue and offer of 16,58,374 fully paid, Equity Shares on a Preferential basis in one or more tranches   | Resolution was passed with requisite majority   |
| March 31, 2021   | <ol style="list-style-type: none"> <li>1. Approval of the Initial Public Offer</li> <li>2. Approval for increasing the limit of investment by non-resident Indian or overseas citizen of India in the share capital of the Company</li> <li>3. Approval of amendments to the Articles of Association of the Company.</li> <li>4. Approval for Bonus issue of Equity Shares to existing shareholders of Company.</li> </ol> | Resolutions were passed with requisite majority |
| January 30, 2021 | <ol style="list-style-type: none"> <li>1. Adoption of New Sets of Memorandum of Association and Articles of Association of Company inter-alia pursuant to the Companies Act, 2013.</li> <li>2. Approval of Increase in Authorised Capital</li> </ol>   | Resolutions were passed with requisite majority |
| August 1, 2020   | <ol style="list-style-type: none"> <li>1. Approval for increase in Remuneration payable to Mr. Nareshkumar Ramjibhai Patel, Managing Director</li> <li>2. Approval for increase in Remuneration payable to Mr. Chetankumar Chagganlal Vaghasia, Whole Time Director</li> </ol>   | Resolutions were passed with requisite majority |

### Shareholders' approval through Postal Ballot:

During the year, Company had sought approval of shareholders through Postal Ballot on the following resolutions through remote E-voting (Voting through Electronic means) in compliance with the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, (the Rules) read with MCA and SEBI Circulars and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. Approval of Appointment of Dr. Anita Bandyopadhyay (DIN: 08672071) as a Non-Executive Independent Director of the Company and approval of payment of remuneration - Special Resolution.
2. Approval of Appointment of Mr. Ram Mohan Rao Locande (DIN: 08117035) as the Whole Time Director of the Company and approval of payment of remuneration - Special Resolution.

Notice of Postal Ballot was approved by the Board of Directors at its meeting held on March 22, 2022. Mr. Kashyap Shah, Practicing Company Secretary was appointed by the Board to act as the scrutinizer for conducting the Postal Ballot/voting process in a fair and transparent manner and in accordance with the provisions of the Companies Act, 2013 and the rules made there under.

The procedure for the Postal ballot was stated in the notice of Postal Ballot. Please refer the Notice of Postal Ballot under <http://www.amiorganics.com/notice-outcome.html>.

The result of voting are as follows: -

| Details of Resolutions  | For<br>No. of shares | Against<br>No. of shares | PERCENTAGE (%) |         |
|---|----------------------|--------------------------|----------------|---------|
|   |                      |                          | For            | Against |
| Approval of Appointment of Dr. Anita Bandyopadhyay (DIN: 08672071) as a Non-Executive Independent Director of the Company and approval of payment of remuneration | 25999845             | 1353                     | 99.99          | 0.01    |
| Approval of Appointment of Mr. Ram Mohan Rao Locande (DIN: 08117035) as the Whole Time Director of the Company and approval of payment of remuneration            | 25999785             | 1251                     | 99.99          | 0.01    |

All the Resolutions were approved with requisite majority, the results were displayed on the website of the Company and necessary disclosures were made to the Stock Exchanges

## 6. General Shareholder Information: -

### I. Annual General Meeting (AGM):

| Particulars                 |   |
|-----------------------------|---|
| Date and Time of 15th AGM : | Tuesday, August 9, 2022 at 11.30 A.M.                                 |
| Venue of 15th AGM :         | To be held Virtually  |
| Financial Year :            | 2021-22   |
| Date of Book Closure :      | From August 2, 2022 to August 9, 2022                                 |
| Registered Office Address : | Plot No. 440/4, 5 & 6, Road No. 82/A, G.I.D.C, Sachin, Surat - 394230 |
| Compliance Officer :        | Ekta Kumari Srivastava  |
| Website :                   | <a href="http://www.amiorganics.com">www.amiorganics.com</a>          |

### II. Tentative financial calendar:

|  |                                |
|--|--------------------------------|
| First Quarter Results                  | On or before August 14, 2022   |
| Half Yearly Results                    | On or before November 14, 2022 |
| Third Quarter Results                  | On or before February 14, 2023 |
| Audited Results for the year 2022-2023 | On or before May 30, 2023      |

### III. Listing Details:

The Equity shares of the Company were listed on National Stock Exchange of India Limited and BSE Limited on September 14, 2021.

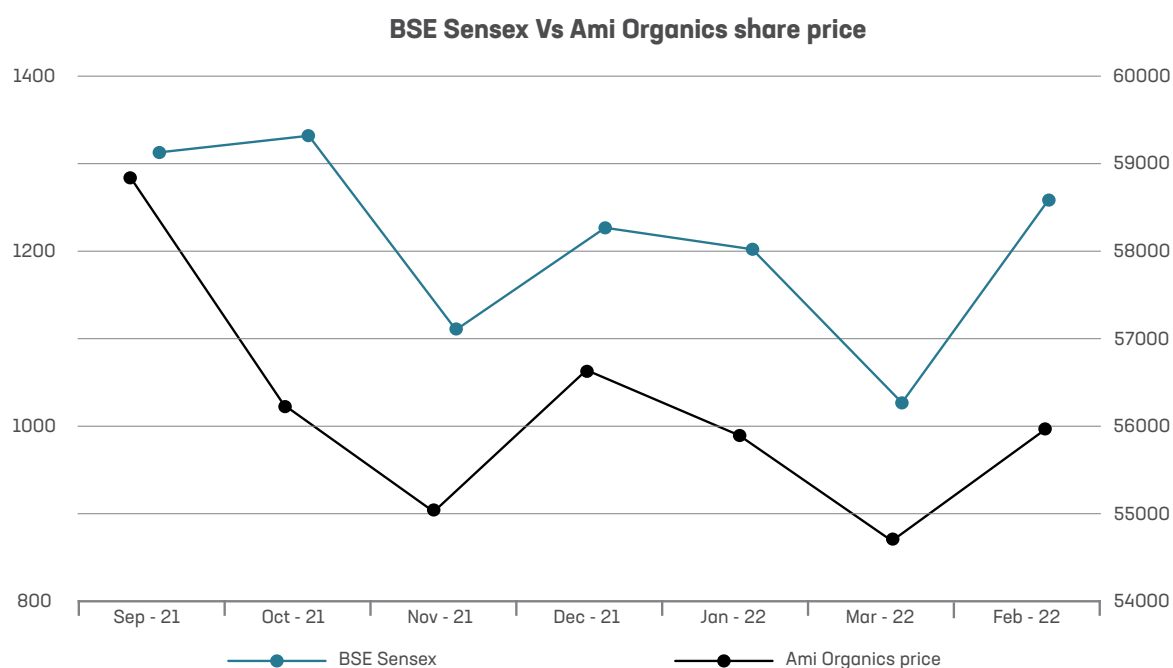
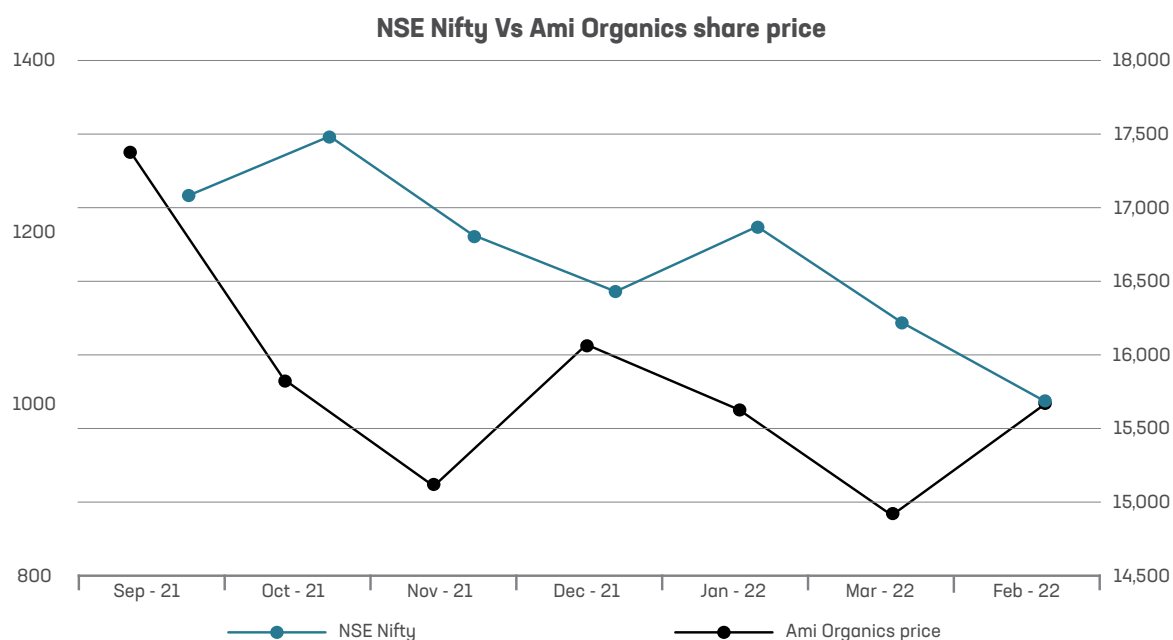
| Name of the Stock Exchange  | Stock Code |
|---|------------|
| BSE Limited   | 543349     |
| Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001             |            |
| National Stock Exchange of India Limited                              | AMIORG     |
| Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 |            |

**IV. Listing Fees:**

The Company has paid annual listing fees for the financial year 2022-23 to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) within the prescribed time.

**V. Stock Price at BSE and NSE: (Securities of the Company got listed on September 14, 2021)**

| Month          | BSE Limited |           | National Stock Exchange of India Limited |           |
|----------------|-------------|-----------|--|-----------|
|                | High (Rs.)  | Low (Rs.) | High (Rs.)                               | Low (Rs.) |
| September 2021 | 1438.50     | 841.20    | 1434.45                                  | 841.00    |
| October 2021   | 1420.00     | 1000.00   | 1418.70                                  | 998.95    |
| November 2021  | 1080.05     | 887.05    | 1077.25                                  | 864.15    |
| December 2021  | 1109.60     | 858.15    | 1109.90                                  | 858.00    |
| January 2022   | 1156.90     | 920.00    | 1159.00                                  | 922.15    |
| February 2022  | 1049.00     | 764.15    | 1040.00                                  | 766.10    |
| March 2022     | 1021.65     | 841.40    | 1021.00                                  | 850.00    |







## VI. Registrar and Share Transfer Agent

Link Intime India Private Limited, Mumbai (SEBI Registration No. INR000004058) is acting as the Company's registrar and transfer agents to handle requests for transmission, transposition, dematerialization, rematerialization and other investor related services. These activities are handled under the supervision of the Company Secretary who is also the Compliance Officer under the Listing Regulations.

Link Intime India Private Limited :

C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400 083

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Tel : - 022 49186270

## VII. Reconciliation of Share Capital Audit:

M/s Kashyap Shah & Co. Practicing Company Secretary carried out secretarial audit in the last two quarters of financial year 2021-22 to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirm that the total issued / paid up capital is in agreement with the total number of dematerialized shares held with depositories.

## VIII. Distribution of shareholding of Equity Shares as at March 31, 2022:

| No. of Equity Shares | No. of Shareholders | % of holders    | Total shares    | % of shares     |
|----------------------|---------------------|-----------------|-----------------|-----------------|
| 1 to 500             | 94206               | 99.1600         | 2665838         | 7.3163          |
| 501 to 1000          | 428                 | 0.4505          | 326442          | 0.8959          |
| 1001 to 2000         | 178                 | 0.1874          | 270478          | 0.7423          |
| 2001 to 3000         | 50                  | 0.0526          | 128338          | 0.3522          |
| 3001 to 4000         | 25                  | 0.0263          | 89930           | 0.2468          |
| 4001 to 5000         | 20                  | 0.0211          | 93386           | 0.2563          |
| 5001 to 10000        | 18                  | 0.0189          | 140929          | 0.3868          |
| 10000 and above      | 79                  | 0.0832          | 32721721        | 89.8034         |
| <b>Total</b>         | <b>95004</b>        | <b>100.0000</b> | <b>36437062</b> | <b>100.0000</b> |

## IX. Shareholding Pattern as at March 31, 2022:

| Sr No. | Category                                   | Dematerialised  |              | % of Issued Capital |
|--------|--|-----------------|--------------|---------------------|
|        |  | Securities      | Holders      |                     |
| 1.     | Promoters & Promoters Group                | 14958710        | 6            | 41.0536             |
| 2.     | Public                                     | 16300216        | 92218        | 44.7353             |
| 3.     | Alternate Invst Funds - li                 | 331675          | 1            | 0.9103              |
| 4.     | Alternate Invst Funds - lii                | 99887           | 2            | 0.2741              |
| 5.     | Body Corporate - Ltd Liability Partnership | 541419          | 18           | 1.4859              |
| 6.     | Clearing Members                           | 254470          | 127          | 0.6984              |
| 7.     | Foreign Company                            | 729685          | 1            | 2.0026              |
| 8.     | Foreign Portfolio Investors (Corporate)    | 813686          | 10           | 2.2331              |
| 9.     | Hindu Undivided Family                     | 119371          | 1586         | 0.3276              |
| 10.    | Insurance Companies                        | 974234          | 8            | 2.6737              |
| 11.    | Mutual Funds                               | 645097          | 9            | 1.7704              |
| 12.    | Nbfcs Registered With Rbi                  | 77              | 2            | 0.0002              |
| 13.    | Non Resident (Non Repatriable)             | 20255           | 260          | 0.0556              |
| 14.    | Non Resident Indians                       | 69746           | 578          | 0.1914              |
| 15.    | Other Bodies Corporate                     | 499169          | 177          | 1.3699              |
| 16.    | Trust                                      | 79365           | 1            | 0.2178              |
|        | <b>Total</b>                               | <b>36437062</b> | <b>95004</b> | <b>100.00</b>       |

**X. Top ten non-promoter equity shareholders of the Company as at March 31, 2022:**

| Sr. No. | Name of the shareholder                          | No. of equity shares held | Percentage of holding |
|---------|--|---------------------------|-----------------------|
| 1.      | Girishkumar Limbabbhai Chovatia                  | 3095430                   | 8.4953                |
| 2.      | Kiranben Girishbbhai Chovatia                    | 3040000                   | 8.3432                |
| 3.      | Dhwani Girishkumar Chovatia                      | 2520000                   | 6.916                 |
| 4.      | Vanaja Sundar Iyer jointly with Sundar Iyer      | 900000                    | 2.47                  |
| 5.      | Ashish Kacholia                                  | 776474                    | 2.131                 |
| 6.      | Malabar India Fund Limited                       | 729685                    | 2.0026                |
| 7.      | Virendra Nath Mishra                             | 630000                    | 1.729                 |
| 8.      | Plutus Wealth Management LLP                     | 497512                    | 1.3654                |
| 9.      | Max Life Insurance Co Ltd A/C Participating Fund | 366803                    | 1.0067                |
| 10.     | IIFL Special Opportunities Fund - Series 7       | 331675                    | 0.9103                |

**XI. Dematerialization of Shares and Liquidity:**

The Company's equity shares are required to be compulsorily traded on the Stock Exchanges in dematerialized form and 100% of the equity shares have been dematerialized. ISIN number the Company is INE00FF01017.

**XII. Corporate Identity Number (CIN):**

The Corporate Identity Number (CIN) allotted by the Ministry of Corporate Affairs, Government of India, is L24100GJ2007PLC051093 and the Company's Registration No. is 051093. and Company is registered in the State of Gujarat, India.

**XIII. Registered office and other locations:**

The address of registered office is Plot No. 440/4, 5 & 6, Road No. 82/A, GIDC Sachin, Surat Gujarat 394230 India.

|   |   |
|---|---|
| Manufacturing Unit 1, Sachin              | Plot No. 440/4, 5, 6 & 8206/B, Road No. 82/A, GIDC Sachin, Surat Gujarat 394230 India |
| Manufacturing Unit 2, Ankleshwar          | Plot No. 127/1, Industrial Estate, GIDC, Ankleshwar-393002, Gujarat, India            |
| Manufacturing Unit 3, Jhagadia            | Plot No. 910/1/B, GIDC, Jhagadia- 393110, Bharuch, Gujarat, India                     |
| Research & Development Unit Sachin, Surat | Plot No. C1B-469 Road No. 82-C GIDC Sachin, Surat, 394230 Gujarat, India              |
| Warehouse Sachin, Surat                   | Plot No. 478, 479 & 494, 495 Road No. 82-C GIDC, Sachin, Surat, 394230 Gujarat, India |

**XIV. Address for correspondence:**

Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agent at the address mentioned below :

**Link Intime India Private Limited :**

C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400 083  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Tel : - 022 49186270

Shareholders may also contact the Company Secretary, at the Registered Office of the Company for any investor services related assistance.

**Mrs. Ekta Kumari Srivastava**

Company Secretary and Compliance Officer  
[investorinfo@amiorganics.com](mailto:investorinfo@amiorganics.com) is a special e-mail ID for investors' complaints and other communications.

Shareholders holding shares in the electronic mode may also address all their correspondence to their respective depository participants.

## 7. Disclosures

### A. Related Party Transactions:

All transactions entered into with the Related Parties as defined under section 2(76) of the Act and regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which were in the conflict of interest of the Company. Suitable disclosures as required by the Accounting Standard (Ind AS 24) have been made in the notes to the Financial Statements.

The Board has approved a policy on related party transactions, which includes the clear threshold limits, beyond which a transaction will be considered as a material related party transactions, has been uploaded on the website of the Company [www.amiorganics.com](http://www.amiorganics.com).

### B. Code of Conduct:

The Company has laid down a Code of Conduct for all Board members and Senior Management. The Code of Conduct is available on the website of the Company [www.amiorganics.com](http://www.amiorganics.com). All Board Members and the Senior Management have affirmed compliance with the Code of Conduct for the year under review. The declaration of Managing Director is annexed.

### C. Prohibition of Insider Trading:

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, designated persons and their immediate relatives, connected persons and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises the designated persons on procedure to be followed and disclosures to be made, while dealing in the shares of the Company.

The Company reviews and monitors the report provided by Registrar and Transfer Agents through TrackIn software reports on trading in the equity shares of the Company on weekly basis by the designated persons of Company.

#### Shares held by the Directors as at March 31, 2022:

| Name of the Director      | Designation          | No. of shares held | Details of shares bought (+) / sold (-) during 2021-2022 |
|---------------------------|----------------------|--------------------|--|
| Mr. Nareshkumar R. Patel  | Managing Director    | 40,03,710          | 0  |
| Mr. Chetankumar Vaghasia  | Whole Time Director  | 30,97,500          | 0  |
| Mr. Virendra Nath Mishra  | Whole Time Director  | 6,30,000           | 0  |
| Mr. Ram Mohan Rao Locande | Whole Time Director  | 0                  | 0  |
| Mr. Girikrishna Maniar    | Independent Director | 0                  | 0  |
| Mr. Hetal Gandhi          | Independent Director | 0                  | 0  |
| Mrs Richa Goyal           | Independent Director | 0                  | 0  |
| Dr. Anita Bandyopadhyay   | Independent Director | 0                  | 0  |

### D. Whistle Blower Policy/Vigil Mechanism:

Details of establishment of vigil mechanism, Whistle Blower Policy and affirmation that no personnel have been denied access to the audit committee: In accordance with the requirements of the Act, read with SEBI Listing Regulations, the Company has a Whistle Blower Policy approved by the Board of Directors. The objectives of the policy are:

- To provide a mechanism for employees and directors of the Company and other persons dealing with the Company to report to the Audit Committee; any instances of unethical behaviour, actual or suspected fraud or violation of the Company's Ethics Policy
- To safeguard the confidentiality and interest of such employees/directors/other persons dealing with the Company against victimization, who notice and report any unethical or improper practices.
- To appropriately communicate the existence of such mechanism, within the organization and to outsiders. Whistle Blower Policy is available on Company's website <http://www.amiorganics.com/corporate-policies.html>.
- The Company confirms that no personnel have been denied access to the Audit Committee pursuant to the whistle blower mechanism.

**E. Management:****I. Management Discussion and Analysis Report:**

Management Discussion and Analysis Report is set out in a separate section included in the Annual Report and forms a part of this Report.

**II. Disclosure of material financial and commercial transactions:**

As per the disclosures received from all the Directors and the Senior Management, no material financial and commercial transactions that may have a potential conflict with the interest of the Company at large were reported to the Company during the year under report.

**F. Reason for Resignation of Independent Directors:**

During the year under review, no Independent Director has resigned from the Company.

**G. Credit Ratings:**

During the year Company has not obtained any credit rating.

**H. Non-Disqualification of Directors:**

The Company has obtained a certificate from M/s Kashyap Shah & Co., Practicing Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as directors of companies by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The said certificate is enclosed to this Corporate Governance Report.

**I. Fees paid to the Statutory Auditors:**

During the financial year 2021-22, the Statutory Auditors of the Company were paid fees for statutory audit and providing other services amounting to Rs. 23.62 Lakhs. The same was approved by the Audit Committee.

**J. Disclosure regarding re-appointment of Director:**

The particulars about the brief resume and other information of the Directors seeking re-appointment as required to be disclosed under this section as per regulation 36(3) of the Listing Regulations are provided as an annexure to the notice convening the fifteenth (15th) Annual General Meeting.

**K. Compliance by the Company:**

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations and guidelines of SEBI. Further, during last three years, no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets.

**L. CEO / CFO Certification:**

The requisite certification from the Managing Director and the Chief Financial Officer required to be given under regulation 17(8) read with Part B of Schedule II of the Listing Regulations forms part of this Report.

**M. Transfer of unclaimed / unpaid dividend amount and shares to Investor Education and Protection Fund ("IEPF"):**

Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit Transfer and Refund) Rules, 2016 ("the Rules"), mandates that companies have to transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the rules mandate that the shares on which dividend has not been paid or claimed for seven consecutive years or more be transferred to the IEPF. The Company confirms that there are no cases of unclaimed dividend with respect to past dividends and hence no such amount was required to be transferred to IEPF account during the FY 2021- 22.

**N. Disclosure regarding end use of funds:**

The funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the SEBI (LODR) Regulations: -

During the year under review, the Company raised funds by way of issue and allotment of 16,58,374 Equity Shares of face value Rs. 10 each at a price of Rs. 603/- (including a premium of Rs. 593/-) per equity share on preferential basis, aggregating to Rs. 1000 millions, by way of Pre-IPO preferential issue.

Further, during the year under review, the Company also raised funds by way of issue and allotment of 32,78,688 Equity Shares of face value of Rs. 10 each at a price of Rs. 610/- (including a premium of Rs. 600/- per equity share, aggregating to Rs. 2000 million on September 8, 2021 by way of Initial Public Offer.

The net proceeds of the aforesaid issues were utilised in accordance with the objects mentioned in the Prospectus dated September 6, 2021. The statement of utilisation of IPO proceeds as on March 31, 2022 is provided as below:

| (Rs. in Millions)   |                         |  |                             |                                    |
|---|-------------------------|--|-----------------------------|------------------------------------|
| Original Object   | Modified Object, if any | Original Allocation as per Prospectus dated Sept 6, 2021 | Modified allocation, if any | Funds Utilised till March 31, 2022 |
| Repayment/prepayment of certain financial facilities availed by our Company | Not Applicable          | 1,400.00   | Not Applicable              | 1,400.00                           |
| Funding working capital requirements of Company                             | Not Applicable          | 900.00   | Not Applicable              | 500.00                             |
| General Corporate Purpose   | Not Applicable          | 459.31   | Not Applicable              | 181.17                             |
| <b>Total</b>  |                         | <b>2759.31</b>   |                             | <b>2081.17</b>                     |

*\*Offer related expenses amounted to Rs. 240.69 million*

#### **Q. Recommendation of the Committees:**

Recommendations of the Committees are submitted to the Board for approval and the Board has accepted all the recommendations during the F.Y 2021-22.

#### **P. Disclosure regarding Sexual Harassment of Women at Workplace:**

The Company has adopted a policy on Sexual Harassment of Women at Workplace for prevention, prohibition and Redressal of sexual harassment at workplace pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 and the Rules framed thereunder.

Internal Complaints Committees (ICC) have been constituted at all Locations of Company to redress the complaints received regarding sexual harassment. The Internal Complaints Committee consists of male and female employees of Company with ethical integrity and an eminent female lawyer from external agency.

Status of the Complaints during the FY 2021-22 is as follows:

| Name of the Stock Exchange   | No. of Complaints |
|--|-------------------|
| Number of Complaints pending as on beginning of the Financial Year | NIL               |
| Number of Complaints filed and resolved during the Financial Year  | 01                |
| Number of Complaints pending as on the end of the Financial Year   | NIL               |

#### **Q. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs, warrants or any convertible instruments.

#### **R. Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount:**

No loans and advances were given to firms/companies in which Directors are interested during FY 2021-22.

#### **S. Auditor's Certificate on Corporate Governance:**

The Auditors' Certificate on Corporate Governance obtained from Kashyap shah & Co., Company Secretaries for compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided as Annexure II to the Corporate Governance Report.



**T. Disclosure on Compliance:**

Company has complied with the requirements of the Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has not adopted discretionary requirements as specified in Part E of schedule II. However, Internal Auditors reports to the Audit Committee every quarter.

**U. Non-compliance of Regulations relating to Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any:**

Company is compliant with Listing Regulations and there are no such non-compliances.

**V. Disclosure on materially significant related party transaction that may have potential conflict with the interest of the Company at large:**

None of the transactions with any of the related parties were in conflict with the interest of the Company

**W. Policy for determining material subsidiaries:**

The policy for determining 'material' subsidiaries are available on Company's website [www.amiorganics.com](http://www.amiorganics.com).

**X. Disclosure of commodity price risks and commodity hedging activities: -**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15th November, 2019 is not applicable.

On behalf of the Board of Directors of  
**Ami Organics Limited**

Date: July 15, 2022

Place: Surat

**Sd/-**  
**Nareshkumar R. Patel**  
Managing Director  
DIN: 00906232

**ANNEXURE I & II****MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS 2015**

Date: May 16, 2022

To,  
 The Board of Directors,  
**Ami Organics Limited**,  
 Plot no. 440/4, 5 & 6, Road No. 82/A,  
 GIDC Sachin, Surat 394230

**Subject: MD and CFO Certification as per Regulation 17(8) of (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Madam,

We Certify that,

- A. We have reviewed financial statements and the cash flow statement for the financial year ended as on March 31, 2022 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. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee
- (1) that no significant changes in internal control over financial reporting occurred during the year;
  - (2) that no significant changes in accounting policies during the year have taken place; and
  - (3) that neither instances of significant fraud of which we have become aware and nor the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Ami Organics Limited**For **Ami Organics Limited**

Sd/-

**Nareshkumar R. Patel**  
 Chairman & Managing Director

Sd/-

**Abhishek Patel**  
 Chief Financial Officer

**Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct: -**

I, Nareshkumar R. Patel, Managing Director of Ami Organics Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the code of conduct for the year ended 31st March, 2022.

I confirm that the Company has in respect of the said financial year, received from the senior management team and the members of the board of the Company a declaration of compliance with the code of conduct as applicable to them.

On behalf of the Board of Directors of  
**Ami Organics Limited**

Date: May 16, 2022  
 Place: Surat

**Sd/-**  
**Nareshkumar R. Patel**  
 Managing Director  
 DIN: 00906232

**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS**

**((Pursuant to Regulation 34 (3) and Schedule V Para E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015))**

To  
The Members,  
**Ami Organics Limited**  
Plot No. 440/4, 5 & 6,  
Road No. 82/A, GIDC  
Sachin, Surat 394230

We, Kashyap Shah & Co., Practicing Company Secretaries have examined the compliance of conditions of Corporate Governance by Ami Organics Limited, having CIN: L24100GJ2007PLC051093 (the "Company") for the year ended 31st March, 2022 as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

We state that the compliance of conditions of corporate governance is the responsibility of the management, and 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 stipulated in the aforesaid provisions of LODR.

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

For **Kashyap Shah & Co.**  
Practicing Company Secretaries

Sd/-  
**(Kashyap Shah)**

Proprietor

Place: Vadodara  
Date: July 15, 2022

FCS No. 7662; CP No. 6672  
UDIN: F007662D000612684

## ANNEXURE II

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members,  
**Ami ORGANICS LIMITED**

Plot no. 440/4, 5 & 6, Road No. 82/A, GIDC Sachin,  
Surat, Gujarat 394230

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Ami Organics Limited having CIN : L24100GJ2007PLC051093 and having registered office at Plot no. 440/4, 5 & 6, Road No. 82/A, GIDC Sachin, Surat, Gujarat 394230 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

| Sr. No. | Name of Director                | DIN      | Date of appointment in Company |
|---------|---------------------------------|----------|--------------------------------|
| 1       | Nareshkumar Ramjibhai Patel     | 00906232 | 12/06/2007                     |
| 2       | Chetankumar Chhaganlal Vagharia | 01375540 | 12/06/2007                     |
| 3       | Girikrishna Maniar              | 07515981 | 23/04/2018                     |
| 4       | Virendra Nath Mishra            | 07815490 | 03/03/2021                     |
| 5       | Hetal Madhukant Gandhi          | 00106895 | 28/04/2021                     |
| 6       | Richa Manoj Goyal               | 00159889 | 01/04/2021                     |
| 7       | Ram Mohan Rao Locande           | 08117035 | 08/02/2022                     |
| 8       | Anita Bandyopadhyay             | 08672071 | 08/02/2022                     |

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

For **Kashyap Shah & Co.**  
Practicing Company Secretaries

Place: Vadodara  
Date: July 15, 2022

Sd/-  
**(Kashyap Shah)**  
Proprietor  
FCS No. 7662; CP No. 6672  
UDIN: F007662D0000615093

# Business Responsibility Report

[Regulation 34(2)(f) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015]

## Overview:

Ami Organics Limited presents its First Business Responsibility Report ("BRR") as mandated by SEBI and in line with the National Voluntary Guidelines ("NVGs") on social, environmental and economic responsibilities of business as released by Ministry of Corporate Affairs ("MCA"). The report has been prepared as prescribed and in accordance with the Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2013 (as amended from time to time) ("Listing Regulation").

The Company's approach to sustainable development is incorporated into its business strategy. An integral part of that sustainable journey is its continuous endeavor to protect the environment through conservation of water and energy, minimization of waste and environmentally sound disposal.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

|     |   |  |
|-----|---|--|
| 1.  | Name  | Ami Organics Limited   |
| 2.  | Corporate Identity Number (CIN) of the Company  | L24100GJ2007PLC051093<br>Incorporated on June 12, 2007   |
| 3.  | Registered Office Address   | Plot no. 440/4, 5 & 6, Road No. 82/A, GIDC Sachin, Surat 394230  |
| 4.  | Website   | www.amiorganics.com  |
| 5.  | E-mail id   | info@amiorganics.com   |
| 6.  | Financial Year reported   | FY 2021-22   |
| 7.  | Sector(s) that the Company is engaged in (industrial activity code-wise)                      | Manufacture of organic & inorganic chemical compounds 20119  |
| 8.  | Name of the Stock Exchange(s) where shares are listed   | BSE Limited<br><br>National Stock Exchange of India Limited<br>Listed on September 14, 2021  |
| 9.  | List three key products/services that the Company manufactures/provides (as in balance sheet) | 1. 1-(3-Chlorophenyl)-4-(3-Chloropropyl) Piperazine Hcl<br>2. 1-Phenyloxindole<br>3. 2h- [1,2,4] Triazolo[4,3-A] Pyridine-3-One  |
| 10. | Total number of locations where business activity is undertaken by the Company                |  |
|     | (a) Number of International Locations (Provide details of major 5)                            | None   |
|     | (b) Number of National Locations  | Registered Office - At Sachin Surat, Gujarat<br>Manufacturing Facilities - Sachin Unit - I, Ankleshwar Unit -II, Jhagadia Unit -III, Gujarat.<br>Research & Development Centre - Sachin Surat, Gujarat<br>Warehouse - Sachin, Surat, Gujarat |
| 11. | Markets served by the Company Local/State/National/ International                             | Company has presence in both local and international markets. In addition to serving Indian markets, Company has global footprint with customers in over 45 countries across 6 continents.   |

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

|    |   |  |
|----|---|--|
| 1. | Paid up Capital (Rs. Lakhs)   | 3643.71  |
| 2. | Total Turnover (Rs. Lakhs)  | 52013.50   |
| 3. | Total profit after taxes (Rs. Lakhs)  | 7194.61  |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | The Company's total spending on CSR for the Financial Year 2021-2022 is Rs. 93.92 Lakhs which is 2% of the average profit after tax of the past 3 financial years. |
| 5. | List of activities in which expenditure in 4 above has been incurred                          | 1. Eradication of Poverty and hunger<br>2. Medical and healthcare<br>3. Education & Skill development<br>4. Rural Development                                      |



## SECTION C: OTHER DETAILS

|    |   |                                 |
|----|---|---------------------------------|
| 1. | Does the Company have any Subsidiary Company/ Companies   | No subsidiary during FY 2021-22 |
| 2. | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)   | Not Applicable                  |
| 3. | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]: | Not during the FY 2021-22       |

## SECTION D: BUSINESS RESPONSIBILITY INFORMATION

|   |   |
|---|---|
| Details of Director/Directors responsible for Business Responsibility | Name: Ram Mohan Rao Locande<br>DIN Number: 08117035<br>Designation: Whole Time Director   |
| Details of the BR head  | DIN Number: 08117035<br>Name : Ram Mohan Rao Locande<br>Designation : Whole Time Director<br>Telephone number : 7227977744<br>E-mail id : rammohan.lokhande@amiorganics.com |

### 1. Principle-wise (as per NVGs) BR Policy/policies

#### (a) Details of compliance (Reply in Y/N)

| Sr. No. | Questions  | P 1  | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---------|--|--|-----|-----|-----|-----|-----|-----|-----|-----|
| 1       | Do you have a policy/ policies for....   | Y  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 2       | Has the policy being formulated in consultation with the relevant stakeholders?  | Y  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 3       | Does the policy conform to any national / international standards? If yes, specify? (50 words)   | Y  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 4       | Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?                                      | Y  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 5       | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?                                  | Y  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 6       | Indicate the link for the policy to be viewed online?  | <a href="https://www.amiorganics.com/corporate-policies.html">https://www.amiorganics.com/corporate-policies.html</a>  |     |     |     |     |     |     |     |     |
| 7       | Has the policy been formally communicated to all relevant internal and external stakeholders?  | Y  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 8       | Does the company have in-house structure to implement the policy/ policies.  | Y  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 9       | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 10      | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?                                 | The Quality, Safety, Health, Environment and Social compliance policies are subject to internal and external audits as a part of different certifications process including ISO 9001, ISO 14001, ISO 45001 |     |     |     |     |     |     |     |     |

#### (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| Sr. No. | Questions   | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---------|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1       | The company has not understood the Principles   | NA  | NA  | NA  | NA  | NA  | NA  | NA  | NA  | NA  |
| 2       | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | NA  | NA  | NA  | NA  | NA  | NA  | NA  | NA  | NA  |
| 3       | The company does not have financial or manpower resources available for the task  | NA  | NA  | NA  | NA  | NA  | NA  | NA  | NA  | NA  |
| 4       | It is planned to be done within next 6 months   | NA  | NA  | NA  | NA  | NA  | NA  | NA  | NA  | NA  |
| 5       | It is planned to be done within the next 1 year   | NA  | NA  | NA  | NA  | NA  | NA  | NA  | NA  | NA  |
| 6       | Any other reason (please specify)   | NA  | NA  | NA  | NA  | NA  | NA  | NA  | NA  | NA  |

**Governance related to BR**

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The Board shall assess the Business Responsibility Performance of the Company on Annual Basis.

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

According to the market capitalization Company falls under the top 1000 list of Companies on BSE & NSE and the Business responsibility reporting is applicable to the Company. This is the first business responsibility report of the Company for the financial year 2021-22 which forms part of the Company's Annual Report for the financial year 2021-22.

**SECTION E: PRINCIPLE-WISE PERFORMANCE****Principle 1 : Ethics, Transparency and Accountability**

- |   |  |  |
|---|--|--|
| 1 | Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?                              | The Company's policy on ethics, bribery and corruption extends to its group companies, joint ventures and subsidiary company. Though the Company's policies cannot be enforced upon the external stakeholders including suppliers, contractors etc. The Company follows zero tolerance on any acts of bribery, corruption etc. by such agencies during their dealings with the Company and or with any of its employees. Further, in compliance with the SEBI Listing Regulations, 2015, Whistle Blower Policy has been implemented as a mechanism for employees, suppliers, contractors etc to report concerns about unethical behavior or actual or suspected fraud of all kinds, including alleged fraud by or against the Company, abuse of authority, whether made by a named complainant or anonymously. The Policy is a step towards better Corporate Governance and is available on the Company's website. |
| 2 | How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so | The Company has in place different mechanisms for receiving and dealing with complaints from different stakeholders viz. shareholders, customers, employees, vendors etc. During the FY 2021-22, 2387 complaints were received from investors for the refund of IPO application money and all have been resolved as on March 31, 2022. Complaints/ grievances are taken promptly from the stakeholders and are resolved with utmost priority by the respective departments within the Company  |

**Principle 2 : Product Sustainability**

- |   |  |  |
|---|--|--|
| 1 | List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities | <p>The Company looks at every opportunity to address environmental concerns at the design stage itself. At the product development stage, environmental and safety aspects of the production design are evaluated in detail. The Company seeks to continually improve the operational efficiencies and resource utilisation.</p> <p>The Company works towards:</p> <ul style="list-style-type: none"> <li>a. reduction in consumption of materials used,</li> <li>b. conservation of energy,</li> <li>c. improved waste and wastewater management through reduced waste generation by recycle and reuse of treated water.</li> </ul> <p>Some initiatives taken during the past year are related to the following products.</p> <ul style="list-style-type: none"> <li>a. Methyl Salicylate</li> <li>b. Methyl Paraben Sodium</li> <li>c. Propyl Paraben Sodium</li> <li>d. Para Cyno Phenol</li> </ul> |
|---|--|--|



## Principle 2 : Product Sustainability

|  |  |
|--|--|
| <p>2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):</p> <p>A) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?</p> <p>B) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p> | <p>A) As a part of process optimization, we are systematically eliminating the usage of water replacing it with solvent based process in some of the products, resulting into reduction in consumption of water. We have also introduced continuous flow reaction in few of our products which considerably reduces the reaction time there by resulting in saving of energy and fuel consumption.</p> <p>B) The Company manufactures and distributes a varied range of pharma intermediate formulations and APIs at its manufacturing facilities. Since consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level. The Company's products do not have any broad-based impact on energy and water consumption. However, ongoing measures are taken by the Company to reduce consumption of energy and water.</p> <p>We are supplying our products to our clients who further process our products and then deliver to consumers. So, there is no mechanism in place to monitor reduction in energy and water usage by consumers. The Company is continuously making efforts to improve Energy Management by way of monitoring energy related parameters on a regular basis.</p>  |
| <p>3 Does the company have procedures in place for sustainable sourcing (including transportation)? Data: If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</p>  | <p>The Company does sustainable procurement of its raw materials and mechanism is in place to procure raw materials from different sources considering availability, transportation, requirement of factories etc. This also includes transportation from suppliers to our factories. The Company has formulated standard operating procedures for approving vendors according to ISO 9001:2015 Quality Management System. Materials, (local as also imported) are procured from approved vendors. Quality assurance teams conduct periodic vendor audits, especially those supplying key materials. Annual freight contracts are entered into with leading transporters for movement of materials. The Company has enduring business relations with regular vendors and receives their unrelenting support.</p>   |
| <p>4 Has the company taken any steps to procure goods and services from local &amp; small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors:</p>  | <p>The Company gives preference to local &amp; small producers nearby our area of operations. Our internal team continuously help them to improve their capacity and capability and also help them improving in the field of health, safety and environment.</p> <p>The Company purchases consumable and engineering items from Small Suppliers at competitive price</p>   |
| <p>5 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as &lt;5%, 5-10%, &gt;10%). Also, provide details thereof, in about 50 words or so. Data:</p>   | <p>Yes, the Company has a system of recycling and reuse of waste products and continuously strengthens water conservation strategies. About 59% of the wastewater generated in plants was recovered, recycled and reused for utilities thereby reducing usage of fresh water.</p> <p>The Company believes in waste minimization and has practices in place to recycle products, wherever possible. This is a part of the drive for process efficiency and product stewardship. The recycling of waste and products of various quality is more than 10%. This reduces the generation of wastes and pollution. The Company also has a system for recovering NOX gases for maintaining a clean environment and efficiency. The Sachin facility of the Company is Zero Liquid Discharge and the same is being complied with in line with Gujarat Pollution Control Board guidelines.</p> <p>Spent solvents generated in the API manufacturing process are recovered in-house and reused or sent to authorized recyclers. Used/spent oil generated from plants is sent to authorised recyclers.</p> <p>The Company has in place "Sustainability Policy" which lays down the Company's commitment to Environmental Safety. One of the focus areas under the Company's Sustainability policy is "Waste Reduction and Reuse"</p> <p><b>Solvent Recovery:</b> - Solvent recovery is our prime focus area and we take several initiatives to recover and reuse solvents in our manufacturing facilities. During the year 85% of our total solvent consumption was from recovered and reused material. We also recycled catalyst in process that also resulted in reduction of resource consumption.</p> <p><b>Water Recycling:</b> - Various measures taken include recovery of wastewater, continuous monitoring of water consumption across all our plants, reduction of water consumption in the process cooling tower and conversion of water cooled air compressors to air cooled ones to reduce water and power consumption.</p> <p><b>Recycling Packaging Material:</b> - Our packaging material includes various containers, drums, bottle, bags, plastic sheets, cardboard, paper labels etc. We have standardized our packaging, making it tamper proof. Due to safety concerns, we do not reuse most of our packaging materials and it is classified as hazardous waste which is disposed of in prescribed manner. The Company also modified the packing of various finished products to reduce the usage.</p> <p>Mechanism is in place to ensure sale/reuse/recycle waste material, wherever possible. The Company has zero liquid discharge based ETP and SBT system for zero-discharge of effluents.</p> |

**Principle 3 : Employees' Well-Being**

| 1       | Please indicate the Total number of employees  | 561   |  |  |  |         |          |  |  |   |   |  |                     |   |                           |   |                     |   |   |   |                     |   |                             |    |    |
|---------|--|---|--|--|--|---------|----------|--|--|---|---|--|---------------------|---|---------------------------|---|---------------------|---|---|---|---------------------|---|-----------------------------|----|----|
| 2       | Please indicate the Total number of employees hired on temporary /contractual/casual basis.:   | 175   |  |  |  |         |          |  |  |   |   |  |                     |   |                           |   |                     |   |   |   |                     |   |                             |    |    |
| 3       | Please indicate the Number of permanent women employees  | 36  |  |  |  |         |          |  |  |   |   |  |                     |   |                           |   |                     |   |   |   |                     |   |                             |    |    |
| 4       | Please indicate the Number of permanent employees with disabilities  | Nil   |  |  |  |         |          |  |  |   |   |  |                     |   |                           |   |                     |   |   |   |                     |   |                             |    |    |
| 5       | Do you have an employee association that is recognized by management   | NA  |  |  |  |         |          |  |  |   |   |  |                     |   |                           |   |                     |   |   |   |                     |   |                             |    |    |
| 6       | What percentage of your permanent employees is members of this recognized employee association   | NA  |  |  |  |         |          |  |  |   |   |  |                     |   |                           |   |                     |   |   |   |                     |   |                             |    |    |
| 7       | Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. | <table><tr><th>Sr. No.</th><th>Category</th><th>No of complaints filed during the financial year</th><th>No of complaints pending as on end of the financial year</th></tr><tr><td>1</td><td>Child labour/forced labour/involuntary labour</td><td>Nil</td><td>Nil</td></tr><tr><td>2</td><td>Sexual harassment</td><td>01</td><td>Nil</td></tr><tr><td>3</td><td>Discriminatory employment</td><td>Nil</td><td>Nil</td></tr></table>   |  |  |  | Sr. No. | Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year | 1 | Child labour/forced labour/involuntary labour | Nil                                    | Nil                 | 2 | Sexual harassment         | 01  | Nil                 | 3 | Discriminatory employment               | Nil   | Nil                 |   |                             |    |    |
| Sr. No. | Category   | No of complaints filed during the financial year  | No of complaints pending as on end of the financial year |  |  |         |          |  |  |   |   |  |                     |   |                           |   |                     |   |   |   |                     |   |                             |    |    |
| 1       | Child labour/forced labour/involuntary labour  | Nil   | Nil  |  |  |         |          |  |  |   |   |  |                     |   |                           |   |                     |   |   |   |                     |   |                             |    |    |
| 2       | Sexual harassment  | 01  | Nil  |  |  |         |          |  |  |   |   |  |                     |   |                           |   |                     |   |   |   |                     |   |                             |    |    |
| 3       | Discriminatory employment  | Nil   | Nil  |  |  |         |          |  |  |   |   |  |                     |   |                           |   |                     |   |   |   |                     |   |                             |    |    |
| 8       | What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?  | <table><tr><th>Sr. No.</th><th>Category</th><th>Safety Training</th><th>Skill upgradation training</th></tr><tr><td>1</td><td>Permanent Employees</td><td>100% of permanent operations employees</td><td>On continuous basis</td></tr><tr><td>2</td><td>Permanent Women Employees</td><td>100 % of permanent women operations employees</td><td>On continuous basis</td></tr><tr><td>3</td><td>Casual/Temporary/ Contractual Employees</td><td>100% of casual / contractual operations employees</td><td>On continuous basis</td></tr><tr><td>4</td><td>Employees with Disabilities</td><td>NA</td><td>NA</td></tr></table> |  |  |  | Sr. No. | Category | Safety Training                                  | Skill upgradation training                               | 1 | Permanent Employees                           | 100% of permanent operations employees | On continuous basis | 2 | Permanent Women Employees | 100 % of permanent women operations employees | On continuous basis | 3 | Casual/Temporary/ Contractual Employees | 100% of casual / contractual operations employees | On continuous basis | 4 | Employees with Disabilities | NA | NA |
| Sr. No. | Category   | Safety Training   | Skill upgradation training                               |  |  |         |          |  |  |   |   |  |                     |   |                           |   |                     |   |   |   |                     |   |                             |    |    |
| 1       | Permanent Employees  | 100% of permanent operations employees  | On continuous basis                                      |  |  |         |          |  |  |   |   |  |                     |   |                           |   |                     |   |   |   |                     |   |                             |    |    |
| 2       | Permanent Women Employees  | 100 % of permanent women operations employees   | On continuous basis                                      |  |  |         |          |  |  |   |   |  |                     |   |                           |   |                     |   |   |   |                     |   |                             |    |    |
| 3       | Casual/Temporary/ Contractual Employees  | 100% of casual / contractual operations employees   | On continuous basis                                      |  |  |         |          |  |  |   |   |  |                     |   |                           |   |                     |   |   |   |                     |   |                             |    |    |
| 4       | Employees with Disabilities  | NA  | NA   |  |  |         |          |  |  |   |   |  |                     |   |                           |   |                     |   |   |   |                     |   |                             |    |    |

**Principle 4 : Stakeholders Responsiveness**

|   |   |  |
|---|---|--|
| 1 | Has the company mapped its internal and external stakeholders? Yes/No   | <p>The Company's key stakeholders include promoters, employees, customers, business associates, investors, agents, suppliers, vendors, service providers, local residents and regulatory agencies. Our Investors comprise of shareholders (including Institutional Investors corporate bodies, foreign institutional investors, foreign bodies etc.</p> <p>The Company and its employees strive to provide value- based services to the stakeholders. The Company is in constant touch with its various stakeholders to understand their concerns and assess their requirements and respond to their needs in an effective manner.</p> |
| 2 | Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.   | Yes, Company has identified the disadvantaged, vulnerable and marginalized stakeholders.   |
| 3 | Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders If so, provide details thereof, in about 50 words or so | CSR initiatives of the Company include providing educational support to children in tribal areas of Gujarat, funding for construction of medical hospital for poor section of society in the local area of Surat in association with NGOs, Distribution of educational books and study materials to poor children, providing health and hygiene facility to the rural and tribal people, skill developments initiatives for children and youth.  |



### Principle 5 : Promotion of Human Rights

|   |  |   |
|---|--|---|
| 1 | Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? | The Company abides by the principle of respect and support for human rights and adheres to the spirit of fundamental rights in its policies and systems. The Company ensures that all individuals impacted by its business shall have access to grievance Redressal mechanisms. The Company conducts business in a manner that respects the rights and dignity of all people, complying with all legal requirements. Company's policy on human rights extends to its group/Joint Ventures/suppliers/Contractors /NGOs and others with whom the Company does business. |
| 2 | How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management.  | During the FY 2021-22 no complaints related to human rights were received   |

### Principle 6 : Environment

|   |  |  |
|---|--|--|
| 1 | Does the policy relate to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others  | We have a well defined Safety, Health & Environment Policy and principles in place to motivate employees to minimize our environmental impact. These policies are part of day-to-day activities of the employees through procedures and instructions to be followed at the workplace. The policy and principles are also communicated to all our stakeholders to ensure that they are in compliance with the policy. Company's policy on Environment, Health and Safety extends to its group/Joint Ventures/suppliers/Contractors /NGOs and others with whom the Company does business.  |
| 2 | Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc | Yes, Company has mapped global environment issues such as climate change & global warming as business risks and has considered these issues as one of the top priority topics. We have made strategies and taken initiatives to address such global issues. We believe that balance in Economic, Social and Environmental objectives, permeating through everyday conduct of business is the key to achieve the goal of Sustainable Development and this will help us to address the global environment issues. The Company has been actively working on reducing Green House gases emissions. In the past year we have reduced our CO2 emission by strengthening the operation of our Boiler which uses clean fuel (CNG) in place of other fuels. |

We are in process to develop an exclusive webpage on sustainability on our website

#### Few glimpses of the initiatives/actions undertaken are highlighted below:

The Company always focusses and gives importance to conservation and optimum utilization of natural resources. The Environment, Health, Safety and Sustainability policy of the Company emphasizes on operating in environmentally responsible and sustainable manner by initiating energy-efficient measures in order to reduce/ eliminate waste.

Water is a precious resource and the Company has in place a mechanism to recover and recycle waste-water in order to reduce consumption of fresh-water.

Every year we set stringent norms compared to previous year for raw material consumption, energy usage, emissions, waste generation and operational efficiencies and these norms are being scrutinized. Various external audits are conducted viz. energy audit, ISO 14001: 2015, ISO 45001:2018 etc. by external agencies to monitor the Company's performance w.r.t. environment and sustainability which help us to identify areas of improvement.

Our facilities use cleaner fuels which helps us to reduce the GHGs emissions. At two manufacturing locations, the existing furnace oil fired boilers have been converted to natural gas fired boilers which is a cleaner fuel.



**Principle 6 : Environment**

|   |  |   |
|---|--|---|
| 3 | Does the company identify and assess potential environmental risks? Y/N  | Yes. The Company goes through identification and assessing potential environment risks associated with expansions / new projects of the company and company's steps are being undertaken to control and negate those risks and hazards.   |
| 4 | Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? | Yes, the Company constantly endeavours to improve its environmental performance and reduction of emission from its existing facilities. For the new products under development the Company ensures minimal impact by optimising the process parameters & controlling emissions. The Company has not registered any projects under the Clean Development Mechanism and no environmental compliance report has been filed   |
| 5 | Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc                                  | <p>Yes, the Company has undertaken various initiatives on clean technology, energy efficiency and renewable energy. Some of key initiatives are captured below.</p> <ol style="list-style-type: none"> <li>The Company has upgraded its Effluent Treatment Plant (ETP) by adding Soil Bio Technology (SBT) in existing facilities. This up-gradation has helped us to further improve final treated wastewater quality.</li> <li>Company has installed upgraded its effluent treatment new air blower with membrane diffuser system in aeration tank and replaced surface aerator in ETP. This will help to improve the DO level in aeration tank and also reduce energy consumption.</li> <li>Reduction in pumping power by utilization of chilled water system return pressure and elimination of hot-well cold well tanks.</li> <li>Installation of auto tube cleaning system in chiller line for reducing the salt scaling formation and maintaining heating efficiency continuously with constant value.</li> <li>Replacement of old pumps and motor with high efficiency pumps &amp; motors.</li> <li>Replacement of ordinary/CFL light fittings by LED light fittings.</li> <li>Installation of motion sensors in areas like offices, warehouse to optimize lighting and thereby reducing power consumption.</li> <li>Provision of booster pump to avoid higher head of utility pump.</li> <li>Reduction in generation and distribution losses after converting into centralized operation of chilled water and sub-zero brine to save power.</li> </ol> |
| 6 | Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?   | Yes, monthly monitoring of emissions/ waste through GPCB approved Laboratory and all reports are within the prescribed limit the environmental regulator by Gujarat Pollution Control Board   |
| 7 | Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year  | We have not received any show cause/ legal notices received from CPCB/ SPCB during the FY 2021-22   |

**Principle 7 : Policy Advocacy**

|   |  |   |
|---|--|---|
| 1 | Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with   | <p>Some of the major associations to which the company holds membership are:</p> <ol style="list-style-type: none"> <li>The Southern Gujarat Chamber of Commerce and Industry</li> <li>Confederation of Indian Industry</li> <li>Federation of Gujarat Industries</li> <li>Chemexoil set up by the Ministry of Commerce &amp; Industry Government of India</li> </ol> |
| 2 | Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others). | We have not advocated for policy and economic reforms for public good during the FY 2021-22.  |

**Principle 8 : Equitable Development**

| 1  | Does the company have specified Programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.             | The Company has undertaken various CSR initiatives in education, health care and rural development. Further, the Company carries out various philanthropic activities through different NGOs, and Implementing Agencies  |                  |  |  |                     |                     |         |                  |  |  |   |          |   |                                 |                                    |          |   |   |          |                                   |                         |   |          |  |  |  |          |                              |  |            |  |  |            |                                     |                                       |   |            |       |  |  |             |  |
|--|---|--|------------------|--|--|---------------------|---------------------|---------|------------------|--|--|---|----------|---|---------------------------------|------------------------------------|----------|---|---|----------|-----------------------------------|-------------------------|---|----------|--|--|--|----------|------------------------------|--|------------|--|--|------------|-------------------------------------|---------------------------------------|---|------------|-------|--|--|-------------|--|
| 2  | Are the Programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/ any other organization?              | The Company undertakes CSR projects directly and also through implementing agencies viz. Non-Profit Organizations, Trusts & Foundation duly registered under applicable laws.  |                  |  |  |                     |                     |         |                  |  |  |   |          |   |                                 |                                    |          |   |   |          |                                   |                         |   |          |  |  |  |          |                              |  |            |  |  |            |                                     |                                       |   |            |       |  |  |             |  |
| 3  | Have you done any impact assessment of your initiative?   | We review our internal assessment systems and projects time to time  |                  |  |  |                     |                     |         |                  |  |  |   |          |   |                                 |                                    |          |   |   |          |                                   |                         |   |          |  |  |  |          |                              |  |            |  |  |            |                                     |                                       |   |            |       |  |  |             |  |
| 4  | What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?               | <table><tr><th>Name of CSR Project</th><th>Implemented through</th><th>Project</th><th>Amount disbursed</th></tr><tr><td>School Education and vocational training &amp; skill development for students.</td><td>Shree Jagatbharti Education and Charitable trust</td><td>Vocational Training for reaching to unreached</td><td>20 Lakhs</td></tr><tr><td rowspan="2">Health Care including Preventive Healthcare, Construction of Hospital</td><td>1. Samast Patidar Aarogya Trust</td><td>Construction of Community Hospital</td><td>17 Lakhs</td></tr><tr><td>2. Raginiben Bipinchandra Sevakarya Trust</td><td>Maa Saraswati Multi Speciality Hospital cum Medical College</td><td>22 Lakhs</td></tr><tr><td>Education and Awareness programme</td><td>High on Life Foundation</td><td>Spreading education on drug addiction in youth across Gujarat</td><td>10 Lakhs</td></tr><tr><td rowspan="3">Rural Development Projects in the rural areas of Gujarat</td><td>1. Brahmarishi Gyan Samvardhak Trust -</td><td>Rural Development, Community mobilisation and livelihood promotion programme</td><td>20 Lakhs</td></tr><tr><td>2. Friends of Tribal Society</td><td></td><td>2.51 Lakhs</td></tr><tr><td>3. Shree Gujarat Vanvasi Kalyan Parishad</td><td></td><td>1.50 Lakhs</td></tr><tr><td>Other activities under Schedule VII</td><td>Direct for education of poor children</td><td>Funding of school fees and distribution of educational materials in association with Rotary Club of Surat Gujarat</td><td>0.91 Lakhs</td></tr><tr><td colspan="3">TOTAL</td><td colspan="2">93.92 Lakhs</td></tr></table> |                  |  |  | Name of CSR Project | Implemented through | Project | Amount disbursed | School Education and vocational training & skill development for students. | Shree Jagatbharti Education and Charitable trust | Vocational Training for reaching to unreached | 20 Lakhs | Health Care including Preventive Healthcare, Construction of Hospital | 1. Samast Patidar Aarogya Trust | Construction of Community Hospital | 17 Lakhs | 2. Raginiben Bipinchandra Sevakarya Trust | Maa Saraswati Multi Speciality Hospital cum Medical College | 22 Lakhs | Education and Awareness programme | High on Life Foundation | Spreading education on drug addiction in youth across Gujarat | 10 Lakhs | Rural Development Projects in the rural areas of Gujarat | 1. Brahmarishi Gyan Samvardhak Trust - | Rural Development, Community mobilisation and livelihood promotion programme | 20 Lakhs | 2. Friends of Tribal Society |  | 2.51 Lakhs | 3. Shree Gujarat Vanvasi Kalyan Parishad |  | 1.50 Lakhs | Other activities under Schedule VII | Direct for education of poor children | Funding of school fees and distribution of educational materials in association with Rotary Club of Surat Gujarat | 0.91 Lakhs | TOTAL |  |  | 93.92 Lakhs |  |
| Name of CSR Project  | Implemented through   | Project  | Amount disbursed |  |  |                     |                     |         |                  |  |  |   |          |   |                                 |                                    |          |   |   |          |                                   |                         |   |          |  |  |  |          |                              |  |            |  |  |            |                                     |                                       |   |            |       |  |  |             |  |
| School Education and vocational training & skill development for students. | Shree Jagatbharti Education and Charitable trust  | Vocational Training for reaching to unreached  | 20 Lakhs         |  |  |                     |                     |         |                  |  |  |   |          |   |                                 |                                    |          |   |   |          |                                   |                         |   |          |  |  |  |          |                              |  |            |  |  |            |                                     |                                       |   |            |       |  |  |             |  |
| Health Care including Preventive Healthcare, Construction of Hospital      | 1. Samast Patidar Aarogya Trust   | Construction of Community Hospital   | 17 Lakhs         |  |  |                     |                     |         |                  |  |  |   |          |   |                                 |                                    |          |   |   |          |                                   |                         |   |          |  |  |  |          |                              |  |            |  |  |            |                                     |                                       |   |            |       |  |  |             |  |
|  | 2. Raginiben Bipinchandra Sevakarya Trust   | Maa Saraswati Multi Speciality Hospital cum Medical College  | 22 Lakhs         |  |  |                     |                     |         |                  |  |  |   |          |   |                                 |                                    |          |   |   |          |                                   |                         |   |          |  |  |  |          |                              |  |            |  |  |            |                                     |                                       |   |            |       |  |  |             |  |
| Education and Awareness programme  | High on Life Foundation   | Spreading education on drug addiction in youth across Gujarat  | 10 Lakhs         |  |  |                     |                     |         |                  |  |  |   |          |   |                                 |                                    |          |   |   |          |                                   |                         |   |          |  |  |  |          |                              |  |            |  |  |            |                                     |                                       |   |            |       |  |  |             |  |
| Rural Development Projects in the rural areas of Gujarat                   | 1. Brahmarishi Gyan Samvardhak Trust -  | Rural Development, Community mobilisation and livelihood promotion programme   | 20 Lakhs         |  |  |                     |                     |         |                  |  |  |   |          |   |                                 |                                    |          |   |   |          |                                   |                         |   |          |  |  |  |          |                              |  |            |  |  |            |                                     |                                       |   |            |       |  |  |             |  |
|  | 2. Friends of Tribal Society  |  | 2.51 Lakhs       |  |  |                     |                     |         |                  |  |  |   |          |   |                                 |                                    |          |   |   |          |                                   |                         |   |          |  |  |  |          |                              |  |            |  |  |            |                                     |                                       |   |            |       |  |  |             |  |
|  | 3. Shree Gujarat Vanvasi Kalyan Parishad  |  | 1.50 Lakhs       |  |  |                     |                     |         |                  |  |  |   |          |   |                                 |                                    |          |   |   |          |                                   |                         |   |          |  |  |  |          |                              |  |            |  |  |            |                                     |                                       |   |            |       |  |  |             |  |
| Other activities under Schedule VII  | Direct for education of poor children   | Funding of school fees and distribution of educational materials in association with Rotary Club of Surat Gujarat  | 0.91 Lakhs       |  |  |                     |                     |         |                  |  |  |   |          |   |                                 |                                    |          |   |   |          |                                   |                         |   |          |  |  |  |          |                              |  |            |  |  |            |                                     |                                       |   |            |       |  |  |             |  |
| TOTAL  |   |  | 93.92 Lakhs      |  |  |                     |                     |         |                  |  |  |   |          |   |                                 |                                    |          |   |   |          |                                   |                         |   |          |  |  |  |          |                              |  |            |  |  |            |                                     |                                       |   |            |       |  |  |             |  |
| 5  | Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so | Yes, from time to time we undertake the assessment of reports from implementing agencies on the projects undertaken by them through follow ups, reporting, field visits wherever required  |                  |  |  |                     |                     |         |                  |  |  |   |          |   |                                 |                                    |          |   |   |          |                                   |                         |   |          |  |  |  |          |                              |  |            |  |  |            |                                     |                                       |   |            |       |  |  |             |  |

**Principle 9 : Customer Value**

|   |  |   |
|---|--|---|
| 1 | What percentage of customer complaints/ consumer cases are pending as on the end of financial year?  | There are no material customer complaints outstanding as at the end of the financial year 2021-22.  |
| 2 | Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)   | We comply with all local and international product labelling requirements for our products. Further company also complies with all product labelling requirements of our customers. |
| 3 | Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year If so, provide details thereof, in about 50 words or so | There is no such instance of any case filed by any stakeholder against the company regarding the above. during the financial year 2021-22.  |
| 4 | Did your company carry out any consumer survey/ consumer satisfaction trends?  | Yes, the Company collects customer feedback through constant interactions on an on-going basis  |

On behalf of the Board of Directors of  
**Ami Organics Limited**

Date: July 15, 2022  
Place: Surat

**Sd/-**  
**Nareshkumar R. Patel**  
Managing Director  
DIN: 00906232

# Independent Auditor's Report

To  
The Members of  
**Ami Organics Limited**

## Report on the Audit of Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Ami Organics Limited** (CIN-L24100GJ2007PLC051093) ("the Company"), which comprise the balance sheet as at 31st March 2022, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the statement of cash flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone 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 on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. 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.

#### The key audit matters

##### Capitalisation of Assets

There are a number of areas where management judgement impacts the carrying value of property, plant and equipment, and their respective depreciation profiles. These include: - the decision to capitalise or expense costs; - the annual asset life review including the impact of changes in the strategy; and - the timeliness of the transfer from assets in the course of construction. Refer Note 3.09 - of the standalone financial statements "Property, plant and equipment".

##### Inventories

At 31 March 2022, Inventory of Finished Goods is disclosed in note 8 - Inventories.

In order to carry inventory at the lower of cost and net realisable value, management has identified overheads cost and made adjustments to the carrying value of these items, the calculation of which requires certain estimates and assumptions. These judgments include bifurcation of overhead cost on the Finish good, using factors existing at the reporting date. i.e. overheads is charged to the Finished goods.

#### How our audit addressed the key audit matter

We tested controls in place over the property, plant and equipment cycle, evaluated the appropriateness of capitalisation policies, performed tests of details on costs capitalised and assessed the timeliness of the transfer of assets in the course of construction and the application of the asset life. In performing these substantive procedures, we assessed the judgements made by management including: - the nature of underlying costs capitalised; - the appropriateness of asset lives applied in the calculation of depreciation. Assessed the appropriateness of work in progress on balance sheet date by evaluating the underlying documentation to identify possible delays.

Our procedures included the following to assess inventory cost:

Assessing the reasonableness of the methodologies applied by management for consistency with prior years and our knowledge of industry practice.

- Evaluating the assumptions and estimates applied to the methodologies
  - testing the identification of such inventories;
  - testing the accuracy of historical information and data trends;
- Sample Testing the estimated future sales values, less estimated costs to sell against the carrying value of the inventories.
- Recalculating the arithmetical accuracy of the computations.

## Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Standalone financial statements

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

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

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



- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Standalone Financial Statements

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year 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

- As required by Section 143(3) of the Act, based on our audit report we report that:
  - We have sought and, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - 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.
  - The balance sheet, the statement of profit and loss, including other comprehensive income, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- On the basis of written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, from being appointed as a director in terms of Section 164(2) of the Act;
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**"; and
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 31 to the standalone financial statements.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, if any; and
  - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. (a) The Company has not paid or declared any dividend during the year and until the date of report, Hence, Compliance in accordance with section 123 of the Act is not applicable.
- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Maheshwari & Co.**  
Chartered Accountants  
Firm's Registration No.105834W

**K. K. Maloo**  
Partner  
Membership No. 075872  
UDIN: 22075872AJBBNV2381

Place: Surat  
Date: May 16, 2022

# Annexure 'A'

## to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of Ami ORGANICS LIMITED ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgments, 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 over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be

detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future years 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, to the best of our information and according to explanation given to us, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting

criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Maheshwari & Co.**  
Chartered Accountants  
Firm's Registration No.105834W

Place: Surat  
Date: May 16, 2022

**K. K. Maloo**  
Partner  
Membership No. 075872  
UDIN: 22075872AJBBNV2381



## Annexure 'B'

### to the Independent Auditors' Report

(Referred to in paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

1. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a year of three years. In accordance with this program, certain fixed assets were verified during the year and verification is under process as per the verification plan and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year
  - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder,
2. a) The management has conducted physical verification of inventory at reasonable intervals during the year. On the basis of examination of records, we are of the opinion that the coverage and procedure of such verification is appropriate and that no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification. The discrepancies wherever noted have been properly dealt with in the books of account of the Company.
- b) According to information and explanations given to us, The Company has been sanctioned working capital limits in excess of Rs. 500 Lakhs, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion, the company files monthly statement to the bank. The company is maintaining proper records. The discrepancies noticed on verification of record and compared with the books of account were not material.
3. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
  - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
  - (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
  - (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
  - (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
  - (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
  - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
4. According to information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investment and providing guarantees and securities, as applicable.



5. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder during the year. Accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
6. In our opinion and according to the information and explanations given to us, the maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Companies Act, 2013, in respect of the activities carried on by the Company. We have broadly reviewed the books of account relating to materials; Labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
7. a) According to the information and explanation given to us, the Company has been generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, Goods and Service Tax, custom duty, excise duty, value added tax, cess and other material statutory dues as applicable with the appropriate authorities. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as on the last day of the financial year for a year of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of sales tax, service tax, customs duty, excise duty, value added tax and cess, which have not been deposited on account of any dispute with the relevant authorities. Details of dues of Income-tax which have not been deposited as on 31st March, 2022 on account of disputes are given below:

(₹ in. lakhs )

| Name of Statute                 | Nature of dues | Forum where dispute is pending | Year to which the amount relates | Amount Involved |
|---------------------------------|----------------|--------------------------------|----------------------------------|-----------------|
| <b>The Income tax Act, 1961</b> | Income Tax     | CIT Appeal                     | 2012-13                          | 204.68          |
| The Income tax Act, 1961        | Income Tax     | CIT Appeal                     | 2015-16                          | 61.90           |
| The Income tax Act, 1961        | Income Tax     | CIT Appeal                     | 2016-17                          | 2.99            |

8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. (a) The Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary or joint venture company.
10. (a) According to the information and explanations given to us, The Company has raised moneys by way of initial public offer of equity shares during the year. In our opinion, the end use of the money raised is as per the terms and conditions stated in the offer document.
- (b) During the year, the company has made preferential allotment or private placement of shares. the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.
11. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistleblower complaints received by the Company during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.



13. In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
14. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.  
  
(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
15. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
16. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.  
  
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of

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

20. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.  
  
(b) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a special account in compliance with provision of sub section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For **Maheshwari & Co.**  
Chartered Accountants  
Firm's Registration No.105834W

**K. K. Maloo**

Partner

Membership No. 075872

UDIN: 22075872AJBBNV2381

Place: Surat

Date: May 16, 2022

# Standalone Balance Sheet

as at 31 March 2022

(Amount in Lakhs)

| Particulars   | Note No.   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------|------------------------|------------------------|
| <b>I. ASSETS</b>  |            |                        |                        |
| <b>Non-current assets</b>   |            |                        |                        |
| a) Property, Plant and Equipment  | 4a         | 15,844.31              | 14,217.62              |
| b) Right of use assets  | 4b         | 1,936.57               | 1,842.91               |
| c) Capital Work-In-Progress   | 4c         | 296.05                 | 20.01                  |
| d) Other Intangible Assets  | 4d         | 7.18                   | 0.75                   |
| e) Financial Assets   |            |                        |                        |
| (i) Investments   | 5          | 3,340.43               | 3,324.31               |
| (ii) Other Financial Assets   | 6          | 1,085.73               | 270.60                 |
| f) Other Non-Current Assets   | 7          | 322.24                 | 38.53                  |
| <b>Total Non-Current Assets</b>   | (A)        | <b>22,832.51</b>       | <b>19,714.73</b>       |
| <b>Current Assets</b>   |            |                        |                        |
| a) Inventories  | 8          | 11,217.09              | 6,036.31               |
| b) Financial Assets   |            |                        |                        |
| (i) Trade Receivables   | 9          | 16,166.12              | 11,872.34              |
| (ii) Cash and Cash Equivalents  | 10(a)      | 966.14                 | 155.95                 |
| (iii) Bank Balances Other Than (ii) Above   | 10(b)      | 8,925.49               | -                      |
| (iv) Loans  | 11         | 46.41                  | 33.44                  |
| c) Current Tax Assets(Net)  |            | 494.06                 | -                      |
| d) Other Assets   | 12         | 4,812.77               | 3,215.83               |
| <b>Total Current Assets</b>   | (B)        | <b>42,628.08</b>       | <b>21,313.87</b>       |
| <b>Total Assets</b>   | I=(A)+(B)  | <b>65,460.59</b>       | <b>41,028.60</b>       |
| <b>II. EQUITY AND LIABILITIES</b>   |            |                        |                        |
| <b>Equity</b>   |            |                        |                        |
| a) Equity Share Capital   | 13         | 3,643.71               | 3,150.00               |
| b) Other Equity   | 14         | 48,156.68              | 13,245.10              |
| <b>Total Equity</b>   | (C)        | <b>51,800.38</b>       | <b>16,395.10</b>       |
| <b>Non-current liabilities</b>  |            |                        |                        |
| a) Financial Liabilities  |            |                        |                        |
| (i) Borrowings  | 15         | 58.81                  | 7,264.42               |
| b) Provisions   | 16         | 43.60                  | 436.84                 |
| c) Deferred Tax Liabilities (Net)   | 17         | 626.43                 | 327.84                 |
| <b>Total Non-Current Liabilities</b>  |            | <b>728.83</b>          | <b>8,029.10</b>        |
| <b>Current Liabilities</b>  |            |                        |                        |
| a) Financial Liabilities  |            |                        |                        |
| (i) Borrowings  | 18         | 25.60                  | 6,399.15               |
| (ii) Trade Payables   |            |                        |                        |
| A. Total outstanding dues of micro enterprises and small enterprises                | 19         | 1,508.05               | 39.04                  |
| B. Total outstanding dues of other than micro enterprises and small enterprises     |            | 10,333.03              | 8,438.46               |
| b) Other Current Liabilities  | 20         | 462.64                 | 1,515.97               |
| c) Provisions   | 21         | 602.06                 | 96.62                  |
| d) Current Tax Liability (Net)  | 22         | -                      | 115.16                 |
| <b>Total Current Liabilities</b>  |            | <b>12,931.38</b>       | <b>16,604.40</b>       |
| <b>Total Liabilities</b>  | (D)        | <b>13,660.21</b>       | <b>24,633.50</b>       |
| <b>Total Equity and Liabilities</b>   | II=(C)+(D) | <b>65,460.59</b>       | <b>41,028.60</b>       |
| Significant Accounting Policies   | 2-3        |                        |                        |
| The accompanying notes form an integral part of the standalone financial statements |            |                        |                        |

As per our report of even date attached

For **Maheshwari & Co.**

Chartered Accountants

FRN 105834W

For and on behalf of the Board of Directors of **Ami Organics Limited****K. K Maloo**

Partner

Membership No.: 075872

Place: Surat

Date: 16/05/2022

**Chetankumar C. Vaghasia**

Whole Time Director

(DIN-01375540)

**Ekta Kumari**

Company Secretary

A - 27323

**Nareshkumar R. Patel**

Chairman &amp; Managing Director

(DIN-00906232)

**Abhishek Patel**

Chief Financial Officer

(PAN-AKNPP5102F)

# Standalone Statement of Profit and Loss

for the year ended 31 March 2022

(Amount in Lakhs)

| Particulars   | Note No. | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|----------|----------------------------------|----------------------------------|
| Revenue from operations   | 23       | 52,013.50                        | 34,060.79                        |
| Other income  | 24       | 276.23                           | 133.03                           |
| <b>Total Revenue (A)</b>  |          | <b>52,289.73</b>                 | <b>34,193.82</b>                 |
| <b>Expenses</b>   |          |                                  |                                  |
| Cost of raw materials consumed  | 25       | 28,233.30                        | 17,487.20                        |
| Changes in inventories of finished goods/traded goods and work-in-progress          | 26       | (949.67)                         | 481.36                           |
| Employee benefits expense   | 27       | 4,136.64                         | 2,098.93                         |
| Finance costs   | 28       | 640.73                           | 561.84                           |
| Depreciation and amortisation expense   | 4        | 1,008.02                         | 418.80                           |
| Other expenses  | 29       | 10,075.67                        | 5,973.06                         |
| <b>Total expenses (B)</b>   |          | <b>43,144.69</b>                 | <b>27,021.19</b>                 |
| <b>Profit before tax</b>  |          | <b>9,145.04</b>                  | <b>7,172.63</b>                  |
| Tax expense:  |          |                                  |                                  |
| - Current tax   |          | 1,672.15                         | 1,756.40                         |
| - Deferred tax  |          | 278.28                           | 16.33                            |
|   |          | <b>1,950.43</b>                  | <b>1,772.73</b>                  |
| <b>Profit for the year</b>  |          | <b>7,194.61</b>                  | <b>5,399.90</b>                  |
| <b>Other Comprehensive Income/(Loss)</b>  |          |                                  |                                  |
| <b>Items that will not be reclassified to statement of profit and loss</b>          |          |                                  |                                  |
| Remeasurement of defined employee benefit plans                                     |          | 80.65                            | (3.73)                           |
| Tax impact of items that will not be reclassified to statement of profit and loss   |          | (20.30)                          | 0.94                             |
| <b>Total comprehensive income for the year</b>                                      |          | <b>7,254.96</b>                  | <b>5,397.11</b>                  |
| <b>Earnings per equity share</b>  |          |                                  |                                  |
| (1) Basic   |          | 21.03                            | 17.14                            |
| (2) Diluted   |          | 21.03                            | 17.14                            |
| Nominal value of equity shares  |          | 10.00                            | 10.00                            |
| Significant Accounting Policies   | 2-3      |                                  |                                  |
| The accompanying notes form an integral part of the standalone financial statements |          |                                  |                                  |

As per our report of even date attached

For **Maheshwari & Co.**

Chartered Accountants

FRN 105834W

**K. K Maloo**

Partner

Membership No.: 075872

Place: Surat

Date: 16/05/2022

For and on behalf of the Board of Directors of **Ami Organics Limited**

**Chetankumar C. Vaghasia**

Whole Time Director

(DIN-01375540)

**Ekta Kumari**

Company Secretary

A - 27323

**Nareshkumar R. Patel**

Chairman & Managing Director

(DIN-00906232)

**Abhishek Patel**

Chief Financial Officer

(PAN-AKNPP5102F)

# Standalone Statement of Cash Flow

for the year ended 31 March 2022

(Amount in Lakhs)

| Particulars  | For the year ended<br>31 March 2022 | For the year ended<br>31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| <b>Cash flow from/(used in) operating activities</b>   |                                     |                                     |
| Profit before tax  | 9,145.04                            | 7,172.62                            |
| <b>Adjustment for:</b>   |                                     |                                     |
| Interest expense   | 544.91                              | 510.80                              |
| Interest income  | (258.18)                            | (19.53)                             |
| Depreciation and amortization  | 1,008.02                            | 418.80                              |
| Unrealised exchange difference (net)   | (59.24)                             | (21.34)                             |
| (Profit)/Loss from sale of Property, plant and equipment   | -                                   | 1.78                                |
| Remeasurement of defined employee benefit plans  | 80.65                               | (3.73)                              |
| <b>Operating Profit Before Working Capital Changes</b>   | <b>10,461.21</b>                    | <b>(8059.40)</b>                    |
| <b>Movement in working capital:</b>  |                                     |                                     |
| (Increase)/decrease in trade receivables   | (4,138.14)                          | (6,609.51)                          |
| (Increase)/decrease in inventories   | (5,180.78)                          | (802.14)                            |
| (Increase)/decrease in loans   | (12.98)                             | (5.72)                              |
| (Increase)/decrease in other financial Assets  | (815.13)                            | 24.95                               |
| (Increase)/decrease in other Current Assets  | (1,328.02)                          | (1,504.50)                          |
| Increase/(decrease) in trade payables  | 3,267.20                            | 3,345.19                            |
| Increase/(decrease) in other current liabilities   | (1,053.33)                          | 1,352.19                            |
| Increase/(decrease) in provision   | 112.19                              | 249.17                              |
| <b>Cash generated/(used) in operations</b>   | <b>1,312.23</b>                     | <b>4,109.03</b>                     |
| Income taxes paid  | (2,281.38)                          | (1,417.52)                          |
| <b>Net Cash flow from operating activities (A)</b>   | <b>(969.15)</b>                     | <b>2,691.50</b>                     |
| <b>Cash flow from/(used) investing activities</b>  |                                     |                                     |
| Payments Property, plant and equipment, (Including Capital WIP & Intangible Assets)                    | (3,279.74)                          | (10,442.92)                         |
| Interest received  | 258.18                              | 19.53                               |
| Proceeds from sale of Property, plant and equipment (Including Capital WIP & Intangible Assets)        | -                                   | 253.75                              |
| (Increase)/decrease in Other Bank Balance  | (8,925.49)                          | -                                   |
| (Increase)/decrease in Investment  | (299.84)                            | 95.86                               |
| <b>Cash generated/(used) in investing activities (B)</b>   | <b>(12,246.89)</b>                  | <b>(10,073.79)</b>                  |
| <b>Cash flow from/(used in) financing activities</b>   |                                     |                                     |
| Proceed/(repayment) of borrowings (net)  | (13,579.16)                         | 7,721.63                            |
| Proceeds from issue of share capital (including securities premium)                                    | 29,999.99                           | -                                   |
| Share issue expenses   | (1,849.67)                          | -                                   |
| Interest paid  | (544.91)                            | (510.80)                            |
| <b>Cash generated/(used) in financing activities (C)</b>   | <b>14,026.25</b>                    | <b>7,210.83</b>                     |
| <b>Effect of Exchange differences on translation of foreign currency cash and cash equivalents (D)</b> | <b>0.00</b>                         | <b>0.06</b>                         |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C-D)</b>                                  | <b>810.19</b>                       | <b>(171.51)</b>                     |
| Cash and cash equivalent at beginning of year  | 155.95                              | 327.47                              |
| Cash and cash equivalent at end of year  | 966.14                              | 155.95                              |
| <b>Net increase/(decrease) as disclosed above</b>  | <b>810.19</b>                       | <b>(171.51)</b>                     |

As per our report of even date attached  
For **Maheshwari & Co.**  
Chartered Accountants  
FRN 105834W

**K. K Maloo**  
Partner  
Membership No.: 075872

Place: Surat  
Date: 16/05/2022

For and on behalf of the Board of Directors of **Ami Organics Limited**

**Chetankumar C. Vaghasia**  
Whole Time Director  
(DIN-01375540)

**Ekta Kumari**  
Company Secretary  
A - 27323

**Nareshkumar R. Patel**  
Chairman & Managing Director  
(DIN-00906232)

**Abhishek Patel**  
Chief Financial Officer  
(PAN-AKNPP5102F)





# Standalone Statement of Changes in Equity

for the year ended 31 March 2022

## A Equity Share Capital

### (1) Current reporting period

(Amount in Lakhs)

| Balance at the beginning of current reporting period April 1, 2021 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period April 1, 2021 | Changes in equity share capital during the current year | Balance at the end of the current reporting period March 31, 2022 |
|--|--|---|---|---|
| 3,150.00   | -  | -   | 493.71  | 3,643.71  |

### (2) Previous reporting period

(Amount in Lakhs)

| Balance at the beginning of previous reporting period April 1, 2020 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period April 1, 2020 | Changes in equity share capital during the previous year | Balance at the end of the previous reporting period March 31, 2021 |
|---|--|---|--|--|
| 1,050.00  | -  | -   | 2,100.00   | 3,150.00   |

## B Other Equity

### (1) Current reporting period

(Amount in Lakhs)

| Particulars  | Reserve & Surplus |                    |                 |                   | Other Item of other comprehensive Income (Actuarial gains and losses) | Total      |
|--|-------------------|--------------------|-----------------|-------------------|---|------------|
|  | Capital Reserve   | Securities Premium | General Reserve | Retained Earnings |   |            |
| Balance at the beginning of current reporting period April 1, 2021 | 200.02            | -                  | -               | 13,128.11         | (83.03)   | 13,245.10  |
| Changes in accounting policy or prior period errors                | -                 | -                  | -               | -                 | -   | -          |
| Restated balance at the beginning of the current reporting period  | -                 | 29,506.29          | -               | -                 | -   | 29,506.29  |
| Total Comprehensive Income for the current year                    | -                 | -                  | -               | -                 | 60.35   | 60.35      |
| Dividends  | -                 | -                  | -               | -                 | -   | -          |
| Transfer to retained earnings                                      | -                 | -                  | -               | 7,194.61          | -   | 7,194.61   |
| Any other changes (to be specified)                                | -                 | -                  | -               | -                 | -   | -          |
| Issue Expense  | -                 | (1,849.67)         | -               | -                 | -   | (1,849.67) |
| Balance at the end of the current reporting period March 31, 2022  | 200.02            | 27,656.62          | -               | 20,322.72         | (22.68)   | 48,156.68  |

### (2) Previous reporting period

(Amount in Lakhs)

| Particulars   | Reserve & Surplus |                    |                    |                   | Other Item of other comprehensive Income (Actuarial gains and losses) | Total      |
|---|-------------------|--------------------|--------------------|-------------------|---|------------|
|   | Capital Reserve   | Securities Premium | Securities Premium | Retained Earnings |   |            |
| Balance at the beginning of previous reporting period April 1, 2020 | -                 | -                  | -                  | 9,828.22          | (80.24)   | 9,747.98   |
| Restated balance at the beginning of the current reporting period   | -                 | -                  | -                  | -                 | -   | -          |
| Total Comprehensive Income for the previous year                    | -                 | -                  | -                  | -                 | (2.79)  | (2.79)     |
| Dividends   | -                 | -                  | -                  | -                 | -   | -          |
| Transfer to retained earnings                                       | -                 | -                  | -                  | 5,399.89          | -   | 5,399.89   |
| Capital Reserve on acquisition                                      | 200.02            | -                  | -                  | -                 | -   | 200.02     |
| Issue of Bonus Shares   | -                 | -                  | -                  | (2,100.00)        | -   | (2,100.00) |
| Balance at the end of the previous reporting period March 31, 2021  | 200.02            | -                  | -                  | 13,128.11         | (83.03)   | 13,245.10  |

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **Maheshwari & Co.**

Chartered Accountants

FRN 105834W

For and on behalf of the Board of Directors of **Ami Organics Limited**

**K. K Maloo**

Partner

Membership No.: 075872

**Chetankumar C. Vaghasia**

Whole Time Director

(DIN-01375540)

**Nareshkumar R. Patel**

Chairman & Managing Director

(DIN-00906232)

Place: Surat

Date: 16/05/2022

**Ekta Kumari**

Company Secretary

A - 27323

**Abhishek Patel**

Chief Financial Officer

(PAN-AKNPP5102F)

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## 1 Company overview

Ami Organics Limited ("the Company") was originally formed as a partnership firm under the Partnership Act, 1932 in the name of "Ami Organics" pursuant to a deed of partnership dated January 3, 2004 with Promoters, among others, as partners. "Ami Organics" was then converted into private limited company under part IX of the Companies Act, 1956 under the name of "Ami Organics Private Limited" vide certificate of incorporation dated June 12, 2007 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Further, pursuant to a resolution passed by our shareholders on April 5, 2018, Company was converted into a public limited company, following which Company's name was changed to "Ami Organics Limited", and a fresh certificate of incorporation was issued on April 18, 2018 having its registered office at Plot no. 440/4, 5 & 6, Road No. 82/A, GIDC Sachin, Surat GJ 394230. The Company had its primary listing on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited in the FY 21-22. The Company is engaged in business of drugs intermediate chemicals and related activities.

The Standalone Financial Statements are approved by the company's Board of Directors on May 16, 2022.

## 2 Significant accounting policies

### Statement of compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

## 3

### 3.01 Basis of preparation of financial statements

The separate financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for:

- Financial instruments - measured at fair value;
- Assets held for sale - measured at fair value less cost of sale;
- Plan assets under defined benefit plans - measured at fair value
- In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost,

are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

### 3.02 Current and non-current classification

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

An asset is classified as current when it satisfies any of the following criteria: it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle.

it is held primarily for the purpose of being traded;

- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- All other assets are classified as non-current.
- A liability is classified as current when it satisfies any of the following criteria:
  - It is expected to be settled in the Company's normal operating cycle;
  - It is held primarily for the purpose of being traded
  - It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest Lakhs, except otherwise indicated.

### 3.03 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates,



# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

## The areas involving critical estimates or judgments are:

Valuation of financial instruments

Useful life of property, plant and equipment

Defined benefit obligation

Provisions

Recoverability of trade receivables

Recognition of revenue and allocation of transaction price

Current tax expense and current tax payable

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the company.

## Summary of significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

### 3.04 Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the

hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

Disclosures for valuation methods, significant estimates and assumptions (note 37)

Financial instruments (including those carried at amortised cost) (note 36)

### 3.05 Revenue recognition

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Company or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue from services, including those embedded in contract for sale of goods, namely, freight and insurance services mainly in case of export sales, is recognised upon completion of services.

Revenue is measured based on the consideration to which the Company expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract, net of the estimated variable

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

consideration. Accumulated experience is used to estimate and provide for the variable consideration, using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 180 days. The contracts do not grant any rights of return to the customer. Returns of goods are accepted by the Company only on an exception basis. Revenue excludes any taxes or duties collected on behalf of government that are levied on sales such as goods and services tax.

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

## Interest and dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

## 3.06 Inventories:

Items of inventories are valued lower of cost or estimated net realisable value as given below.

### i. Raw Materials and Packing Materials:

Raw Materials and packing materials are valued at Lower of Cost or market value, (Cost is net of Taxes, wherever applicable). However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on First in First Out (FIFO) method.

### ii. Work in process:

Work in process are valued at the lower of cost and net realizable value. The cost is computed on FIFO method.

### iii. Finished goods & semi-finished goods:

Finished Goods & semi-finished goods are valued at lower of cost and net realizable value. The cost is computed on FIFO method and includes cost of materials, cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.

### iv. Stores and spares:

Stores and spare parts are valued at lower of cost or net realisable value. Costs are determined on FIFO method and net realisable value.

## 3.07 Leases:

### As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less, leases of low-value assets and cancellable leases. The Company recognises the lease payments associated with these leases as an expense in Profit and loss account.

### As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

## 3.08 Foreign currency transactions and translation

- i) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated in functional currency at closing rates of exchange at the reporting date.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

- ii) Exchange differences arising on settlement or translation of monetary items recognised in statement of profit and loss.
- iii) As the Company enters into business transactions based on the prevailing exchange rate, forward premium and other related factors, the gain/(loss) on this account is considered to be an integral part of the operations of the Company in accordance with industry practice and to avoid distortion of operating performance.

## 3.09 Taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company determines the tax as per the provisions of Income Tax Act 1961 and other rules specified thereunder.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 3.10 a) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Property, plant and equipment and capital work in progress cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

### Subsequent Cost

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised and charged to the statement of Profit and Loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## b) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss. The system software which is expected to provide future enduring benefits is capitalised. The capitalised cost includes license fees and cost of implementation/system integration.

### Depreciation and amortisation

The depreciation on tangible assets is calculated on SLM method over the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 as follows:

| Asset class             | Useful life as per management |
|-------------------------|-------------------------------|
| Plant and machinery     | 20 years                      |
| Office equipment        | 5 years                       |
| Computers/Servers       | 3/6 years                     |
| Vehicles                | 8 years                       |
| Furniture and fixtures  | 10 years                      |
| Electrical installation | 10 years                      |
| Office premises         | 60 years                      |
| Residential premises    | 60 years                      |
| Factory Building        | 30 years                      |
| Lease hold Land         | Over the period of Lease      |

The useful life has been determined based on technical evaluation done by the Management/experts, which are different from the useful life prescribed in Part C of Schedule II of the Act in order to reflect actual use of the assets. The residual values, useful life and method of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate.

### Derecognition of assets

An item of property plant & equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised.

## 3.11 Investment property

Property that is held for long term rental yield or for capital appreciation or both, and that is not occupied by the Company, is classified as Investment property. Investment properties measured initially at cost including related transitions cost and where applicable borrowing cost. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when

incurred. When part of an investment property is incurred the carrying amount of replaced part is derecognised.

Investment properties other than land are depreciated using SLM method over the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 i.e. 60 years for office premises. Investment properties include:

- (i) Land
- (ii) Office premises.

## 3.12 Borrowing costs

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

## 3.13 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The contingent liability is not recognised in books of account but its existence is disclosed in financial statements.

## 3.14 Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by future events not wholly within the control of the entity.

Contingent assets require disclosure only. If the realisation of income is virtually certain, the related asset is not a contingent asset and recognition is required.

## 3.15 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the





# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## 3.16 Provisions

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

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

## 3.17 Financial instruments

### Initial recognition

The company recognise the financial asset and financial liabilities when it becomes a party to the contractual provisions of the instruments. All the financial assets and financial liabilities are recognised at Transactional Cost on initial recognition, except for trade receivable which are initially recognised at transaction price. Transaction cost that are directly attributable to the acquisition of financial asset and financial liabilities, that are not at fair value through profit and loss, are added to the fair value on the initial recognition.

### Subsequent measurement

#### (A) Non derivative financial instruments

##### (i) Financial Assets at amortised cost

A financial assets is measured at the amortised cost if both the following conditions are met :

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except Investments) are non-derivative

financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

##### (ii) Financial Assets at Fair Value through Profit or Loss/Other comprehensive income

Instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

If the company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

##### (iii) Financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

##### (a) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. However, the Company has borrowings at floating rates. Considering the impact of restatement of Effective interest rate, transaction cost is being amortised over the tenure of loan and borrowing.

##### (b) Trade & other payables

After initial recognition, trade and other payables maturing within one year from the Balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### (B) Derivative financial instruments

The company holds derivatives financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Company has taken all the forward contract from the bank.

The company have derivative financial assets/financial liabilities which are not designated as hedges;

Derivatives not designated are initially recognised at the fair value and attributable transaction cost are recognised in statement of profit and loss, when

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit and loss. Asset/Liabilities in this category are presented as current asset/current liabilities.

## 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 or loss.

## 3.18 Cash and cash equivalents

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii. Non-cash items such as depreciation, provisions, deferred taxes, unrealized foreign currency gains and losses, and undistributed profits of associates; and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

## 3.19 Employee Benefits

### i) Defined contribution plans (Provident Fund)

In accordance with Indian Law, eligible employees receive benefits from Provident Fund, which is defined contribution plan. Both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

### ii) Defined benefit plans (Gratuity)

In accordance with applicable Indian Law, the Company provides for gratuity, a defined benefit retirement plan

(the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lumpsum payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Company. The Company's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

The Company recognises all Remeasurement of net defined benefit liability/asset directly in other comprehensive income and presented within equity.

### iii) Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## 3.20 Lease

### Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## 3.21 Earnings per share

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.



# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## 3.22 Dividend distribution

Dividend distribution to the equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

## 3.23 Research and Development expenditure

Expenditure on research is recognised as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible assets is recognised as an expense when it is incurred. Items of Property, Plant and Equipment and acquired Intangible assets are used for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible assets.

## 3.24 RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below

- **Ind AS 103 - Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its Financial Statements.

- **Ind AS 16 - Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for

its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any material impact in its recognition of its property, plant and equipment in its Financial Statements

- **Ind AS 37 - Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its Financial Statements.

- **Ind AS 109 - Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its Financial Statements.

- **Ind AS 106 - Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its Financial Statements.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## 4 a) Property, Plant and Equipment

(Amount in Lakhs)

| Particulars                      | Buildings       | Plant and equipment | Office equipment | Furniture and fixtures | Vehicles      | Computers     | Total            |
|----------------------------------|-----------------|---------------------|------------------|------------------------|---------------|---------------|------------------|
| <b>Gross Block (At cost)</b>     |                 |                     |                  |                        |               |               |                  |
| <b>As at 31 March 2020</b>       | <b>2,083.83</b> | <b>4,515.96</b>     | <b>158.47</b>    | <b>165.41</b>          | <b>88.89</b>  | <b>114.08</b> | <b>7,126.64</b>  |
| Additions                        | 2,991.27        | 5,728.98            | 64.12            | 183.39                 | 44.01         | 65.56         | 9,077.33         |
| Deductions/Adjustments           | 14.23           | 295.27              | 11.97            | -                      | 12.90         | -             | 334.37           |
| <b>As at 31 March 2021</b>       | <b>5,060.87</b> | <b>9,949.67</b>     | <b>210.61</b>    | <b>348.80</b>          | <b>120.00</b> | <b>179.64</b> | <b>15,869.60</b> |
| Additions                        | 392.54          | 1,797.92            | 12.17            | 165.26                 | 104.39        | 104.32        | 2,576.60         |
| Deductions/Adjustments           | -               | -                   | -                | -                      | -             | -             | -                |
| <b>As at 31 March 2022</b>       | <b>5,453.41</b> | <b>11,747.59</b>    | <b>222.79</b>    | <b>514.06</b>          | <b>224.39</b> | <b>283.96</b> | <b>18,446.20</b> |
| <b>Depreciation/amortisation</b> |                 |                     |                  |                        |               |               |                  |
| <b>At 31 March 2020</b>          | <b>263.43</b>   | <b>791.56</b>       | <b>87.19</b>     | <b>55.27</b>           | <b>38.75</b>  | <b>75.81</b>  | <b>1,312.01</b>  |
| For the year                     | 69.83           | 275.78              | 19.44            | 21.35                  | 9.79          | 22.61         | 418.80           |
| Deductions/Adjustments           | 1.28            | 59.60               | 6.47             | -                      | 11.48         | -             | 75.83            |
| <b>At 31 March 2021</b>          | <b>332.00</b>   | <b>1,008.00</b>     | <b>100.00</b>    | <b>77.00</b>           | <b>37.00</b>  | <b>98.00</b>  | <b>1,651.98</b>  |
| Additions                        | 160.72          | 648.08              | 39.01            | 32.99                  | 20.73         | 48.38         | 949.91           |
| Deductions/Adjustments           | -               | -                   | -                | -                      | -             | -             | -                |
| <b>As at 31 March 2022</b>       | <b>492.72</b>   | <b>1,656.08</b>     | <b>139.01</b>    | <b>109.99</b>          | <b>57.73</b>  | <b>146.38</b> | <b>2,601.89</b>  |
| <b>Net Block</b>                 |                 |                     |                  |                        |               |               |                  |
| <b>At 31 March 2021</b>          | <b>4,728.87</b> | <b>8,941.67</b>     | <b>110.62</b>    | <b>271.80</b>          | <b>83.00</b>  | <b>81.64</b>  | <b>14,217.62</b> |
| <b>At 31 March 2022</b>          | <b>4,960.69</b> | <b>10,091.51</b>    | <b>83.78</b>     | <b>404.07</b>          | <b>166.66</b> | <b>137.58</b> | <b>15,844.31</b> |

### Note:-

- Company has transferred the current production operations of speciality chemical business of Ankleshwar facility to the Jhagadia facility as a part of capacity and production rationalization exercise. Further plant and equipment of the facility has also been transferred to Jhagadia facility. However this caused no impact on the production plans, revenue or employee layoffs and the Ankleshwar facility will be developed to cater the Pharma Intermediates business of the company. However the assets transferred is under process for reinstallation and recalibration at Jhagadia facility and therefore depreciation has not been charged for the last quarter of the FY 2021-22 for asset transferred from Ankleshwar Unit.
- Refer Note 18(a) for information on property, plant and equipment hypothecated | mortgaged as security by the Company.

## 4 b) Right of use assets

(Amount in Lakhs)

| Particulars                | Lease Hold Land | Total           |
|----------------------------|-----------------|-----------------|
| <b>As at 31 March 2020</b> | <b>403.66</b>   | <b>403.66</b>   |
| <b>Additions</b>           | 1,439.25        | 1,439.25        |
| Deductions                 | -               | -               |
| <b>As at 31 March 2021</b> | <b>1,842.91</b> | <b>1,842.91</b> |
| <b>Additions</b>           | 149.67          | 149.67          |
| Deductions                 | -               | -               |
| <b>As at 31 March 2022</b> | <b>1,992.58</b> | <b>1,992.58</b> |
| <b>Amortisation</b>        |                 |                 |
| <b>As at 31 March 2020</b> | -               | -               |
| <b>Additions</b>           | -               | -               |
| Deductions                 | -               | -               |
| <b>As at 31 March 2021</b> | -               | -               |
| <b>Additions</b>           | 56.01           | 56.01           |
| <b>Deductions</b>          | -               | -               |
| <b>As at 31 March 2022</b> | <b>56.01</b>    | <b>56.01</b>    |
| <b>Net Block</b>           |                 |                 |
| <b>As at 31 March 2021</b> | <b>1,842.91</b> | <b>1,842.91</b> |
| <b>As at 31 March 2022</b> | <b>1,936.57</b> | <b>1,936.57</b> |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## 4C A) Capital Work-in-Progress

(Amount in Lakhs)

| Particulars                | Opening Balance | Addition during the year | Capitalized during the year | Closing Balance |
|----------------------------|-----------------|--------------------------|-----------------------------|-----------------|
| <b>As at 31 March 2022</b> | <b>20.01</b>    | <b>278.64</b>            | <b>2.60</b>                 | <b>296.05</b>   |
| <b>As at 31 March 2021</b> | <b>1,170.75</b> | <b>246.43</b>            | <b>1,397.17</b>             | <b>20.01</b>    |

## b) Ageing of Capital Work-in-Progress

(Amount in Lakhs)

| CWIP                         | Amount in CWIP for a period of |             |             |                   | Total         |
|------------------------------|--------------------------------|-------------|-------------|-------------------|---------------|
|                              | Less than 1 Year               | 1-2 years   | 2-3 Years   | more than 3 years |               |
| <b>As on 31 March 2022</b>   |                                |             |             |                   |               |
| Intangible under development | 89.48                          | 2.66        | 0.36        | 14.40             | 106.90        |
| Project in Process           | 189.15                         | -           | -           | -                 | 189.15        |
| <b>Total</b>                 | <b>278.63</b>                  | <b>2.66</b> | <b>0.36</b> | <b>14.40</b>      | <b>296.05</b> |

(Amount in Lakhs)

| CWIP                         | Amount in CWIP for a period of |             |              |                   | Total        |
|------------------------------|--------------------------------|-------------|--------------|-------------------|--------------|
|                              | Less than 1 Year               | 1-2 years   | 2-3 Years    | more than 3 years |              |
| <b>As on 31 March 2021</b>   |                                |             |              |                   |              |
| Intangible under development | 2.66                           | 0.36        | 10.74        | 6.25              | 20.01        |
| Project in Process           | -                              | -           | -            | -                 | -            |
| <b>Total</b>                 | <b>2.66</b>                    | <b>0.36</b> | <b>10.74</b> | <b>6.25</b>       | <b>20.01</b> |

## 4 d) Other Intangible assets

(Amount in Lakhs)

| Particulars                  | Trademark   | Total       |
|------------------------------|-------------|-------------|
| <b>Gross Block (At cost)</b> |             |             |
| <b>As at 31 March 2020</b>   | -           | -           |
| Additions                    | 0.75        | 0.75        |
| Deductions                   | -           | -           |
| <b>As at 31 March 2021</b>   | <b>0.75</b> | <b>0.75</b> |
| Additions                    | 8.53        | 8.53        |
| Deductions                   | -           | -           |
| <b>As at 31 March 2022</b>   | <b>9.28</b> | <b>9.28</b> |
| Amortisation                 |             |             |
| <b>As at 31 March 2020</b>   | -           | -           |
| Additions                    | -           | -           |
| Deductions                   | -           | -           |
| <b>As at 31 March 2021</b>   | -           | -           |
| Additions                    | 2.10        | 2.10        |
| Deductions                   | -           | -           |
| <b>As at 31 March 2022</b>   | <b>2.10</b> | <b>2.10</b> |
| <b>Net Block</b>             |             |             |
| <b>As at 31 March 2021</b>   | <b>0.75</b> | <b>0.75</b> |
| <b>As at 31 March 2022</b>   | <b>7.18</b> | <b>7.18</b> |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## 5 Investments (Non Current):

| (Amount in Lakhs)  |                        |                        |
|--|------------------------|------------------------|
| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>A. Investments in Equity Instruments</b>  |                        |                        |
| <b>Trade, unquoted investments:</b>  |                        |                        |
| <b>At cost</b>   |                        |                        |
| 74,171 (as at 31.03.2021: 74,171) Equity shares of Rs.10 each of Globe Enviro Care Limited | 10.46                  | 10.46                  |
| 3,006 (as at 31.03.2021: 3000) Equity shares of Rs.10 each of Sachin Indl. Co.Op. Soc.     | 0.33                   | 0.33                   |
| 6,05,000 (as at 31.03.2021: 6,05,000) Equity shares of Prodigy Biotech Inc                 | 151.79                 | 132.07                 |
| 82,176 (as at 31.03.2021: NIL ) Equity shares of Narmada Clean Tech Limited(NCTL)          | 8.60                   | -                      |
| 1260 (as at 31.03.2021: NIL ) Equity shares of Bharuch Enviro Infrastructure Limited       | 0.13                   | -                      |
| <b>Total (A)</b>   | <b>171.31</b>          | <b>142.86</b>          |
| <b>Investment in Joint Ventures:</b>   |                        |                        |
| Ami Oncotheranostics LLC   | 3,169.12               | 3,181.45               |
| <b>Total (B)</b>   | <b>3,169.12</b>        | <b>3,181.45</b>        |
| <b>Total (A)+(B)</b>   | <b>3,340.43</b>        | <b>3,324.31</b>        |
| Aggregate amount of Unquoted Investments   | 3340.43                | 3324.31                |
| Market value of Quoted Investments   | -                      | -                      |
| Aggregate provision for diminution in Value of Investments                                 | -                      | -                      |

## 6 Other Financial Assets (Non Current)

| (Amount in Lakhs)                       |                        |                        |
|---|------------------------|------------------------|
| Particulars                             | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Security Deposits                       | 779.15                 | 145.95                 |
| Other Investment                        | 100.58                 | 124.65                 |
| Surplus of plan assets over obligations | 206.00                 | -                      |
| <b>Total</b>                            | <b>1,085.73</b>        | <b>270.60</b>          |

**Note:** Investment in Key Man Insurance is Measured at Surrender value to the extent details are available, in cases where details are not available regarding Surrender value or Fund NAV, same has been taken at cost of Premium.

## 7 Other Non Current Assets

| (Amount in Lakhs)   |                        |                        |
|---|------------------------|------------------------|
| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Advances Recoverable in Cash or in Kind or for Value to be Received | 322.24                 | 38.53                  |
| <b>Total</b>  | <b>322.24</b>          | <b>38.53</b>           |

## 8 Inventories

| (Amount in Lakhs)                               |                        |                        |
|---|------------------------|------------------------|
| Particulars                                     | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Raw Materials</b>                            | 7,839.92               | 3,866.99               |
| Finished Goods                                  | 1,938.57               | 1,226.27               |
| <b>Work-in-Progress</b>                         |                        |                        |
| Goods in Process                                | 1,110.45               | 873.08                 |
| <b>Packing, Consumables Stores &amp; Spares</b> | 328.15                 | 69.97                  |
|   | <b>11,217.09</b>       | <b>6,036.31</b>        |

# For Hypothecation over inventories Refer Note 18(a)





# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## 9 Trade Receivables

(Amount in Lakhs)

| Particulars                               | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b>(Unsecured, considered good)</b>       |                        |                        |
| Trade Receivables                         | 16167.85               | 11,872.34              |
| Less:- Allowance for expected credit loss | (1.73)                 | -                      |
| <b>Total</b>                              | <b>16,166.12</b>       | <b>11,872.34</b>       |

### Note :-

- No Trade Receivable are due from directors or other officers of the company either severally or jointly with any other person. No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

# For Hypothecation over Trade Receivable Refer Note 18(a)

### Note-Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

(Amount in Lakhs)

| Particulars   | No Overdues | FY 21-22   |                  |          |          |                  |          |
|---|-------------|--|------------------|----------|----------|------------------|----------|
|   |             | Outstanding for following periods from due date of Payment |                  |          |          |                  | Total    |
|   |             | Less than 6 month  | 6 month - 1 Year | 1-2 Year | 2-3 Year | more than 3 Year |          |
| i) Undisputed - Considered good                                 | 11845.37    | 4,227.22   | 76.51            | 13.77    | 4.98     | -                | 16167.85 |
| ii) Undisputed - which have significant increase in credit risk | -           | -  | -                | -        | -        | -                | -        |
| iii) Undisputed - Credit impaired                               | -           | -  | -                | -        | -        | -                | -        |
| i) Disputed - Considered good                                   | -           | -  | -                | -        | -        | -                | -        |
| ii) Disputed - which have significant increase in credit risk   | -           | -  | -                | -        | -        | -                | -        |
| iii) Disputed - Credit impaired                                 | -           | -  | -                | -        | -        | -                | -        |

(Amount in Lakhs)

| Particulars   | No Overdues | FY 20-21   |                  |          |          |                  |           |
|---|-------------|--|------------------|----------|----------|------------------|-----------|
|   |             | Outstanding for following periods from due date of Payment |                  |          |          |                  | Total     |
|   |             | Less than 6 month  | 6 month - 1 Year | 1-2 Year | 2-3 Year | more than 3 Year |           |
| i) Undisputed - Considered good                                 | 8,879.44    | 2,919.58   | 27.58            | 1.74     | 6.94     | -                | 11,835.28 |
| ii) Undisputed - which have significant increase in credit risk | -           | -  | -                | -        | -        | -                | -         |
| iii) Undisputed - Credit impaired                               | -           | -  | -                | -        | -        | -                | -         |
| i) Disputed - Considered good                                   | -           | -  | -                | -        | -        | 37.06            | 37.06     |
| ii) Disputed - which have significant increase in credit risk   | -           | -  | -                | -        | -        | -                | -         |
| iii) Disputed - Credit impaired                                 | -           | -  | -                | -        | -        | -                | -         |

## 10 a) Cash and Cash Equivalents

(Amount in Lakhs)

| Particulars                             | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Balances with banks-in Current Accounts | 946.00                 | 137.12                 |
| Cash on Hand                            | 20.14                  | 18.83                  |
| <b>Total</b>                            | <b>966.14</b>          | <b>115.95</b>          |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## 10 b) Bank Balances other than (a) above

| Particulars   | (Amount in Lakhs)      |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Escrow Account  | 274.54                 | -                      |
| Fixed Deposits (Current)  | 8,650.95               | -                      |
| (Rs.352.65 Lakhs under lien against borrowing , overdraft facility, bank guarantee and with government authorities) |                        | -                      |
| <b>Total</b>  | <b>8,925.49</b>        | <b>-</b>               |

## 11 Loans

| Particulars                       | (Amount in Lakhs)      |                        |
|-----------------------------------|------------------------|------------------------|
|                                   | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Unsecured, Considered good</b> |                        |                        |
| <b>Others</b>                     |                        |                        |
| Loans and Advances to Employees   | 46.41                  | 33.44                  |
| <b>Total</b>                      | <b>46.41</b>           | <b>33.44</b>           |

## 12 Other Assets

| Particulars                          | (Amount in Lakhs)      |                        |
|--------------------------------------|------------------------|------------------------|
|                                      | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Unsecured, Considered Good</b>    |                        |                        |
| Prepaid Expenses                     | 63.96                  | 61.03                  |
| Upfront fees (IPO)                   | -                      | 36.88                  |
| Balances with Government Authorities | 1566.95                | 632.10                 |
| Advances for Capex                   | 1,401.69               | 1,132.78               |
| Advances to suppliers                | 734.69                 | 278.11                 |
| Insurance Claim Receivable(Note 1)   | 1,045.48               | 1,074.93               |
| <b>Total</b>                         | <b>4,812.77</b>        | <b>3,215.83</b>        |

### Note:-

- The fire took place on 26/02/2021 damaging the company's property, plant and equipment and also raw material, packing material and stores and consumables resulting into loss amounting to Rs.1074.93 Lakhs. These assets are fully secured through insurance. The company has initially recognised insurance receivable of Rs.1074.93 Lakhs against such loss and reduced the same to Rs.1045.48 Lakhs after adjusting salvage value of Rs.29.45 Lakhs for left over. No amount has been received from insurance company till end of the reporting period. The management has estimated amount receivable from insurance company of Rs.1045.48 Lakhs being Reinstatement Value and it is under process with the insurance company. However this event does not affect the concept of going concern.

## 13 Equity Share Capital

| Particulars   | (Amount in Lakhs)      |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Authorised:</b>  |                        |                        |
| 5,00,00,000(as at 31 March 2021: 5,00,00,000 Equity shares of Rs.10 each)                   | 5,000.00               | 5,000.00               |
|   | <b>5,000.00</b>        | <b>5,000.00</b>        |
| <b>Issued, subscribed and paid up:</b>  |                        |                        |
| 3,64,37,062** (as at 31 March 2021: 3,15,00,000 Equity shares of Rs.10 each fully paid up)* | 3,643.71               | 3,150.00               |
| <b>Total Equity</b>   | <b>3,643.71</b>        | <b>3,150.00</b>        |

\* Out of total 3,15,00,000 shares , the company has issued 2,10,00,000 Equity shares fully paid as bonus in the ratio 2:1 on 31st March, 2021

\*\* Out of total 3,64,37,062 shares, the company has issued 16,58,374 & 32,78,688 Equity shares fully paid were issued on preferential basis and Initial Public offer respectively.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## a) Details of Reconciliation of the Number of Shares Outstanding:

(Amount in Lakhs)

| Particulars                                      | As at 31 March 2022 |                 | As at 31 March 2021 |                 |
|--|---------------------|-----------------|---------------------|-----------------|
|  | No. of shares       | ₹               | No. of shares       | ₹               |
| <b>Equity Shares:</b>                            |                     |                 |                     |                 |
| Shares outstanding at the beginning of the year  | 31,500,000          | 3,150.00        | 10,500,000          | 1,050.00        |
| Add: Shares issued during the year               | 4,937,062           | 493.71          | 21,000,000          | 2,100.00        |
| <b>Shares outstanding at the end of the year</b> | <b>36,437,062</b>   | <b>3,643.71</b> | <b>31,500,000</b>   | <b>3,150.00</b> |

## b) Initial Public Offer

The Company has completed its Initial Public Offering (IPO) of 9,338,288 equity shares of face value of Rs.10/- each for cash at an issue price of Rs.610/- per equity share aggregating to Rs. 5,6963.6 lakhs, consisting fresh issue of 3,278,688 equity shares aggregating to Rs. 20,000 lakhs and an offer for sale of 6,059,600 equity shares aggregating to Rs. 3,6963.56 lakhs by the selling shareholders. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on September 14, 2021. Company has undertaken a Pre-IPO Placement of Equity Shares aggregating to ₹ 10,000 Lakhs by issuing fresh 16,58,374 equity shares of face value Rs. 10/- each for cash at an issue price of Rs. 603/- per share.

## c) Utilisation of IPO proceeds

(₹ in Lakhs)

| Item Heads                  | Projected utilization of proceeds as per the offer document | As at 31 March 2022 |
|-----------------------------|---|---------------------|
| Debt repayment              | 14,000.00   | 14,000.00           |
| Working Capital (FY2021-22) | 5,000.00  | 5,000.00            |
| Working Capital (FY2022-23) | 4,000.00  | -                   |
| General Corporate           | 4,593.10  | 1,811.70            |
| Issue Expense               | 2,406.90  | 2,406.90            |
| <b>Total*</b>               | <b>30,000.00</b>  | <b>23,218.60</b>    |

\*INR 23,218.60 lakhs has been utilised as on 31st March 2022, and the balance amount is still lying in the bank account and FD. The Unutilised fund is deployed in Fixed Deposit with Schedule bank and IPO Escrow account with lead banker.

## d) Terms/ rights attached to Equity Shares

Company has increased authorised capital from Rs. 1500.00 lakhs divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity shares of Rs. 10/- each to Rs. 5000.00 Lakhs divided into 5,00,00,000 (Five Crores) Equity shares of Rs. 10/- each vide resolution dated 30th January 2021.

The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any by the Board of Directors is subject to approval of the shareholders.

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

## e) Details of shares in the company held by each shareholder holding more than 5 %:

(₹ in Lakhs)

| Name of Shareholder             | As at 31 March 2022 |        |
|---------------------------------|---------------------|--------|
|                                 | No. of shares       | ₹      |
| Nareshkumar R. Patel            | 4,003,710           | 400.37 |
| Sheetalben N Patel              | 3,937,500           | 393.75 |
| Chetankumar C. Vaghasia         | 3,097,500           | 309.75 |
| Parulben Chetanbhai Vaghasia    | 3,237,500           | 323.75 |
| Dhwani Girishkumar Chovatia     | 2,520,000           | 252.00 |
| Girishkumar Limbabbhai Chovatia | 3,095,430           | 309.54 |
| Kiranben Girishbhai Chovatia    | 3,040,000           | 304.00 |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## f) Details of Sharehold by Promoters :

### Shareholding of Promoters as on 31st March 2022 :

| SR no | Promoter Name                | No of Shares | % of Total Shares | % Changes during the Year |
|-------|------------------------------|--------------|-------------------|---------------------------|
| 1     | Nareshkumar R. Patel         | 4,003,710    | 10.99             | 0.00                      |
| 2     | Sheetalben N Patel           | 3,937,500    | 10.81             | 0.00                      |
| 3     | Parulben Chetanbhai Vaghasia | 3,237,500    | 8.89              | (17.78)                   |
| 4     | Chetankumar C. Vaghasia      | 3,097,500    | 8.50              | 0.00                      |

### Shareholding of Promoters as on 31st March 2021 :

| SR no | Promoter Name                | No of Shares | % of Total Shares | % Changes during the Year |
|-------|------------------------------|--------------|-------------------|---------------------------|
| 1     | Nareshkumar R. Patel         | 40,03,710    | 12.71             | -                         |
| 2     | Sheetalben N Patel           | 39,37,500    | 12.50             | -                         |
| 3     | Parulben Chetanbhai Vaghasia | 39,37,500    | 12.50             | -                         |
| 4     | Chetankumar C. Vaghasia      | 30,97,500    | 9.83              | -                         |

## 14 Other Equity

(Amount in Lakhs)

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>Equity instruments through other Comprehensive Income</b> |                        |                        |
| Balance as per last financial statement                      | -                      | -                      |
| Addition during the year (net of tax)                        | -                      | -                      |
| Transfer to retained earning realised (gain)/Loss            | -                      | -                      |
| <b>Closing Balances</b>                                      | -                      | -                      |
| <b>Retained Earnings</b>                                     |                        |                        |
| Balance as at beginning of the year                          | 13,045.08              | 9,747.97               |
| Less: Issue of Bonus Shares                                  | -                      | (2,100.00)             |
| Add : Profit for the year                                    | 7,194.61               | 5,399.90               |
| Remeasurement of the defined benefit plans (net of tax)      | 60.35                  | (2.79)                 |
| <b>Retained Earnings Total (A)</b>                           | <b>20,300.04</b>       | <b>13,045.08</b>       |
| <b>Securities Premium</b>                                    |                        |                        |
| Share Premium Ac   | 29,506.29              | -                      |
| Less: Issue Expense  | (1,849.67)             | -                      |
| <b>Securities Premium Total (B)</b>                          | <b>27,656.62</b>       | -                      |
| <b>Capital Reserve</b>                                       |                        |                        |
| Balance as at beginning of the year                          | 200.02                 | -                      |
| Reserve on Acquisition                                       | -                      | 200.02                 |
| <b>Capital Reserve Total (C)</b>                             | <b>200.02</b>          | <b>200.02</b>          |
| <b>Total (A+B+C)</b>   | <b>48,156.68</b>       | <b>13,245.10</b>       |

## 15 Borrowings (Non-Current Liabilities)

(Amount in Lakhs)

| Particulars                                    | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>Financial Liabilities at Amortised Cost</b> |                        |                        |
| <b>Secured<sup>#</sup></b>                     |                        |                        |
| Term Loans                                     |                        |                        |
| From Banks and Financial institution           | 58.81                  | 7182.31                |
|  | <b>58.81</b>           | <b>7182.31</b>         |
| <b>Unsecured</b>                               |                        |                        |
| From Related Parties*                          | -                      | 82.11                  |
| <b>Total</b>                                   | <b>58.81</b>           | <b>7,264.42</b>        |

<sup>#</sup> Hypothecation for borrowings Refer Note 18(a)

\* Interest free payable on demand.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## 16 Provisions (Non-Current Liabilities)

| (Amount in Lakhs)               |                        |                        |
|---------------------------------|------------------------|------------------------|
| Particulars                     | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Provision for Employee Benefits | 43.60                  | 436.84                 |
| <b>Total</b>                    | <b>43.60</b>           | <b>436.84</b>          |

## 17 Deferred Tax Assets/ (liabilities)- Net (Non Current Liabilities)

| (Amount in Lakhs)                 |                        |                        |
|-----------------------------------|------------------------|------------------------|
| Particulars                       | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Deferred Tax Liabilities</b>   |                        |                        |
| Due to Difference in Depreciation | (638.02)               | (441.80)               |
| <b>Total (A)</b>                  | <b>(638.02)</b>        | <b>(441.80)</b>        |
| <b>Deferred Tax Assets</b>        |                        |                        |
| Defined benefit obligation        | -                      | 113.96                 |
| Leave Encashment                  | 11.59                  | -                      |
| <b>Total (B)</b>                  | <b>11.59</b>           | <b>113.96</b>          |
| <b>Total (A)+(B)</b>              | <b>(626.43)</b>        | <b>(327.84)</b>        |

## 18 Borrowings(Current Liabilities)

| (Amount in Lakhs)                              |                        |                        |
|--|------------------------|------------------------|
| Particulars                                    | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Financial Liabilities at amortised cost</b> |                        |                        |
| <b>Secured#</b>                                |                        |                        |
| Cash Credit                                    | -                      | 3,158.91               |
| EPC Loan                                       | -                      | 494.21                 |
| Current Maturities of Long Term Debts          | 25.60                  | 1,946.03               |
| <b>Unsecured</b>                               |                        |                        |
| From Banks and Financial institution -         | -                      | 800.00                 |
| <b>Total</b>                                   | <b>25.60</b>           | <b>6,399.15</b>        |

# Hypothecation for borrowings Refer Notes 18(a)

### 18(a) Details of Hypothecation / Mortgage

| Notes | Particular  | Maturity   | Term of Repayment   | Interest Rate    |
|-------|---|------------|---------------------|------------------|
| a)    | <b>Secured</b>  |            |                     |                  |
|       | Cash credit loan from banks repayable on demand Including Letter of Credit & Bank Guarantee   | Short-term | Repayable on demand | 6.50%            |
|       | Vehicle Loans   | Long-term  | Upto 3 Years        | 7.90 % to 10.00% |
| b)    | <b>Security details:</b> Working capital loans repayable on demand from banks is secured by hypothecation of tangible current assets, namely, inventories and book debts of Sachin Facility of the Company and also secured by second and subservient charge on immovable assets (Plot No. 440/5, 6 , 8206/B located in Sachin GIDC) & Movable Assets of Sachin Facility of the Company . |            |                     |                  |

## 19 Trade Payables

| (Amount in Lakhs)   |                        |                        |
|---|------------------------|------------------------|
| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Financial Liabilities at Amortised Cost</b>                                  |                        |                        |
| <b>Trade Payables</b>   |                        |                        |
| A. Total outstanding dues of micro enterprises and small enterprises            | 1,508.05               | 39.04                  |
| B. Total outstanding dues of other than micro enterprises and small enterprises | 10,333.03              | 8,438.46               |
| <b>Total</b>  | <b>11,841.08</b>       | <b>8,477.50</b>        |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

**Note- Ageing analysis of the age of trade payable amounts that are past due as at the end of reporting year :**

(Amount in Lakhs)

| Particulars                | No Overdues | FY 21-22   |          |          |                  |           |
|----------------------------|-------------|--|----------|----------|------------------|-----------|
|                            |             | Outstanding for following periods from due date of Payment |          |          |                  |           |
|                            |             | Less than 1 Year   | 1-2 Year | 2-3 Year | More than 3 year | Total     |
| i) MSME                    | 981.63      | 526.42   | -        | -        | -                | 1,508.05  |
| ii) Others                 | 8,217.22    | 2,115.20   | 0.33     | 0.28     | -                | 10,333.03 |
| iii) Disputed Dues - MSME  | -           | -  | -        | -        | -                | -         |
| iv) Disputed dues - Others | -           | -  | -        | -        | -                | -         |

| Particulars                | No Overdues | FY 20-21   |          |          |                  |          |
|----------------------------|-------------|--|----------|----------|------------------|----------|
|                            |             | Outstanding for following periods from due date of Payment |          |          |                  |          |
|                            |             | Less than 1 Year   | 1-2 Year | 2-3 Year | More than 3 year | Total    |
| i) MSME                    | 26.01       | 13.03  | -        | -        | -                | 39.04    |
| ii) Others                 | 5,376.93    | 3,061.24   | 0.29     | -        | -                | 8,438.46 |
| iii) Disputed Dues - MSME  | -           | -  | -        | -        | -                | -        |
| iv) Disputed dues - Others | -           | -  | -        | -        | -                | -        |

## 20 Other Current Liabilities

(Amount in Lakhs)

| Particulars             | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-------------------------|------------------------|------------------------|
| Statutory Dues Payable  | 258.96                 | 253.43                 |
| Advances from customers | 13.36                  | 44.08                  |
| Employees Dues          | 190.32                 | 124.04                 |
| Payable For Inventory   | -                      | 1094.42                |
| <b>Total</b>            | <b>462.64</b>          | <b>1,515.97</b>        |

## 21 Provisions(Current Liabilities)

(Amount in Lakhs)

| Particulars                     | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---------------------------------|------------------------|------------------------|
| Provision for employee benefits | 2.46                   | 21.56                  |
| Provision for Expenses          | 599.60                 | 75.06                  |
| <b>Total</b>                    | <b>602.06</b>          | <b>96.62</b>           |

## 22 Current Tax Liability (Net)

(Amount in Lakhs)

| Particulars                    | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--------------------------------|------------------------|------------------------|
| Provision for income tax (net) | -                      | 115.16                 |
| <b>Total</b>                   | <b>-</b>               | <b>115.16</b>          |

## 23 Revenue From Operations

(Amount in Lakhs)

| Particulars              | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--------------------------|-----------------------------|-----------------------------|
| Sales                    | 51,818.77                   | 33,620.86                   |
| Other operating revenues | 194.73                      | 439.93                      |
| <b>Total</b>             | <b>52,013.50</b>            | <b>34,060.79</b>            |



# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## 24 Other Income

| Particulars                                    | (Amount in Lakhs)           |                             |
|--|-----------------------------|-----------------------------|
|  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
| <b>Interest income:</b>                        |                             |                             |
| Interest income On Deposit with Banks & Others | 258.18                      | 19.53                       |
| <b>Others:</b>                                 |                             |                             |
| Foreign Exchange Fluctuation Gain              | 13.17                       | 65.91                       |
| Annuity Income on Investment                   | 4.13                        | 16.37                       |
| Others   | 0.75                        | 31.22                       |
| <b>Total</b>                                   | <b>276.23</b>               | <b>133.03</b>               |

## 25 Cost of Raw Materials Consumed

| Particulars                           | (Amount in Lakhs)           |                             |
|---------------------------------------|-----------------------------|-----------------------------|
|                                       | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
| <b>Raw Materials Consumed / Sold:</b> |                             |                             |
| Opening stock                         |                             |                             |
| Raw Materials                         | 3,866.99                    | 2951.77                     |
| <b>Total (A)</b>                      | <b>3,866.99</b>             | <b>2951.77</b>              |
| Purchase of Raw Material              | 32,206.23                   | 19,052.75                   |
| <b>Total (B)</b>                      | <b>32,206.23</b>            | <b>19,052.75</b>            |
| Less : Goods loss by fire             | -                           | 650.33                      |
| Less: Closing stock                   |                             |                             |
| Raw Materials                         | 7,839.92                    | 3,866.99                    |
| <b>Total (C)</b>                      | <b>7,839.92</b>             | <b>3,866.99</b>             |
| <b>Total</b>                          | <b>(A)+(B)-(C)</b>          | <b>17,487.20</b>            |

## 26 Changes In Inventories of Finished Goods/Traded Goods and Work-In-Progress

| Particulars   | (Amount in Lakhs)           |                             |
|---|-----------------------------|-----------------------------|
|   | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
| <b>a) Changes in Inventories of Finished Goods / Traded Goods</b> |                             |                             |
| <b>Opening stock of finished goods / traded goods:</b>            |                             |                             |
| Finished goods  | 1,226.27                    | 870.74                      |
| Add: Purchase   | -                           | 309.24                      |
| <b>Less: Closing stock of finished goods / traded goods:</b>      |                             |                             |
| Finished goods  | 1,938.57                    | 1,226.27                    |
| <b>Total (A)</b>  | <b>(712.30)</b>             | <b>(46.29)</b>              |
| <b>b) Changes in work in progress</b>                             |                             |                             |
| Opening stock   | 873.08                      | 1,368.65                    |
| Add: Purchase   | -                           | 32.08                       |
| Less: Closing stock   | 1,110.45                    | 873.08                      |
| <b>Total (B)</b>  | <b>(237.37)</b>             | <b>527.65</b>               |
| <b>Total</b>  | <b>(A)+(B)</b>              | <b>481.36</b>               |

## 27 Employee Benefits Expense

| Particulars                                | (Amount in Lakhs)           |                             |
|--|-----------------------------|-----------------------------|
|  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
| Salaries, Bonus, Commission and Allowances | 3,881.59                    | 1,874.65                    |
| Contribution to Provident and Other Funds  | 148.21                      | 181.62                      |
| Staff Welfare Expenses                     | 106.84                      | 42.66                       |
| <b>Total</b>                               | <b>4,136.64</b>             | <b>2,098.93</b>             |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## 28 Finance Costs

(Amount in Lakhs)

| Particulars                  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|------------------------------|-----------------------------|-----------------------------|
| Interest on Term Loan and CC | 544.91                      | 510.81                      |
| Interest on Statutory Dues   | 13.73                       | 8.53                        |
| Interest on Income Tax       | 22.51                       | -                           |
| Processing & Bank Charges    | 43.09                       | 41.83                       |
| Interest on MSME Creditors   | 16.49                       | 0.67                        |
| <b>Total</b>                 | <b>640.73</b>               | <b>561.84</b>               |

## 29 Other Expenses

(Amount in Lakhs)

| Particulars  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| Stores, Spares and Tools Consumed                    | 276.36                      | 223.18                      |
| Job work charges                                     | 3,481.22                    | 2,857.66                    |
| Conversion & Other Manufacturing charges             | 1,418.67                    | 814.17                      |
| Power and Electricity                                | 1,482.54                    | 525.59                      |
| Communication Expenses                               | 10.69                       | 3.33                        |
| Printing and Stationery                              | 30.38                       | 37.23                       |
| Travelling and Conveyance Expenses                   | 60.85                       | 21.04                       |
| Legal and Professional Fees                          | 194.24                      | 152.17                      |
| Rent on Warehouse & Parking                          | 36.81                       | 30.31                       |
| Rates and Taxes                                      | 54.35                       | 88.57                       |
| Repairs and Maintenance                              | 304.62                      | 170.33                      |
| Insurance Charges                                    | 219.09                      | 49.71                       |
| Change in Surrender Value of Keyman Insurance Policy | -                           | 11.87                       |
| Auditor's Remuneration                               |                             |                             |
| - for audit  | 7.00                        | 7.00                        |
| - for limited review                                 | 6.50                        | -                           |
| CSR Expenditure                                      | 96.03                       | 75.29                       |
| Commission and brokerage on sales                    | 359.76                      | 180.04                      |
| Sales and Promotion Expense                          | 72.87                       | 6.78                        |
| Freight, clearing and forwarding charges             | 1,592.96                    | 513.94                      |
| Directors Sitting Fees                               | 18.30                       | 10.00                       |
| Director's Commission                                | 12.30                       | -                           |
| Membership & Subscription Expenses                   | 17.49                       | 1.42                        |
| Loss on sale of fixed assets (net)                   | -                           | 1.78                        |
| Security Expenses                                    | 79.48                       | 33.36                       |
| Provision for Doubtful debts                         | 1.73                        | -                           |
| Loss from Joint Venture                              | 12.33                       | 95.89                       |
| Miscellaneous and other expenses                     | 229.10                      | 62.40                       |
| <b>Total</b>   | <b>10,075.67</b>            | <b>5,973.06</b>             |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## 30 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(Amount in Lakhs)

| Particulars  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year   | 1,508.05                    | 39.04                       |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year  | -                           | -                           |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day                              | -                           | -                           |
| (iv) The amount of interest due and payable for the year   | -                           | -                           |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year  | 16.00                       | 0.67                        |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | 16.00                       | 0.67                        |

Dues to Micro and Small Enterprises have 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.

## 31 Contingencies

(Amount in Lakhs)

| Particulars                             | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
| <b>Contingent liabilities:</b>          |                             |                             |
| Disputed income tax liabilities(Note 1) | 269.57                      | -                           |
| TDS                                     | -                           | 0.19                        |
| <b>Total</b>                            | <b>269.57</b>               | <b>0.19</b>                 |

### Note 1

For AY 2012-13 order demanding Rs. 204.68 Lakhs has been raised for which auditee has filed appeal with CIT (Appeal).

For AY 2015-16 order demanding Rs. 61.90 Lakhs has been raised for which auditee has filed appeal with CIT (Appeal).

For AY 2016-17 order demanding Rs. 2.99 Lakhs has been raised for which auditee has filed appeal with CIT (Appeal).

# Notes to the standalone Financial Statements

for the year ended 31 March 2022

## Note 32 - Ratios

As at March 22

| Sr. No | Ratio                              | Numerator  | Denominator   | As at March 31, 2022 | As at March 31, 2021 | Variance % | Reason for Variance (in case of variance for more than 25%) |
|--------|------------------------------------|--|---|----------------------|----------------------|------------|---|
|        |                                    |  |   |                      |                      |            |   |
| 1      | Current Ratio                      | Total current assets   | Total current liabilities                               | 3.30                 | 1.28                 | 156.8%     | Repayment of working capital loan through IPO proceeds      |
| 2      | Debt-to-equity Ratio               | Debt consists of borrowings  | Total equity  | 0.00                 | 0.83                 | (99.8%)    | Repayment of long term loan through IPO proceeds            |
| 3      | Debt Service Coverage Ratio        | Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments Debt | Debt service = Interest payments + Principal repayments | 0.63                 | 2.46                 | (74.5%)    | Prepayment of Debt out of IPO funds                         |
| 4      | Return on Equity Ratio (in %)      | Profit for the year less Preference dividend (if any)  | Average total equity                                    | 21.10%               | 39.72%               | (46.9%)    | This is due to addition of equity through IPO               |
| 5      | Inventory Turnover Ratio           | Cost of goods sold   | Average Inventory                                       | 3.16                 | 3.19                 | (0.8%)     | -   |
| 6      | Receivables Turnover Ratio         | Net Sales  | Avg. Accounts Receivable                                | 3.71                 | 3.98                 | (6.7%)     | -   |
| 7      | Payables Turnover Ratio            | Net Purchases  | Average Trade Payables                                  | 3.17                 | 2.80                 | 13.3%      | -   |
| 8      | Net working capital turnover Ratio | Net Sales  | Working Capital   | 1.75                 | 7.23                 | (75.8%)    | Prepayment of CC facilities post IPO                        |
| 9      | Net profit Ratio (in %)            | Net Profit   | Net Sales   | 13.83%               | 15.85%               | (12.8%)    | -   |
| 10     | Return on Capital employed Ratio   | Earning before interest and taxes  | Capital Employed  | 0.19                 | 0.25                 | (26.8%)    | This is due to addition of equity through IPO               |
| 11     | Return on investment               | Income generated from investments  | Time weighted average investments                       | 3.71%                | -                    | 0.0%       | -   |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## 33 Employee benefit obligations

### a. Defined Contribution Plans:

The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

(Amount in Lakhs)

| Particulars          | Current Year<br>(2021-22) | Previous Year<br>(2020-21) |
|----------------------|---------------------------|----------------------------|
| Contribution to PF   | 156.91                    | 81.54                      |
| Contribution to ESIC | 10.23                     | 7.81                       |
| Contribution to LWF  | 0.16                      | 0.10                       |

### ii. Defined Benefit Plan:

The Company has a funded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of Rs.2,000,000.

The following tables summaries the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

(Amount in Lakhs)

| Particulars   | Current Year<br>(2021-22) | Previous Year<br>(2020-21) |
|---|---------------------------|----------------------------|
| <b>Change in present value of obligations</b>   |                           |                            |
| PVO at beginning of year  | 337.20                    | 252.49                     |
| Interest cost   | 30.25                     | 16.79                      |
| Current Service Cost  | 48.23                     | 76.88                      |
| Past Service Cost- (non vested benefits)  | -                         | -                          |
| Past Service Cost -(vested benefits)  | -                         | -                          |
| Benefits Paid   | (32.84)                   | (11.19)                    |
| Contributions by plan participants  | -                         | -                          |
| Business Combinations   | -                         | -                          |
| Curtailments  | -                         | -                          |
| Settlements   | -                         | -                          |
| Actuarial (Gain)/Loss on obligation   | (40.02)                   | 2.24                       |
| <b>PVO at end of year</b>   | <b>342.82</b>             | <b>337.20</b>              |
| <b>Fair Value of Plan Assets</b>  |                           |                            |
| Opening Fair Value of Plan Asset  | 21.28                     | 22.61                      |
| Adjustment to Opening Fair Value of Plan Asset  | -                         | -                          |
| Return on Plan Assets excl. interest income   | 15.10                     | (1.49)                     |
| Interest Income   | 1.40                      | 1.49                       |
| Contributions by Employer   | 511.05                    | 9.86                       |
| Benefits Paid   | -                         | (11.19)                    |
| <b>Fair Value of Plan Assets at end</b>   | <b>548.83</b>             | <b>21.28</b>               |
| <b>Amounts to be recognized in the balance sheet and statement of profit &amp; loss account</b> |                           |                            |
| PVO at end of year  | 342.82                    | 337.20                     |
| Fair Value of Plan Assets at end of period  | (548.83)                  | 21.28                      |
| Funded Status   | -                         | (315.92)                   |
| <b>Net Asset/(Liability) recognized in the balance sheet</b>                                    | <b>(206.01)</b>           | <b>(315.92)</b>            |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

(Amount in Lakhs)

| Particulars   | Current Year<br>(2021-22) | Previous Year<br>(2020-21) |
|---|---------------------------|----------------------------|
| <b>Other Comprehensive Income (OCI)</b>                       |                           |                            |
| Actuarial (Gain)/Loss recognized for the year                 | (40.02)                   | 2.24                       |
| Adjustment to Opening Actuarial (Gain)/Loss                   | (25.53)                   | -                          |
| Asset limit effect  | -                         | -                          |
| Return on Plan Assets excluding net interest                  | (15.10)                   | 1.49                       |
| Unrecognized Actuarial (Gain)/Loss from previous year         | -                         | -                          |
| <b>Total Actuarial (Gain)/Loss recognized in (OCI)</b>        | <b>(80.65)</b>            | <b>3.73</b>                |
| Expense recognized in the statement of P & L A/C              |                           |                            |
| Current Service Cost  | 48.23                     | 76.88                      |
| Adjustment to Opening Service Cost                            | 25.53                     | -                          |
| Net Interest  | 28.85                     | 15.30                      |
| Past Service Cost- (non vested benefits                       | -                         | -                          |
| Past Service Cost -(vested benefits)                          | -                         | -                          |
| Curtailement Effect   | -                         | -                          |
| Settlement Effect   | -                         | -                          |
| <b>Expense recognized in the statement of P &amp; L A/C</b>   | <b>102.61</b>             | <b>92.18</b>               |
| <b>Movements in the Liability recognized in Balance Sheet</b> |                           |                            |
| Opening Net Liability   | 337.20                    | 229.88                     |
| Expenses as above   | 102.61                    | 92.18                      |
| Contribution paid   | (565.17)                  | 11.41                      |
| Other Comprehensive Income(OCI)                               | (80.65)                   | 3.73                       |
| <b>Closing Net Liability</b>                                  | <b>(206.01)</b>           | <b>337.20</b>              |

(Amount in Lakhs)

| Net liability is bifurcated as follows : | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Current                                  | -                      | 11.26                  |
| Non-current                              | (206.01)               | 325.94                 |
| <b>Net liability</b>                     | <b>(206.01)</b>        | <b>337.20</b>          |

| Assumptions as at                                   |                     |                     |
|---|---------------------|---------------------|
| Mortality   | IALM (2012-13) Ult. | IALM (2012-13) Ult. |
| Interest / Discount Rate                            | 6.95%               | 6.79%               |
| <b>Rate of increase in compensation</b>             | <b>12.00%</b>       | <b>12.00%</b>       |
| Annual increase in healthcare costs                 |                     |                     |
| Future Changes in maximum state healthcare benefits |                     |                     |
| Expected average remaining service                  | 19.91               | 19.91               |
| Retirement Age                                      | 60 Year             | 60 Year             |
| Employee Attrition Rate                             | 2% For All Ages     | 2% For All Ages     |

A quantitative analysis for significant assumption is as shown below:

## Indian gratuity plan:

(Amount in Lakhs)

| Particulars   | Current Year<br>(2021-22) | Previous Year<br>(2020-21) |
|---|---------------------------|----------------------------|
| <b>Assumptions -Discount rate</b>                                   |                           |                            |
| Sensitivity Level (a hypothetical increase / (decrease) by)         | 0.50%                     | 1.00%                      |
| Impact on defined benefit obligation -increase of sensitivity level | 328.52                    | 286.62                     |
| Impact on defined benefit obligation -decrease of sensitivity level | 358.24                    | 400.96                     |



# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

| Particulars  | (Amount in Lakhs)         |                            |
|--|---------------------------|----------------------------|
|  | Current Year<br>(2021-22) | Previous Year<br>(2020-21) |
| <b>Assumptions -Future salary escalations rates</b>                |                           |                            |
| Sensitivity Level (a hypothetical increase / (decrease) by)        | 0.50%                     | 1.00%                      |
| Impact on defined benefit obligation-increase of sensitivity level | 352.88                    | 379.57                     |
| Impact on defined benefit obligation-decrease of sensitivity level | 332.79                    | 297.58                     |
| <b>Assumptions -Withdrawal rate(W.R.) Sensitivity</b>              |                           |                            |
| Sensitivity Level (a hypothetical increase / (decrease) by)        | 10.00%                    | -                          |
| Impact on defined benefit obligation-increase of sensitivity level | 343.48                    | -                          |
| Impact on defined benefit obligation-decrease of sensitivity level | 341.87                    | -                          |

| Particulars   | (Amount in Lakhs)      |                        |
|---------------|------------------------|------------------------|
|               | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Within 1 year | 25.75                  | 11.26                  |
| 1-2 year      | 22.92                  | 5.31                   |
| 2-3 year      | 17.45                  | 5.65                   |
| 3-4 year      | 54.30                  | 5.87                   |
| 4-5 year      | 40.16                  | 13.94                  |
| 5-10 year     | 138.17                 | 68.65                  |

## 34 Segmental Information

In accordance with IND AS 108 "Operating segment" - The Company used to present the segment information identified on the basis of internal report used by the Company to allocate resources to the segment and assess their performance. The Board of Directors of the Company is collectively the Chief Operating Decision Maker (CODM) of the Company..

The chief operating decision maker monitors the operating results of its segment separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated on the basis on profit and loss.

### Summary of the segment Information as follows:

| Particulars   | (Amount in Lakhs)      |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Segment Revenue</b>  |                        |                        |
| Sales and income from operations  |                        |                        |
| Within India  | 21,714.95              | 16,055.49              |
| Outside India   | 30,103.83              | 17,565.37              |
|   | <b>51,818.78</b>       | <b>33,620.86</b>       |
| <b>Carrying amount of assets by geographical location of assets</b>                         |                        |                        |
| Segment Assets  |                        |                        |
| Within India  | 54,032.29              | 32,483.66              |
| Outside India   | 10,934.24              | 8,544.94               |
|   | <b>64,966.53</b>       | <b>41,028.60</b>       |
| <b>Additions to Fixed Assets (including intangible assets and capital work in progress)</b> |                        |                        |
| Within India  | 2953.23                | 9,217.89               |
| Outside India   | -                      | -                      |
|   | <b>2953.23</b>         | <b>9217.89</b>         |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## 35 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are eradicating hunger, poverty and malnutrition, promoting preventive health care including preventive health care, ensuring environmental sustainability education, promoting gender equality and empowering women and other activities. The amount has to be expended on the activities which are specified in Schedule VII of the Companies Act, 2013.

**Details of CSR expenditure required to be spent and amount spent are as under:**

| Particulars   | (Amount in Lakhs)         |                            |
|---|---------------------------|----------------------------|
|   | Current Year<br>(2021-22) | Previous Year<br>(2020-21) |
| Gross amount required to be spent by the company during the year as per Section 135 of the Companies Act, 2013 read with schedule VII | 95.90                     | 72.96                      |
| <b>Amount spent during the year</b>   |                           |                            |
| (i) Construction/acquisition of any asset   | -                         | -                          |
| (ii) On purposes other than (i) above   | 93.92                     | 75.29                      |
| <b>Total</b>  | <b>93.92</b>              | <b>75.29</b>               |
| Excess Spent of previous year   | 2.33                      |                            |
| Total of shortfall / (Excess),  | (0.35)                    | (2.33)                     |
| Reason for shortfall- Nil   | -                         | -                          |

## 36 Financial Instruments

### Financial Instrument by Category

The carrying value and fair value of financial instrument by categories as of 31 March 2022 were as follows

| Particulars               | at amortised cost | at fair value through profit and loss | at fair value through OCI | Total Carrying value |
|---------------------------|-------------------|---------------------------------------|---------------------------|----------------------|
| <b>Assets:</b>            |                   |                                       |                           |                      |
| Cash and Cash Equivalents | 966.14            | -                                     | -                         | 966.14               |
| Other Bank Balance        | 8,925.49          | -                                     | -                         | 8,925.49             |
| Trade Receivables         | 16,166.12         | -                                     | -                         | 16,166.12            |
| Other Financial Assets    | 1,085.73          | -                                     | -                         | 1,085.73             |
| Loans                     | 46.41             | -                                     | -                         | 46.41                |
| Investments               | 3,340.43          | -                                     | -                         | 3,340.43             |
|                           | <b>30,530.32</b>  | <b>-</b>                              | <b>-</b>                  | <b>30,530.32</b>     |
| <b>Liabilities:</b>       |                   |                                       |                           |                      |
| Borrowing                 | 84.41             | -                                     | -                         | 84.41                |
| Trade and other payables  | 11,841.08         | -                                     | -                         | 11,841.08            |
|                           | <b>11,925.49</b>  | <b>-</b>                              | <b>-</b>                  | <b>11,925.49</b>     |

The carrying value and fair value of financial instrument by categories as of 31 March 2021 were as follows

| Particulars               | at amortised cost | at fair value through profit and loss | at fair value through OCI | Total Carrying value |
|---------------------------|-------------------|---------------------------------------|---------------------------|----------------------|
| <b>Assets:</b>            |                   |                                       |                           |                      |
| Cash and Cash Equivalents | 155.95            | -                                     | -                         | 155.95               |
| Other Bank Balance        | -                 | -                                     | -                         | -                    |
| Trade Receivables         | 11,872.34         | -                                     | -                         | 11,872.34            |
| Other Financial Assets    | 270.60            | -                                     | -                         | 270.60               |
| Loans                     | 33.44             | -                                     | -                         | 33.44                |
| Investments               | 3,324.31          | -                                     | -                         | 3,324.31             |
|                           | <b>15,656.64</b>  | <b>-</b>                              | <b>-</b>                  | <b>15,656.64</b>     |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

| Particulars              | at amortised cost | at fair value through profit and loss | at fair value through OCI | Total Carrying value |
|--------------------------|-------------------|---------------------------------------|---------------------------|----------------------|
| <b>Liabilities:</b>      |                   |                                       |                           |                      |
| Borrowing                | 13,663.57         | -                                     | -                         | 13,663.57            |
| Trade and other payables | 8,477.50          | -                                     | -                         | 8,477.50             |
|                          | <b>22,141.07</b>  | -                                     | -                         | <b>22,141.07</b>     |

## 37 Fair value hierarchy

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**There have been no transfers among Level 1, Level 2 and Level 3 during the period.**

## 38 Financial Risk Management Objectives and Policies

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

### Carrying Amount of Financial Assets and Liabilities:

The following table summaries the carrying amount of financial assets and liabilities recorded at the end of the period by categories:

| Particulars                    | (Amount in Lakhs)      |                        |
|--------------------------------|------------------------|------------------------|
|                                | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Financial assets</b>        |                        |                        |
| Non current investment         | 3,340.43               | 3,324.31               |
| Cash and cash equivalent       | 966.14                 | 155.95                 |
| Bank balances other than above | 8,925.49               | -                      |
| Trade receivables              | 16,166.12              | 11,872.34              |
| Loans                          | 46.41                  | 33.44                  |
| Other Non Current asset        | 4,812.77               | 3,215.83               |
| Other financial assets         | 1,085.73               | 270.60                 |
| <b>At end of the year</b>      | <b>35,343.09</b>       | <b>18,872.47</b>       |
| <b>Financial liabilities</b>   |                        |                        |
| Borrowings                     | 84.41                  | 13,663.57              |
| Trade payables                 | 11,841.08              | 8,477.50               |
| Other financial liabilities    | -                      | -                      |
| <b>At end of the year</b>      | <b>11,925.49</b>       | <b>22,141.07</b>       |

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables, and other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial instruments and the full amount of any loan payable commitment at the end of the reporting year. Credit risk on cash balances with banks is limited because the counterparties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings.

## Exposure to credit risk

Financial asset for which loss allowance is measured using expected credit loss model

| Particulars                    | (Amount in Lakhs)      |                        |
|--------------------------------|------------------------|------------------------|
|                                | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Financial assets</b>        |                        |                        |
| Non current investment         | 3,340.43               | 3,324.31               |
| Cash and cash equivalent       | 966.14                 | 155.95                 |
| Bank balances other than above | 8,925.49               | -                      |
| Trade receivables              | 16,166.12              | 11,872.34              |
| Loans                          | 46.41                  | 33.44                  |
| Other financial assets         | 1,085.73               | 270.60                 |
| <b>At end of the year</b>      | <b>30,530.32</b>       | <b>15,656.64</b>       |

## 39 Foreign currency risk

The Company operates internationally and the major portion of business is transacted in USD & EURO. The Company has Sales, Purchase, [etc.] in foreign currency. Consequently, the Company is exposed to foreign exchange risk.

Foreign exchange exposure is partially balanced by purchasing in goods, commodities and services in the respective currencies.

The company evaluate exchange rate exposure arising from foreign currency transactions and the company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign currency exposures not specifically covered by natural hedge and forward exchange contracts as at year end are as follows:

| Currency | As at 31 March 2022 |               | As at 31 March 2021 |               |
|----------|---------------------|---------------|---------------------|---------------|
|          | Foreign Currency    | Indian Rupees | Foreign Currency    | Indian Rupees |
| USD      | 30.41               | 2,308.00      | 23.29               | 1,704.00      |
| EURO     | 41.34               | 3,482.00      | 26.14               | 2,246.00      |

Foreign currency sensitivity

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax

| Currency | As at 31 March 2022 |              | As at 31 March 2021 |              |
|----------|---------------------|--------------|---------------------|--------------|
|          | 1 % increase        | 1 % decrease | 1 % increase        | 1 % decrease |
| USD      | (23.08)             | 23.08        | (17.04)             | 17.04        |
| EURO     | (34.82)             | 34.82        | (22.46)             | 22.46        |

## 40 Interest Rate Risk

Interest rate risk arises from the movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

The Company manages its interest rate risk by having an agreed portfolio of fixed and variable rate borrowings. With all the other variables remaining constant, the following table demonstrates the sensitivity to a reasonable change in interest rates on the borrowings:

(Amount in Lakhs)

| Particulars                            | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>Financial assets</b>                |                        |                        |
| Interest bearing - Fixed interest rate |                        |                        |
| - Non current investment               | -                      | -                      |
| - Non current fixed deposit            | -                      | -                      |
| - Current fixed deposit                | 8,650.95               | -                      |
| <b>Financial Liabilities</b>           |                        |                        |
| Interest bearing                       |                        |                        |
| Borrowings - Floating interest rate    |                        |                        |
| - Working capital loan in rupee        | -                      | 13,663.57              |
| - Banks & Financial institutions       | 84.41                  | -                      |
| Borrowings - Fixed interest rate       |                        |                        |
| - Banks & Financial institutions       | -                      | -                      |

## Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after excluding the credit exposure for which interest rate swap has been taken and hence the interest rate is fixed. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Amount in Lakhs)

| Particulars                 | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-----------------------------|------------------------|------------------------|
| Increase in 100 bps points  |                        |                        |
| Effect on profit before tax | (0.84 )                | (136.64 )              |
| Decrease in 100 bps points  |                        |                        |
| Effect on profit before tax | 0.84                   | 136.64                 |

## 41 Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost.

The Company maximum exposure to credit risk for the components of the balance sheet at 31 March 2022 and 31 March 2021 is the carrying amounts. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 90 days. The other payables are with short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair value. The following table analysis financial liabilities by remaining contractual maturities:

(Amount in Lakhs)

| Particulars                     | On demand    | Less than 3 months | 3 to 12 months  | 1 to 5 years    | > 5 years | Total            |
|---------------------------------|--------------|--------------------|-----------------|-----------------|-----------|------------------|
| <b>Year ended 31 March 2022</b> |              |                    |                 |                 |           |                  |
| Borrowings                      | -            | 6.26               | 19.34           | 58.81           | -         | 84.41            |
| Trade and other payables        | -            | 11,690.55          | 149.92          | 0.61            | -         | 11,841.08        |
|                                 | -            | <b>11,696.81</b>   | <b>169.26</b>   | <b>59.42</b>    | -         | <b>11,925.49</b> |
| <b>Year ended 31 March 2021</b> |              |                    |                 |                 |           |                  |
| Borrowings                      | 82.11        | 309.63             | 6,089.52        | 7,182.31        | -         | 13,663.57        |
| Trade and other payables        | -            | 8,349.27           | 127.94          | 0.29            | -         | 8477.50          |
|                                 | <b>82.11</b> | <b>8,658.90</b>    | <b>6,217.46</b> | <b>7,182.60</b> | -         | <b>22,141.07</b> |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

At present, the Company does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

## 42 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

(Amount in Lakhs)

| Particulars                        | As at<br>31 March 2022 | As at<br>31 March 2021 |
|------------------------------------|------------------------|------------------------|
| Borrowings                         | 84.41                  | 13,663.57              |
| Trade payables                     | 11,841.08              | 8,477.50               |
| Less: cash and cash equivalents    | (966.14)               | (155.95)               |
| <b>Net debt (A)</b>                | <b>10,959.35</b>       | <b>21,985.12</b>       |
| <b>Total equity</b>                |                        |                        |
| Total member's capital             | 51,800.38              | 16,395.10              |
| <b>Capital and net debt (B)</b>    | <b>62,759.73</b>       | <b>38,380.22</b>       |
| <b>Gearing ratio (%) (A/B)*100</b> | <b>21.16</b>           | <b>134.10</b>          |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

## 43 Income Tax

The major components of Income Tax Expense for the years are:

(Amount in Lakhs)

| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b>Current income tax:</b>  |                        |                        |
| Current income tax charge   | 1,655.94               | 1,739.86               |
| Adjustments in respect of previous year                               | 16.21                  | 16.54                  |
| <b>Deferred tax:</b>  |                        |                        |
| Relating to origination and reversal of temporary differences (Net)   | 278.28                 | 16.33                  |
| <b>Income tax expense reported in the statement of profit or loss</b> | <b>1,950.43</b>        | <b>1,772.73</b>        |

The tax rate used for the reconciliation above is the corporate tax rate payable by corporate entity in India on taxable profits under the Indian tax law. The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced



# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

by the Taxation Laws (Amendment) Ordinance, 2019 in FY 2020-21, which gives a one time irreversible option to domestic companies for payment of corporate tax at reduced rates. Accordingly, the Company has re-measured its deferred tax asset (net) basis the rate prescribed in the said section..

A Reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income before Income taxes is summarized as follow:

| Particulars  | (Amount in Lakhs)      |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Profit before income tax                                   | 9,145.04               | 7,172.63               |
| Rate of Income tax   | 25.17%                 | 25.17%                 |
| Computed expected tax expenses                             | 2,301.62               | 1,805.21               |
| Additional allowances for tax purpose                      | (455.37)               | (9.83)                 |
| Expenses not allowed for tax purposes                      | 37.86                  | 19.64                  |
| Provision for Employee benefit not allowed for tax purpose | 6.79                   | 20.38                  |
| Depreciation As per Companies Act 2013                     | 253.69                 | 105.40                 |
| Depreciation As per Income Tax Act                         | (488.65)               | (200.94)               |
| <b>Current Income Tax</b>                                  | <b>1,655.94</b>        | <b>1,739.86</b>        |

Applicable statutory tax rate for financial year 2021-22 is 25.17% (Previous year 2020-21 is 25.17%)

The Gross movement in the current income tax asset/(Liability) for the year ended March 31, 2022 and March 31, 2021 is as follows

| Particulars  | (Amount in Lakhs)      |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Net current income tax asset/(liability) at the beginning  | (115.16)               | 223.72                 |
| Income tax paid  | 2281.37                | 1,417.52               |
| Current tax expenses                                       | (1,672.15)             | (1,756.40)             |
| <b>Net current income tax asset/(liability) at the end</b> | <b>494.06</b>          | <b>(115.16)</b>        |

## 44 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| Particulars  | (Amount in Lakhs)       |                          |
|--|-------------------------|--------------------------|
|  | Current Year<br>2021-22 | Previous Year<br>2020-21 |
| Profit attributable to equity holders of the parent for basic earnings (Rs.)     | 7,194.61                | 5,399.90                 |
| Weighted average number of equity shares for basic and diluted earning per share | 34,205,239*             | 31,500,000**             |
| Face value per share   | 10                      | 10                       |
| Basic earning per share  | 21.03                   | 17.14                    |
| Diluted earning per share  | <b>21.03</b>            | <b>17.14</b>             |

\*After Considering the impact of 16,84,374 & 32,78,688 Equity Shares fully Paid up were issued on Preferential basis and initial Public offer respectively

\*\*After considering the impact of issue of bonus shares in the ratio of 2 equity shares of Rs.10 each, for every 1 equity shares of Rs.10 each at the EGM held on March 31, 2021. 2,10,00,000 Bonus Equity Shares have been allotted on March 31, 2021 and equity share capital of the company has increased to 3,15,00,000 (number of shares).

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## 45 RELATED PARTY DISCLOSURES

### i) Related party relationships:

| Particulars   | Current Year 2021-22                            | Preceding Year 2020-21  |
|---|---|---|
| <b>Joint Venture</b>  |   |   |
| <b>Enterprises in which key management personnel have significant influence</b>             | Ami Oncotheranostics LLC                        | Ami Oncotheranostics LLC                                      |
| <b>Key managerial personnel</b>   | Nareshkumar R. Patel                            | Chetankumar C. Vaghasia                                       |
|   | Chetankumar C. Vaghasia                         | Girishbhai L. Chovatia (till 31st March, 2021)                |
|   | Virendra Nath Mishra                            | Nareshkumar R. Patel  |
|   | Ram Mohan Locande (From February 8, 2022)       |   |
|   | Abhishek Patel (CFO)                            | Virendra Nath Mishra (From 03.03.2021)                        |
|   | Ekta kumari Srivastava (CS)                     | Abhishek Patel (CFO)  |
|   |   | Vishalkumar Laxmilal Shah (till 8th November 2020)            |
|   |   | Mitali Chauhan (From 9th November 2020 to 21st february 2021) |
|   |   | Ekta kumari Srivastava (CS) (w.e.f. 22nd February 2021)       |
| <b>Independent Director</b>   | Girikrishna S. Maniar                           | Girikrishna S. Maniar   |
|   | Richa Goyal                                     | Kamini Shah (Till 31st March, 2021)                           |
|   | Hetal Gandhi                                    |   |
|   | Dr. Anita Bandyopadhyay (From February 8, 2022) |   |
| <b>Relative of key management personnel</b>   | Parulben C. Vaghasia                            | Kiranben G. Chovatia  |
|   | Shitalben N. Patel                              | Parulben C. Vaghasia  |
|   |   | Shitalben N. Patel  |
| <b>Enterprises in which relative of key management personnel have significant influence</b> | Ami Procure Private Limited                     | Ami Lifesciences Pvt Ltd. (till 31st March, 2021)             |
|   | Religen Inc                                     | Ami Procure Private Limited                                   |
|   | Alkoxide Fine Chem Private Limited              | Religen Inc   |
|   | Prodigy Biotech Inc                             | Prodigy Biotech Inc   |
|   | Hare Krishna Bath Fittings LLP                  |   |
|   | Globe Bio Care                                  |   |

#### Notes:

- The related party relationships have been determined on the basis of the requirements of the Indian Accounting Standard (Ind AS) -24 'Related Party Disclosures' and the same have been relied upon by the auditors.

The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the current year /previous year, except where control exists, in which case the relationships have been mentioned irrespective of transactions with the related party.

### ii. Transactions with related parties:

| Particulars                            | (Amount in Lakhs)      |                         |
|--|------------------------|-------------------------|
|  | Current Year (2021-22) | Previous Year (2020-21) |
| <b>Advances given for Land</b>         |                        |                         |
| Shitalben Patel                        | -                      | 540.00                  |
| Chetankumar C. Vaghasia                | -                      | 540.00                  |
| <b>Total</b>                           | <b>-</b>               | <b>1,080.00</b>         |
| <b>Advances for Land received back</b> |                        |                         |
| Shitalben Patel                        | 540.00                 | -                       |
| Chetankumar C. Vaghasia                | 540.00                 | -                       |
| <b>Total</b>                           | <b>1,080.00</b>        | <b>-</b>                |
| <b>Interest Received</b>               |                        |                         |
| Shitalben Patel                        | 1.68                   | -                       |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

| Particulars  | (Amount in Lakhs)         |                            |
|--|---------------------------|----------------------------|
|  | Current Year<br>(2021-22) | Previous Year<br>(2020-21) |
| Chetankumar C. Vaghasia  | 2.07                      | -                          |
| <b>Total</b>   | <b>3.75</b>               | <b>-</b>                   |
| <b>Remuneration &amp; Allowance to KMP, Relatives of KMP &amp; Independent Directors</b>     |                           |                            |
| Girishbhai L. Chovatia   | -                         | 111.00                     |
| Kiranben G. Chovatia   | -                         | 12.00                      |
| Nareshkumar R. Patel   | 405.50                    | 180.00                     |
| Chetankumar C. Vaghasia  | 400.00                    | 180.00                     |
| Shitalben N. Patel   | -                         | 12.00                      |
| Parulben C. Vaghasia   | -                         | 12.00                      |
| Vishalkumar Laxmilal Shah  | -                         | 2.68                       |
| Girikrishna S. Maniar  | -                         | 5.08                       |
| Kamini Shah  | -                         | 5.00                       |
| Mitali Chauhan   | -                         | 1.88                       |
| Ektakumari Srivastava (CS)   | 14.00                     | 0.68                       |
| Virendra Nath Mishra   | 85.80                     | 6.50                       |
| Ram Mohan Rao Locande  | 16.50                     | -                          |
| Abhishek Patel (CFO)   | 35.10                     | 23.43                      |
| <b>Total</b>   | <b>956.90</b>             | <b>552.25</b>              |
| <b>Director Sitting Fees</b>   |                           |                            |
| Hetal Gandhi   | 5.70                      | -                          |
| Girikrishna S. Maniar  | 6.30                      | -                          |
| Richa Goyal  | 5.70                      | -                          |
| Anita Bandyopadhyay  | 0.60                      | -                          |
| <b>Director Commission</b>   |                           |                            |
| Hetal Gandhi   | 6.30                      | -                          |
| Girikrishna S. Maniar  | 5.70                      | -                          |
| Richa Goyal  | 0.30                      | -                          |
| <b>Reimbursement of Expense</b>  |                           |                            |
| Ami Life Sciences Pvt. Ltd.  | -                         | 0.91                       |
| Girikrishna S. Maniar  | 0.20                      | -                          |
| <b>Purchase of Material</b>  |                           |                            |
| Hare Krishna Bath Filtings LLP   | 0.51                      | -                          |
| Alkoxide Fine Chem Private Limited   | 57.55                     | -                          |
| <b>Total</b>   | <b>88.86</b>              | <b>0.91</b>                |
| <b>Advances for Investment</b>   |                           |                            |
| Ami Oncotheranostics Llc   | -                         | 38.53                      |
| <b>Total</b>   | <b>-</b>                  | <b>38.53</b>               |
| <b>Sale of Scrap Plant</b>   |                           |                            |
| Alkoxide Fine Chem Private Limited   | 1.37                      | -                          |
| <b>Total</b>   | <b>1.37</b>               | <b>-</b>                   |
| <b>Loan Taken/(Given) &amp; Repayment thereof and balance outstanding as at the year end</b> |                           |                            |
| Balance at the beginning of the year   | -                         | -                          |
| Chetankumar C. Vaghasia  | -                         | 255.34                     |
| Girishbhai Chovatia  | -                         | 245.64                     |
| Nareshkumar R. Patel   | -                         | 230.40                     |
| <b>Repaid during the year</b>  |                           |                            |
| Chetanbhai C. Vaghasia   | -                         | 255.34                     |
| Girishbhai Chovatia  | -                         | 163.52                     |
| Nareshkumar R. Patel   | -                         | 230.40                     |
| <b>Balance Outstanding at the year end</b>   |                           |                            |
| Girishbhai Chovatia*   | -                         | 82.11                      |
|  | <b>-</b>                  | <b>82.11</b>               |

\*Balance outstanding has been repaid during the FY 21-22

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

## 46 Research and Development Expense

| Particulars         | (Amount in Lakhs)      |                        |
|---------------------|------------------------|------------------------|
|                     | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Capital Expenditure | 229.49                 | 307.88                 |
| Revenue Expenditure | 474.69                 | 342.02                 |
| <b>Total</b>        | <b>704.18</b>          | <b>649.90</b>          |

## 47 Other statutory information

- The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- The Company is not declared wilful defaulter by any bank or financial institution or other lenders.
- The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year.
- No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made there under.
- No loans or advances in the nature of loans are granted to promoters, Directors, Key Managerial Personnel and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person.

## 48 Events after the end of the reporting period

No subsequent event has been observed which may require an adjustment to the statement of financial position.

**49** As part of the capacity and production rationalization exercise, Company has transferred the current production operation of speciality chemical business from Ankleshwar facility, which was acquired from Gujarat Organics Limited to one single location at Jhagadia facility. The shifting of speciality chemicals business at single location will help company achieve better utilization of the plant and improve operational efficiency. There shall be no revenue loss and employee layoffs because of transfer of aforementioned production operation from Ankleshwar to Jhagadia unit of company. Meanwhile all the current production operations at company's Surat-Sachin unit and Jhagadia unit are running normal business as usual. Company intends to restructure the Ankleshwar production facility and utilize the same for the expansion of pharma Intermediate business to support future growth requirement. The Board of Directors of the Company has approved a Proposed Capex of Rs. 1,9990.00 Lakhs, the planning, design and engineering for proposed capex at Ankleshwar unit is under preparation, the Company has already received Environmental Clearance for the proposed restructure of Ankleshwar Unit.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2022

**50** The Company has considered the possible effects that may result from the pandemic relating to COVID 19 on the financial results of the Company. While evaluating the impact, the Company has considered possible future uncertainties in the economic conditions because of the pandemic. However, considering the operations of the Company, there has been no material impact on the financial position/ results of the Company. Given the Uncertainties associated with the nature and duration of this pandemic the eventual outcome of the impact of the global health pandemic may be different from those-estimated as on the date of approval of these financial results and the Company will closely monitor any material changes to the economic environment their Impact on its business in the times to come.

**51** Previous years figures have been regrouped/rearranged wherever necessary, to correspond with the current year classification / disclosures.

**52** The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2022.

## Signatures to Notes 1 to 52

As per our report of even date attached

For **Maheshwari & Co.**

Chartered Accountants

FRN 105834W

**K. K Maloo**

Partner

Membership No.: 075872

Place: Surat

Date: 16/05/2022

For and on behalf of the Board of Directors of **Ami Organics Limited**

**Chetankumar C. Vaghasia**

Whole Time Director

(DIN-01375540)

**Ekta Kumari**

Company Secretary

A - 27323

**Nareshkumar R. Patel**

Chairman & Managing Director

(DIN-00906232)

**Abhishek Patel**

Chief Financial Officer

(PAN-AKNPP5102F)

# Independent Auditor's Report

To  
The Members of  
**Ami Organics Limited**

## Report on the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated financial statements of **Ami ORGANICS LIMITED** (CIN-L24100GJ2007PLC051093) (hereinafter referred to as "the Holding Company") and its jointly controlled entity (the Holding Company and its Jointly Controlled Entity together referred to as "Group"), which comprise the consolidated balance sheet as at 31 March 2022, and 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 "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2022,

of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 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 Consolidated 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.

### 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.

#### The key audit matters

##### Capitalization of Assets

There are a number of areas where management judgement impacts the carrying value of property, plant and equipment, and their respective depreciation profiles. These include: - the decision to capitalize or expense costs; - the annual asset life review including the impact of changes in the strategy; and - the timeliness of the transfer from assets in the course of construction. Refer Note 3.09- of the Consolidated financial statements "Property, plant and equipment".

##### Inventories

At 31 March 2022, Inventory of Finished Goods is disclosed in note 8 - Inventories.

In order to carry inventory at the lower of cost and net realisable value, management has identified overheads cost and made adjustments to the carrying value of these items, the calculation of which requires certain estimates and assumptions. These judgments include bifurcation of overhead cost on the Finish good, using factors existing at the reporting date. i.e. overheads is charged to the Finished goods.

#### How our audit addressed the key audit matter

We tested controls in place over the property, plant and equipment cycle, evaluated the appropriateness of capitalization policies, performed tests of details on costs capitalised and assessed the timeliness of the transfer of assets in the course of construction and the application of the asset life. In performing these substantive procedures, we assessed the judgements made by management including: - the nature of underlying costs capitalised; - the appropriateness of asset lives applied in the calculation of depreciation. Assessed the appropriateness of work in progress on balance sheet date by evaluating the underlying documentation to identify possible delays.

Our procedures included the following to assess inventory cost:

Assessing the reasonableness of the methodologies applied by management for consistency with prior years and our knowledge of industry practice.

- Evaluating the assumptions and estimates applied to the methodologies
  - testing the identification of such inventories;
  - testing the accuracy of historical information and data trends;
- Sample Testing the estimated future sales values, less estimated costs to sell against the carrying value of the inventories.
- Recalculating the arithmetical accuracy of the computations.



## Information other than the Consolidated Financial Statements and Auditor's Report thereon

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

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

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

## Responsibility of Management for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity 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 entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities or business activities included in the Consolidated Financial Statements of which we are the Independent Auditors.

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 Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance 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

## Report on Other Legal and Regulatory Requirements

- I. As required by Section 143(3) of the Act, based on our audit report we report that:
  - a) We have sought and, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, 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 Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- e) On the basis of written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 31 to the consolidated financial statements.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, if any; and
  - iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share



- premium or any other sources or kind of funds) by the Company or any of such joint venture 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. (a) The Company has not paid or declared any dividend during the year and until the date of report, Hence, Compliance in accordance with section 123 of the Act is not applicable.
- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its joint ventures included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **Maheshwari & Co.**  
Chartered Accountants  
Firm's Registration No.105834W

**K. K. Maloo**  
Partner  
Membership No. 075872  
UDIN: 22075872AJBBVJ6710

Place: Surat  
Date: May 16, 2022

# Annexure 'A'

## to the Independent Auditors' Report

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

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

In conjunction with our audit of the consolidated financial statements of Ami ORGANICS LIMITED ("the Holding Company") as of 31 March 2022, we have audited the internal financial controls with reference to the financial statements of the Holding Company and its Joint Ventures, which are incorporated in India as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated financial statements.

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be



detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to explanation given to us, the Group has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria

established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Maheshwari & Co.**  
Chartered Accountants  
Firm's Registration No.105834W

Place: Surat  
Date: May 16, 2022

**K. K. Maloo**  
Partner  
Membership No. 075872  
UDIN: 22075872AJBBVJ6710

# Consolidated Balance Sheet

as at 31 March 2022

(Amount in Lakhs)

| Particulars   | Note No.        | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|-----------------|------------------------|------------------------|
| <b>I. ASSETS</b>  |                 |                        |                        |
| <b>Non-current assets</b>   |                 |                        |                        |
| a) Property, Plant and Equipment  | 4a              | 15,844.31              | 14,217.62              |
| b) Right of use assets  | 4b              | 1,936.57               | 1,842.91               |
| c) Capital Work-In-Progress   | 4c              | 296.05                 | 20.01                  |
| d) Other Intangible Assets  | 4d              | 2,672.61               | 2,570.11               |
| e) Financial Assets   |                 |                        |                        |
| (i) Investments   | 5               | 171.31                 | 142.86                 |
| (ii) Other Financial Assets   | 6               | 1,085.73               | 270.60                 |
| f) Other Non-Current Assets   | 7               | 967.03                 | 639.58                 |
| <b>Total Non-Current Assets</b>   | <b>A</b>        | <b>22,973.61</b>       | <b>19,703.69</b>       |
| <b>Current Assets</b>   |                 |                        |                        |
| a) Inventories  | 8               | 11,217.09              | 6,036.31               |
| b) Financial Assets   |                 |                        |                        |
| (i) Trade Receivables   | 9               | 16,370.22              | 12,069.09              |
| (ii) Cash and Cash Equivalents  | 10(a)           | 1,029.66               | 268.46                 |
| (iii) Bank Balances Other Than (ii) Above                                       | 10(b)           | 8,925.49               | -                      |
| (iv) Loans  | 11              | 65.39                  | 33.43                  |
| c) Current Tax Assets(Net)  |                 | 494.06                 | -                      |
| d) Other Assets   | 12              | 4,812.77               | 3,215.83               |
| <b>Total Current Assets</b>   | <b>B</b>        | <b>42,914.68</b>       | <b>21,623.12</b>       |
| <b>Total Assets</b>   | <b>I=(A+B)</b>  | <b>65,888.29</b>       | <b>41,326.81</b>       |
| <b>II. EQUITY AND LIABILITIES</b>   |                 |                        |                        |
| <b>Equity</b>   |                 |                        |                        |
| a) Equity Share Capital   | 13              | 3,643.71               | 3,150.00               |
| b) Other Equity   | 14              | 48,583.68              | 13,543.32              |
| <b>Total Equity</b>   | <b>C</b>        | <b>52,227.39</b>       | <b>16,693.32</b>       |
| <b>Non-current liabilities</b>  |                 |                        |                        |
| a) Financial Liabilities  |                 |                        |                        |
| (i) Borrowings  | 15              | 58.81                  | 7,264.42               |
| b) Provisions   | 16              | 43.60                  | 436.84                 |
| c) Deferred Tax Liabilities (Net)   | 17              | 626.43                 | 327.85                 |
| <b>Total Non-Current Liabilities</b>  |                 | <b>728.84</b>          | <b>8029.11</b>         |
| <b>Current Liabilities</b>  |                 |                        |                        |
| a) Financial Liabilities  |                 |                        |                        |
| (i) Borrowings  | 18              | 25.60                  | 6,399.15               |
| (ii) Trade Payables   |                 |                        |                        |
| A. Total outstanding dues of micro enterprises and small enterprises            | 19              | 1,508.05               | 39.04                  |
| B. Total outstanding dues of other than micro enterprises and small enterprises |                 | 10,333.71              | 8,438.46               |
|   |                 | -                      | -                      |
| b) Other Current Liabilities  | 20              | 462.64                 | 1,515.97               |
| c) Provisions   | 21              | 602.06                 | 96.62                  |
| d) Current Tax Liability (Net)  | 22              | -                      | 115.16                 |
| <b>Total Current Liabilities</b>  |                 | <b>12,932.06</b>       | <b>16,604.40</b>       |
| <b>Total Liabilities</b>  | <b>D</b>        | <b>13,660.90</b>       | <b>24,633.50</b>       |
| <b>Total Equity and Liabilities</b>   | <b>II=(C+D)</b> | <b>65,888.29</b>       | <b>41,326.81</b>       |
| Significant Accounting Policies   | 2-3             |                        |                        |

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **Maheshwari & Co.**

Chartered Accountants

FRN 105834W

For and on behalf of the Board of Directors of **Ami Organics Limited****K. K Maloo**

Partner

Membership No.: 075872

Place: Surat

Date: 16/05/2022

**Chetankumar C. Vaghasia**

Whole Time Director

(DIN-01375540)

**Ekta Kumari**

Company Secretary

A - 27323

**Nareshkumar R. Patel**

Chairman &amp; Managing Director

(DIN-00906232)

**Abhishek Patel**

Chief Financial Officer

(Pan-AKNPP5102F)



# Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

(Amount in Lakhs)

| Particulars   | Note No. | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|----------|----------------------------------|----------------------------------|
| Revenue from operations   | 23       | 52,013.50                        | 34,060.79                        |
| Other income  | 24       | 276.23                           | 137.97                           |
| <b>Total Revenue (A)</b>  |          | <b>52,289.73</b>                 | <b>34,198.76</b>                 |
| <b>Expenses</b>   |          |                                  |                                  |
| Cost of raw materials consumed  | 25       | 28,233.30                        | 17,487.20                        |
| Changes in inventories of finished goods/traded goods and work-in-progress            | 26       | (949.67)                         | 481.36                           |
| Employee benefits expense   | 27       | 4,136.64                         | 2,100.76                         |
| Finance costs   | 28       | 640.73                           | 561.84                           |
| Depreciation and amortisation expense   | 4        | 1,008.02                         | 418.81                           |
| Other expenses  | 29       | 10,075.67                        | 5,976.17                         |
| <b>Total expenses (B)</b>   |          | <b>43,144.69</b>                 | <b>27,026.14</b>                 |
| <b>Profit before tax</b>  |          | <b>9,145.04</b>                  | <b>7,172.62</b>                  |
| Tax expense:  |          |                                  |                                  |
| - Current tax   |          | 1,672.15                         | 1,756.40                         |
| - Deferred tax  |          | 278.28                           | 16.33                            |
|   |          | <b>1,950.43</b>                  | <b>1,772.73</b>                  |
| <b>Profit for the year</b>  |          | <b>7,194.61</b>                  | <b>5,399.89</b>                  |
| <b>Other Comprehensive Income/(Loss)</b>  |          |                                  |                                  |
| Exchange difference on translation on Foreign Entity                                  |          | 128.79                           | (85.18)                          |
| <b>Items that will not be reclassified to statement of profit and loss</b>            |          |                                  |                                  |
| Measurement of defined employee benefit plans   |          | 80.65                            | (3.73)                           |
| Tax impact of items that will not be reclassified to statement of profit and loss     |          | (20.30)                          | 0.94                             |
| <b>Total comprehensive income for the year</b>  |          | <b>7,383.75</b>                  | <b>5,311.92</b>                  |
| <b>Earnings per equity share</b>  |          |                                  |                                  |
| (1) Basic   |          | 21.03                            | 17.14                            |
| (2) Diluted   |          | 21.03                            | 17.14                            |
| Nominal value of equity shares  |          | 10.00                            | 10.00                            |
| Significant Accounting Policies   | 2-3      |                                  |                                  |
| The accompanying notes form an integral part of the consolidated financial statements |          |                                  |                                  |

As per our report of even date attached

For **Maheshwari & Co.**

Chartered Accountants

FRN 105834W

**K. K Maloo**

Partner

Membership No.: 075872

Place: Surat

Date: 16/05/2022

For and on behalf of the Board of Directors of **Ami Organics Limited**

**Chetankumar C. Vaghasia**

Whole Time Director

(DIN-01375540)

**Ekta Kumari**

Company Secretary

A - 27323

**Nareshkumar R. Patel**

Chairman & Managing Director

(DIN-00906232)

**Abhishek Patel**

Chief Financial Officer

(Pan-AKNPP5102F)

# Consolidated Statement of Cash Flow

for the year ended 31 March 2022

(Amount in Lakhs)

| Particulars  | For the year ended<br>31 March 2022 | For the year ended<br>31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| <b>Cash flow from/(used in) operating activities</b>   |                                     |                                     |
| Profit before tax  | 9,145.04                            | 7,172.62                            |
| <b>Adjustment for:</b>   |                                     |                                     |
| Interest expense   | 544.91                              | 510.81                              |
| Interest income  | (258.18)                            | (19.53)                             |
| Depreciation and amortization  | 1,008.02                            | 418.80                              |
| Unrealised exchange difference (net)   | (59.24)                             | (21.34)                             |
| (Profit)/Loss from sale of Property, plant and equipment   | -                                   | 1.78                                |
| Exchange Fluctuation on change on equity instruments   | 128.79                              | (85.18)                             |
| Remeasurement of defined employee benefit plans  | 80.65                               | (3.73)                              |
| <b>Operating Profit Before Working Capital Changes</b>   | <b>10,590.00</b>                    | <b>7,974.22</b>                     |
| <b>Movement in working capital:</b>  |                                     |                                     |
| (Increase)/decrease in trade receivables   | (4,145.49)                          | (6,416.98)                          |
| (Increase)/decrease in inventories   | (5,180.78)                          | (802.14)                            |
| (Increase)/decrease in loans   | (31.95)                             | (5.72)                              |
| (Increase)/decrease in other financial Assets  | (815.13)                            | 24.94                               |
| (Increase)/decrease in other Current Assets  | (1,328.02)                          | (1,504.50)                          |
| Increase/(decrease) in trade payables  | 3,267.88                            | 3,342.37                            |
| Increase/(decrease) in other current liabilities   | (1,053.33)                          | 1,352.20                            |
| Increase/(decrease) in provision   | 112.19                              | 249.17                              |
| <b>Cash generated/(used) in operations</b>   | <b>1,415.37</b>                     | <b>4213.56</b>                      |
| Income taxes paid  | (2,281.38)                          | (1,417.52)                          |
| <b>Net Cash flow from operating activities (A)</b>   | <b>(866.01)</b>                     | <b>2,796.04</b>                     |
| <b>Cash flow from/(used) investing activities</b>  |                                     |                                     |
| Payments Property, plant and equipment, (Including Capital WIP & Intangible Assets)                    | 3375.81                             | (10,711.48)                         |
| Interest received  | 258.18                              | 19.53                               |
| Proceeds from sale of Property, plant and equipment (Including Capital WIP & Intangible Assets)        | 0.00                                | 253.75                              |
| (Increase)/decrease in Other Bank Balance  | (8,925.49)                          | 0.00                                |
| (Increase)/decrease in Investment  | (355.91)                            | 317.69                              |
| <b>Cash generated/(used) in investing activities (B)</b>   | <b>(12,399.03)</b>                  | <b>(10,120.51)</b>                  |
| <b>Cash flow from/(used in) financing activities</b>   |                                     |                                     |
| Proceed/(repayment) of borrowings (net)  | (13,579.16)                         | 7,721.63                            |
| Proceeds from issue of share capital (including securities premium)                                    | 29,999.99                           | 0.00                                |
| Share issue expenses   | (1,849.67)                          | 0.00                                |
| Interest paid  | (544.91)                            | (510.80)                            |
| <b>Cash generated/(used) in financing activities (C)</b>   | <b>14,026.25</b>                    | <b>7,210.83</b>                     |
| <b>Effect of Exchange differences on translation of foreign currency cash and cash equivalents (D)</b> | <b>0.00</b>                         | <b>0.06</b>                         |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C-D)</b>                                  | <b>761.20</b>                       | <b>(113.70)</b>                     |
| Cash and cash equivalent at beginning of year  | 268.46                              | 382.16                              |
| Cash and cash equivalent at end of year  | 1,029.66                            | 268.46                              |
| <b>Net increase/(decrease) as disclosed above</b>  | <b>761.20</b>                       | <b>(113.70)</b>                     |

As per our report of even date attached  
For **Maheshwari & Co.**  
Chartered Accountants  
FRN 105834W

For and on behalf of the Board of Directors of **Ami Organics Limited**

**K. K Maloo**  
Partner  
Membership No.: 075872

**Chetankumar C. Vaghasia**  
Whole Time Director  
(DIN-01375540)

**Nareshkumar R. Patel**  
Chairman & Managing Director  
(DIN-00906232)

Place: Surat  
Date: 16/05/2022

**Ekta Kumari**  
Company Secretary  
A - 27323

**Abhishek Patel**  
Chief Financial Officer  
(Pan-AKNPP5102F)



# Consolidated Statement of Changes in Equity

for the year ended 31 March 2022

## A Equity Share Capital

### (1) Current reporting period

(Amount in Lakhs)

| Balance at the beginning of current reporting period April 1, 2021 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period April 1, 2021 | Changes in equity share capital during the current year | Balance at the end of the current reporting period March 31, 2022 |
|--|--|---|---|---|
| 3,150.00   | -  | -   | 493.71  | 3,643.71  |

### (2) Previous reporting period

(Amount in Lakhs)

| Balance at the beginning of previous reporting period April 1, 2020 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the previous reporting period April 1, 2020 | Changes in equity share capital during the previous year | Balance at the end of the previous reporting period March 31, 2021 |
|---|--|--|--|--|
| 1,050.00  | -  | -  | 2,100.00   | 3,150.00   |

## B Other Equity

### (1) Current reporting period

(Amount in Lakhs)

| Particulars  | Reserve & Surplus |                    |                 |                   | Equity Instrument through Other Comprehensive Income | Other Item of other comprehensive Income (Actuarial gains and losses) | Total      |
|--|-------------------|--------------------|-----------------|-------------------|--|---|------------|
|  | Capital Reserve   | Securities Premium | General Reserve | Retained Earnings |  |   |            |
| Balance at the beginning of current reporting period April 1, 2021 | 200.02            | -                  | -               | 13,128.11         | 298.22   | (83.03)   | 13,543.32  |
| Changes in accounting policy or prior period errors                | -                 | -                  | -               | -                 | -  | -   | -          |
| Restated balance at the beginning of the current reporting period  | -                 | 29,506.29          | -               | -                 | -  | -   | 29,506.29  |
| Total Comprehensive Income for the current year                    | -                 | -                  | -               | -                 | 128.79   | 60.35   | 189.14     |
| Dividends  | -                 | -                  | -               | -                 | -  | -   | -          |
| Transfer to retained earnings                                      | -                 | -                  | -               | 7,194.61          | -  | -   | 7,194.61   |
| Any other changes (to be specified)                                | -                 | -                  | -               | -                 | -  | -   | -          |
| Issue Expense  | -                 | (1,849.68)         | -               | -                 | -  | -   | (1,849.68) |
| Balance at the end of the current reporting period March 31, 2022  | 200.02            | 27,656.61          | -               | 20,322.72         | 427.01   | (22.68)   | 48,583.68  |

### (2) Previous reporting period

| Particulars   | Reserve & Surplus |                    |                 |                   | Equity Instrument through Other Comprehensive Income | Other Item of other comprehensive Income (Actuarial gains and losses) | Total      |
|---|-------------------|--------------------|-----------------|-------------------|--|---|------------|
|   | Capital Reserve   | Securities Premium | General Reserve | Retained Earnings |  |   |            |
| Balance at the beginning of previous reporting period April 1, 2020 | -                 | -                  | -               | 9,828.22          | 383.40   | (80.24)   | 10,131.38  |
| Restated balance at the beginning of the current reporting period   | -                 | -                  | -               | -                 | -  | -   | -          |
| Total Comprehensive Income for the previous year                    | -                 | -                  | -               | -                 | (85.18)  | (2.79)  | (87.97)    |
| Dividends   | -                 | -                  | -               | -                 | -  | -   | -          |
| Transfer to retained earnings                                       | -                 | -                  | -               | 5,399.89          | -  | -   | 5,399.89   |
| Capital Reserve on acquisition                                      | 200.02            | -                  | -               | -                 | -  | -   | 200.02     |
| Issue of Bonus Shares   | -                 | -                  | -               | (2,100.00)        | -  | -   | (2,100.00) |
| Balance at the end of the previous reporting period March 31, 2021  | 200.02            | -                  | -               | 13,128.11         | 298.22   | (83.03)   | 13,543.32  |

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **Maheshwari & Co.**

Chartered Accountants

FRN 105834W

**K. K Maloo**

Partner

Membership No.: 075872

Place: Surat

Date: 16/05/2022

For and on behalf of the Board of Directors of **Ami Organics Limited**

**Chetankumar C. Vaghasia**

Whole Time Director

(DIN-01375540)

**Ekta Kumari**

Company Secretary

A - 27323

**Nareshkumar R. Patel**

Chairman & Managing Director

(DIN-00906232)

**Abhishek Patel**

Chief Financial Officer

(Pan-AKNPP5102F)

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## 1 Company overview

Ami Organics Limited (hereinafter referred to as “the Holding Company”) and “AMI ONCO-THERANOSTICS, LLC” its jointly controlled entity (the Holding Company and its Jointly Controlled Entity together referred to as “Group”). Ami Organics Limited was originally formed as a partnership firm under the Partnership Act, 1932 in the name of “Ami Organics” pursuant to a deed of partnership dated January 3, 2004 with Promoters, among others, as partners. “Ami Organics” was then converted into private limited company under part IX of the Companies Act, 1956 under the name of “Ami Organics Private Limited” vide certificate of incorporation dated June 12, 2007 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Further, pursuant to a resolution passed by our shareholders on April 5, 2018, Company was converted into a public limited company, following which Company’s name was changed to “Ami Organics Limited”, and a fresh certificate of incorporation was issued on April 18, 2018 having its registered office at Plot no. 440/4, 5 & 6, Road No. 82/A, GIDC Sachin, Surat GJ 394230. The Company had its primary listing on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited in the FY 21-22. The Company is engaged in business of drugs intermediate chemicals and related activities.

The Consolidated Financial Statements are approved by the company’s Board of Directors on May 16, 2022.

## 2 Significant accounting policies

### Statement of compliance

Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

### 3.01 Basis of preparation of financial statements

#### Basis of consolidation

#### Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated

financial statements using the Proportionate consolidation. Proportionate consolidation is a method of accounting whereby a venture’s share of each of the assets, liabilities, income and expenses of a jointly controlled entity is combined line by line with similar items in the venture’s financial statements or reported as separate line items in the venture’s financial statements.

The Group discontinues the use of the proportionate consolidation method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the investment becomes a subsidiary, the Group accounts for its investment in accordance with Ind AS 103 ‘Business Combination’. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures it at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest is included in the determination of the gain or loss on disposal of the associate or joint venture.

The separate financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 (“the Act”), except for:

- Financial instruments - measured at fair value;
- Assets held for sale - measured at fair value less cost of sale;
- Plan assets under defined benefit plans - measured at fair value
- In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

### 3.02 Current and non-current classification

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

An asset is classified as current when it satisfies any of the following criteria: it is expected to be realised in, or is intended for sale or consumption in, the Company’s normal operating cycle. it is held primarily for the purpose of being traded;

- It is expected to be realised within 12 months after the reporting date; or



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- All other assets are classified as non-current.
- A liability is classified as current when it satisfies any of the following criteria:
  - It is expected to be settled in the Company's normal operating cycle;
  - It is held primarily for the purpose of being traded
  - It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Consolidated Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest of Lakhs, unless otherwise stated.

## 3.03 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

## The areas involving critical estimates or judgments are:

Valuation of financial instruments

Useful life of property, plant and equipment  
Defined benefit obligation

Provisions

Recoverability of trade receivables

Recognition of revenue and allocation of transaction price  
Current tax expense and current tax payable

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the company.

## Summary of significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

## 3.04 Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

Disclosures for valuation methods, significant estimates and assumptions (note 39)

Financial instruments (including those carried at amortised cost) (note 38)

## 3.05 Revenue recognition

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Company or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue from services, including those embedded in contract for sale of goods, namely, freight and insurance services mainly in case of export sales, is recognised upon completion of services.

Revenue is measured based on the consideration to which the Company expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract, net of the estimated variable consideration. Accumulated experience is used to estimate and provide for the variable consideration, using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 180 days. The contracts do not grant any rights of return to the customer. Returns of goods are accepted by the Company only on an exception basis. Revenue excludes any taxes or duties collected on behalf of government that are levied on sales such as goods and services tax. Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

## Interest and dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

## 3.06 Inventories:

Items of inventories are valued lower of cost or estimated net realisable value as given below.

### i. Raw Materials and Packing Materials:

Raw Materials and packing materials are valued at Lower of Cost or market value, (Cost is net of Taxes, wherever applicable). However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on First in First Out (FIFO) method.

### ii. Work in process:

Work in process are valued at the lower of cost and net realizable value. The cost is computed on FIFO method.

### iii. Finished goods & semi-finished goods:

Finished Goods & semi-finished goods are valued at lower of cost and net realizable value. The cost is computed on FIFO method and includes cost of materials, cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.

### iv. Stores and spares:

Stores and spare parts are valued at lower of cost or net realisable value. Costs are determined on FIFO method and net realisable value.

## 3.07

### Leases:

#### As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

**Short-term leases and leases of low-value assets** The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less, leases of low-value assets and cancellable leases. The Company recognises the lease payments associated with these leases as an expense in Profit and loss account.

## As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

## 3.08 Foreign currency transactions and translation

- i) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated in functional currency at closing rates of exchange at the reporting date.
- ii) Exchange differences arising on settlement or translation of monetary items recognised in statement of profit and loss.
- iii) As the Company enters into business transactions based on the prevailing exchange rate, forward premium and other related factors, the gain/(loss) on this account is considered to be an integral part of the operations of the Company in accordance with industry practice and to avoid distortion of operating performance.

## 3.09 Taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company determines the tax as per the provisions of Income Tax Act 1961 and other rules specified thereunder.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

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

Deferred tax assets and deferred tax liabilities are offset enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 3.10 a) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Property, plant and equipment and capital work in progress cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

### Subsequent Cost

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised and charged to the statement of Profit and Loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss.

## b) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss. The system software which is expected to provide future enduring benefits is capitalised. The capitalised cost includes license fees and cost of implementation/system integration.

### Depreciation and amortisation

The depreciation on tangible assets is calculated on SLM method over the estimated useful life of assets

prescribed by the Schedule II to the Companies Act 2013 as follows:

| Asset class             | Useful life as per management |
|-------------------------|-------------------------------|
| Plant and machinery     | 20 years                      |
| Office equipment        | 5 years                       |
| Computers/Servers       | 3/6 years                     |
| Vehicles                | 8 years                       |
| Furniture and fixtures  | 10 years                      |
| Electrical installation | 10 years                      |
| Office premises         | 60 years                      |
| Residential premises    | 60 years                      |
| Factory Building        | 30 years                      |
| Lease hold Land         | Over the period of Lease      |

The useful life has been determined based on technical evaluation done by the Management/experts, which are different from the useful life prescribed in Part C of Schedule II of the Act in order to reflect actual use of the assets. The residual values, useful life and method of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate.

### Derecognition of assets

An item of property plant & equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised.

## 3.11 Investment property

Property that is held for long term rental yield or for capital appreciation or both, and that is not occupied by the Company, is classified as Investment property. Investment properties measured initially at cost including related transitions cost and where applicable borrowing cost. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is incurred the carrying amount of replaced part is derecognised.

Investment properties other than land are depreciated using SLM method over the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 i.e. 60 years for office premises. Investment properties include:

- (i) Land
- (ii) Office premises.

## 3.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 3.12 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The contingent liability is not recognised in books of account but its existence is disclosed in financial statements.

## 3.14 Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by future events not wholly within the control of the entity.

Contingent assets require disclosure only. If the realisation of income is virtually certain, the related asset is not a contingent asset and recognition is required.

## 3.15 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## 3.16 Provisions

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

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

## 3.17 Financial instruments

### Initial recognition

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

### Subsequent measurement

#### (A) Non derivative financial instruments

##### (i) Financial Assets at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met :

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

##### (ii) Financial Assets at Fair Value through Profit or Loss/Other comprehensive income

Instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

If the company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

## (iii) Financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

### (a) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. However, the Company has borrowings at floating rates. Considering the impact of restatement of Effective interest rate, transaction cost is being amortised over the tenure of loan and borrowing.

### (b) Trade & other payables

After initial recognition, trade and other payables maturing within one year from the Balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## (B) Derivative financial instruments

The company holds derivatives financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Company has taken all the forward contract from the bank.

**The company have derivative financial assets/financial liabilities which are not designated as hedges;**

Derivatives not designated are initially recognised at the fair value and attributable transaction cost are recognised in statement of profit and loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit and loss. Asset/Liabilities in this category are presented as current asset/current liabilities.

### 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 or loss.

## 3.18 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

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

## 3.19 Employee Benefits

### i) Defined contribution plans (Provident Fund)

In accordance with Indian Law, eligible employees receive benefits from Provident Fund, which is defined contribution plan. Both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred..

### ii) Defined benefit plans (Gratuity)

In accordance with applicable Indian Law, the Company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lumpsum payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Company. The Company's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

The Company recognises all Remeasurement of net defined benefit liability/asset directly in other comprehensive income and presented within equity.



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## iii) Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## 3.20 Lease

### Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## 3.21 Earnings per share

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

## 3.22 Dividend distribution

Dividend distribution to the equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

## 3.23 Research and Development expenditure

Expenditure on research is recognised as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible assets is recognised as an expense when it is incurred. Items of Property, Plant and Equipment and acquired Intangible assets are used for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible assets.

## 3.24 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below

### • Ind AS 103 - Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable

assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its Financial Statements.

### • Ind AS 16 - Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any material impact in its recognition of its property, plant and equipment in its Financial Statements

### • Ind AS 37 - Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its Financial Statements.

### • Ind AS 109 - Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its Financial Statements.

### • Ind AS 106 - Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its Financial Statements.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## 4 a) Property, Plant and Equipment

(Amount in Lakhs)

| Particulars                      | Buildings       | Plant and equipment | Office equipment | Furniture and fixtures | Vehicles      | Computers     | Total            |
|----------------------------------|-----------------|---------------------|------------------|------------------------|---------------|---------------|------------------|
| <b>Gross Block (At cost)</b>     |                 |                     |                  |                        |               |               |                  |
| <b>As at 31 March 2020</b>       | <b>2,083.83</b> | <b>4,515.97</b>     | <b>158.47</b>    | <b>165.40</b>          | <b>88.89</b>  | <b>114.08</b> | <b>7,126.64</b>  |
| Additions                        | 2,991.27        | 5,728.98            | 64.12            | 183.39                 | 44.01         | 65.56         | 9,077.33         |
| Deductions/Adjustments           | 14.23           | 295.27              | 11.97            | -                      | 12.90         | -             | 334.37           |
| <b>As at 31 March 2021</b>       | <b>5,060.87</b> | <b>9,949.68</b>     | <b>210.62</b>    | <b>348.79</b>          | <b>120.00</b> | <b>179.64</b> | <b>15,869.60</b> |
| Additions                        | 392.54          | 1,797.92            | 12.17            | 165.26                 | 104.39        | 104.32        | 2,576.60         |
| Deductions/Adjustments           | -               | -                   | -                | -                      | -             | -             | -                |
| <b>As at 31 March 2022</b>       | <b>5,453.41</b> | <b>11,747.60</b>    | <b>222.79</b>    | <b>514.05</b>          | <b>224.39</b> | <b>283.96</b> | <b>18,446.20</b> |
| <b>Depreciation/amortisation</b> |                 |                     |                  |                        |               |               |                  |
| <b>At 31 March 2020</b>          | <b>263.43</b>   | <b>791.56</b>       | <b>87.19</b>     | <b>55.27</b>           | <b>38.75</b>  | <b>75.81</b>  | <b>1,312.01</b>  |
| For the year                     | 69.83           | 275.79              | 19.44            | 21.35                  | 9.79          | 22.61         | 418.81           |
| Deductions/Adjustments           | 1.28            | 59.61               | 6.47             | -                      | 11.48         | -             | 78.84            |
| <b>At 31 March 2021</b>          | <b>332.00</b>   | <b>1,008.00</b>     | <b>100.00</b>    | <b>77.00</b>           | <b>37.00</b>  | <b>98.00</b>  | <b>1,651.98</b>  |
| Additions                        | 160.71          | 648.09              | 39.01            | 32.99                  | 20.73         | 48.38         | 949.91           |
| Deductions/Adjustments           | -               | -                   | -                | -                      | -             | -             | -                |
| <b>As at 31 March 2022</b>       | <b>493.00</b>   | <b>1,656.00</b>     | <b>139.00</b>    | <b>110.00</b>          | <b>58.00</b>  | <b>146.00</b> | <b>2,601.89</b>  |
| <b>Net Block</b>                 |                 |                     |                  |                        |               |               |                  |
| <b>At 31 March 2021</b>          | <b>4,728.87</b> | <b>8,941.68</b>     | <b>110.62</b>    | <b>271.79</b>          | <b>83.00</b>  | <b>81.64</b>  | <b>14,217.62</b> |
| <b>At 31 March 2022</b>          | <b>4,960.41</b> | <b>10,091.60</b>    | <b>83.79</b>     | <b>404.05</b>          | <b>166.39</b> | <b>137.96</b> | <b>15,844.31</b> |

### Note:-

- Company has transferred the current production operations of specialty chemical business of Ankleshwar facility to the Jhagadia facility as a part of capacity and production rationalization exercise. Further plant and equipment of the facility has also been transferred to Jhagadia facility. However this caused no impact on the production plans, revenue or employee layoffs and the Ankleshwar facility will be developed to cater the Pharma Intermediates business of the company. However the assets transferred is under process for reinstallation and recalibration at Jhagadia facility and therefore depreciation has not been charged for the last quarter of the FY 2021-22 for asset transferred from Ankleshwar Unit.
- #Refer Note 18(a) for information on property, plant and equipment hypothecated | mortgaged as security by the Company.

## 4 b) Right of use assets

(Amount in Lakhs)

| Particulars                | Lease Hold Land | Total           |
|----------------------------|-----------------|-----------------|
| As at 31 March 2020        | 403.66          | 403.66          |
| <b>Additions</b>           | 1,439.25        | 1,439.25        |
| Deductions                 | -               | -               |
| As at 31 March 2021        | 1,842.91        | 1,842.91        |
| <b>Additions</b>           | 149.67          | 149.67          |
| Deductions                 | -               | -               |
| As at 31 March 2022        | 1,992.58        | 1,992.58        |
| <b>Amortisation</b>        |                 |                 |
| As at 31 March 2020        | -               | -               |
| <b>Additions</b>           | -               | -               |
| Deductions                 | -               | -               |
| As at 31 March 2021        | -               | -               |
| <b>Additions</b>           | 56.01           | 56.01           |
| <b>Deductions</b>          | -               | -               |
| <b>As at 31 March 2022</b> | <b>56.01</b>    | <b>56.01</b>    |
| <b>Net Block</b>           |                 |                 |
| <b>As at 31 March 2021</b> | <b>1,842.91</b> | <b>1,842.91</b> |
| <b>As at 31 March 2022</b> | <b>1,936.57</b> | <b>1,936.57</b> |



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## 4c) A Capital Work-in-Progress

(Amount in Lakhs)

| Particulars         | Opening Balance | Addition during the year | Capitalized during the year | Closing Balance |
|---------------------|-----------------|--------------------------|-----------------------------|-----------------|
| As at 31 March 2022 | 20.01           | 278.64                   | 2.60                        | 296.05          |
| As at 31 March 2021 | 1,170.75        | 246.43                   | 1,397.17                    | 20.01           |

## b) Ageing of Capital Work-in-Progress

(Amount in Lakhs)

| CWIP                         | Amount in CWIP for a period of |             |             |                   | Total         |
|------------------------------|--------------------------------|-------------|-------------|-------------------|---------------|
|                              | Less than 1 Year               | 1-2 years   | 2-3 Years   | more than 3 years |               |
| As on 31 March 2022          |                                |             |             |                   |               |
| Intangible under development | 89.48                          | 2.66        | 0.36        | 14.40             | 106.90        |
| Project in Process           | 189.15                         | -           | -           | -                 | 189.15        |
| <b>Total</b>                 | <b>278.63</b>                  | <b>2.66</b> | <b>0.36</b> | <b>14.40</b>      | <b>296.05</b> |

(Amount in Lakhs)

| CWIP                         | Amount in CWIP for a period of |             |              |                   | Total        |
|------------------------------|--------------------------------|-------------|--------------|-------------------|--------------|
|                              | Less than 1 Year               | 1-2 years   | 2-3 Years    | more than 3 years |              |
| As on 31 March 2021          |                                |             |              |                   |              |
| Intangible under development | 2.66                           | 0.36        | 10.74        | 6.25              | 20.01        |
| Project in Process           | -                              | -           | -            | -                 | -            |
| <b>Total</b>                 | <b>2.66</b>                    | <b>0.36</b> | <b>10.74</b> | <b>6.25</b>       | <b>20.01</b> |

## 4 d) Other Intangible assets

(Amount in Lakhs)

| Particulars                  | Trademark | Goodwill | Licensing & Patent | Total    |
|------------------------------|-----------|----------|--------------------|----------|
| <b>Gross Block (At cost)</b> |           |          |                    |          |
| As at 31 March 2020          | -         | 1,507.72 | 793.08             | 2,300.80 |
| Additions                    | 0.75      | 284.85   | -                  | 285.60   |
| Deductions                   | -         | -        | 16.29              | 16.29    |
| As at 31 March 2021          | 0.75      | 1,792.57 | 776.79             | 2,570.11 |
| Additions                    | 8.53      | 66.99    | 29.08              | 104.60   |
| Deductions                   | -         | -        | -                  | -        |
| As at 31 March 2022          | 9.28      | 1,859.56 | 805.87             | 2,674.71 |
| <b>Amortisation</b>          |           |          |                    |          |
| As at 31 March 2020          | -         | -        | -                  | -        |
| Additions                    | -         | -        | -                  | -        |
| Deductions                   | -         | -        | -                  | -        |
| As at 31 March 2021          | -         | -        | -                  | -        |
| Additions                    | 2.10      | -        | -                  | 2.10     |
| Deductions                   | -         | -        | -                  | -        |
| As at 31 March 2022          | 2.10      | -        | -                  | 2.10     |
| <b>Net Block</b>             |           |          |                    |          |
| As at 31 March 2021          | 0.75      | 1,792.57 | 776.79             | 2,570.11 |
| As at 31 March 2022          | 7.18      | 1,859.56 | 805.87             | 2,672.61 |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## 5 Investments (Non Current):

| (Amount in Lakhs)  |                        |                        |
|--|------------------------|------------------------|
| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>A. Investments in Equity Instruments</b>  |                        |                        |
| <b>Trade, unquoted investments:</b>  |                        |                        |
| At cost  |                        |                        |
| 74,171 (as at 31.03.2021: 74,171) Equity shares of Rs.10 each of Globe Enviro Care Limited | 10.46                  | 10.46                  |
| 3,006 (as at 31.03.2021: 3000) Equity shares of Rs.10 each of Sachin Indl. Co.Op. Soc.     | 0.33                   | 0.33                   |
| 6,05,000 (as at 31.03.2021: 6,05,000) Equity shares of Prodigy Biotech Inc                 | 151.79                 | 132.07                 |
| 82,176 (as at 31.03.2021: Nil ) Equity shares of Narmada Clean Tech Limited(NCTL)          | 8.60                   | -                      |
| 1260 (as at 31.03.2021: Nil ) Equity shares of Bharuch Enviro Infrastructure Limited       | 0.13                   | -                      |
| <b>Total</b>   | <b>171.31</b>          | <b>142.86</b>          |
| Aggregate amount of Unquoted Investments   | 171.31                 | 142.86                 |
| Market value of Quoted Investments   | -                      | -                      |
| Aggregate provision for diminution in Value of Investments                                 | -                      | -                      |

## 6 Other Financial Assets (Non Current)

| (Amount in Lakhs)                       |                        |                        |
|---|------------------------|------------------------|
| Particulars                             | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Security Deposits                       | 779.15                 | 145.95                 |
| Other Investment                        | 100.58                 | 124.65                 |
| Surplus of plan assets over obligations | 206.00                 | -                      |
| <b>Total</b>                            | <b>1,085.73</b>        | <b>270.60</b>          |

Note: Investment in Key Man Insurance is Measured at Surrender value to the extent details are available, in cases where details are not available regarding Surrender value or Fund NAV, same has been taken at cost of Premium.

## 7 Other Non Current Assets

| (Amount in Lakhs)   |                        |                        |
|---|------------------------|------------------------|
| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Application Money Paid for Investment in Joint Venture              |                        |                        |
| Advances Recoverable in Cash or in Kind or for Value to be Received | 301.01                 | 19.26                  |
| Pre Operative cost of Ami Onco                                      | 666.02                 | 620.32                 |
| <b>Total</b>  | <b>967.03</b>          | <b>639.58</b>          |

## 8 Inventories

| (Amount in Lakhs)                    |                        |                        |
|--------------------------------------|------------------------|------------------------|
| Particulars                          | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Raw Materials                        | 7,839.92               | 3,866.99               |
| Finished Goods                       | 1,938.57               | 1,226.27               |
| Work-in-Progress                     | -                      | -                      |
| Goods in Process                     | 1,110.45               | 873.08                 |
| Packing, Consumables Stores & Spares | 328.15                 | 69.97                  |
| <b>Total</b>                         | <b>11,217.09</b>       | <b>6,036.31</b>        |

# For Hypothecation over Trade Receivable Refer Notes 18(a)

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## 9 Trade Receivables

(Amount in Lakhs)

| Particulars                         | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-------------------------------------|------------------------|------------------------|
| <b>(Unsecured, considered good)</b> |                        |                        |
| Trade Receivables                   | 16371.95               | 12,069.09              |
| Less: Provision                     | (1.73)                 | -                      |
| <b>Total</b>                        | <b>16,370.22</b>       | <b>12,069.09</b>       |

### Note :-

- No Trade Receivable are due from directors or other officers of the company either severally or jointly with any other person. No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member..
- # For Hypothecation over Trade Receivable Refer Note 18(a)

### Note-Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

| Particulars   | No Overdues | FY 21-22   |                  |          |          |                  |           |
|---|-------------|--|------------------|----------|----------|------------------|-----------|
|   |             | Outstanding for following periods from due date of Payment |                  |          |          |                  | Total     |
|   |             | Less than 6 month  | 6 month - 1 Year | 1-2 Year | 2-3 Year | more than 3 Year |           |
| i) Undisputed - Considered good                                 | 12,049.47   | 4,227.22   | 76.51            | 13.77    | 4.98     | -                | 16,371.95 |
| ii) Undisputed - which have significant increase in credit risk | -           | -  | -                | -        | -        | -                | -         |
| iii) Undisputed - Credit impaired                               | -           | -  | -                | -        | -        | -                | -         |
| i) Disputed - Considered good                                   | -           | -  | -                | -        | -        | -                | -         |
| ii) Disputed - which have significant increase in credit risk   | -           | -  | -                | -        | -        | -                | -         |
| iii) Disputed - Credit impaired                                 | -           | -  | -                | -        | -        | -                | -         |

| Particulars   | No Overdues | FY 20-21   |                  |          |          |                  |           |
|---|-------------|--|------------------|----------|----------|------------------|-----------|
|   |             | Outstanding for following periods from due date of Payment |                  |          |          |                  | Total     |
|   |             | Less than 6 month  | 6 month - 1 Year | 1-2 Year | 2-3 Year | more than 3 Year |           |
| i) Undisputed - Considered good                                 | 9,076.19    | 2,919.58   | 27.58            | 1.74     | 6.94     | -                | 12,032.03 |
| ii) Undisputed - which have significant increase in credit risk | -           | -  | -                | -        | -        | -                | -         |
| iii) Undisputed - Credit impaired                               | -           | -  | -                | -        | -        | -                | -         |
| i) Disputed - Considered good                                   | -           | -  | -                | -        | -        | 37.06            | 37.06     |
| ii) Disputed - which have significant increase in credit risk   | -           | -  | -                | -        | -        | -                | -         |
| iii) Disputed - Credit impaired                                 | -           | -  | -                | -        | -        | -                | -         |

## 10 a) Cash and Cash Equivalents

(Amount in Lakhs)

| Particulars                             | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Balances with banks-in Current Accounts | 1,009.52               | 249.63                 |
| Cash on Hand                            | 20.14                  | 18.83                  |
| <b>Total</b>                            | <b>1,029.66</b>        | <b>268.46</b>          |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## 10 b) Bank Balances other than (a) above

| Particulars  | (Amount in Lakhs)      |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Escrow Account   | 274.54                 | -                      |
| FD (Current)   | 8,650.95               | -                      |
| (Rs.3,52,64,561 under lien against borrowing , overdraft facility, bank guarantee and with government authorities) |                        |                        |
| <b>Total</b>   | <b>8,925.49</b>        | <b>-</b>               |

## 11 Loans

| Particulars                     | (Amount in Lakhs)      |                        |
|---------------------------------|------------------------|------------------------|
|                                 | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Unsecured, Considered good      |                        |                        |
| Loans and Advances to Employees | 46.41                  | 33.43                  |
| Others                          | 18.98                  | -                      |
| <b>Total</b>                    | <b>65.39</b>           | <b>33.43</b>           |

## 12 Other Assets

| Particulars                          | (Amount in Lakhs)      |                        |
|--------------------------------------|------------------------|------------------------|
|                                      | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Unsecured, Considered Good</b>    |                        |                        |
| Prepaid Expenses                     | 63.96                  | 61.03                  |
| Prepaid upfront fees                 | -                      | 36.88                  |
| Balances with Government Authorities | 1,566.95               | 632.10                 |
| Advances for Capex                   | 1,401.69               | 1,132.78               |
| Advances to suppliers                | 734.69                 | 278.11                 |
| Insurance Claim Receivable(Note 1)   | 1,045.48               | 1,074.93               |
| <b>Total</b>                         | <b>4,812.77</b>        | <b>3,215.83</b>        |

### Note:-

- The fire took place on 26/02/2021 damaging the company's property, plant and equipment and also raw material, packing material and stores and consumables resulting into loss amounting to Rs.1074.93 Lakhs. These assets are fully secured through insurance. The company has initially recognised insurance receivable of Rs.1074.93 Lakhs against such loss and reduced the same to Rs.1045.48 Lakhs after adjusting salvage value of Rs.29.45 Lakhs for left over. No amount has been received from insurance company till end of the reporting period. The management has estimated amount receivable from insurance company of Rs.1045.48 Lakhs being Reinstatement Value and it is under process with the insurance company. However this event does not affect the concept of going concern.

## 13 Equity Share Capital

| Particulars   | (Amount in Lakhs)      |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Authorised:</b>  |                        |                        |
| 5,00,00,000(as at 31 March 2021: 5,00,00,000 Equity shares of Rs.10 each)                 | 5,000.00               | 5,000.00               |
|   | <b>5,000.00</b>        | <b>5,000.00</b>        |
| <b>Issued, subscribed and paid up:</b>  |                        |                        |
| 3,64,37,062** (as at 31 March 2021: 3,15,00,000 Equity shares of ₹10 each fully paid up)* | 3,643.71               | 3,150.00               |
| <b>Total Equity</b>   |                        |                        |

\* Out of total 3,15,00,000 shares , the company has issued 2,10,00,000 Equity shares fully paid as bonus in the ratio 2:1 on 31st March, 2021

\*\* Out of total 3,64,37,062 shares, the company has issued 16,58,374 & 32,78,688 Equity shares fully paid were issued on preferential basis and Initial Public offer respectively.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## a) Details of Reconciliation of the Number of Shares Outstanding:

(Amount in Lakhs)

| Particulars                                      | As at 31 March 2022 |                 | As at 31 March 2021 |                 |
|--|---------------------|-----------------|---------------------|-----------------|
|  | No. of shares       | ₹               | No. of shares       | ₹               |
| <b>Equity Shares:</b>                            |                     | No. of shares   |                     | ₹               |
| Shares outstanding at the beginning of the year  | 31,500,000          | 3,150.00        | 10,500,000          | 1,050.00        |
| Add: Shares issued during the year               | 4,937,062           | 493.71          | 21,000,000          | 2,100.00        |
| <b>Shares outstanding at the end of the year</b> | <b>36,437,062</b>   | <b>3,643.71</b> | <b>31,500,000</b>   | <b>3,150.00</b> |

## b) Initial Public Offer

The Company has completed its Initial Public Offering (IPO) of 9,338,288 equity shares of face value of Rs.10/- each for cash at an issue price of Rs.610/- per equity share aggregating to Rs. 5,6963.6 lakhs, consisting fresh issue of 3,278,688 equity shares aggregating to Rs. 20,000 lakhs and an offer for sale of 6,059,600 equity shares aggregating to Rs. 3,6963.56 lakhs by the selling shareholders. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on September 14, 2021. Company has undertaken a Pre-IPO Placement of Equity Shares aggregating to ₹ 10,000 Lakhs by issuing fresh 16,58,374 equity shares of face value Rs. 10/- each for cash at an issue price of Rs. 603/- per share.

## c) Utilisation of IPO proceeds

| Item Heads                  | Projected utilization of proceeds as per the offer document | Amount Utilized up to 31 March 22 |
|-----------------------------|---|-----------------------------------|
| Debt repayment              | 14,000.00   | 14,000.00                         |
| Working Capital (FY2021-22) | 5,000.00  | 5,000.00                          |
| Working Capital (FY2022-23) | 4,000.00  | -                                 |
| General Corporate           | 4,593.10  | 1,811.70                          |
| Issue Expense               | 2,406.90  | 2,406.90                          |
| Total*                      | 30,000.00   | 23,218.60                         |

\*INR 23,218.60 lakhs has been utilised as on 31st March 2022, and the balance amount is still lying in the bank account and FD. The Unutilised fund is deployed in Fixed Deposit with Schedule bank and IPO Escrow account with lead banker.

## d) Terms/ rights attached to Equity Shares

Company has increased authorised capital from Rs. 1500.00 lakhs divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity shares of Rs. 10/- each to Rs. 5000.00 Lakhs divided into 5,00,00,000 (Five Crores) Equity shares of Rs. 10/- each vide resolution dated 30th January 2021.

The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any by the Board of Directors is subject to approval of the shareholders.

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

## e) Details of shares in the company held by each shareholder holding more than 5 %:

(Amount in Lakhs)

| Name of Shareholder             | As at 31 March 2022 |        |
|---------------------------------|---------------------|--------|
|                                 | No. of shares       | ₹      |
| Nareshkumar R. Patel            | 4,003,710           | 400.37 |
| Sheetalben N Patel              | 3,937,500           | 393.75 |
| Chetankumar C. Vaghasia         | 3,097,500           | 309.75 |
| Parulben Chetanbhai Vaghasia    | 3,237,500           | 323.75 |
| Dhwani Girishkumar Chovatia     | 2,520,000           | 252.00 |
| Girishkumar Limbabbhai Chovatia | 3,095,430           | 309.54 |
| Kiranben Girishbhai Chovatia    | 3,040,000           | 304.00 |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## f) Details of Sharehold by Promoters :

### Shareholding of Promoters as on 31st March 2022 :

| SR no | Promoter Name                | No of Shares | % of Total Shares | % Changes during the Year |
|-------|------------------------------|--------------|-------------------|---------------------------|
| 1     | Nareshkumar R. Patel         | 4,003,710    | 10.99             | -                         |
| 2     | Sheetalben N Patel           | 3,937,500    | 10.81             | -                         |
| 3     | Parulben Chetanbhai Vaghasia | 3,237,500    | 8.89              | [17.78]                   |
| 4     | Chetankumar C. Vaghasia      | 3,097,500    | 8.50              | -                         |

### Shareholding of Promoters as on 31st March 2021 :

| SR no | Promoter Name                | No of Shares | % of Total Shares | % Changes during the Year |
|-------|------------------------------|--------------|-------------------|---------------------------|
| 1     | Nareshkumar R. Patel         | 4,003,710    | 12.71             | -                         |
| 2     | Sheetalben N Patel           | 3,937,500    | 12.50             | -                         |
| 3     | Parulben Chetanbhai Vaghasia | 3,937,500    | 12.50             | -                         |
| 4     | Chetankumar C. Vaghasia      | 3,097,500    | 9.83              | -                         |

## 14 Other Equity

|  |                          | (Amount in Lakhs)   |  |
|--|--------------------------|---------------------|--|
| Particulars  | As at 31 March 2022      | As at 31 March 2021 |  |
| <b>Equity instruments through other Comprehensive Income</b> |                          |                     |  |
| Balance as per last financial statement                      | 298.22                   | 383.40              |  |
| Addition during the year (net of tax)                        | 128.79                   | [85.18]             |  |
| Transfer to retained earning realised (gain)/Loss            | -                        | -                   |  |
| <b>Closing Balances</b>                                      | <b>A 427.01</b>          | <b>298.22</b>       |  |
| <b>Retained Earnings</b>                                     |                          |                     |  |
| Balance as at beginning of the year                          | 13045.08                 | 9,747.98            |  |
| Less: Issue of Bonus Shares                                  | -                        | [2,100.00]          |  |
| Add : Profit for the year                                    | 7,194.61                 | 5,399.89            |  |
| Remeasurement of the defined benefit plans (net of tax)      | 60.35                    | [2.79]              |  |
| <b>Retained Earnings</b>                                     | <b>B 20,300.04</b>       | <b>13,045.08</b>    |  |
| <b>Securities Premium</b>                                    |                          |                     |  |
| Share Premium Ac   | 29,506.29                | -                   |  |
| Less: Issue Expense  | [1,849.68]               | -                   |  |
| <b>Securities Premium</b>                                    | <b>C 27,656.61</b>       | <b>-</b>            |  |
| <b>Capital Reserve</b>                                       |                          |                     |  |
| Balance as at beginning of the year                          | 200.02                   | -                   |  |
| Reserve on Acquisition                                       | -                        | 200.02              |  |
|  | <b>200.02</b>            | <b>200.02</b>       |  |
| <b>Total</b>   | <b>(A+B+C) 48,583.68</b> | <b>13,543.32</b>    |  |

## 15 Borrowings (Non-Current Liabilities)

|  |                     | (Amount in Lakhs)   |  |
|--|---------------------|---------------------|--|
| Particulars                                    | As at 31 March 2022 | As at 31 March 2021 |  |
| <b>Financial Liabilities at Amortised Cost</b> |                     |                     |  |
| <b>Secured #</b>                               |                     |                     |  |
| Term Loans                                     |                     |                     |  |
| From Banks and Financial institution           | 58.81               | 7,182.31            |  |
|  | <b>58.81</b>        | <b>7,182.31</b>     |  |
| <b>Unsecured</b>                               |                     |                     |  |
| From Related Parties*                          | -                   | 82.11               |  |
| <b>Total</b>                                   | <b>58.81</b>        | <b>7,264.42</b>     |  |

\*Interest free payable on demand.

# Hypothecation for borrowings Refer Notes 18(a)



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## 16 Provisions (Non-Current Liabilities)

(Amount in Lakhs)

| Particulars                     | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---------------------------------|------------------------|------------------------|
| Provision for Employee Benefits | 43.60                  | 436.84                 |
| <b>Total</b>                    | <b>43.60</b>           | <b>436.84</b>          |

## 17 Deferred Tax Assets/ (liabilities)- Net (Non Current Liabilities)

(Amount in Lakhs)

| Particulars                       | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-----------------------------------|------------------------|------------------------|
| <b>Deferred Tax Liabilities</b>   |                        |                        |
| Due to Difference in Depreciation | (638.02)               | (441.80)               |
|                                   | <b>(638.02)</b>        | <b>(441.80)</b>        |
| <b>Deferred Tax Assets</b>        |                        |                        |
| Defined benefit obligation        | -                      | 113.95                 |
| Leave Encashment                  | 11.59                  | -                      |
|                                   | <b>11.59</b>           | <b>113.95</b>          |
| <b>Total</b>                      | <b>626.43</b>          | <b>327.85</b>          |

## 18 Borrowings(Current Liabilities)

(Amount in Lakhs)

| Particulars                                    | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>Financial Liabilities at amortised cost</b> |                        |                        |
| <b>Secured #</b>                               |                        |                        |
| Cash Credit                                    | -                      | 3,158.91               |
| EPC Loan                                       | -                      | 494.21                 |
| Current Maturities of Long Term Debts          | 25.60                  | 1,946.03               |
| <b>Unsecured</b>                               | -                      | -                      |
| From Banks and Financial institution -         | -                      | 800.00                 |
| <b>Total</b>                                   | <b>25.60</b>           | <b>6,399.15</b>        |

# Hypothecation for borrowings Refer Notes 18(a)

### 18 (a) Details of Hypothecation / Mortgage

| Notes | Particular  | Maturity   | Term of Repayment   | Interest Rate    |
|-------|---|------------|---------------------|------------------|
| a)    | Secured   |            |                     |                  |
|       | Cash credit loan from banks repayable on demand Including Letter of Credit & Bank Guarantee | Short-term | Repayable on demand | 6.50%            |
|       | Vehicle Loans   | Long-term  | Upto 3 Years        | 7.90 % to 10.00% |

- b) **Security details:** Working capital loans repayable on demand from banks is secured by hypothecation of tangible current assets, namely, inventories and book debts of Sachin Facility of the Company and also secured by second and subservient charge on immovable assets (Plot No. 440/5, 6 , 8206/B located in Sachin GIDC) & Movable Assets of Sachin Facility of the Company .

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## 19 Trade Payables

(Amount in Lakhs)

| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b>Financial Liabilities at Amortised Cost</b>                                  |                        |                        |
| <b>Trade Payables</b>   | 1,508.05               | 39.04                  |
| A. Total outstanding dues of micro enterprises and small enterprises            | 10,333.71              | 8,438.46               |
| B. Total outstanding dues of other than micro enterprises and small enterprises |                        |                        |
| <b>Total</b>  | <b>11,841.76</b>       | <b>8,477.50</b>        |

**Note- Ageing analysis of the age of trade payable amounts that are past due as at the end of reporting year :**

| Particulars                | No Overdues | FY 21-22  |          |          |                  |           |
|----------------------------|-------------|---|----------|----------|------------------|-----------|
|                            |             | Outstanding for following periods from due date of Payment* |          |          |                  |           |
|                            |             | Less than 1 Year  | 1-2 Year | 2-3 Year | More than 3 year | Total     |
| i) MSME                    | 981.63      | 526.42  | -        | -        | 0                | 1,508.05  |
| ii) Others                 | 8,217.90    | 2,115.20  | 0.33     | 0.28     | 0                | 10,333.71 |
| iii) Disputed Dues - MSME  | -           | -   | -        | -        | 0                | -         |
| iv) Disputed dues - Others | -           | -   | -        | -        | 0                | -         |

| Particulars                | No Overdues | FY 20-21  |          |          |                  |          |
|----------------------------|-------------|---|----------|----------|------------------|----------|
|                            |             | Outstanding for following periods from due date of Payment* |          |          |                  |          |
|                            |             | Less than 1 Year  | 1-2 Year | 2-3 Year | More than 3 year | Total    |
| i) MSME                    | 26.01       | 13.03   | -        | 0        | 0                | 39.04    |
| ii) Others                 | 5,376.93    | 3,061.24  | 0.29     | 0        | 0                | 8,438.46 |
| iii) Disputed Dues - MSME  | -           | -   | -        | 0        | 0                | -        |
| iv) Disputed dues - Others | -           | -   | -        | 0        | 0                | -        |

## 20 Other Current Liabilities

(Amount in Lakhs)

| Particulars             | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-------------------------|------------------------|------------------------|
| Statutory Dues Payable  | 258.96                 | 253.43                 |
| Advances from customers | 13.36                  | 44.08                  |
| Employees Dues          | 190.32                 | 124.04                 |
| Payable For Inventory   | -                      | 1,094.42               |
| <b>Total</b>            | <b>462.64</b>          | <b>1,515.97</b>        |

## 21 Provisions(Current Liabilities)

(Amount in Lakhs)

| Particulars                     | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---------------------------------|------------------------|------------------------|
| Provision for employee benefits | 2.46                   | 21.56                  |
| Provision for Expenses          | 599.60                 | 75.06                  |
| <b>Total</b>                    | <b>602.06</b>          | <b>96.62</b>           |

## 22 Current Tax Liability (Net)

(Amount in Lakhs)

| Particulars                    | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--------------------------------|------------------------|------------------------|
| Provision for income tax (net) | -                      | 115.16                 |
| <b>Total</b>                   | <b>-</b>               | <b>115.16</b>          |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## 23 Revenue From Operations

| Particulars              | (Amount in Lakhs)           |                             |
|--------------------------|-----------------------------|-----------------------------|
|                          | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
| Sales                    | 51,818.77                   | 33,620.86                   |
| Other operating revenues | 194.73                      | 439.93                      |
| <b>Total</b>             | <b>52,013.50</b>            | <b>34,060.79</b>            |

## 24 Other Income

| Particulars                                    | (Amount in Lakhs)           |                             |
|--|-----------------------------|-----------------------------|
|  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
| <b>Interest income:</b>                        |                             |                             |
| Interest income On Deposit with Banks & Others | 258.19                      | 19.53                       |
| <b>Others:</b>                                 |                             |                             |
| Foreign Exchange Fluctuation Gain              | 13.17                       | 65.91                       |
| Annuity Income on Investment                   | 4.13                        | 16.37                       |
| Others   | 0.74                        | 36.16                       |
| <b>Total</b>                                   | <b>276.23</b>               | <b>137.97</b>               |

## 25 Cost of Raw Materials Consumed

| Particulars                           | (Amount in Lakhs)           |                             |
|---------------------------------------|-----------------------------|-----------------------------|
|                                       | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
| <b>Raw Materials Consumed / Sold:</b> |                             |                             |
| Opening stock                         |                             |                             |
| Raw Materials                         | 3,866.99                    | 2,951.77                    |
|                                       | <b>3,866.99</b>             | <b>2,951.77</b>             |
| Purchase of Raw Material              | 32,206.23                   | 19,052.75                   |
|                                       | <b>32,206.23</b>            | <b>19,052.75</b>            |
| Less : Goods loss by fire             | -                           | 650.33                      |
| Less: Closing stock                   |                             |                             |
| Raw Materials                         | 7,839.92                    | 3,866.99                    |
|                                       | <b>7,839.92</b>             | <b>3,866.99</b>             |
| <b>Total (a+b+c)</b>                  | <b>28,233.30</b>            | <b>17,487.20</b>            |

## 26 Changes In Inventories of Finished Goods/Traded Goods and Work-In-Progress

| Particulars   | (Amount in Lakhs)           |                             |
|---|-----------------------------|-----------------------------|
|   | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
| <b>a) Changes in Inventories of Finished Goods / Traded Goods</b> |                             |                             |
| <b>Opening stock of finished goods / traded goods:</b>            |                             |                             |
| Finished goods  | 1,226.27                    | 870.74                      |
| Add: Purchase   | -                           | 309.24                      |
| <b>Less: Closing stock of finished goods / traded goods:</b>      |                             |                             |
| Finished goods  | 1,938.57                    | 1,226.27                    |
|   | <b>(712.30)</b>             | <b>(46.29)</b>              |
| <b>b) Changes in work in progress</b>                             |                             |                             |
| Opening stock   | 873.08                      | 1,368.65                    |
| Add: Purchase   | 0.00                        | 32.08                       |
| Less: Closing stock   | 1,110.45                    | 873.08                      |
|   | <b>(237.37)</b>             | <b>527.65</b>               |
| <b>Total</b>  | <b>(949.67)</b>             | <b>481.36</b>               |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## 27 Employee Benefits Expense

(Amount in Lakhs)

| Particulars                                | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| Salaries, Bonus, Commission and Allowances | 3,881.59                    | 1,876.48                    |
| Contribution to Provident and Other Funds  | 148.21                      | 181.62                      |
| Staff Welfare Expenses                     | 106.84                      | 42.66                       |
| <b>Total</b>                               | <b>4,136.64</b>             | <b>2,100.76</b>             |

## 28 Finance Costs

(Amount in Lakhs)

| Particulars                  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|------------------------------|-----------------------------|-----------------------------|
| Interest on Team Loan and CC | 544.91                      | 510.81                      |
| Interest on Statutory Dues   | 13.73                       | 8.53                        |
| Interest on Income Tax       | 22.51                       | -                           |
| Processing & Bank Charges    | 43.09                       | 41.83                       |
| Interest on MSME Creditors   | 16.49                       | 0.67                        |
| <b>Total</b>                 | <b>640.73</b>               | <b>561.84</b>               |

## 29 Other Expenses

(Amount in Lakhs)

| Particulars  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| Stores, Spares and Tools Consumed                    | 276.36                      | 223.18                      |
| Job work charges                                     | 3,481.23                    | 2,857.66                    |
| Conversion & Other Manufacturing charges             | 1,418.67                    | 814.17                      |
| Power and Electricity                                | 1,482.54                    | 525.59                      |
| Communication Expenses                               | 10.69                       | 3.33                        |
| Printing and Stationery                              | 30.38                       | 37.23                       |
| Travelling and Conveyance Expenses                   | 60.85                       | 21.04                       |
| Legal and Professional Fees                          | 194.24                      | 152.17                      |
| Rent on Warehouse & Parking                          | 36.81                       | 30.31                       |
| Rates and Taxes                                      | 54.35                       | 88.57                       |
| Repairs and Maintenance                              | 304.62                      | 170.33                      |
| Insurance Charges                                    | 219.09                      | 49.71                       |
| Change in Surrender Value of Keyman Insurance Policy | -                           | 11.87                       |
| Auditor's Remuneration                               |                             |                             |
| - for audit  | 7.00                        | 7.00                        |
| - for limited review                                 | 6.50                        | -                           |
| CSR Expenditure                                      | 96.03                       | 75.29                       |
| Commission and brokerage on sales                    | 359.76                      | 180.04                      |
| Sales and Promotion Expense                          | 72.87                       | 6.78                        |
| Freight, clearing and forwarding charges             | 1,592.96                    | 513.94                      |
| Directors Sitting Fees                               | 18.30                       | 10.00                       |
| Director's Commission                                | 12.30                       | -                           |
| Membership & Subscription Expenses                   | 17.49                       | 1.42                        |
| Loss on sale of fixed assets (net)                   | -                           | 1.78                        |
| Security Expenses                                    | 79.48                       | 33.36                       |
| Provision for Doubtful debts                         | 1.73                        | -                           |
| Loss on sale of Investment                           | -                           | 32.44                       |
| R&D Testing  | 12.33                       | 66.56                       |
| Miscellaneous and other expenses                     | 229.09                      | 62.40                       |
| <b>Total</b>   | <b>10,075.67</b>            | <b>5,976.17</b>             |



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## 30 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(Amount in Lakhs)

| Particulars  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year   | 1,508.05                    | 39.04                       |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year  | -                           | -                           |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day                              | -                           | -                           |
| (iv) The amount of interest due and payable for the year   | -                           | -                           |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year  | 16.00                       | 0.67                        |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | 16.00                       | 0.67                        |

Dues to Micro and Small Enterprises have 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.

## 31 Contingencies

(Amount in Lakhs)

| Particulars                             | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
| <b>Contingent liabilities:</b>          |                             |                             |
| Disputed income tax liabilities(Note 1) | 269.57                      | -                           |
| TDS                                     | -                           | 0.19                        |
| <b>Total</b>                            | <b>269.56</b>               | <b>0.19</b>                 |

### Note 1

- 1 For AY 2012-13 order demanding Rs. 204.68/- has been raised for which auditee has filed appeal with CIT (Appeal).
- 2 For AY 2015-16 order demanding Rs. 61.90/- has been raised for which auditee has filed appeal with CIT (Appeal).
- 3 For AY 2016-17 order demanding Rs. 2.99/- has been raised for which auditee has filed appeal with CIT (Appeal).

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## Note 32 - Ratios

As at March 22

| Sr. No | Ratio                              | Numerator  | Denominator   | As at March 31, 2022 | As at March 31, 2021 | Variance % | Reason for Variance (In case of deviation for more than 25%) |
|--------|------------------------------------|--|---|----------------------|----------------------|------------|--|
| 1      | Current Ratio                      | Total current assets   | Total current liabilities                               | 3.32                 | 1.30                 | 154.8%     | Repayment of working capital loan through IPO proceeds       |
| 2      | Debt-to-equity Ratio               | Debt consists of borrowings  | Total equity  | 0.00                 | 0.82                 | (99.8%)    | "Repayment of long term loan through IPO proceeds"           |
| 3      | Debt Service Coverage Ratio        | Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments Debt | Debt service = Interest payments + Principal repayments | 0.61                 | 3.06                 | (80.2%)    | Prepayment of Debt out of IPO funds                          |
| 4      | Return on Equity Ratio (in %)      | Profit for the year less Preference dividend (if any)  | Average total equity                                    | 0.21                 | 0.39                 | (46.1%)    | "This is due to addition of equity through IPO"              |
| 5      | Inventory Turnover Ratio           | Cost of goods sold   | Average Inventory                                       | 3.16                 | 3.19                 | (0.8%)     | -  |
| 6      | Receivables Turnover Ratio         | Net Sales  | Avg. Accounts Receivable                                | 3.66                 | 3.85                 | (4.9%)     | -  |
| 7      | Payables Turnover Ratio            | Net Purchases  | Average Trade Payables                                  | 3.17                 | 2.80                 | 13.3%      | -  |
| 8      | Net working capital turnover Ratio | Net Sales  | Working Capital   | 1.73                 | 6.79                 | (74.4%)    | Prepayment of CC facilities post IPO                         |
| 9      | Net profit Ratio (in %)            | Net Profit   | Net Sales   | 0.14                 | 0.16                 | (12.8%)    | -  |
| 10     | Return on Capital employed Ratio   | Earning before interest and taxes  | Capital Employed  | 0.18                 | 0.25                 | (26.7%)    | " This is due to addition of equity through IPO"             |
| 11     | Return on investment               | Income generated from investments  | Time weighted average investments                       | 3.71%                | -                    | 0.0%       | -  |



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## 33 Employee benefit obligations

### a. Defined Contribution Plans:

The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

(Amount in Lakhs)

| Particulars          | Current Year<br>(2021-22) | Previous Year<br>(2020-21) |
|----------------------|---------------------------|----------------------------|
| Contribution to PF   | 156.91                    | 81.54                      |
| Contribution to ESIC | 10.23                     | 7.81                       |
| Contribution to LWF  | 0.16                      | 0.10                       |

### ii. Defined Benefit Plan:

The Company has a funded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of Rs.20 Lakhs.

The following tables summaries the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

(Amount in Lakhs)

| Particulars   | Current Year<br>(2021-22) | Previous Year<br>(2020-21) |
|---|---------------------------|----------------------------|
| <b>Change in present value of obligations</b>   |                           |                            |
| PVO at beginning of year  | 337.20                    | 252.49                     |
| Interest cost   | 30.25                     | 16.79                      |
| Current Service Cost  | 48.23                     | 76.88                      |
| Past Service Cost- (non vested benefits)  | 0.00                      | 0.00                       |
| Past Service Cost -(vested benefits)  | 0.00                      | 0.00                       |
| Benefits Paid   | (32.84)                   | (11.19)                    |
| Contributions by plan participants  | 0.00                      | 0.00                       |
| Business Combinations   | 0.00                      | 0.00                       |
| Curtailments  | 0.00                      | 0.00                       |
| Settlements   | 0.00                      | 0.00                       |
| Actuarial (Gain)/Loss on obligation   | (40.02)                   | 2.24                       |
| <b>PVO at end of year</b>   | <b>342.82</b>             | <b>337.20</b>              |
| <b>Fair Value of Plan Assets</b>  |                           |                            |
| Opening Fair Value of Plan Asset  | 21.28                     | 22.61                      |
| Adjustment to Opening Fair Value of Plan Asset  | 0.00                      | 0.00                       |
| Return on Plan Assets excl. interest income   | 15.10                     | (1.49)                     |
| Interest Income   | 1.40                      | 1.49                       |
| Contributions by Employer   | 511.05                    | 9.86                       |
| Benefits Paid   | 0.00                      | (11.19)                    |
| <b>Fair Value of Plan Assets at end</b>   | <b>548.83</b>             | <b>21.28</b>               |
| <b>Amounts to be recognized in the balance sheet and statement of profit &amp; loss account</b> |                           |                            |
| PVO at end of year  | 342.82                    | 337.20                     |
| Fair Value of Plan Assets at end of period  | (548.83)                  | 21.28                      |
| Funded Status   | 0.00                      | (315.92)                   |
| <b>Net Asset/(Liability) recognized in the balance sheet</b>                                    | <b>(206.01)</b>           | <b>(315.92)</b>            |
| <b>Other Comprehensive Income (OCI)</b>   |                           |                            |
| Actuarial (Gain)/Loss recognized for the year   | (40.02)                   | 2.24                       |
| Adjustment to Opening Actuarial (Gain)/Loss   | (25.53)                   | 0.00                       |
| Asset limit effect  | 0.00                      | 0.00                       |
| Return on Plan Assets excluding net interest  | (15.10)                   | 1.49                       |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

| (Amount in Lakhs)   |                           |                            |
|---|---------------------------|----------------------------|
| Particulars   | Current Year<br>(2021-22) | Previous Year<br>(2020-21) |
| Unrecognized Actuarial (Gain)/Loss from previous year       | 0.00                      | 0.00                       |
| <b>Total Actuarial (Gain)/Loss recognized in (OCI)</b>      | <b>(80.65)</b>            | <b>3.73</b>                |
| Expense recognized in the statement of P & L A/C            |                           |                            |
| Current Service Cost  | 48.23                     | 76.88                      |
| Adjustment to Opening Service Cost                          | 25.53                     |                            |
| Net Interest  | 28.85                     | 15.30                      |
| Past Service Cost- (non vested benefits                     | 0.00                      | 0.00                       |
| Past Service Cost -(vested benefits)                        | 0.00                      | 0.00                       |
| Curtailment Effect  | 0.00                      | 0.00                       |
| Settlement Effect   | 0.00                      | 0.00                       |
| <b>Expense recognized in the statement of P &amp; L A/C</b> | <b>102.61</b>             | <b>92.17</b>               |
| Movements in the Liability recognized in Balance Sheet      |                           |                            |
| Opening Net Liability                                       | 337.20                    | 229.88                     |
| Expenses as above   | 102.61                    | 92.17                      |
| Contribution paid   | (565.17)                  | 11.41                      |
| Other Comprehensive Income(OCI)                             | (80.65)                   | 3.73                       |
| <b>Closing Net Liability</b>                                | <b>(206.01)</b>           | <b>337.20</b>              |

**Net liability is bifurcated as follows :**

| (Amount in Lakhs)    |                        |                        |
|----------------------|------------------------|------------------------|
| Particulars          | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Current              | (61.69)                | 11.26                  |
| Non-current          | (144.32)               | 325.94                 |
| <b>Net liability</b> | <b>(206.01)</b>        | <b>337.20</b>          |

| Assumptions as at                                   |                     |                     |
|---|---------------------|---------------------|
| Mortality   | IALM (2012-13) Ult. | IALM (2012-13) Ult. |
| Interest / Discount Rate                            | 0.07                | 0.07                |
| Rate of increase in compensation                    | 0.12                | 0.12                |
| Annual increase in healthcare costs                 |                     |                     |
| Future Changes in maximum state healthcare benefits |                     |                     |
| Expected average remaining service                  | 19.91               | 19.91               |
| Retirement Age                                      | 60 Year             | 60 Year             |
| Employee Attrition Rate                             | 2% For All Ages     | 2% For All Ages     |

**A quantitative analysis for significant assumption is as shown below:**

**Indian gratuity plan:**

| (Amount in Lakhs)   |                           |                            |
|---|---------------------------|----------------------------|
| Particulars   | Current Year<br>(2021-22) | Previous Year<br>(2020-21) |
| Assumptions -Discount rate  |                           |                            |
| Sensitivity Level (a hypothetical increase / (decrease) by)         | 0.01                      | 0.01                       |
| Impact on defined benefit obligation -increase of sensitivity level | 328.52                    | 286.62                     |
| Impact on defined benefit obligation -decrease of sensitivity level | 358.24                    | 400.96                     |
| Assumptions -Future salary escalations rates                        |                           |                            |
| Sensitivity Level (a hypothetical increase / (decrease) by)         | 0.01                      | 0.01                       |
| Impact on defined benefit obligation-increase of sensitivity level  | 352.88                    | 379.57                     |
| Impact on defined benefit obligation-decrease of sensitivity level  | 332.79                    | 297.58                     |
| Assumptions -Withdrawal rate(W.R.) Sensitivity                      |                           |                            |
| Sensitivity Level (a hypothetical increase / (decrease) by)         | 0.10                      | -                          |
| Impact on defined benefit obligation-increase of sensitivity level  | 343.48                    | -                          |
| Impact on defined benefit obligation-decrease of sensitivity level  | 341.87                    | -                          |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

(Amount in Lakhs)

| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---------------|------------------------|------------------------|
| Within 1 year | 25.75                  | 11.26                  |
| 1-2 year      | 22.92                  | 5.31                   |
| 2-3 year      | 17.45                  | 5.65                   |
| 3-4 year      | 54.30                  | 5.87                   |
| 4-5 year      | 40.16                  | 13.94                  |
| 5-10 year     | 138.17                 | 68.65                  |

## 34 Segmental Information

In accordance with IND AS 108 "Operating segment" - The Company used to present the segment information identified on the basis of internal report used by the Company to allocate resources to the segment and assess their performance. The Board of Directors of the Company is collectively the Chief Operating Decision Maker (CODM) of the Company.

The chief operating decision maker monitors the operating results of its segment separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated on the basis on profit and loss.

**Summary of the segment information as follows:**

(Amount in Lakhs)

| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b>Segment Revenue</b>  |                        |                        |
| Sales and income from operations  |                        |                        |
| Within India  | 21,714.95              | 16,055.49              |
| Outside India   | 30,103.83              | 17,565.37              |
|   | <b>51,818.78</b>       | <b>33,620.86</b>       |
| <b>Carrying amount of assets by geographical location of assets</b>                         |                        |                        |
| Segment Assets  |                        |                        |
| Within India  | 57,650.34              | 35,982.59              |
| Outside India   | 7,743.89               | 5,344.22               |
|   | <b>65,394.23</b>       | <b>41,326.81</b>       |
| <b>Additions to Fixed Assets (including intangible assets and capital work in progress)</b> |                        |                        |
| Within India  | 3,049.30               | 9,215.18               |
| Outside India   | -                      | -                      |
|   | <b>3,049.30</b>        | <b>9,215.18</b>        |

## 35 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are eradicating hunger, poverty and malnutrition, promoting preventive health care including preventive health care, ensuring environmental sustainability education, promoting gender equality and empowering women and other activities. The amount has to be expended on the activities which are specified in Schedule VII of the Companies Act, 2013.

Details of CSR expenditure required to be spent and amount spent are as under:

(Amount in Lakhs)

| Particulars   | Current Year<br>(2021-22) | Previous Year<br>(2020-21) |
|---|---------------------------|----------------------------|
| Gross amount required to be spent by the company during the year as per Section 135 of the Companies Act, 2013 read with schedule VII | 95.90                     | 72.96                      |
| Amount spent during the year  |                           |                            |
| (i) Construction/acquisition of any asset   | -                         | -                          |
| (ii) On purposes other than (i) above   | 93.92                     | 75.29                      |
| <b>Total</b>  | <b>93.92</b>              | <b>75.29</b>               |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

(Amount in Lakhs)

| Particulars                    | Current Year<br>(2021-22) | Previous Year<br>(2020-21) |
|--------------------------------|---------------------------|----------------------------|
| Excess Spent of previous year  | 2.33                      |                            |
| Total of shortfall / (Excess), | (0.35)                    | (2.33)                     |
| Reason for shortfall- Nil      | -                         | -                          |

## 36 Financial Instruments

### Financial Instrument by Category

The carrying value and fair value of financial instrument by categories as of 31 March 2022 were as follows

(Amount in Lakhs)

| Particulars               | at amortised<br>cost | at fair value through<br>profit and loss | at fair value<br>through OCI | Total Carrying<br>value |
|---------------------------|----------------------|--|------------------------------|-------------------------|
| <b>Assets:</b>            |                      |  |                              |                         |
| Cash and Cash Equivalents | 1,029.66             | -  | -                            | 1,029.66                |
| Other Bank Balance        | 8,925.49             | -  | -                            | 8,925.49                |
| Trade Receivables         | 16,370.22            | -  | -                            | 16,370.22               |
| Other Financial Assets    | 1,085.73             | -  | -                            | 1,085.73                |
| Loans                     | 65.39                | -  | -                            | 65.39                   |
| Investments               | 171.31               | -  | -                            | 171.31                  |
|                           | <b>27,647.80</b>     | <b>-</b>                                 | <b>-</b>                     | <b>27,647.80</b>        |
| <b>Liabilities:</b>       |                      |  |                              |                         |
| Borrowing                 | 84.41                | -  | -                            | 84.41                   |
| Trade and other payables  | 11,841.76            | -  | -                            | 11,841.76               |
|                           | <b>11,926.17</b>     | <b>-</b>                                 | <b>-</b>                     | <b>11,926.17</b>        |

The carrying value and fair value of financial instrument by categories as of 31 March 2021 were as follows

(Amount in Lakhs)

| Particulars               | at amortised<br>cost | at fair value through<br>profit and loss | at fair value<br>through OCI | Total Carrying<br>value |
|---------------------------|----------------------|--|------------------------------|-------------------------|
| <b>Assets:</b>            |                      |  |                              |                         |
| Cash and Cash Equivalents | 268.46               | -  | -                            | 268.46                  |
| Other Bank Balance        | -                    | -  | -                            | -                       |
| Trade Receivables         | 12,069.09            | -  | -                            | 12,069.09               |
| Other Financial Assets    | 270.60               | -  | -                            | 270.60                  |
| Loans                     | 33.43                | -  | -                            | 33.43                   |
| Investments               | 142.86               | -  | -                            | 142.86                  |
|                           | <b>12,784.44</b>     | <b>-</b>                                 | <b>-</b>                     | <b>12,784.44</b>        |
| <b>Liabilities:</b>       |                      |  |                              |                         |
| Borrowing                 | 13,663.57            | -  | -                            | 13,663.57               |
| Trade and other payables  | 8,477.50             | -  | -                            | 8,477.50                |
|                           | <b>22,141.07</b>     | <b>-</b>                                 | <b>-</b>                     | <b>22,141.07</b>        |

## 37 Fair value hierarchy

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2** -Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## 38 Financial Risk Management Objectives and Policies

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

### Carrying Amount of Financial Assets and Liabilities:

The following table summaries the carrying amount of financial assets and liabilities recorded at the end of the period by categories:

| Particulars                    | (Amount in Lakhs)      |                        |
|--------------------------------|------------------------|------------------------|
|                                | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Financial assets</b>        |                        |                        |
| Non current investment         | 171.31                 | 142.86                 |
| Cash and cash equivalent       | 1,029.66               | 268.46                 |
| Bank balances other than above | 8,925.49               | -                      |
| Trade receivables              | 16,370.22              | 12,069.09              |
| Loans                          | 65.39                  | 33.43                  |
| Other Non Current asset        | 4,812.77               | 3,215.83               |
| Other financial assets         | 1,085.73               | 270.60                 |
| <b>At end of the year</b>      | <b>32,460.57</b>       | <b>16,000.27</b>       |
| <b>Financial liabilities</b>   |                        |                        |
| Borrowings                     | 84.41                  | 13,663.57              |
| Trade payables                 | 11,841.76              | 8,477.50               |
| Other financial liabilities    | -                      | -                      |
| <b>At end of the year</b>      | <b>11,926.17</b>       | <b>22,141.07</b>       |

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

### Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables, and other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial instruments and the full amount of any loan payable commitment at the end of the reporting year. Credit risk on cash balances with banks is limited because the counterparties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## Exposure to credit risk

Financial asset for which loss allowance is measured using expected credit loss model

(Amount in Lakhs)

| Particulars                    | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--------------------------------|------------------------|------------------------|
| <b>Financial assets</b>        |                        |                        |
| Non current investment         | 171.31                 | 142.86                 |
| Cash and cash equivalent       | 1,029.66               | 268.46                 |
| Bank balances other than above | 8,925.49               | -                      |
| Trade receivables              | 16,370.22              | 12,069.09              |
| Loans                          | 65.39                  | 33.43                  |
| Other financial assets         | 1,085.73               | 270.60                 |
| <b>At end of the year</b>      | <b>27,647.80</b>       | <b>12,784.44</b>       |

## 39 Foreign currency risk

The Company operates internationally and the major portion of business is transacted in USD & EURO. The Company has Sales, Purchase, [etc.] in foreign currency. Consequently, the Company is exposed to foreign exchange risk..

Foreign exchange exposure is partially balanced by purchasing in goods, commodities and services in the respective currencies.

The company evaluate exchange rate exposure arising from foreign currency transactions and the company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk..

Foreign currency exposures not specifically covered by natural hedge and forward exchange contracts as at year end are as follows:

| Currency | As at 31 March 2022 |               | As at 31 March 2021 |               |
|----------|---------------------|---------------|---------------------|---------------|
|          | Foreign Currency    | Indian Rupees | Foreign Currency    | Indian Rupees |
| USD      | 30.41               | 2,308.00      | 23.29               | 1,768.00      |
| EURO     | 41.34               | 3,138.00      | 26.14               | 1,984.00      |

## Foreign currency sensitivity

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax

(Amount in Lakhs)

| Currency | As at 31 March 2022 |              | As at 31 March 2021 |              |
|----------|---------------------|--------------|---------------------|--------------|
|          | 1 % increase        | 1 % decrease | 1 % increase        | 1 % decrease |
| USD      | (23.08)             | 23.08        | (17.68)             | 17.68        |
| EURO     | (31.38)             | 31.38        | (19.84)             | 19.84        |

## 40 Interest Rate Risk

Interest rate risk arises from the movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. 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 manages its interest rate risk by having an agreed portfolio of fixed and variable rate borrowings. With all the other variables remaining constant, the following table demonstrates the sensitivity to a reasonable change in interest rates on the borrowings:



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

(Amount in Lakhs)

| Particulars                                   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b>Financial assets</b>                       |                        |                        |
| <b>Interest bearing - Fixed interest rate</b> |                        |                        |
| - Non current investment                      | -                      | -                      |
| - Non current fixed deposit                   | -                      | -                      |
| - Current fixed deposit                       | 8,650.95               | -                      |
| <b>Financial Liabilities</b>                  |                        |                        |
| <b>Interest bearing</b>                       |                        |                        |
| Borrowings - Floating interest rate           |                        |                        |
| - Working capital loan in rupee               | -                      | 13,663.57              |
| - Banks & Financial institutions              | 84.41                  | -                      |
| <b>Borrowings - Fixed interest rate</b>       |                        |                        |
| - Banks & Financial institutions              | -                      | -                      |

## Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after excluding the credit exposure for which interest rate swap has been taken and hence the interest rate is fixed. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Amount in Lakhs)

| Particulars                 | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-----------------------------|------------------------|------------------------|
| Increase in 100 bps points  |                        |                        |
| Effect on profit before tax | (0.84)                 | (136.64)               |
| Decrease in 100 bps points  |                        |                        |
| Effect on profit before tax | 0.84                   | 136.64                 |

## 41 Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost.

The Company maximum exposure to credit risk for the components of the balance sheet at 31 March 2022 and 31 March 2021 is the carrying amounts. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 90 days. The other payables are with short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair value. The following table analysis financial liabilities by remaining contractual maturities:

(Amount in Lakhs)

| Particulars                     | On demand    | Less than 3 months | 3 to 12 months  | 1 to 5 years    | > 5 years | Total            |
|---------------------------------|--------------|--------------------|-----------------|-----------------|-----------|------------------|
| <b>Year ended 31 March 2022</b> |              |                    |                 |                 |           |                  |
| Borrowings                      | -            | 6.26               | 19.34           | 58.81           | -         | 84.41            |
| Other financial liabilities     | -            | -                  | -               | -               | -         | -                |
| Trade and other payables        | -            | 11,691.23          | 149.92          | 0.61            | -         | 11,841.76        |
|                                 | -            | <b>11,697.49</b>   | <b>169.26</b>   | <b>59.42</b>    | -         | <b>11,926.17</b> |
| <b>Year ended 31 March 2021</b> |              |                    |                 |                 |           |                  |
| Borrowings                      | 82.11        | 309.63             | 6,089.52        | 7,182.31        | -         | 13,663.57        |
| Other financial liabilities     | -            | -                  | -               | -               | -         | -                |
| Trade and other payables        | -            | 8,349.27           | 127.94          | 0.29            | -         | 8,477.50         |
|                                 | <b>82.11</b> | <b>8,658.90</b>    | <b>6,217.46</b> | <b>7,182.60</b> | -         | <b>22,141.07</b> |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

At present, the Company does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

## 42 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

| (Amount in lakhs)                  |                        |                        |
|------------------------------------|------------------------|------------------------|
| Particulars                        | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Borrowings                         | 84.41                  | 13,663.57              |
| Trade payables                     | 11,841.76              | 8,477.50               |
| Other financial liabilities        | -                      | -                      |
| Less: cash and cash equivalents    | (1,029.66)             | (268.46)               |
| <b>Net debt (a)</b>                | <b>10,896.51</b>       | <b>21,872.61</b>       |
| Total equity                       |                        |                        |
| Total member's capital             | 52,227.39              | 16,693.32              |
| <b>Capital and net debt (b)</b>    | <b>63,123.90</b>       | <b>38,565.93</b>       |
| <b>Gearing ratio (%) (a/b)*100</b> | <b>20.86</b>           | <b>131.03</b>          |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

## 43 Income Tax

The major components of Income Tax Expense for the years are:

| (Amount in Lakhs)   |                        |                        |
|---|------------------------|------------------------|
| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Current income tax:</b>  |                        |                        |
| Current income tax charge   | 1655.94                | 1,739.86               |
| Adjustments in respect of previous year                               | 16.21                  | 16.54                  |
| MAT credit entitlement  | -                      | -                      |
| <b>Deferred tax:</b>  |                        |                        |
| Relating to origination and reversal of temporary differences (Net)   | 278.28                 | 16.33                  |
| <b>Income tax expense reported in the statement of profit or loss</b> | <b>1,950.43</b>        | <b>1,772.73</b>        |

The tax rate used for the reconciliation above is the corporate tax rate payable by corporate entity in India on taxable profits under the Indian tax law. The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 which gives a one time irreversible option to domestic companies for payment of corporate tax at reduced rates. Accordingly, the Company has re-measured its deferred tax asset (net) basis the rate prescribed in the said section.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

A Reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income before Income taxes is summarized as follow:

| Particulars  | (Amount in Lakhs)      |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Profit before income tax</b>                            | 9,145.04               | 7,172.62               |
| Rate of Income tax   | 25.17%                 | 25.17%                 |
| Computed expected tax expenses                             | 2,301.62               | 1,805.21               |
| Additional allowances for tax purpose                      | (455.37)               | (9.83)                 |
| Expenses not allowed for tax purposes                      | 37.86                  | 19.64                  |
| Provision for Employee benefit not allowed for tax purpose | 6.79                   | 20.38                  |
| Depreciation As per Companies Act 2013                     | 253.69                 | 105.40                 |
| Depreciation As per Income Tax Act                         | (488.65)               | (200.94)               |
| <b>Current Income Tax</b>                                  | <b>1,655.94</b>        | <b>1,739.86</b>        |

Applicable statutory tax rate for financial year 2021-22 is 25.17% (Previous year 2020-21 is 25.17%)

The Gross movement in the current income tax asset/(Liability) for the year ended March 31, 2022 and March 31, 2021 is as follows

| Particulars  | (Amount in Lakhs)      |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Net current income tax asset/(liability) at the beginning  | (115.16)               | 223.72                 |
| Income tax paid  | 2,281.38               | 1,417.52               |
| Current tax expenses                                       | (1,672.15)             | (1,756.40)             |
| <b>Net current income tax asset/(liability) at the end</b> | <b>494.07</b>          | <b>(115.16)</b>        |

## 44 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| Particulars  | (Amount in lakhs)       |                          |
|--|-------------------------|--------------------------|
|  | Current Year<br>2021-22 | Previous Year<br>2020-21 |
| Profit attributable to equity holders of the parent for basic earnings (Rs.)     | 7194.61                 | 5399.89                  |
| Weighted average number of equity shares for basic and diluted earning per share | 34,205,239*             | 31,500,000**             |
| Face value per share   | 10                      | 10                       |
| Basic earning per share  | 21.03                   | 17.14                    |
| Diluted earning per share  | <b>21.03</b>            | <b>17.14</b>             |

\* After considering the impact of 16,84,374 & 32,78,688 Equity Shares fully Paid up were issued on Preferential basis and initial Public offer respectively.

\*\*After considering the impact of issue of bonus shares in the ratio of 2 equity shares of Rs.10 each, for every 1 equity shares of Rs.10 each at the EGM held on March 31, 2021. 2,10,00,000 Bonus Equity Shares have been allotted on March 31, 2021 and equity share capital of the company has increased to 3,15,00,000 (number of shares).

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

**45** Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:.

For the year ended 31 March 2022

(Amount in lakhs)

| Name of Entities             | Net assets i.e. total assets minus total liabilities |                  | Share in profit/(loss)      |                 | Share in OCI                |               |
|------------------------------|--|------------------|-----------------------------|-----------------|-----------------------------|---------------|
|                              | As % of consolidated net assets                      | ₹                | As % of consolidated profit | ₹               | As % of consolidated profit | ₹             |
| <b>Parent:</b>               |  |                  |                             |                 |                             |               |
| Ami Organics Limited         | 99.18%   | 51,800.38        | 1.00                        | 7,194.61        | 31.91%                      | 60.35         |
| <b>Joint Venture</b>         |  |                  |                             |                 |                             |               |
| Ami Oncotheranostics LLC     | 6.89%  | 3,596.13         | (0.17%)                     | (12.33)         | 0.00%                       | -             |
| Elimination                  | (6.07%)  | (3,169.12)       | 0.17%                       | 12.33           | 68.09%                      | 128.79        |
| Foreign Currency Translation | -  | -                | -                           | -               | -                           | -             |
| <b>Total</b>                 | <b>100.00%</b>                                       | <b>52,227.40</b> | <b>100.00%</b>              | <b>7,195.00</b> | <b>100.00%</b>              | <b>189.14</b> |

For the year ended 31 March 2020

(Amount in lakhs)

| Name of Entities             | Net assets i.e. total assets minus total liabilities |                  | Share in profit/(loss)      |                 | Share in OCI                |                |
|------------------------------|--|------------------|-----------------------------|-----------------|-----------------------------|----------------|
|                              | As % of consolidated net assets                      | ₹                | As % of consolidated profit | ₹               | As % of consolidated profit | ₹              |
| <b>Parent:</b>               |  |                  |                             |                 |                             |                |
| Ami Organics Limited         | 98.21%   | 16,395.10        | 100%                        | 5,399.89        | 3.17%                       | (2.79)         |
| <b>Joint Venture</b>         |  |                  |                             |                 |                             |                |
| Ami Oncotheranostics LLC     | 20.84%   | 3,478.47         | (1.78%)                     | (95.89)         | -                           | 0.00           |
| Elimination                  | (19.06%)   | (3,181.45)       | 1.78%                       | 95.89           | 96.83%                      | (85.18)        |
| Foreign Currency Translation | 0.01%  | 1.20             | -                           | -               | -                           | -              |
| <b>Total</b>                 | <b>100.00%</b>                                       | <b>16,693.32</b> | <b>100.00%</b>              | <b>5,400.00</b> | <b>100.00%</b>              | <b>(87.97)</b> |



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

## 46 RELATED PARTY DISCLOSURES

### i) Related party relationships:

| Particulars   | Current Year 2021-22                            | Preceding Year 2020-21  |
|---|---|---|
| <b>Key managerial personnel</b>   | Chetankumar C. Vaghasia                         | Chetankumar C. Vaghasia                                       |
|   | Nareshkumar R. Patel                            | Girishbhai L. Chovatia (till 31st March, 2021)                |
|   | Virendra Nath Mishra                            | Nareshkumar R. Patel  |
|   | Ram Mohan Locande<br>(From February 8, 2022)    |   |
|   | Abhishek Patel (CFO)                            | Virendra Nath Mishra (From 03.03.2021)                        |
|   | Ekta kumari Srivastava (CS)                     | Abhishek Patel (CFO)  |
|   |   | Vishalkumar Laxmilal Shah (till 8th November 2020)            |
| <b>Independent Director</b>   |   | Mitali Chauhan (From 9th November 2020 to 21st February 2021) |
|   |   | Ekta kumari Srivastava (CS) (w.e.f. 22nd February 2021)       |
|   | Girikrishna S. Maniar                           | Girikrishna S. Maniar   |
|   | Richa Goyal                                     | Kamini Shah (Till 31st March, 2021)                           |
|   | Hetal Gandhi                                    |   |
| <b>Relative of key management personnel</b>   | Dr. Anita Bandyopadhyay (From February 8, 2022) |   |
|   | Parulben C. Vaghasia                            | Kiranben G. Chovatia  |
| <b>Enterprises in which relative of key management personnel have significant influence</b> | Shitalben N. Patel                              | Parulben C. Vaghasia  |
|   |   | Shitalben N. Patel  |
|   |   | Ami Lifesciences Pvt Ltd. (till 31st March 2021)              |
|   | Ami Procure Private Limited                     | Ami Procure Private Limited                                   |
|   | Religen Inc                                     | Religen Inc   |
|   | Alkoxide Fine Chem Private Limited              | Prodigy Biotech Inc   |
|   | Prodigy Biotech Inc                             |   |
|   | Hare Krishna Bath Fittings LLP                  |   |
|   | Globe Bio Care                                  |   |

#### Notes:

- The related party relationships have been determined on the basis of the requirements of the Indian Accounting Standard (Ind AS) -24 'Related Party Disclosures' and the same have been relied upon by the auditors..
- The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the current year /previous year, except where control exists, in which case the relationships have been mentioned irrespective of transactions with the related party.

### ii. Transactions with related parties:

| Particulars                            | (Amount in Lakhs)      |                         |
|--|------------------------|-------------------------|
|  | Current Year (2021-22) | Previous Year (2020-21) |
| <b>Advances given for Land</b>         |                        |                         |
| Shitalben Patel                        | -                      | 540.00                  |
| Chetankumar C. Vaghasia                | -                      | 540.00                  |
| <b>Total</b>                           | -                      | <b>1,080.00</b>         |
| <b>Advances for Land received back</b> |                        |                         |
| Shitalben Patel                        | 540.00                 | -                       |
| Chetankumar C. Vaghasia                | 540.00                 | -                       |
| <b>Total</b>                           | <b>1,080.00</b>        | -                       |
| <b>Interest Received</b>               |                        |                         |
| Shitalben Patel                        | 1.68                   | -                       |
| Chetankumar C. Vaghasia                | 2.07                   | -                       |
| <b>Total</b>                           | <b>3.75</b>            | -                       |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

(Amount in Lakhs)

| Particulars  | Current Year<br>(2021-22) | Previous Year<br>(2020-21) |
|--|---------------------------|----------------------------|
| <b>Remuneration &amp; Allowance to KMP, Relatives of KMP &amp; Independent Directors</b>     |                           |                            |
| Girishbhai L. Chovatia   | -                         | 111.00                     |
| Kiranben G. Chovatia   | -                         | 12.00                      |
| Nareshkumar R. Patel   | 405.50                    | 180.00                     |
| Chetankumar C. Vaghasia  | 400.00                    | 180.00                     |
| Shitalben N. Patel   | -                         | 12.00                      |
| Parulben C. Vaghasia   | -                         | 12.00                      |
| Vishalkumar Laxmilal Shah  | -                         | 2.68                       |
| Girikrishna S. Maniar  | -                         | 5.08                       |
| Kamini Shah  | -                         | 5.00                       |
| Mitali Chauhan   | -                         | 1.88                       |
| Ektakumari Srivastava (CS)   | 14.00                     | 0.68                       |
| Virendra Nath Mishra   | 85.80                     | 6.50                       |
| Ram Mohan Rao Locande  | 16.50                     | -                          |
| Abhishek Patel (CFO)   | 35.10                     | 23.43                      |
| <b>Total</b>   | <b>956.90</b>             | <b>552.25</b>              |
| <b>Director Sitting Fees</b>   |                           |                            |
| Hetal Gandhi   | 5.70                      | -                          |
| Girikrishna S. Maniar  | 6.30                      | -                          |
| Richa Goyal  | 5.70                      | -                          |
| Anita Bandyopadhyay  | 0.60                      | -                          |
| <b>Director Commission</b>   |                           |                            |
| Hetal Gandhi   | 6.30                      | -                          |
| Girikrishna S. Maniar  | 5.70                      | -                          |
| Richa Goyal  | 0.30                      | -                          |
| <b>Reimbursement of Expense</b>  |                           |                            |
| Ami Life Sciences Pvt. Ltd.  | -                         | 0.91                       |
| Girikrishna S. Maniar  | 0.20                      | -                          |
| <b>Purchase of Material</b>  |                           |                            |
| Hare Krishna Bath Fiitings LLP   | 0.51                      | -                          |
| Alkoxide Fine Chem Private Limited   | 57.55                     | -                          |
| <b>Total</b>   | <b>88.86</b>              | <b>0.91</b>                |
| <b>Advances for Investment</b>   |                           |                            |
| Ami Oncotheranostics Llc   | -                         | 19.26                      |
| <b>Total</b>   | <b>-</b>                  | <b>19.26</b>               |
| <b>Sale of Scrap Plant</b>   |                           |                            |
| Alkoxide Fine Chem Private Limited   | 1.37                      | -                          |
| <b>Total</b>   | <b>1.37</b>               | <b>-</b>                   |
| <b>Loan Taken/(Given) &amp; Repayment thereof and balance outstanding as at the year end</b> |                           |                            |
| Balance at the beginning of the year   |                           |                            |
| Chetankumar C. Vaghasia  |                           |                            |
| Girishbhai Chovatia  | -                         | 255.34                     |
| Nareshkumar R. Patel   | -                         | 245.64                     |
| <b>Repaid during the year</b>  |                           |                            |
| Chetanbhai C. Vaghasia   | -                         | 230.40                     |
| Girishbhai Chovatia  | -                         | -                          |
|  | -                         | 255.34                     |



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

| Particulars                                | (Amount in Lakhs)         |                            |
|--|---------------------------|----------------------------|
|  | Current Year<br>(2021-22) | Previous Year<br>(2020-21) |
| Nareshkumar R. Patel                       | -                         | 163.52                     |
| <b>Balance Outstanding at the year end</b> | -                         | 230.40                     |
| *Girishbhai Chovatia                       | -                         | 82.11                      |
| <b>Total</b>                               | <b>(0.00)</b>             | <b>82.11</b>               |

\*Balance outstanding has been repaid during the FY 21-22.

## 47 Research and Development Expense

| Particulars                      | (Amount in Lakhs)      |                        |
|----------------------------------|------------------------|------------------------|
|                                  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>(a) Capital Expenditure</b>   | 229.49                 | 307.88                 |
| <b>(b) Revenue Expenditure :</b> | 474.69                 | 342.02                 |
| <b>Total</b>                     | <b>704.18</b>          | <b>649.90</b>          |

## 48. Other statutory information

- The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961."
- The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017."
- The Company is not declared wilful defaulter by any bank or financial institution or other lenders."
- The Company has not traded or invested in crypto currency or virtual currency during the financial year."
- The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year.
- No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made there under.
- No loans or advances in the nature of loans are granted to promoters, Directors, Key Managerial Personnel and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person."

## 49 Events after the end of the reporting period

No subsequent event has been observed which may require an adjustment to the statement of financial position.

- As part of the capacity and production rationalization exercise, Company has transferred the current production operation of speciality chemical business from Ankleshwar facility, which was acquired from Gujarat Organics Limited to one single location at Jhagadia facility. The shifting of speciality chemicals business at single location will help company achieve better utilization of the plant and improve operational efficiency. There shall be no revenue loss and employee layoffs because of transfer of aforementioned production operation from Ankleshwar to Jhagadia unit of company. Meanwhile all the current production operations at company's Surat-Sachin unit and Jhagadia unit are running normal business as usual. Company intends to restructure the Ankleshwar production facility and utilize the same for the expansion of pharma Intermediate business to support future growth requirement. The Board of Directors of the Company has approved a Proposed Capex of Rs. 1,9990.00 Lakhs, the planning, design and engineering for proposed capex at Ankleshwar unit is under preparation, the Company has already received Environmental Clearance for the proposed restructure of Ankleshwar Unit.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

**51** The Company has considered the possible effects that may result from the pandemic relating to COVID 19 on the financial results of the Company. While evaluating the impact, the Company has considered possible future uncertainties in the economic conditions because of the pandemic. However, considering the operations of the Company, there has been no material impact on the financial position/ results of the Company. Given the Uncertainties associated with the nature and duration of this pandemic the eventual outcome of the impact of the global health pandemic may be different from those-estimated as on the date of approval of these financial results and the Company will closely monitor any material changes to the economic environment their Impact on its business in the times to come.

**52** Previous period/years figure have been regrouped/rearranged wherever necessary, to correspond with the current period /year classification / disclosures.

**53** The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2022.

## Signatures to Notes 1 to 53

As per our report of even date attached

For **Maheshwari & Co.**

Chartered Accountants

FRN 105834W

**K. K Maloo**

Partner

Membership No.: 075872

Place: Surat

Date: 16/05/2022

For and on behalf of the Board of Directors of **Ami Organics Limited**

**Chetankumar C. Vaghasia**

Whole Time Director

(DIN-01375540)

**Ekta Kumari**

Company Secretary

A - 27323

**Nareshkumar R. Patel**

Chairman & Managing Director

(DIN-00906232)

**Abhishek Patel**

Chief Financial Officer

(Pan-AKNPP5102F)





**AMI ORGANICS LIMITED**

**Registered Office**

Plot No. 440/4, 5 & 6, Road No. 82/A,  
GIDC Sachin, Surat – 394 230 Gujarat, India  
[www.amiorganics.com](http://www.amiorganics.com)

