

Indokem Limited

(CIN: L31300MH1964PLC013088)

Registered Office:
"KHATAU HOUSE," Ground Floor
Mogul Lane, Mahim (West),
Mumbai - 400 016.

Phone : 022-61236767
Fax : 022-61236718
E-mail : iklsecretarial@gmail.com
Website: www.indokem.co.in

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code: 504092

Subject: Submission of the Annual Report under Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Respected Sir/ Madam,

Pursuant to Regulation 34(1) of the Listing Regulations, as amended, we enclose herewith the Annual Report of the Company for the financial year 2022-23. The 57th Annual General Meeting of the Company will be held on Thursday, 31st August, 2023 at 2:00 p.m. (IST) via way Video Conference/Other Audio-Visual Means.

The said Annual Report is being sent through electronic mode to the shareholders of the Company and is also available on the website of the Company at the following link:

<https://www.indokem.co.in/pdf/Annual%20Report%20for%20the%20year%202022-2023.pdf>.

Please take the same on record.

Thanking You,

Yours Truly,
For **INDOKEM LIMITED**

Rajesh D. Pisal
Company Secretary and Compliance Officer
Mumbai, 7th August, 2023

Encl: As above



A Khatau Group

ANNUAL REPORT 2022 - 23



ANNUAL REPORT

2022-23

APPEAL TO SHAREHOLDERS

In accordance with the SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd Nov., 2021, SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th Dec., 2021 and SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th Jan., 2022, investors holding physical share certificates have to comply with know your customer (KYC) norms on or before 30th September, 2023 by presenting PAN, nomination, contact information, bank account information, and a sample signature for their respective folio numbers to registrar and transfer agents of respective company. If this is not done, folios will be blocked by RTAs after 1st October, 2023. These shares will not be subject to company actions such as dividends, bonuses or stock splits.

In order to save trees and environment by cutting down the consumption of costly paper habits, the Ministry of Corporate affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies through service of notice / documents including Annual Report to be sent by email to its members. In accordance with the Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011 issued by the Ministry, Companies had started the practice of sending various notices and documents, including documents for Annual General Meeting and Annual Report to its shareholders through electronic mode, whose e-mail addresses are registered with the Company. In such case, the Company is required to obtain email addresses of its members for sending the notice / documents through email by giving an opportunity to every member to register their email address and changes therein, if any, from time to time with the Company. To be a part of Green Initiative in the Corporate Governance, Indokem Limited has started to send documents like the notices for convening the General Meeting and Annual Reports in electronic form, to the email addresses of those members which are available in the Register of Members of the Company. To support this green initiative of the Government in full measure, members who have not registered their email addresses so far, are requested to register their email addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their email addresses to the Company or its Registrar and Share Transfer Agents (RTA).

On registration, all the communication will be sent to the email ID registered in the Folio No. /DP ID and Client ID to save time and to save trees.

We are sure you would appreciate the "Green Initiative" taken by MCA and as a responsible citizen you will whole heartedly support this initiative.

This move by the Ministry will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit. We are sure that you would appreciate the "Green Initiative" taken by MCA and Indokem's desire to participate in such initiatives. Please contact the following:

REGISTRAR & SHARE TRANSFER AGENTS:

LINK INTIME INDIA PRIVATE LIMITED

C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai- 400 083.
Tel No.: +91-22- 49186270.

Email: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

SECRETARIAL DEPT.

INDOKEM LIMITED

Khatau House, Plot No. 410,
Mogul Lane, Mahim (West), Mumbai - 400 016.
Tel No.: +91-22- 6123 6711 / 6123 6767

Email: iklsecretarial@gmail.com

Website: www.indokem.co.in

INDOKEM LIMITED

(CIN : L31300MH1964PLC013088)

BOARD OF DIRECTORS:

Mr. Mahendra Kishore Khatau	Chairman and Managing Director
Mr. Manish Mahendra Khatau	Whole-time Director
Mrs. Asha Mahendra Khatau	Non-executive Director
Mr. Kailash Pershad	Non-executive Independent Director
Mr. Bhalchandra Gopinath Sontakke	Non-executive Independent Director
Mr. Rahul Singh	Non-executive Independent Director
Mr. Arupkumar Basu (w. e. f. 25.07.2023)	Additional Non-executive Director
Mrs. Sneha Vidyadhar Khandekar (w. e. f. 25.07.2023)	Additional Non-executive Independent Director
Mr. Suyash Neelkanth Bhise (w. e. f. 25.07.2023)	Additional Non-executive Independent Director
Mr. Adarsh Pankaj Shukla (w. e. f. 25.07.2023)	Additional Non-executive Independent Director

KEY MANAGERIAL PERSONNEL:

Ms. Rupal Bhupendra Parikh	Chief Financial Officer
Mr. Rajesh Dinkar Pisal	Company Secretary and Compliance Officer

STATUTORY AUDITORS:

CNK & Associates, LLP

SECRETARIAL AUDITORS:

Ragini Chokshi & Co.

COST AUDITORS:

Y. S. Gokhale & Associates

BANKERS:

HDFC Bank Ltd.
 Utkarsh Small Finance Bank Ltd.
 Bank of India
 Indian Overseas Bank

REGISTRAR & SHARE TRANSFER AGENT:

Link Intime India Private Limited
 C-101, 207 Park, L.B.S. Marg,
 Vikhroli (West), Mumbai - 400 083.
 Email: rnt.helpdesk@linkintime.co.in
 Website: www.linkintime.co.in

REGISTERED OFFICE:

Khatau House, Plot No: 410,
 Mogul Lane, Mahim (West), Mumbai - 400 016.
 Tel No.: +91-22- 6123 6767 / 6123 6711
 Email: iklsecretarial@gmail.com
 Website: www.indokem.co.in

SUBSIDIARIES:

Indokem Bangladesh (Pvt.) Limited (w. e. f. 30.04.2023)

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57th Annual General Meeting (AGM)

Day, Date & Time: Thursday, 31st August, 2023 at 2:00 P.M.
 Through Video Conferencing ("VC") / Other Audio Visual Means.

CHAIRMAN'S MESSAGE

My Dear Shareholders,

I am delighted to present you our annual report for the F.Y. 2022-23, reflecting our performance and progress during the year and outlining our vision for the future. The bygone year unfolded against the backdrop of a dynamic global economy, influenced by various factors including geopolitical tension, decade high inflation, energy shortages and supply chain disruptions. In response to the high inflation, major developed and developing economies implemented tightening monetary policies.

In the last fiscal year, the global economy continued to face multiple challenges and uncertainty due to prevailing geo-political events be it COVID-19, Ukraine war, resulting in a slowdown across the world. Spiralling costs of raw materials, supply chain disruptions and tighter monetary policies have all had an adverse impact on demand across industries, including the pigment industry. This resulted in a sharp reduction in demand and significant pricing pressures on Indokem, adversely impacting our sales volumes and hence, financial performance.

Despite these headwinds, the Indian economy showcased remarkable resilience and demonstrated a strong growth trajectory. India's economy exhibited notable strength amidst the prevailing global pessimism on the support of robust retail consumption growth and increased private sector spending. The government's strategic focus on infrastructure development post-COVID and the successful revival of the service sector further fortified the economy. In fact, the World Bank has projected a robust GDP growth rate of 6.3% for India in the fiscal year 2023-24, positioning the country favorably amidst global uncertainties.

Indokem continues to be a resilient company built on a strong foundation, committed towards its long-term strategy, and is poised for growth. We have attempted to present the company's information in an all-encompassing format for a deeper and richer understanding of our sustainable journey. Coming to our financials, the total gross revenue earned by the Company was ₹111.86 crores as against total revenue of ₹113.56 crores of previous year, which marginally decreased by 1.5% as compared to last year. Profit after tax for the year 2022-23 was ₹0.31 crore compared to profit after tax of Rs.2.83 crores in financial year 2021-22.

We are living in a time where various extraordinary changes are taking place around us which is altogether reshaping the way we live and the way we work. Though our inspiring Legendary Founder, Shri. Dharamsey Khatau, is not in our midst, the values he cherished and which have in fact equipped our Company to withstand the test of time - Integrity, Excellence, Humility, Hard work and Larger purpose - continue to guide us as we endeavor strengthening our people, processes and products, keeping in focus what our Company can and ought to be in the years to come.

The Company has also invested in new machineries and acquired additional space to manufacture new products range from Ambernath Units. IT system and infrastructure is being continuously monitored and enhanced with any required upgrades. Our major products have received GOTS (Global Organic Textile Standard) certification. Company has invested on automation and attractive Packing Material for our products which has shown better effects. Company has invested in Quality Control machinery in Laboratory and qualified staff to meet global standards. Company has invested in digitization by purchasing Laptops for the employees working from home, and ensured that work continued despite overall tough times. Company will continue to invest in digitization and modernization. Company has successfully registered maximum of its products under Zero Discharge of Hazardous Chemicals (ZDHC) certification. Company has been assessed and received ISO 45001:2008 certification. You would be happy to note that we have arranged free medical check-up for our employees and labourers at all offices and plants.

The Board of Directors of the Company, at its meeting held on 27th July, 2021, 13th September, 2021 and 15th January, 2022 have considered and approved a Scheme of Amalgamation (the “Scheme”) of Refnol Resins and Chemicals Limited (“Transferor Company”) with Indokem Limited (“the Company” or “Transferee Company”). The Scheme entails the amalgamation of the Refnol Resins and Chemicals Limited with Indokem Limited on the appointed date for the scheme set as on 1st April 2021 and approved by the Hon’ble National Company Law Tribunal (“NCLT”) in their order dated 14th July 2023.

We continuously innovated by launching new products thereby moving forward in our journey. At the same time, we continue to uphold the highest standards of corporate governance treating them as an ethical requisite rather than a regulatory necessity and continue to base all our actions on the principles of fairness trust and transparency. Looking forward the business environment will remain true to its nature – as uncertain and as unpredictable as ever. In such an environment only those organisations that put in efforts to remain relevant to the changing needs and preferences of customers – understanding the consumer requirements and adapting the business model to suitably address these requirements will be able to deliver long-term growth and sustainable returns to all the stakeholders.

Looking ahead into the future, we are confident that our expanded installed base, newly added products, new sales approach of industry and product segment wise go to market strategy will drive our march forward. On behalf of our Board, I thank our shareholders, for your continued trust and guidance in taking Indokem to greater heights.

To conclude, we remain encouraged and confident of achieving our long-term objectives of inclusive, sustainable and profitable growth. As we look ahead, I feel confident of strong growth in the medium to long term. I am confident that our disciplined strategy, prudent approach, focus on agile execution and our committed team will enable us to improve performance further and create greater shareholder value.

Even in 2023, after completion of many decades of journey, we work with the same newness, optimism and purpose. We at Indokem deeply value the involvement, critical analysis and encouragement shown by Directors and I am privileged to have them on the Board of our Company. I appreciate the efforts of every member of Khatau family - we may be growing in numbers, but our Purpose is common and shared. In the travails of the past and in the new paradigm we are envisaging for the future, our constant source of strength is the indefatigable spirit of our employees and I would like to thank them for their commitment, patience and hard work. I am grateful to our employees, customers, suppliers, banks and financial institutions for giving us an opportunity to serve and helping us evolve our vision and articulate growth related strategies. The Company has received and I am sure, will continue to receive active cooperation from all the shareholders of the Company. I recognise the positive approach of the communities which surround our production sites in India. I thank you for your faith; it brings out the best in us.

Sincerely,

Mahendra K. Khatau
Chairman and Managing Director
DIN: 00062794

INDOKEM LIMITED

(CIN: L31300MH1964PLC013088)

Regd. Office: Khatau House, Plot No. 410, Mogul Lane, Mahim (West), Mumbai - 400 016.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **FIFTY SEVENTH (57th) Annual General Meeting** of the members of the Indokem Limited will be held on Thursday, 31st August, 2023 at 2:00 P.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:**Item No.1 – Adoption of Audited Financial Statements**

To receive, consider and adopt the Annual Audited Financial Statements of the Company for the Financial Year ended 31st March, 2023 together with the Reports of the Board Directors and Auditors thereon.

Item No. 2 – Re-appointment of Mrs. Asha Mahendra Khatau as Director, liable to retire by rotation

To re-appoint Mrs. Asha Mahendra Khatau (DIN: 00063944), Non-executive Director, who retire by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.

SPECIAL BUSINESS:**Item No. 3 - Ratification of Remuneration of Cost Auditors**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, for the time being in force (including any statutory modification(s) or re-enactment(s) thereof), the remuneration of Rs. 90,000/- (Rupees Ninety Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses, as recommended by the Audit Committee and approved by the Board of Directors of the Company, to be paid to M/s. Y. S. Gokhale & Associates, Cost Accountants, (Membership No. 32936, Firm Registration No. 101710), for the conduct of the audit of the cost accounting records of the Company for the financial year ending on 31st March, 2024, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors and/or any person authorised by the Board, be and is hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this Resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution."

Item No. 4: Appointment of Mrs. Sneha Vidyadhar Khandekar (DIN: 06729350) as an Independent Director

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT Mrs. Sneha Vidyadhar Khandekar (DIN: 06729350) who was appointed as an Additional Director (Non-executive, Independent) of the Company effective 25th July, 2023, by the Board of Directors of the Company, in terms of Section 161 of the Companies Act, 2013 ('Act') read with related rules (including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, and who is eligible for appointment and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of a Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 152 of the Act, read with Schedule IV and other applicable provisions of the Act (including any statutory modification(s), amendment(s), or re-enactment(s) thereof, for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), each as amended, and the Articles of Association of the Company, the appointment of Mrs. Sneha Vidyadhar Khandekar (DIN: 06729350), who meets the criteria of independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, and who has submitted a declaration to that effect, and who is eligible for appointment, be and is hereby appointed, as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) years commencing 25th July, 2023 to 24th July, 2028 (both days inclusive).

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other Officer(s) / Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Item No. 5: Appointment of Mr. Suyash Neelkanth Bhise (DIN: 06667481) as an Independent Director

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** Mr. Suyash Neelkanth Bhise (DIN: 06667481) who was appointed as an Additional Director (Non-executive, Independent) of the Company effective 25th July, 2023, by the Board of Directors of the Company, in terms of Section 161 of the Companies Act, 2013 ('Act') read with related rules (including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, and who is eligible for appointment and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 152 of the Act, read with Schedule IV and other applicable provisions of the Act (including any statutory modification(s), amendment(s), or re-enactment(s) thereof, for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), each as amended, and the Articles of Association of the Company, the appointment of Mr. Suyash Neelkanth Bhise (DIN: 06667481), who meets the criteria of independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, and who has submitted a declaration to that effect, and who is eligible for appointment, be and is hereby appointed, as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) years commencing 25th July, 2023 to 24th July, 2028 (both days inclusive).

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other Officer(s) / Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Item No. 6: Appointment of Mr. Adarsh Pankaj Shukla (DIN: 10244570) as an Independent Director

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** Mr. Adarsh Pankaj Shukla (DIN: 10244570) who was appointed as an Additional Director (Non-executive, Independent) of the Company effective 25th July, 2023, by the Board of Directors of the Company, in terms of Section 161 of the Companies Act, 2013 ('Act') read with related rules (including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, and who is eligible for appointment and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 152 of the Act, read with Schedule IV and other applicable provisions of the Act (including any statutory modification(s), amendment(s), or re-enactment(s) thereof, for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), each as amended, and the Articles of Association of the Company, the appointment of Mr. Adarsh Pankaj Shukla (DIN: 10244570), who meets the criteria of independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, and who has submitted a declaration to that effect, and who is eligible for appointment, be and is hereby appointed, as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) years commencing 25th July, 2023 to 24th July, 2028 (both days inclusive).

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other Officer(s) / Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Item No. 7 - Re-appointment of Mr. Manish M. Khatau as Whole-time Director

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force) and Articles of Association of the Company, approval of the members be and is hereby accorded to the re-appointment of Mr. Manish Mahendra Khatau, (DIN : 02952828) as Whole-time Director of the Company, for a period of 3 years commencing from the expiry of his present term of office i.e. 1st March 2024 on the remuneration, terms and conditions as set out in the explanatory statement annexed to the Notice, as minimum remuneration in the event of absence of profits and/or inadequacy of profits or otherwise, notwithstanding that such remuneration may exceed the limits specified under Section 197 read with Schedule V of the Act.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as “the Board” which term shall include the Human Resources, Nomination and Remuneration Committee of the Board) be and is hereby authorized to alter or vary the scope of re-appointment and / or remuneration of Mr. Manish Mahendra Khatau, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time, as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

Item No. 8 - Regularisation of Mr. Arupkumar Basu as a Director and Appointment as Managing Director

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 (“the Act”) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and/or any other applicable provisions of the Act and/or the SEBI Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Arupkumar Basu (DIN : 00906760), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from 25th July 2023 in terms of Section 161(1) of the Act of the Company and whose term of office expires at the Annual General Meeting, be and is hereby appointed as a Director and the period of his office shall be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, approval of the members be and is hereby accorded to the appointment of Mr. Arupkumar Basu, (DIN : 00906760) as Managing Director of the Company, for a period of 3 years commencing from the date of the scheme of amalgamation between the Company and Refnol Resins and Chemicals Limited becoming effective, on the remuneration, terms and conditions as set out in the explanatory statement annexed to the Notice, as minimum remuneration in the event of absence of profits and/or inadequacy of profits or otherwise, notwithstanding that such remuneration may exceed the limits specified under Section 197 read with Schedule V of the Act.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as “the Board” which term shall include the Human Resources, Nomination and Remuneration Committee of the Board) be and is hereby authorized to alter or vary the scope of appointment and / or remuneration of Mr. Arupkumar Basu, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time, as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the

above resolution.”

Item No. 9 - Approving remuneration of Mr. Mahendra K. Khatau, Managing Director of the Company for a period of 2 (Two) years w.e.f. 01 April, 2023 of his present tenure

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other rules made thereunder as may be applicable and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and upon recommendations of Nomination and Remuneration Committee and Board of Directors (hereinafter referred to as the ‘Board’) of the Company, and subject to such other approval(s), permission(s) and sanction(s) as may be required in this regard, consent of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Mahendra K. Khatau (DIN: 00062794) as Managing Director of the Company during period commencing from 1st April, 2023 and ending on 31st March, 2025, as detailed in the explanatory statement attached hereto, as minimum remuneration in the event of absence of profits and/or inadequacy of profits or otherwise, notwithstanding that such remuneration may exceed the limits specified under Section 197 read with Schedule V of the Act.

RESOLVED FURTHER THAT the Board or any duly constituted committee of the Board, be and is hereby authorized to vary, alter and modify the terms and conditions including designation, remuneration/ remuneration structure of Mr. Mahendra K. Khatau within the limits approved by the Members.

RESOLVED FURTHER THAT the Board or any duly constituted committee of the Board, be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution.”

Item No. 10 - Approval for undertaking Material Related Party Transactions with Refnol Resins and Chemicals Limited

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI Listing Regulations”), the applicable provisions of the Companies Act, 2013 (“Act”) and the rules framed thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), other applicable statutory provisions and regulations, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, the Company’s Policy on Related Party Transactions, basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines, approval of the Members of the Company be and is hereby accorded for entering into transaction(s) with Refnol Resins and Chemicals Limited (a “Related Party” within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations):

- (1) pursuant to the following existing contracts with the Related Party:
 - for purchase or supply of any goods, materials or any other services as per the terms and conditions agreed with the management, upto a maximum aggregate value of ₹20 Crores (Rupees Twenty Crores Only) during financial year 2023-24;
- (2) in the ordinary course of business of the Company and at arm’s length basis in accordance with the provisions of Section 177, 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and on such terms and conditions as detailed in the explanatory statement to this Resolution, and as may be mutually agreed between the Company and Refnol Resins and Chemicals Limited.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as “Board”, which term shall include any duly authorized Committee constituted by the Board) be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

Item No. 11 - Approval for undertaking Material Related Party Transactions with Orchard Acres

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI Listing Regulations”), the applicable provisions of the Companies Act, 2013 (“Act”) and the rules framed thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), other applicable statutory provisions and regulations, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, the Company’s Policy on Related Party Transactions, basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines, approval of the Members of the Company be and is hereby accorded for entering into transaction(s) with Orchard Acres (a “Related Party” within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations):

- (1) pursuant to the following existing contracts with the Related Party:
 - (i) for purchase or supply of any goods, materials or any other services as per the terms and conditions agreed with the management, upto a maximum aggregate value of ₹20 Crores (Rupees Twenty Crores Only) during financial year 2023-24;
 - (ii) for availing of premises on Leave and License basis in accordance with Leave and License Agreement executed as on 1st April 2022, for a period of five (5) years, effective from 1st April, 2022 to 31st March, 2027.
- (2) in the ordinary course of business of the Company and at arm’s length basis in accordance with the provisions of Section 177, 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and on such terms and conditions as detailed in the explanatory statement to this Resolution, and as may be mutually agreed between the Company and Orchard Acres.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as “Board”, which term shall include any duly authorized Committee constituted by the Board) be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

Item No. 12 - Approval for undertaking Material Related Party Transactions with Texcare Middle East LLC

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI Listing Regulations”), the applicable provisions of the Companies Act, 2013 (“Act”) and the rules framed thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), other applicable statutory provisions and regulations, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, the Company’s Policy on Related Party Transactions, basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines, approval of the Members of the Company be and is hereby accorded for entering into transaction(s) with Texcare Middle East LLC (a future subsidiary to be a “Related Party” within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations):

- (1) pursuant to the existing contracts of Refnol Resins and Chemicals Limited with Texcare Middle East LLC for purchase or supply of any goods, materials or any other services as per the terms and conditions agreed with the management, upto a maximum aggregate value of ₹20 Crores (Rupees Twenty Crores Only) during financial year 2023-24;

- (2) in the ordinary course of business of the Company and at arm's length basis in accordance with the provisions of Section 177, 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and on such terms and conditions as detailed in the explanatory statement to this Resolution, and as may be mutually agreed between the Company and Texcare Middle East LLC.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "Board", which term shall include any duly authorized Committee constituted by the Board) be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company."

Item No. 13 - Approval for undertaking Material Related Party Transactions with Indokem Bangladesh (Pvt.) Limited

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations"), the applicable provisions of the Companies Act, 2013 ("Act") and the rules framed thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), other applicable statutory provisions and regulations, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, the Company's Policy on Related Party Transactions, basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines, approval of the Members of the Company be and is hereby accorded for entering into transaction(s) with Indokem Bangladesh (Pvt.) Limited (a "Related Party" within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations):

- (1) pursuant to the following contracts with the Related Party:

- (i) for purchase or supply of any goods, materials or any other services as per the terms and conditions agreed with the management, upto a maximum aggregate value of ₹ 10 Crores (Rupees Ten Crores Only) during financial year 2023-24;
- (ii) for Leasing of property of any kind or Interest payable/ receivable as per the terms and conditions agreed with the management, upto a maximum aggregate value of ₹25 Lakhs (Rupees Twenty-Five Lakhs Only) during financial year 2023-24;
- (iii) for receipt or granting of loans and advances from/ to Indokem Bangladesh (Pvt.) Limited as per the terms and conditions agreed with the management, upto a maximum aggregate value of ₹1 Crore (Rupees One Crore Only) during financial year 2023-24.

- (2) in the ordinary course of business of the Company and at arm's length basis in accordance with the provisions of Section 177, 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and on such terms and conditions as detailed in the explanatory statement to this Resolution, and as may be mutually agreed between the Company and Indokem Bangladesh (Pvt.) Limited.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "Board", which term shall include any duly authorized Committee constituted by the Board) be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company."

**For Indokem Limited
By order of the Board**

**Sd/-
Rajesh D. Pisal
Company Secretary**

**Place: Mumbai
Date: 25th July, 2023**

NOTES:

- 1 The Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), in respect of the Items No. 3 to 13 and the Special Business given in the Notice of the Annual General Meeting (AGM), the details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Clause 1.2.5 of the Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of the person seeking appointment / re-appointment as a Director at this Annual General Meeting (AGM) is furnished as Annexure - 1 to the Notice.
2. The Ministry of Corporate Affairs ('MCA'), inter-alia, vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 (collectively referred to as 'MCA Circulars') has permitted the holding of the AGM through Video Conferencing ('VC') or through Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue.

Further, Securities and Exchange Board of India ('SEBI'), vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 ('SEBI Circulars') and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI Listing Regulations.

In compliance with the applicable provisions of the Act, SEBI Listing Regulations and MCA Circulars, the 57th AGM of the Company is being held through VC/OAVM on Thursday, 31st August, 2023, at 2:00 p.m. (IST). The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company situated at Khatau House, Plot No. 410, Mogul Lane, Mahim (West), Mumbai - 400 016.
3. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.
4. As per the provisions of Clause 3.A. II. of the General Circular No. 20/ 2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 3 to 13 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.
5. The Company has notified closure of the Register of Members and the Share Transfer Books from **Friday, 25th August, 2023 to Thursday, 31st August, 2023 (both days inclusive)**.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders 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. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. Institutional/corporate shareholders (i.e., other than individuals, HUF, NRI, etc.), are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorisation etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting. The said Resolution/Authorisation shall be sent by e-mail on Scrutinizer's e-mail address at pccsamitatankale@gmail.com with a copy marked to evoting@nsdl.co.in. Corporate Members/Institutional shareholders (i.e. other than individuals, HUFs, NRIs etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on the "Upload Board Resolution/Authority Letter" displayed under the "e-Voting" tab in their login.

8. The Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names as per the Register of Members of the Company, as of the Cut-off date, will be entitled to vote at the meeting.
10. In accordance with the aforesaid MCA Circulars and the relevant SEBI Circulars, the Notice of the AGM along with the Integrated Report & Annual Accounts 2022-23 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. The Company shall send the physical copy of Integrated Report & Annual Accounts 2022-23 to those Members who request the same at iklsecretarial@gmail.com mentioning their Folio No./DP ID and Client ID. The Notice convening the 57th AGM along with the Integrated Report & Annual Accounts 2022-23 will also be available on the website of the Company at www.indokem.co.in, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the website of NSDL at www.evoting.nsdl.com.
11. Members are requested to promptly intimate any change in their name, postal address, e-mail address, contact numbers, PAN, mandates, bank details, etc. to their DPs for equity shares held in dematerialised form and to Link Intime India Private Limited in Form ISR – 1 for equity shares held in physical form.
12. We urge Members to support our commitment to environmental protection by choosing to receive the Company's communications through e-mail. Members holding shares in dematerialised form, who have not registered their e-mail addresses are requested to register their e-mail addresses with their respective Depository Participants, and Members holding shares in physical form are requested to update their e-mail addresses with Link Intime India Private Limited in Form ISR-1 or e-mail to rnt.helpdesk@linkintime.co.in for receiving all communications, including Annual Reports, Notices, Circulars, etc. from the Company electronically.
13. In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from 1st April, 2019. In view of the above and to eliminate the risks associated with physical shares, Members are advised to dematerialise shares held by them in physical form.
14. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts and Arrangements in which Directors are interested maintained under the provisions of the Act and all the documents referred to in the accompanying Notice and Statement will be available for inspection during the meeting in electronic mode, and the same may be accessed upon log-in to www.evoting.nsdl.com. The said documents will also be available for inspection by Members at the Registered Office of the Company between 11 a.m. and 1 p.m. on all working days of the Company upto the date of the AGM.
15. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
16. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.indokem.co.in. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.





Information and Other Instructions Relating to E-Voting & AGM:

17. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations, Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-Voting are given below.
18. In order to increase the efficiency of the voting process and pursuant to SEBI circular no. SEBI/ HO/CFD/ CMD/CIR/P/2020/242 dated 9th December, 2020 all individual shareholders holding shares in demat mode can now cast their votes by way of a single login credential, through either their demat accounts / websites of Depositories / DPs thereby not only facilitating seamless authentication but also ease and convenience of participating in the e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their Depository Participants to access this facility.
19. The communication relating to remote e-voting containing details about User ID and Password, instructions and other information relating thereto is given in this Notice.
20. The remote e-voting facility will be available during the following period- Commencement of remote e-voting: 9.00 a.m. (IST) on Monday, 28th August, 2023; end of remote e-voting: 5.00 p.m. (IST) on Wednesday, 30th August, 2023. The remote e-voting will not be allowed beyond the aforesaid date and time, and the e-Voting module shall be disabled by NSDL upon expiry of the aforesaid period.
21. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of e-voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-voting facility. The e-voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
22. The Board of Directors of the Company has appointed Mrs. Samita Tanksale, Company Secretaries (Membership Number: ACS 26044), as a Scrutiniser to scrutinise the remote e-voting and voting through electronic means at the AGM in a fair and transparent manner and she has communicated her willingness to be appointed.
23. The Scrutiniser, after scrutinising the votes cast through remote e-voting and through electronic means at the AGM will not later than two working days of the conclusion of the meeting, make a consolidated Scrutiniser's Report and submit the same to the Chairman or the Company Secretary. The results declared along with the consolidated Scrutiniser's Report shall be placed on the website of the Company at its website on www.indokem.co.in and on the website of NSDL at <https://www.evoting.nsdl.com>. The results shall be communicated to the Stock Exchange simultaneously.
24. Subject to receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the meeting i.e. 31st August, 2023.
25. The cut-off date for Members eligible to exercise their right to vote on Resolutions proposed to be passed in the meeting by electronic means is Thursday, 24th August, 2023. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
26. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

Step 1: Access to NSDL e-Voting system**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below:

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

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

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pcssamitatanksale@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Amit Vishal or Ms. Pallavi Mhatre at evoting@nsdl.co.in.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to iklsecretarial@gmail.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to iklsecretarial@gmail.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

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

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective networks. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members, who would like to express their views/pose questions/register as speaker shareholder at the AGM, may send their questions in advance before Friday, 25th August, 2023 by 3.00 p.m. from their registered email address mentioning their name, demat account number/folio number and mobile number, to the Company's email address iksecretarial@gmail.com. The Members who have registered themselves as speaker will only be allowed to ask queries / express their views during the AGM. The Company reserves the right to limit the number of Members asking questions depending on the availability of time at the AGM.

**For Indokem Limited
By order of the Board**

**Place: Mumbai
Date: 25th July, 2023**

Registered Office:
Khatau House, Plot No. 410,
Mogul Lane, Mahim (West),
Mumbai – 400 016.

**Sd/-
Rajesh D. Pisal
Company Secretary**

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, Secretarial Standard - 2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015:

ITEM NO. 3:

As per the provisions of Section 148 of the Companies Act, 2013 ('the Act') read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to have an audit of its cost records conducted by a cost accountant in practice for products covered under the Companies (Cost Records and Audit) Rules, 2014. The Board, based on the recommendation of the Audit Committee, has approved the appointment of M/s. Y. S. Gokhale & Associates, Cost Accountants, (Firm Registration Number 101710, Membership No.32936), as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024 at a remuneration of Rs. 90,000/- plus applicable taxes and out of pocket expenses, if any.

In accordance with Section 148(3) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2024.

The Board recommends ratification of remuneration of Cost Auditors, as set out in Resolution No. 3 of the Notice for approval by the Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in the Resolution.

ITEM NO. 4:

The Nomination and Remuneration Committee ('NRC') oversees the succession planning for the Board of Directors ('Board') of the Company and towards this, it has adopted a methodical, meritocratic, fair and transparent process to ensure that it recommends the right candidate(s) to serve on the Board. The NRC had previously finalized the desired attributes for the selection of the Independent Director(s). NRC has selected the profile of Mrs. Sneha Vidyadhar Khandekar and she was identified as the most suitable candidate to be inducted as an Independent Director on the Board of the Company.

On 25th July, 2023, on the basis of recommendations of the NRC, the Board of the Company, in terms of Section 161 of the Companies Act, 2013 ('Act'), appointed Mrs. Sneha Vidyadhar Khandekar (DIN: 06729350) as an Additional Director (Non-executive, Independent) on the Board of the Company effective 25th July, 2023.

Further, on the basis of recommendations of the NRC and subject to the approval of the Members, the Board, in accordance with the provisions of Section 149 read with Schedule IV to the Act, and Regulation 16 of the SEBI Listing Regulations, appointed Mrs. Sneha Vidyadhar Khandekar as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) years commencing from 25th July, 2023 through 24th July, 2028 (both days inclusive).

Mrs. Sneha Vidyadhar Khandekar is an experienced development sector professional with over 32 years of experience on violence and reproductive health issues related to women and children. She has over 20 years of experience advising government, public and private sector clients in the implementation of the Vishakha guidelines and subsequently PoSH Act, 2013.

The Board noted that Mrs. Sneha Khandekar's skills, background and experience are aligned to the role and capabilities identified by the NRC and that Mrs. Sneha Khandekar is eligible for appointment as an Independent Director. The Board was satisfied that the appointment of Mrs. Sneha Khandekar is justified as it foresees Mrs. Sneha Khandekar with her background and experience, adding significant value and strength to the Company.

The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing her candidature for the office of Director. The Company has also received from Mrs. Sneha Khandekar (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of

Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(1) and 164(2) of the Act, (iii) a declaration to the effect that she meets the criteria of independence as provided under Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, (iv) declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018, that she has not been debarred from holding office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.

Further, Mrs. Sneha Khandekar has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties as an Independent Director of the Company. Mrs. Sneha Khandekar has confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

The profile and specific areas of expertise of Mrs. Sneha Khandekar and other relevant information as required under SEBI Listing Regulations and Secretarial Standards are provided as an Annexure to this Notice.

In the opinion of the Board, Mrs. Sneha Khandekar is a person of integrity and fulfils the conditions specified under the Act read with Rules made thereunder and the SEBI Listing Regulations for her appointment as an Independent Director of the Company.

The terms and conditions of appointment of Mrs. Sneha Khandekar as an Independent Director would be made available for inspection to the Members on sending a request along with their DP/Client ID or Folio No. from their registered e-mail address to the Company at iksecretarial@gmail.com. Alternatively, the documents will also be made available at the Registered Office of the Company during office hours on all working days from the date of dispatch until the date of the Annual General Meeting of the Company.

None of the Director(s) and/or Key Managerial Personnel of the Company and/or their respective relatives, are concerned or interested either directly or indirectly, financially or otherwise in the Resolution mentioned at Item No. 4 of the Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of the Listing Regulations, the approval of the Members is sought for the appointment of Mrs. Sneha Khandekar as an Independent Director on the Board of the Company, as a Special Resolution as set out above.

The Board recommends the Special Resolution set forth at Item No. 4 for the approval of the Shareholders.

ITEM NO. 5:

The Nomination and Remuneration Committee ('NRC') oversees the succession planning for the Board of Directors ('Board') of the Company and towards this, it has adopted a methodical, meritocratic, fair and transparent process to ensure that it recommends the right candidate(s) to serve on the Board. The NRC had previously finalized the desired attributes for the selection of the Independent Director(s). NRC has selected the profile of Mr. Suyash Neelkanth Bhise and he was identified as the most suitable candidate to be inducted as an Independent Director on the Board of the Company.

On 25th July 2023, on the basis of recommendations of the NRC, the Board of the Company, in terms of Section 161 of the Companies Act, 2013 ('Act'), appointed Mr. Suyash Bhise (DIN: 06667481) as an Additional Director (Non-executive, Independent) on the Board of the Company effective 25th July, 2023.

Further, on the basis of recommendations of the NRC and subject to the approval of the Members, the Board, in accordance with the provisions of Section 149 read with Schedule IV to the Act, and Regulation 16 of the SEBI Listing Regulations, appointed Mr. Suyash Bhise as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) years commencing from 25th July, 2023 through 24th July, 2028 (both days inclusive).

Mr. Suyash Bhise holds bachelor's degree in commerce from University of Mumbai and is a member of the Institute of Chartered Accountant of India. Mr. Suyash Bhise has overall experience of more than 19 years in accounts. He has served as Chief Financial Officer in various companies Wonderchef Home Appliances Pvt. Ltd., Hinduja Realty Ventures Limited and currently in Puranik Builders Limited.

The Board noted that Mr. Suyash Bhise's skills, background and experience are aligned to the role and capabilities identified by the NRC and that Mr. Suyash Bhise is eligible for appointment as an Independent Director. The Board was satisfied that the appointment of Mr. Suyash Bhise is justified as it foresees Mr. Suyash Bhise, with his background and experience, adding significant value and strength to the company.

The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director. The Company has also received from Mr. Suyash Bhise (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(1) and 164(2) of the Act, (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, (iv) declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.

Further, Mr. Suyash Bhise 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 as an Independent Director of the Company. Mr. Suyash Bhise has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

The profile and specific areas of expertise of Mr. Suyash Bhise and other relevant information as required under SEBI Listing Regulations and Secretarial Standards are provided as an Annexure to this Notice.

In the opinion of the Board, Mr. Suyash Bhise is a person of integrity and fulfils the conditions specified under the Act read with Rules made thereunder and the SEBI Listing Regulations for his appointment as an Independent Director of the Company.

The terms and conditions of appointment of Mr. Suyash Bhise as an Independent Director would be made available for inspection to the Members on sending a request along with their DP/Client ID or Folio No. from their registered e-mail address to the Company at iklsecretarial@gmail.com. Alternatively, the documents will also be made available at the Registered Office of the Company during office hours on all working days from the date of dispatch until the date of the Annual General Meeting of the Company.

None of the Director(s) and/or Key Managerial Personnel of the Company and/or their respective relatives, are concerned or interested either directly or indirectly, financially or otherwise in the Resolution mentioned at Item No. 5 of the Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of the Listing Regulations, the approval of the Members is sought for the appointment of Mr. Suyash Bhise as an Independent Director on the Board of the Company, as a Special Resolution as set out above.

The Board recommends the Special Resolution set forth at Item No. 5 for the approval of the Shareholders.

ITEM NO. 6:

The Nomination and Remuneration Committee ('NRC') oversees the succession planning for the Board of Directors ('Board') of the Company and towards this, it has adopted a methodical, meritocratic, fair and transparent process to ensure that it recommends the right candidate(s) to serve on the Board. The NRC had previously finalized the desired attributes for the selection of the Independent Director(s). NRC has selected the profile of Mr. Adarsh Pankaj Shukla and he was identified as the most suitable candidate to be inducted as an Independent Director on the Board of the Company.

On 25th July, 2023, on the basis of recommendations of the NRC, the Board of the Company, in terms of Section 161 of the Companies Act, 2013 ('Act'), appointed Mr. Adarsh Pankaj Shukla (DIN: 10244570) as an Additional Director (Non-executive, Independent) on the Board of the Company effective 25th July, 2023.

Further, on the basis of recommendations of the NRC and subject to the approval of the Members, the Board, in accordance with the provisions of Section 149 read with Schedule IV to the Act, and Regulation 16 of the SEBI

Listing Regulations, appointed Mr. Adarsh Pankaj Shukla as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) years commencing from 25th July, 2023 through 24th July, 2028 (both days inclusive).

Mr. Adarsh Shukla is having a degree of Bachelors in electronics and telecommunication Engineering. He is having an overall experience of more than 5 years in software development.

The Board noted that Mr. Adarsh Shukla's skills, background and experience are aligned to the role and capabilities identified by the NRC and that Mr. Adarsh Shukla is eligible for appointment as an Independent Director. The Board was satisfied that the appointment of Mr. Adarsh Shukla is justified as it foresees Mr. Adarsh Shukla, with his background and experience, adding significant value and strength to the company.

The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director. The Company has also received from Mr. Adarsh Shukla (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(1) and 164(2) of the Act, (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, (iv) declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.

Further, Mr. Adarsh Shukla 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 as an Independent Director of the Company. Mr. Adarsh Shukla has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

The profile and specific areas of expertise of Mr. Adarsh Shukla and other relevant information as required under SEBI Listing Regulations and Secretarial Standards are provided as an Annexure to this Notice.

In the opinion of the Board, Mr. Adarsh Shukla is a person of integrity and fulfils the conditions specified under the Act read with Rules made thereunder and the SEBI Listing Regulations for his appointment as an Independent Director of the Company.

The terms and conditions of appointment of Mr. Adarsh Shukla as an Independent Director would be made available for inspection to the Members on sending a request along with their DP/Client ID or Folio No. from their registered e-mail address to the Company at iksecretarial@gmail.com. Alternatively, the documents will also be made available at the Registered Office of the Company during office hours on all working days from the date of dispatch until the date of the Annual General Meeting of the Company.

None of the Director(s) and/or Key Managerial Personnel of the Company and/or their respective relatives, are concerned or interested either directly or indirectly, financially or otherwise in the Resolution mentioned at Item No. 6 of the Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of the Listing Regulations, the approval of the Members is sought for the appointment of Mr. Adarsh Shukla as an Independent Director on the Board of the Company, as a Special Resolution as set out above.

The Board recommends the Special Resolution set forth at Item No. 6 for the approval of the Shareholders.

ITEM NO. 7:

Mr. Manish M. Khatau was appointed as Whole-time Director of the Company with effect from 1st March, 2021 for a period of 3 years approved by the shareholders at the Annual General Meeting held on 29th September, 2020 and hold office till 29th February, 2024. In view of the impending expiry of his earlier appointment, the Board of Directors at its meeting held on 25th July, 2023, based on the recommendations of the Nomination and Remuneration Committee have re-appointed Mr. Manish M. Khatau as Whole-time Director of the Company with effect from 1st March, 2024 for a further period of 3 years.

Mr. Manish M. Khatau is son of Mr. Mahendra K. Khatau (Chairman and Managing Director), of the Company aged 36 years has completed his graduation in BBA (Bachelor in Business Administration) from American Intercontinental University of London.

He was appointed as Vice President - Corporate Strategy in the Company during the year 2009 and after 7 years of rich and varied experience with the Company as Vice President, he was appointed as Whole-time Director of the Company during the year 2016 and has overall experience of 14 Years in this industry. He is very much informed about the working environment and norms of this industry. During his tenure he expanded business of the Company by introducing new clients and new products, to utilize his knowledge and experience in the operations of the Company and keeping in view of the same, it would be in the interest of the Company to re-appoint Mr. Manish M. Khatau as Whole-time Director for a period of 3 (three) years with effect from 1st March, 2024 subject to the approval of Shareholders at the ensuing Annual General Meeting.

Taking into consideration the duties and responsibilities of the Whole-time Director, the prevailing managerial remuneration in industry and considering the increasing size and complexity of the business and on the recommendation of the Nomination and Remuneration Committee, the Board has approved the following terms of remuneration for Mr. Manish M. Khatau, with effect from 1st March, 2024 (which are in line with his current terms):

Particulars	(Amount in Rs. Per annum)
Salary	13,20,000
House Rent Allowance	10,20,000
City Compensatory Allowance	8,94,240
Medical Allowance	72,000
LTA	72,000
Gratuity	63,360
Provident Fund	1,58,400
Total	36,00,000

A) Other Benefits:

- i) Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/ lodging, travel, etc., for self and family and attendant;
- ii) Medical/Personal accident/ Travel insurance: Actual premium to be paid by the Company for self and family;
- iii) Telephone: Free telephone facility at residence including mobile phone and other suitable communication facilities;
- iv) Club Fees: Actual fees of clubs will be reimbursed.
- v) Car with driver: The Company will provide a car with driver.
- vi) Earned Leave: Encashment of leave for a maximum of 60 days at the end of the tenure will be permissible, which shall not be included in the computation of minimum remuneration.

The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

B) Minimum remuneration: Where in any financial year, during the currency of the tenure of Mr. Manish M. Khatau as Whole-time Director, the Company has no profits or its profits are inadequate, the Company shall pay remuneration permissible in accordance with the applicable provisions of Schedule V of the Companies Act, 2013, as minimum remuneration.

The remuneration of Mr. Manish M. Khatau shall be within the limits prescribed under Companies Act, 2013 read with Schedule V of the said Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of remuneration paid to Mr. Manish M. Khatau for the year 2022-23 is provided in the Corporate Governance Report forming part of the Annual Report.

Mr. Manish M. Khatau (being the appointee), Mr. Mahendra K. Khatau, Chairman and Managing Director (Father), and Mrs. Asha Mahendra Khatau, Director (Mother) and their relatives may be deemed to be concerned or interested in the above resolution.

I. GENERAL INFORMATION:

1) **Nature of industry:** Dyes and Chemicals.

2) **Financial Performance based on given indicators:**

During the year ended 31st March, 2023 the Company achieved total Income of Rs.11,345 Lakhs, a profit before depreciation and tax of Rs.159 Lakhs and profit for the year was Rs.30 Lakhs. The detailed financial performance of the Company is discussed in the enclosed Annual Report for the year ended 31st March, 2023.

3) **Foreign investments or Collaborations, if any:**

The Board of Directors in their meeting held on 9th February, 2023 has approved the investment in Indokem Bangladesh (Pvt.) Ltd., which was incorporated in Bangladesh on 30th April, 2023.

II. INFORMATION ABOUT APPOINTEE AND OTHER INFORMATION:

1) **Background Details:**

Mr. Manish M. Khatau son of Mr. Mahendra K. Khatau (Chairman and Managing Director), of the Company aged 36 years has completed his graduation in BBA (Bachelor in Business Administration) from American Intercontinental University of London. He was appointed as Vice President - Corporate Strategy in the Company during the year 2009 and after 7 years of rich and varied experience with the Company as Vice President, he was appointed as Whole-time Director of the Company during the year 2016 and has overall experience of 14 years in the industry.

Mr. Manish M. Khatau is a promoter of the Company and holding 35,592 (0.15%) equity shares in the paid-up capital of the Company. During the last financial year, Mr. Manish M. Khatau attended all the 5 Board Meetings of the Company.

Other Directorship:

Sr. No	Name of the Company	Designation
1.	Asha Marine Products Private Limited	Director
2.	Emerald Capital Services Private Limited	Director
3.	Khatau Holdings And Trading Company Private Limited	Director
4.	Khatau Leasing and Finance Company Private Limited	Director
5.	MKK Holdings Pvt. Ltd.	Director
6.	Prerana Leasing & Finvest Private Limited	Director
7.	Priyanilgiri Holdings Pvt. Ltd.	Director
8.	Vindhyapriya Holdings Pvt. Ltd.	Director

Committees Positions:

Sr. No.	Name of the Company	Name of the Committee	Chairman/Member
1.	Indokem Limited	Committee of Board of Directors	Member
2.	Indokem Limited	Share Transfer Committee	Member
3.	Indokem Limited	Risk Management Committee	Member

2) **Past Remuneration:**

Rs. 36,00,000/- p.a. plus other terms and conditions as per service contract. (Financial Year 2022-23).

3) Recognition or awards: NIL

4) Job profile and suitability:

Mr. Manish M. Khatau (DIN: 02952828) shall be responsible for the day-to-day operations and managing the affairs of the Company under the superintendence, guidance and control of the Board.

He is functioning as Whole-time Director of the Company since 1st March, 2016.

5) Remuneration proposed:

As mentioned above under explanatory statement.

6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Keeping in view the type of the industry, size of the Company and the responsibilities and profile of Mr. Manish M. Khatau, the proposed remuneration is competitive with the remuneration paid by other Companies in similar line of business to such managerial personnel.

7) Pecuniary relationship with the Company, or relationship with the managerial personnel:

Mr. Manish M. Khatau is a promoter of the Company and holding 35,592 equity shares aggregating to 0.15% of equity shares in the paid-up capital of the Company. Mr. Mahendra K. Khatau, Mrs. Asha M. Khatau, Directors of the Company, may be deemed to be interested in the Resolution pertaining to the appointment and remuneration payable to Mr. Manish M. Khatau as they are related to each other. Save and except the above, none of the other Directors or Key Managerial Personnel of the Company are, in any way, concerned or interested in the Resolution.

III. OTHER INFORMATION:

1) Reasons of loss or inadequate profits:

Uncertain economic conditions, poor economic growth, high inflation and slow-down in industrial growth severely affected the capital market. This had an adverse effect on profitability.

2) Steps taken /to be taken for improvement:

The Company has modernized its facilities and expanded its existing capacities of plant operations to produce more value added chemicals. The Company continues to make all efforts to recover dues from the clients by negotiations or by resorting to legal recourse. The Company has introduced new products and strategies to increase its sales volume.

3) Expected increase in productivity and profits:

The Management expects that the above and other efforts underway would result in an improved performance. However, considering the nature of the Company's activities and related factors, it is difficult to lay down expected profits in measurable terms.

IV. DISCLOSURES:

The details required to be furnished under the Disclosures, are already provided wherever applicable under the Explanatory Statement and Corporate Governance Report.

Mr. Manish M. Khatau satisfies all conditions set out in Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for re-appointment. He is not disqualified from being a Director in terms of Section 164 of the Act.

In compliance with provisions of Sections 196 and 197 and other applicable provisions of the Act, read with Schedule V of the Act, the terms of re-appointment and remuneration of Mr. Manish M. Khatau as specified above are now placed before the Members for their approval.

Mr. Manish M. Khatau is interested in the Resolutions as set out in the Notice which pertains to his appointment and remuneration payable to him except Mr. Mahendra K. Khatau and Mrs. Asha M. Khatau or their relatives,

none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at Item No. 7.

This Explanatory Statement may also be regarded as a disclosure under Regulations of SEBI (Listing Regulations, 2015) with the Stock Exchange.

Since aforementioned persons are deemed to be interested in this resolution, they have not participated in the discussion or vote on this item during the meeting of the Board when this proposal was considered.

The Board recommends the Special Resolution as set out at Item No. 7 of the Notice for your approval.

ITEM NO. 8:

Mr. Arupkumar Basu aged 68 years, is Managing Director in Refnol Resins and Chemicals Limited ("Refnol") since 5th June 2009. He is with Refnol Resins and Chemicals Limited for more than 40 years.

He is a B. Tech, Chemical Engineering from IIT, Bombay and has obtained a postgraduate management degree from IIM, Ahmedabad. He is with Refnol since last 40 years more particularly as Managing Director of Refnol since last Twenty years. He has vast experience in management, administration and effective policy formulations for efficient and smooth running of the Company.

The appointment of Mr. Arupkumar Basu was approved and recommended by the Nomination and Remuneration Committee and Board in their meeting held on 25th July 2023. He is very much informed about the working environment and norms of this industry. During his tenure he expanded business of Refnol by introducing new clients and new products, to utilize his knowledge and experience in the operations of Refnol and keeping in view of the same, it would be in the interest of the Company to appoint Mr. Arupkumar Basu as Managing Director for a period of 3 (three) years with effect from the date of scheme of amalgamation between the Company and Refnol Resins and Chemicals Limited becoming effective, subject to the approval of Shareholders at the General Meeting.

Taking into consideration the duties and responsibilities of the Managing Director, the prevailing managerial remuneration in industry and considering the increasing size and complexity of the business and on the recommendation of the Nomination and Remuneration Committee, the Board has approved the following terms of remuneration for Mr. Arupkumar Basu, with effect from the date of Scheme of Amalgamation between the Company and Refnol Resins and Chemicals Limited becoming effective (which are in line with his current terms in Refnol):

A) Salary: Basic Salary of Rs. 1,68,614/- (Rupees One Lakh Sixty-Eight Thousand Six Hundred Fourteen Only) per month with suitable increment on 1st April each year at the discretion of the Board of Directors in the Grade of Rs. 1,68,614/- to Rs. 3,50,000/- so long as he functions as such. He shall not be paid any sitting fees for attending meeting of the Board of Directors or committees thereof.

B) The Managing Director shall be entitled to the following perquisites and facilities:

- i. House Rent Allowance: 50% of the salary per month.
- ii. Medical reimbursement: Reimbursement of medical expenses in accordance with the rules of the company.
- iii. Leave Travel Allowance: Leave Travel Allowance in accordance with the rules of the company.
- iv. Club Fees: Fees of Club subject to a maximum of two clubs. (No admission and life membership fees will be paid)
- v. Personal Accident Insurance & Medical Insurance: Personal Accident and Medical Insurance of an amount, the annual premium of which shall not exceed Rs. 25,000/- p.a.
- vi. Earned/Privilege Leave: Leave on full pay and allowances as per the rules of the Company.
- vii. Company's Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- viii. Provision of car with driver and provision of telephones and other necessary communication facilities at his residence at Company's cost.

ix. The Company shall reimburse actual entertainment and traveling expenses incurred by the Managing Director in connection with the Company's Business.

x. Commission not exceeding 2% of the net profit of the Company.

- C) Minimum remuneration:** Where in any financial year, during the currency of the tenure of Mr. Arupkumar Basu as Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay remuneration permissible in accordance with the applicable provisions of Schedule V to the Companies Act, 2013, as minimum remuneration.

The remuneration of Mr. Arupkumar Basu shall be within the limits prescribed under Companies Act, 2013 read with Schedule V of the said Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors or their relatives may be deemed to be concerned or interested in the above resolution.

I. GENERAL INFORMATION:

1) **Nature of industry:** Dyes and Chemicals.

2) **Financial Performance based on given indicators:**

During the year ended 31st March 2023 the Company achieved total Income of Rs.11,345 Lakhs, a profit before depreciation and tax of Rs.159 Lakhs and profit for the year was Rs.30 Lakhs. The detailed financial performance of the Company is discussed in the enclosed Annual Report for the year ended 31st March, 2023.

3) **Foreign investments or Collaborations, if any:**

The Board of Directors in their meeting held on 9th February, 2023 has approved the investment in Indokem Bangladesh (Pvt.) Ltd., which was incorporated in Bangladesh on 30th April, 2023.

II. INFORMATION ABOUT APPOINTEE AND OTHER INFORMATION:

1) **Background Details:**

Mr. Arupkumar Basu aged 68 years is a B. Tech, Chemical Engineering from IIT, Bombay and has obtained a postgraduate management degree from IIM, Ahmedabad. He is with Refnol Resins and Chemicals since last 40 years more particularly as Managing Director of the Refnol since last Twenty years. He has vast experience in management, administration and effective policy formulations for efficient and smooth running of the Company.

Other Directorship:

Sr. No	Name of the Company	Designation
1.	Refnol Resins And Chemicals Limited	Managing Director
2.	Ideal Foundation For Social And Economic Development	Director

Committees Positions:

Sr. No.	Name of the Company	Name of the Committee	Chairman/Member
1.	Refnol Resins and Chemicals Limited	Audit Committee	Member
2.	Refnol Resins and Chemicals Limited	Committee of Board of Directors	Member

2) **Past Remuneration:** N.A.

3) **Recognition or awards:** NIL

4) **Job profile and suitability:**

Mr. Arupkumar Basu (DIN: 00906760) shall be responsible for the day-to-day operations and managing the affairs of the Company under the superintendence, guidance and control of the Board.

5) Remuneration proposed:

As mentioned above under explanatory statement.

6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Keeping in view the type of the industry, size of the Company and the responsibilities and profile of Mr. Arupkumar Basu, the proposed remuneration is competitive with the remuneration paid by other Companies in similar line of business to such managerial personnel.

7) Pecuniary relationship with the Company, or relationship with the managerial personnel:

None of the Directors or Key Managerial Personnel of the Company are, in any way, concerned or interested in the Resolution.

III. OTHER INFORMATION:
1) Reasons of loss or inadequate profits:

Uncertain economic conditions, poor economic growth, high inflation and slow-down in industrial growth severely affected the capital market. This had an adverse effect on profitability.

2) Steps taken /to be taken for improvement:

The Company has modernized its facilities and expanded its existing capacities of plant operations to produce more value added chemicals. The Company continues to make all efforts to recover dues from the clients by negotiations or by resorting to legal recourse. The Company has introduced new products and strategies to increase its sales volume.

3) Expected increase in productivity and profits:

The Management expects that the above and other efforts underway would result in an improved performance. However, considering the nature of the Company's activities and related factors, it is difficult to lay down expected profits in measurable terms.

IV. DISCLOSURES:

The details required to be furnished under the Disclosures, are already provided wherever applicable under the Explanatory Statement and Corporate Governance Report.

Mr. Arupkumar Basu satisfies all conditions set out in Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for appointment. He is not disqualified from being a Director in terms of Section 164 of the Act.

In compliance with provisions of Sections 196 and 197 and other applicable provisions of the Act, read with Schedule V of the Act, the terms of appointment and remuneration of Mr. Arupkumar Basu as specified above are now placed before the Members for their approval.

Mr. Arupkumar Basu is interested in the Resolutions as set out in the Notice which pertains to his appointment and remuneration payable to him

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at Item No. 8.

This Explanatory Statement may also be regarded as a disclosure under Regulations of SEBI (Listing Regulations, 2015) with the Stock Exchange.

Since aforementioned persons are deemed to be interested in this resolution, they have not participated in the discussion or vote on this item during the meeting of the Board when this proposal was considered.

The Board recommends the Special Resolution as set out at Item No. 8 of the Notice for your approval.

ITEM NO. 9:

Mr. Mahendra K. Khatau, aged 68 years is presently designated as Chairman and Managing Director of the Company. He is a Commerce Graduate and has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time.

Mr. Mahendra K. Khatau had been re-appointed as the Director of the Company for a period of 5 (Five) years w.e.f. 01st April, 2020 in the Annual General Meeting held on 30th September, 2019 and is entitled for the following remuneration for a period of 2 (Two) year w.e.f. 01st April, 2023 as per the Section II of Part II of Schedule V of the Companies Act, 2013 in reference to the members approval granted in the Annual General Meeting held on 30th September, 2019.

The details of remuneration payable to Mr. Mahendra K. Khatau are given below:

- i) Salary: Rs. 3,00,000/- per month with annual increment of such amount as may be decided by the Board.
- ii) Rent Free Furnished Accommodation owned or leased / rented: In case the Company provides no accommodation, Mr. Khatau shall receive house rent allowance of Rs. 1,50,000/- per month.
- iii) Housing Maintenance Allowance: Rs. 75,000/- per month.
- iv) Reimbursement of gas, electricity, water charges & furnishing up to Rs. 20,000/- per month.
- v) Medical Reimbursement: Reimbursement of expenses incurred by Mr. Mahendra Khatau for himself and his family subject to ceiling of Rs. 5,000/- per month.
- vi) Leave Travel allowance for himself and his family is Rs. 5,000/- per month, once in a year in accordance with rules of the Company.
- vii) Personal Accident Insurance / Medclaim Policies: In accordance with the rules of the Company, premium on Personal Accident Insurance / Medclaim Policies shall be paid.
- viii) Club Fees: Fees of the Clubs restricted to two clubs. No admission and life membership fees shall be paid.
- ix) Car with driver and Telephone: The Company will provide a Car with Driver and Telephone at the residence of Mr. Mahendra Khatau. The provision of car for use on Company's business and Telephone at residence will not be considered as perquisite.

Personal long distance calls and use of car for private purposes shall be billed by the Company to Mr. Mahendra K. Khatau.
- x) Earned Leave: On full pay and allowance and perquisite as per the rules of the Company. Encashment of leave for a maximum of 60 days at the end of the tenure will be permissible, which shall not be included in the computation of minimum remuneration.
- xi) Company's contribution towards Provident Fund to the extent it is not taxable under Income Tax Act, 1961.
- xii) Gratuity not exceeding half a month's salary for each completed year of service. The aforesaid perquisites stated shall not be included in the computation of minimum remuneration.

The Board of Directors recommends the resolution in relation to the remuneration of Executive Chairman and Managing Director, for the approval of the shareholders of the Company.

Except Mrs. Asha M. Khatau and Mr. Manish M. Khatau or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at Item No. 9.

I. GENERAL INFORMATION:

(1) **Nature of industry:** Dyes and Chemicals.

(2) **Financial Performance based on given indicators:**

During the year ended 31st March 2023 the Company achieved total Income of Rs.11,345 Lakhs, a profit before depreciation and tax of Rs.159 Lakhs and profit for the year was Rs.30 Lakhs. The detailed financial performance of the Company is discussed in the enclosed Annual Report for the year ended 31st March, 2023.

(3) Foreign investments or Collaborations, if any:

The Board of Directors in their meeting held on 9th February, 2023 has approved the investment in Indokem Bangladesh (Pvt.) Ltd., which was incorporated in Bangladesh on 30th April, 2023.

II. INFORMATION ABOUT APPOINTEE AND OTHER INFORMATION:
(1) Background Details:

Mr. Mahendra K. Khatau aged 68 years is on the Board of the Company since 28th January, 1986. He is a Commerce Graduate and has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time.

Mr. Mahendra K. Khatau is a promoter of the Company and is holding 6.73% equity shares in the paid-up share capital of the Company. During the last financial year, Mr. Mahendra K. Khatau attended all the 5 Board meetings of the Company.

Details of his Directorships and committee positions are stated below.

Other Directorship:

1. Indokem Limited - Chairman and Managing Director
2. Refnol Resins and Chemicals Limited - Chairman
3. Priyamvada Holdings Limited
4. Khatau Holdings and Trading Company Private Limited
5. Khatau Leasing and Finance Company Private Limited
6. Khatau Makanji and Company Private Limited
7. MKK Holdings Private Limited
8. Mulraj Khatau and Sons Private Limited
9. Prerana Leasing and Finvest Company Private Limited
10. Prism Plantations Private Limited
11. Priyanilgiri Holdings Private Limited
12. Reactive Engineering Private Limited
13. Vindhyapriya Holdings Private Limited
14. Asha Marine Products Private Limited
15. Emerald Capital Services Private Limited

Chairman/Member of the following Committees:

Sr. No.	Name of the Company	Name of the Committee	Chairman/Member
1.	Indokem Limited	Audit Committee	Member
2.	Indokem Limited	Committee of Directors	Chairman
3.	Indokem Limited	Share Transfer Committee	Chairman
4.	Indokem Limited	Risk Management Committee	Chairman
5.	Indokem Limited	The Vigil Mechanism Committee	Chairman
6.	Refnol Resins and Chemicals Limited	Committee of Directors	Chairman
7.	Refnol Resins and Chemicals Limited	The Vigil Mechanism Committee	Chairman
8.	Refnol Resins and Chemicals Limited	Stakeholders' Relationship Committee	Member

(2) Past Remuneration: Same as proposed remuneration

(3) Recognition or awards: NIL

(4) Job profile and suitability:

Mr. Mahendra K. Khatau (holding DIN No. 00062794) shall be responsible for the day today operation and managing the affairs of the Company under the superintendence, guidance and control of the Board. He is functioning as an Executive Chairman and Managing Director of the Company since 1st April, 1995.

(5) Remuneration proposed:

As mentioned above under explanatory statement.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Keeping in view the type of the industry, size of the Company and the responsibilities and profile of Mr. Mahendra K. Khatau, the proposed remuneration is competitive with the remuneration paid by other Companies in similar line of business to such managerial personnel.

(7) Pecuniary relationship with the Company, or relationship with the managerial personnel:

Mr. Mahendra K. Khatau is a promoter of the Company and holding 6.73% equity shares in the paid-up capital of the Company. Mr. Manish M. Khatau and Mrs. Asha M. Khatau, Directors of the Company, may be deemed to be interested in the Resolution pertaining to the remuneration payable to Mr. Mahendra K. Khatau as they are related to each other. Save and except the above, none of the other Directors or Key Managerial Personnel of the Company are, in any way, concerned or interested in the Resolution.

III. OTHER INFORMATION:

1) Reasons of loss or inadequate profits:

Uncertain economic conditions, poor economic growth, high inflation and slow-down in industrial growth severely affected the capital market. This had an adverse effect on profitability.

2) Steps taken /to be taken for improvement:

The Company has modernized its facilities and expanded its existing capacities of plant operations to produce more value added chemicals. The Company continues to make all efforts to recover dues from the clients by negotiations or by resorting to legal recourse. The Company has introduced new products and strategies to increase its sales volume.

3) Expected increase in productivity and profits:

The Management expects that the above and other efforts underway would result in an improved performance. However, considering the nature of the Company's activities and related factors, it is difficult to lay down expected profits in measurable terms.

IV. DISCLOSURES:

The details required to be furnished under the Disclosures, are already provided wherever applicable under the Explanatory Statement and Corporate Governance Report.

Mr. Mahendra K. Khatau satisfies all conditions set out in Schedule V to the Act as also conditions set out under Section 196(3) of the Act. He is not disqualified from being a Director in terms of Section 164 of the Act.

In compliance with provisions of Sections 196 and 197 and other applicable provisions of the Act, read with Schedule V of the Act, the terms of remuneration of Mr. Mahendra K. Khatau as specified above are now placed before the Members for their approval.

Mr. Mahendra K. Khatau is interested in the Resolutions as set out in the Notice which pertains to his remuneration payable to him.

Except for Mrs. Asha M. Khatau and Mr. Manish M. Khatau or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at Item No. 9.

This Explanatory Statement may also be regarded as a disclosure under Regulations of SEBI (Listing Regulations, 2015) with the Stock Exchange.

The Board recommends the Resolution as set out at Item No. 9 of the Notice for your approval.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard are available for electronic inspection without fees by the members from the date of circulation of this Notice up to the date of AGM i.e. 31st August, 2023 and shall also be available at the meeting.

ITEM NO. 10:

As per the provisions of Section 188 of the Companies Act, 2013 ("Act"), transactions with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of the shareholders. However, as per the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), transactions between the Company and related parties of the Company, if material, require the approval of Members through a resolution, notwithstanding the fact that the same are on an arm's length basis and in the ordinary course of business.

With effect from 1st April, 2022, Regulation 23 of the Listing Regulations, mandates obtaining prior approval of the Members through ordinary resolution for all 'material Related Party Transactions'. For this purpose, a Related Party Transaction ("RPT") will be considered 'material' if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds ₹1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

Details and benefits of the transaction

Goods are purchased and sold on an ongoing basis by the company from/to Refnol Resins and Chemicals Limited ("hereinafter referred as "Refnol") at actual Price.

The Company and Refnol are part of the entities having significant influence by the common Promoters and these transactions ensure seamless business operations for both the Companies, provides assured quality and quantity of goods and services for un-interrupted operations and generate revenue and margins for both the companies.

The Company undertakes the following major transactions with Refnol for purchase and sales of Goods.

The aggregate value of the proposed RPTs is estimated at ₹20 crores in a financial year which exceeds the materiality thresholds as per SEBI Listing Regulations. Accordingly, these RPTs require prior approval of Shareholders of the Company.

The Company has in place a policy and process for approval of Related Party Transactions. The Policy provides the details required to be provided to the Audit Committee for the purpose of review of such transactions and grant of approval for the proposed transactions. A justification for each and every related party transaction is provided to the Audit Committee which enables them to arrive at the right decisions. Additionally, an update on the actual related party transactions entered during every quarter is provided to the Audit Committee.

Keeping in view the significance of the proposed transactions for the continuing operations of the Company, the aforesaid proposed transactions with Refnol, being material were approved by the Audit Committee, at its meetings held on 9th February, 2023, in terms of Section 177 of the Companies Act, 2013, and also recommended by the Board at its meetings held on 9th February, 2023 for approval by the Members.

In terms of Section 102 of the Companies Act, 2013, the shareholding interest of the Promoters / Directors / Key Managerial Personnel of the Company in Refnol, being not less than 2%, is set out below:

Sr. No.	Name of the Promoter / Director / Key Managerial Personnel of the Company	Number of shares held in excess of 2% in Refnol Resins and Chemicals Limited	%
1.	Mahendra Kishore Khatau	12,81,789	41.48
2.	Khatau Leasing And Finance Company Private Limited	2,25,000	7.28
3.	Vindhyapriya Holdings Private Limited	1,25,000	4.05

This Explanatory Statement may also be regarded as a disclosure of the information required pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date.

Mr. Mahendra Khatau, the Chairman and Managing Director of the Company is also the Chairman in Refnol Resins and Chemicals Limited and consequently, Refnol is a related party for the Company.

Information pursuant SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22 November 2021

Sr. No.	Description	Details
1.	Details of summary of information provided by the management to the Audit Committee	
a.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Mr. Mahendra Khatau, the Chairman and Managing Director of the Company is also the Chairman in Refnol Resins and Chemicals Limited and consequently, Refnol is a related party for the Company and other promoters also hold shares in both the Companies and thereby having significant influence on the Company
b.	Name of the Director or Key Managerial Personnel who is related, if any and nature of relationship	Mr. Mahendra Khatau, the Chairman and Managing Director of the Company is also the Chairman in Refnol Resins and Chemicals Limited and consequently, Refnol is a related party for the Company.
c.	Nature, material terms, monetary value and particulars of contracts or arrangement	Provided in Table A below
d.	Value of the proposed transactions in a financial year	Recurring transactions amounting to maximum of ₹20 crores. The value of transactions has increased as compared to the previous year primarily on account of significant increase in operations of the Company.
e.	Value of transactions for which approval is sought from Shareholders	₹20 crores for the period as mentioned in the Table A below.
f.	Amount paid as advance if any	No advance has been paid for purchase of goods/ availing of services.
g.	Transactions with the related party for the past three financial years	FY 2022-23: ₹9.13 Crores FY 2021-22: ₹9.94 Crores FY 2020-21: ₹2.11 Crores
h.	Percentage of annual consolidated turnover considering FY 2022-23 as the immediately preceding financial year	The Company's turnover: ₹111.86 crores Proposed transactions value for a financial year: ₹20.00 crores % of turnover: 17.88%
i.	Total revenue, assets and net worth of the counter party in FY 2022-23	Total revenue: ₹38.08 Crores Total assets: ₹31.43 Crores Net worth: ₹12.95 Crores
2.	Justification / economic benefits from the RPTs	
a.	Justification as to why the RPT is in the interest of the listed entity	Assured quality and quantity of goods and services for un-interrupted operations and generate revenue and margins for both the Companies
b.	Economic benefits	The following are the economic benefits from these related party transactions: <ul style="list-style-type: none"> Reduced cost for the Company as the cost from Refnol is lower compared to other available sources. Un-interrupted supply of goods by Refnol, leading to optimum capacity utilization and higher volumes.

Sr. No.	Description	Details
3.	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
a.	Details of the source of funds in connection with the proposed transaction	Not applicable
b.	Where any financial indebtedness has been incurred to make or give loans, inter-corporate deposits, advances or investments - - nature of indebtedness; - cost of funds; and - tenure	Not applicable
c.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not applicable
d.	Purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not applicable
4.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the Shareholder	Not applicable
5.	Any other information that may be relevant	Nil

Table A

Nature of the transactions	Amount of transactions in a financial year (₹ in crores)	Total Amount of transactions for which approval is sought	Period of the transactions and information on contractual arrangement
Sale, purchase or supply of any goods, materials or services	20	20	Financial Year 2023-24

Though in the ordinary course of the Company's business and at arm's length, the related party transaction envisaged in this Resolution is material as per amended Regulation 23 of Listing Regulations, being in excess of 10% of the annual consolidated turnover of the Company as well as being more than the threshold limit of ₹ 1,000 crore (Rupees One Thousand crore only) and accordingly, approval of the Members is being sought.

Members may note that as per the provisions of the Listing Regulations, no related party shall vote to approve the transaction, irrespective of whether they are a party to the transaction or not.

Your Directors recommend the resolution at Item No. 10 for approval by the Members by way of an Ordinary Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives except Mr. Mahendra Khatau, Mrs. Asha Khatau and Mr. Manish Khatau, Directors of the Company are concerned or interested financially or otherwise in the resolution set out at Item No. 10 of the Notice.

ITEM NO. 11:

As per the provisions of Section 188 of the Companies Act, 2013 ("Act"), transactions with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of the shareholders. However, as per the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), transactions between the Company and related parties of the Company, if material, require the approval of Members through a resolution, notwithstanding the fact that the same are on an arm's length basis and in the ordinary course of business.

With effect from 1st April, 2022, Regulation 23 of the Listing Regulations, mandates obtaining prior approval of the Members through ordinary resolution for all 'material Related Party Transactions'. For this purpose, a Related Party Transaction will be considered 'material' if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds ₹1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

Details and benefits of the transaction

Goods are purchased on an ongoing basis by the company from Orchard Acres at actual Price. Further, Company is using premise owned by Orchard Acres on Leave and License basis in accordance with Leave and License Agreement executed as on 1st April, 2022, for a period of five (5) years, effective from 1st April, 2022 to 31st March, 2027.

The Company and Orchard Acres are the entities having significant influence by the common Promoters/ Partners and these transactions ensure seamless business operations for both the entities, provides assured quality and quantity of goods and services for un-interrupted operations and generate revenue and margins for both the entities.

The Company undertakes the following major transactions with Orchard Acres for purchase of Goods.

The aggregate value of the proposed RPTs is estimated at ₹21 crores in a financial year which exceeds the materiality thresholds as per SEBI Listing Regulations. Accordingly, these RPTs require prior approval of Shareholders of the Company.

The Company has in place a policy and process for approval of Related Party Transactions. The Policy provides the details required to be provided to the Audit Committee for the purpose of review of such transactions and grant of approval for the proposed transactions. A justification for each and every related party transaction is provided to the Audit Committee which enables them to arrive at the right decisions. Additionally, an update on the actual related party transactions entered during every quarter is provided to the Audit Committee.

Keeping in view the significance of the proposed transactions for the continuing operations of the Company, the aforesaid proposed transactions with Orchard Acres, being material were approved by the Audit Committee, at its meeting held on 9th February, 2023, in terms of Section 177 of the Companies Act, 2013, and also recommended by the Board at its meetings held on 9th February, 2023 for approval by the Members.

In terms of Section 102 of the Companies Act, 2013, the profit sharing interest of the Promoters / Directors / Key Managerial Personnel of the Company in Orchard Acres, being not less than 2%, is set out below:

Sr. No.	Name of the Promoter / Director / Key Managerial Personnel of the Company	Profit Sharing Ratio held in excess of 2% in Orchard Acres
1.	Mahendra Kishore Khatau	40
2.	Asha Mahendra Khatau	20
3.	Manish Mahendra Khatau	20
4.	Priya Manish Khatau	20

This Explanatory Statement may also be regarded as a disclosure of the information required pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date.

Information pursuant SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22 November 2021

Sr. No	Description	Details
1.	Details of summary of information provided by	the management to the Audit Committee
a.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Mr. Mahendra Khatau, the Chairman and Managing Director of the Company and other aforesaid promoters are Partners in Orchard Acres and thereby having significant influence on the Company.
b.	Name of the Director or Key Managerial Personnel who is related, if any and nature of relationship	Mr. Mahendra Khatau, the Chairman and Managing Director of the Company and other aforesaid promoters are Partners in Orchard Acres.
c.	Nature, material terms, monetary value and particulars of contracts or arrangement	Provided in Table B below
d.	Value of the proposed transactions in a financial year	Recurring transactions amounting to maximum of ₹21 crores. The value of transactions has increased as compared to the previous year primarily on account of significant increase in operations of the Company.

Sr. No	Description	Details
e.	Value of transactions for which approval is sought from Shareholders	₹21 crores for the period as mentioned in the Table B below.
f.	Amount paid as advance if any	No advance has been paid for purchase of goods/ availing of services.
g.	Transactions with the related party for the past three financial years	FY 2022-23: ₹6.75 Crores FY 2021-22: ₹8.00 Crores FY 2020-21: ₹3.36 Crores
h.	Percentage of annual consolidated turnover considering FY 2022-23 as the immediately preceding financial year	The Company's turnover: ₹111.86 crores Proposed transactions value for a financial year: ₹21.00 crores % of turnover: 18.77%
i.	Total revenue, assets and net worth of the counter party in FY 2022-23	Total revenue: ₹6.41 Crores Total assets: ₹2.73 Crores Net worth: ₹3.73 Crores
2.	Justification / economic benefits from the RPTs	
a.	Justification as to why the RPT is in the interest of the listed entity	Assured quality and quantity of goods and services for un-interrupted operations and generate revenue and margins for both the companies
b.	Economic benefits	The following are the economic benefits from these related party transactions: <ul style="list-style-type: none"> • Reduced cost for the Company as the cost from Orchard Acres is lower compared to other available sources. • Un-interrupted supply of goods by Orchard Acres, leading to optimum capacity utilization and higher volumes.
3.	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
a.	Details of the source of funds in connection with the proposed transaction	Not applicable
b.	Where any financial indebtedness has been incurred to make or give loans, inter-corporate deposits, advances or investments - - nature of indebtedness; - cost of funds; and - tenure	Not applicable
c.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not applicable
d.	Purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not applicable
4.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the Shareholder	Not applicable
5.	Any other information that may be relevant – Pricing methodology / Arm's length assessment	Nil

Table B

Nature of the transactions	Amount of transactions in a financial year (₹ in crores)	Total Amount of transactions for which approval is sought	Period of the transactions and information on contractual arrangement
Sale, purchase or supply of any goods, materials including Leave and License fees	21	21	Financial Year 2023-24

Though in the ordinary course of the Company's business and at arm's length, the related party transaction envisaged in this Resolution is material as per amended Regulation 23 of Listing Regulations, being in excess of 10% of the annual consolidated turnover of the Company as well as being more than the threshold limit of ₹ 1,000 crore (Rupees One Thousand crore only) and accordingly, approval of the Members is being sought.

Members may note that as per the provisions of the Listing Regulations, no related party shall vote to approve the transaction, irrespective of whether they are a party to the transaction or not.

Your Directors recommend the resolution at Item No. 11 for approval by the Members by way of an Ordinary Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives except Mr. Mahendra Khatau, Mrs. Asha Khatau and Mr. Manish Khatau, Directors of the Company are concerned or interested financially or otherwise in the resolution set out at Item No. 11 of the Notice.

ITEM NO. 12:

As per the provisions of Section 188 of the Companies Act, 2013 ("Act"), transactions with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of the shareholders. However, as per the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), transactions between the Company and related parties of the Company, if material, require the approval of Members through a resolution, notwithstanding the fact that the same are on an arm's length basis and in the ordinary course of business.

With effect from 1st April, 2022, Regulation 23 of the Listing Regulations, mandates obtaining prior approval of the Members through ordinary resolution for all 'material Related Party Transactions'. For this purpose, a Related Party Transaction will be considered 'material' if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds ₹1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

Details and benefits of the transaction

Goods are purchased/ sold on an ongoing basis by Refnol Resins and Chemicals Limited (a company proposed to be amalgamated in Indokem Limited) from/to Texcare Middle East LLC (a subsidiary Company of Refnol Resins and Chemicals Limited) at actual Price.

Texcare Middle East LLC is a foreign subsidiary company of Refnol Resins and Chemicals Limited and having transactions in ordinary courses of business of purchase or sales of goods and services. Refnol Resins and Chemicals Limited is in process to be amalgamated in Indokem Limited, thereby resulting into Texcare Middle East LLC to be the subsidiary of Indokem Limited post-merger. Post-Merger of both the companies the transactions carried on by Refnol Resins and Chemicals Limited with Texcare Middle East LLC will be carried continue to be carried out by Indokem Limited with Texcare Middle East LLC as per the existing terms and conditions decided by both companies.

The Company and Texcare Middle East LLC are the entities having significant influence by the common Promoters and these proposed transactions ensure seamless business operations for both the entities, provides assured quality and quantity of goods and services for un-interrupted operations and generate revenue and margins for both the entities.

The Company proposed to undertake the following major transactions with Texcare Middle East LLC for purchase/ sale of Goods/ services.

The aggregate value of the proposed RPTs is estimated at ₹20 crores in a financial year which exceeds the materiality thresholds as per SEBI Listing Regulations. Accordingly, these RPTs require prior approval of Shareholders of the Company.

The Company has in place a policy and process for approval of Related Party Transactions. The Policy provides the details required to be provided to the Audit Committee for the purpose of review of such transactions and grant of approval for the proposed transactions. A justification for each and every related party transaction is provided to the Audit Committee which enables them to arrive at the right decisions. Additionally, an update on the actual related party transactions entered during every quarter is provided to the Audit Committee.

Keeping in view the significance of the proposed transactions for the continuing operations of the Company, the aforesaid proposed transactions with Texcare Middle East LLC, being material were approved by the Audit Committee, at its meeting held on 9th February, 2023, in terms of Section 177 of the Companies Act, 2013, and also recommended by the Board at its meetings held on 9th February, 2023 for approval by the Members.

In terms of Section 102 of the Companies Act, 2013, the shareholding interest of the Promoters / Directors / Key Managerial Personnel of the Company in Texcare Middle East LLC, being not less than 2%, is set out below:

Sr. No.	Name of the Promoter / Director / Key Managerial Personnel of the Company	Shareholding interest held in excess of 2% in Texcare Middle East LLC
1.	Nil	Nil

This Explanatory Statement may also be regarded as a disclosure of the information required pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date.

Information pursuant SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22 November 2021

Sr. No.	Description	Details
1.	Details of summary of information provided by the management to the Audit Committee	
a.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Mr. Mahendra Khatau, the Chairman and Managing Director of the Company is Manager in Texcare Middle East LLC and thereby having significant influence on the Company.
b.	Name of the Director or Key Managerial Personnel who is related, if any and nature of relationship	Mr. Mahendra Khatau, the Chairman and Managing Director of the Company is Manager in Texcare Middle East LLC.
c.	Nature, material terms, monetary value and particulars of contracts or arrangement	Provided in Table C below
d.	Value of the proposed transactions in a financial year	Recurring transactions amounting to maximum of ₹20 crores.
e.	Value of transactions for which approval is sought from Shareholders	₹20 crores for the period as mentioned in the Table C below.
f.	Amount paid as advance if any	No advance has been paid for purchase of goods/ availing of services.
g.	Transactions with the related party for the past three financial years	No transactions have been previously entered by the Company.
h.	Percentage of annual consolidated turnover considering FY 2022-23 as the immediately preceding financial year	The Company's turnover: ₹111.86 crores Proposed transactions value for a financial year: ₹20.00 crores % of turnover: 17.86%
i.	Total revenue, assets and net worth of the counter party in FY 2022-23	Total revenue: DHS 132.40 Lakhs Total assets: DHS 52.51 Lakhs Net worth: DHS 29.13 Lakhs

Sr. No.	Description	Details
2.	Justification / economic benefits from the RPTs	
a.	Justification as to why the RPT is in the interest of the listed entity	Assured quality and quantity of goods and services for un-interrupted operations and generate revenue and margins for both the companies
b.	Economic benefits	The following are the economic benefits from these related party transactions: <ul style="list-style-type: none"> • Reduced cost for the Company as the cost from Texcare Middle East LLC is lower compared to other available sources. • Un-interrupted supply of goods by Texcare Middle East LLC, leading to optimum capacity utilization and higher volumes.
3.	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
a.	Details of the source of funds in connection with the proposed transaction	Not applicable
b.	Where any financial indebtedness has been incurred to make or give loans, inter-corporate deposits, advances or investments - - nature of indebtedness; - cost of funds; and - tenure	Not applicable
c.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not applicable
d.	Purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not applicable
4.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the Shareholder	Not applicable
5.	Any other information that may be relevant – Pricing methodology / Arm's length assessment	Nil

Table C

Nature of the transactions	Amount of transactions in a financial year (₹ in crores)	Total Amount of transactions for which approval is sought	Period of the transactions and information on contractual arrangement
Sale, purchase or supply of any goods, materials	20	20	Financial Year 2023-24

Though in the ordinary course of the Company's business and at arm's length, the related party transaction envisaged in this Resolution is material as per amended Regulation 23 of Listing Regulations, being in excess of 10% of the annual consolidated turnover of the Company as well as being more than the threshold limit of ₹ 1,000 crore (Rupees One Thousand crore only) and accordingly, approval of the Members is being sought.

Members may note that as per the provisions of the Listing Regulations, no related party shall vote to approve the transaction, irrespective of whether they are a party to the transaction or not.

Your Directors recommend the resolution at Item No. 12 for approval by the Members by way of an Ordinary Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives except Mr. Mahendra Khatau, Mrs. Asha Khatau and Mr. Manish Khatau, Directors of the Company are concerned or interested financially or otherwise in the resolution set out at Item No. 12 of the Notice.

ITEM NO. 13:

As per the provisions of Section 188 of the Companies Act, 2013 (“Act”), transactions with related parties which are on an arm’s length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of the shareholders. However, as per the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), transactions between the Company and related parties of the Company, if material, require the approval of Members through a resolution, notwithstanding the fact that the same are on an arm’s length basis and in the ordinary course of business.

With effect from 1st April, 2022, Regulation 23 of the Listing Regulations, mandates obtaining prior approval of the Members through ordinary resolution for all ‘material Related Party Transactions’. For this purpose, a Related Party Transaction will be considered ‘material’ if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds ₹1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

Details and benefits of the transaction

Goods are purchased/ sold on an ongoing basis by Indokem Limited from/to Indokem Bangladesh (Pvt.) Limited (a foreign subsidiary of the Company) at actual Price.

The Company and Indokem Bangladesh (Pvt.) Limited are the entities having significant influence by the common Promoters and these proposed transactions ensure seamless business operations for both the entities, provides assured quality and quantity of goods and services for un-interrupted operations and generate revenue and margins for both the entities.

The Company proposed to undertake the following major transactions with Indokem Bangladesh (Pvt.) Limited for purchase/ sale of Goods/ services.

The aggregate value of the proposed RPTs is estimated at ₹11.25 crores in a financial year which exceeds the materiality thresholds as per SEBI Listing Regulations. Accordingly, these RPTs require prior approval of Shareholders of the Company.

The Company has in place a policy and process for approval of Related Party Transactions. The Policy provides the details required to be provided to the Audit Committee for the purpose of review of such transactions and grant of approval for the proposed transactions. A justification for each and every related party transaction is provided to the Audit Committee which enables them to arrive at the right decisions. Additionally, an update on the actual related party transactions entered during every quarter is provided to the Audit Committee.

Keeping in view the significance of the proposed transactions for the continuing operations of the Company, the aforesaid proposed transactions with Indokem Bangladesh (Pvt.) Ltd, being material were approved by the Audit Committee, at its meeting held on 9th February, 2023, in terms of Section 177 of the Companies Act, 2013, and also recommended by the Board at its meetings held on 9th February, 2023 for approval by the Members.

In terms of Section 102 of the Companies Act, 2013, the shareholding interest of the Promoters / Directors / Key Managerial Personnel of the Company in Indokem Bangladesh (Pvt.) Limited, being not less than 2%, is set out below:

Sr. No.	Name of the Promoter / Director / Key Managerial Personnel of the Company	Number of shares held in excess of 2% in Indokem Bangladesh (Pvt.) Limited	%
1.	Mahendra Kishore Khatau	7,500	8.33
2.	Manish Mahendra Khatau	7,500	8.33
3.	Indokem Limited	75,000	83.34

This Explanatory Statement may also be regarded as a disclosure of the information required pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date.

Information pursuant SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22 November 2021

Sr. No.	Description	Details
1.	Details of summary of information provided by the management to the Audit Committee	
a.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Mr. Manish Khatau, Whole time Director of the Company is Managing Director of Indokem Bangladesh (Pvt.) Ltd. and Mr. Mahendra Khatau, who is Chairman and Managing Director in the Company is Chairman and Director in Indokem Bangladesh (Pvt.) Ltd. thereby it is considered that they both are having significant influence on the Company.
b.	Name of the Director or Key Managerial Personnel who is related, if any and nature of relationship	Mr. Mahendra Khatau and Mr. Manish Khatau, are promoters and Directors in Indokem Bangladesh (Pvt.) Ltd.
c.	Nature, material terms, monetary value and particulars of contracts or arrangement	Provided in Table D below
d.	Value of the proposed transactions in a financial year	Recurring transactions amounting to maximum of ₹11.25 crores.
e.	Value of transactions for which approval is sought from Shareholders	₹11.25 crores for the period as mentioned in the Table D below.
f.	Amount paid as advance if any	No advance has been paid for purchase of goods/ availing of services.
g.	Transactions with the related party for the past three financial years	Not Applicable since Indokem Bangladesh (Pvt.) Ltd was incorporated on 30 th April 2023.
h.	Percentage of annual consolidated turnover considering FY 2022-23 as the immediately preceding financial year Subsidiary Companies annual turnover on an Standalone basis	The Company's turnover: ₹111.86 crores Proposed transactions value for a financial year: ₹11.25 crores % of turnover: 10.05% Not Applicable as Indokem Bangladesh (Pvt.) Ltd., subsidiary of the company was incorporated on 30 th April 2023.
i.	Total revenue, assets and net worth of the counter party in FY 2022-23	Indokem Bangladesh (Pvt.) Ltd., subsidiary of the company was incorporated on 30 th April 2023.
2.	Justification / economic benefits from the RPTs	
a.	Justification as to why the RPT is in the interest of the listed entity	Assured quality and quantity of goods and services for un-interrupted operations and generate revenue and margins for both the companies
b.	Economic benefits	The following are the economic benefits from these related party transactions: <ul style="list-style-type: none"> Un-interrupted supply of goods by Indokem Bangladesh (Pvt.) Ltd., leading to optimum capacity utilization and higher volumes.

Sr. No.	Description	Details
3.	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
a.	Details of the source of funds in connection with the proposed transaction	Not applicable
b.	Where any financial indebtedness has been incurred to make or give loans, inter-corporate deposits, advances or investments - - nature of indebtedness; - cost of funds; and - tenure	Not applicable
c.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not applicable
d.	Purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not applicable
4.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the Shareholder	Not applicable
5.	Any other information that may be relevant – Pricing methodology / Arm's length assessment	Nil

Table D

Nature of the transactions	Amount of transactions in a financial year (₹ in crores)	Total Amount of transactions for which approval is sought	Period of the transactions and information on contractual arrangement
Sale , purchase or supply of any goods, materials including Leave and License fees, granting/ taking of Loans and Advances	11.25	11.25	Financial Year 2023-24

Though in the ordinary course of the Company's business and at arm's length, the related party transaction envisaged in this Resolution is material as per amended Regulation 23 of Listing Regulations, being in excess of 10% of the annual consolidated turnover of the Company as well as being more than the threshold limit of ₹ 1,000 crore (Rupees One Thousand crore only) and accordingly, approval of the Members is being sought.

Members may note that as per the provisions of the Listing Regulations, no related party shall vote to approve the transaction, irrespective of whether they are a party to the transaction or not.

Your Directors recommend the resolution at Item No. 13 for approval by the Members by way of an Ordinary Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives except Mr. Mahendra Khatau, Mrs. Asha Khatau and Mr. Manish Khatau, Directors of the Company is concerned or interested financially or otherwise in the resolution set out at Item No. 13 of the Notice.

ANNEXURE - A

Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard-2]:

Name of the Director	Mrs. Asha Mahendra Khatau	Mrs. Sneha Vidyadhar Khandekar
DIN	00063944	06729350
Date of Birth/ Age	64 Years	58 Years
Date of Appointment on the Board	30 th October 2009	25 th July 2023
Qualification	Graduate	Master in Social Works
Brief Resume and Expertise in functional areas	Mrs. Asha Khatau is a B.A. Graduate and has an experience of over 28 years in the fields of General Management as a Consultant and Advisor.	Mrs. Sneha Khandekar is an experienced development sector professional with over 32 years of experience on violence and reproductive health issues related to women and children.
Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the Company	Mrs. Asha M. Khatau is Spouse of Mr. Mahendra K. Khatau, Chairman and Managing Director and Mother of Mr. Manish M. Khatau, Whole-time Director.	Nil
Name of listed entities in which the person also holds the Directorship, Chairmanship and the membership of Committees of the Board	Indokem Limited – Risk Management Committee – Member, Committee of Board of Director – Member Refinol Resins and Chemicals Limited - Stakeholders Relationship Committee- Chairperson, Risk Management Committee - Chairperson, Committee of Board of Directors – Member	Nil
Directorship in other Companies along with listed entities from which the person has resigned in the past three years* as on 31.03.2023	-Nil	Nil
Shareholding in the Company (Equity Shares)	45243	Nil
Number of Equity Shares held in the Company for any other person on a beneficial basis	Nil	Nil
Terms and conditions for appointment/ re-appointment	Tenure as a Director is subject to retirement of Directors by rotation in terms of Section 152 of the Companies Act, 2013.	5 years
Remuneration last drawn (in F.Y. 2022- 23), if applicable	Sitting Fees of Rs. 30,000/-	N.A.
Date of first appointment on the Board	30 th October 2009	25 th July 2023
Number of Meetings of the Board attended during the F.Y. 2022-23	5 out of 5	N. A.

Name of the Director	Mr. Suyash Neelkanth Bhise	Mr. Adarsh Pankaj Shukla
DIN	06667481	10244570
Date of Birth/ Age	45 Years	27 Years
Date of Appointment on the Board	25 th July 2023	25 th July 2023
Qualification	Graduate, Chartered Accountant, Diploma in Business Management and Diploma in Insurance and Risk Management.	Bachelors in Electronics and Telecommunication Engineering.
Brief Resume and Expertise in functional areas	Mr. Suyash Bhise has more than 19 years in various fields such as Accountancy, fund raising, Project financing, etc.	Mr. Adarsh Shukla has over 5 years of experience in software Development.
Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the Company	Nil	Nil
Name of listed entities in which the person also holds the Directorship, Chairmanship and the membership of Committees of the Board	Nil	Nil
Directorship in other Companies along with listed entities from which the person has resigned in the past three years* as on 31.03.2023	Nil	Nil
Shareholding in the Company (Equity Shares)	Nil	Nil
Number of Equity Shares held in the Company for any other person on a beneficial basis	Nil	Nil
Terms and conditions for appointment/ re-appointment	Appointment for a period of 5 years	Appointment for a period of 5 years
Remuneration last drawn (in F.Y. 2022- 23), if applicable	N. A.	N. A.
Date of first appointment on the Board	25 th July 2023	25 th July 2023
Number of Meetings of the Board attended during the F.Y. 2022-23	N.A.	N.A.

Name of the Director	Mr. Arupkumar Basu	Mr. Manish Mahendra Khatau
DIN	00906760	02952828
Date of Birth/ Age	68 Years	36 Years
Date of Appointment on the Board	25 th July 2023	25 th July 2023
Qualification	He is a B. Tech, Chemical Engineering from IIT, Bombay and has obtained a postgraduate management degree from IIM, Ahmedabad.	Graduation in BBA (Bachelor in Business Administration) from American Intercontinental University of London
Brief Resume and Expertise in functional areas	He is a B. Tech, Chemical Engineering from IIT, Bombay and has obtained a postgraduate management degree from IIM, Ahmedabad. He is with Refnol since last 40 years more particularly as Managing Director of Refnol since last 20 years. He has vast experience in management, administration and effective policy formulations for efficient and smooth running of Refnol.	Mr. Manish M. Khatau has rich and varied experience in the Industry and has been involved in the operations of the Company over a decade.
Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the Company	Nil	Mr. Manish M. Khatau is son of Mr. Mahendra K. Khatau, Chairman and Managing Director and Mrs. Asha M. Khatau, Non-executive Director.
Name of listed entities in which the person also holds the Directorship, Chairmanship and the membership of Committees of the Board	1. Refnol Resins and Chemicals Limited Audit Committee- Member Committee of Board of Directors - Member	Indokem Limited - Committee of Directors - Member Share Transfer Committee - Member Risk Management Committee - Member
Directorship in other Companies along with listed entities from which the person has resigned in the past three years* as on 31.03.2023	Nil	Nil
Shareholding in the Company (Equity Shares)	Nil	35,592
Number of Equity Shares held in the Company for any other person on a beneficial basis	Nil	Nil
Terms and conditions for appointment/ re-appointment	Appointment for a period of 3 years	Appointment for a period of 3 years
Remuneration last drawn (in F.Y. 2022- 23), if applicable	N.A.	As per Explanatory Statement
Date of first appointment on the Board	25 th July 2023	11 th February 2016
Number of Meetings of the Board attended during the F.Y. 2022-23	N.A.	5 out of 5

DIRECTORS' REPORT

To,
The Members of Indokem Limited

The Board of Directors hereby submits the reports of the business and operations of your Company ("the Company" or Indokem") along with the Audited financial statement for the financial year ended 31st March, 2023.

1. Results of our operations and state of affairs : (₹ in Lakhs)

Particulars	For the financial year ended 31.03.2023	For the financial year ended 31.03.2022
A – Income from Continuing Operations	11,186	11,356
Profit / (Loss) before Interest, Depreciation & Taxes	344	530
Less: Interest	184	133
Depreciation	129	114
Profit / (Loss) before Tax	31	283
Less: Provision for Tax	-	-
Less: Excess / Short Provision of previous year	-	-
Profit / (Loss) after Taxes	31	283
B – Income from Discontinuing Operations	-	-
Profit / (Loss) for the year	31	283
Total other comprehensive income	(1)	7
Total comprehensive income / (loss) for the year	30	290
Profit / (Loss) brought forward from last year	(1,082)	(1,372)
Surplus / (Deficit) carried to Reserves	(1,053)	(1,082)

2. Operational Performance :

Revenue from operations for F. Y. 2022-23 at ₹11,186 lakhs marginally decreased by 1.5% over previous year ₹11,356 lakhs. EBITDA at ₹344 lakhs registered decline over EBITDA of ₹530 lakhs in F. Y. 2021-22. PAT for the year at ₹31 lakhs registered decrease over the PAT of ₹283 lakhs in F. Y. 2021-22.

3. Outlook :

During the year under review, your Company faced many challenges viz. complex geo-political situation arising out of Russia-Ukraine crisis, leading to adverse impact on global demand and unprecedented increases in prices of raw materials and indirect materials. Further, strict lock-down restrictions imposed in China resulted in drastic reduction in supply of raw material used in the textile chemical industry. These factors primarily resulted in lower sales volumes and lower margins.

Your Company continues to focus on export markets. Initiatives are directed towards engaging with overseas markets with a view to testing and demonstrating international competitiveness and seeking profitable opportunities for growth.

Your Company is confident that the incorporation of foreign subsidiary will play a crucial role in positioning the Company as a dominant player in the Global Textile Chemical Industry once there is improvement in the scenario of complex geopolitical situation.

4. Corporate Restructuring :

The Board of Directors of the Company, at its meeting held on 27th July, 2021, 13th September, 2021 and 15th January, 2022 have considered and approved a Scheme of Amalgamation (the "Scheme") of Refnol Resins and Chemicals Limited ("Transferor Company") with Indokem Limited ("the Company" or "Transferee Company"). The Scheme entails the amalgamation of the Refnol Resins and Chemicals Limited with Indokem Limited on the appointed date for the scheme set as on 1st April 2021, and approved by the Hon'ble National Company Law Tribunal ("NCLT") in their order dated 14th July 2023. The Order of the NCLT is also uploaded on the website of the Company at <https://www.indokem.co.in/pdf/newpdf/NCLT%20Order%20dated%2014.07.2023.pdf>

The Scheme has received the necessary approvals from the shareholders and creditors of both companies, as well as the regulatory authorities including BSE Limited, Securities and Exchange Board of India and the NCLT, Mumbai Bench.

This corporate restructuring initiative is expected to be a significant value creator for all shareholders involved, facilitating the consolidation of business activities, expansion of the product portfolio, achievement of economies of scale, enhanced operational efficiency, and optimization of logistics and distribution networks. Furthermore, the Scheme enables the pooling of resources, leading to a stronger balance sheet and increased net worth, which will serve to meet future investment requirements more effectively

Upon the effectiveness of the scheme, subsequent to the fulfillment of all necessary regulatory and approval requirements, eligible shareholders of Refnol Resins and Chemicals Limited will be entitled to receive 1,153 (One Thousand One Hundred and Fifty-Three) fully paid-up equity shares having a face value of Rs. 10 each of Indokem Limited, for every 1,000 (One Thousand) fully paid-up equity shares having a face value of Rs. 10 each held in Refnol Resins and Chemicals Limited, as consideration for the approved scheme.

5. Transfer to Reserves :

Pursuant to provisions of Section 134(3)(j) of the Companies Act, 2013, in view of inadequate profits for the year under review, no amount has been transferred to the reserves.

6. Dividend and Transfer to IEPF :

The Board of Directors does not recommend any dividend on equity shares for the financial year ended 31st March 2023.

The Company was not required to transfer any unpaid / unclaimed amount of dividend to IEPF during the financial year ended 31st March, 2023.

7. Change in the Nature of Business:

There are no changes in the nature of business during the financial year ended 31st March, 2023.

8. Share Capital :

The Company's Authorised Share capital during the financial year ended March 31, 2023, remained at ₹26,42,56,000/- (Rupees Twenty-Six Crores Forty-Two Lakhs Fifty-Six Thousand only) consisting of 2,43,25,600 (Two Crores Forty-Three Lakhs Twenty-Five Thousand Six Hundred only) equity shares of ₹10 (Rupees Ten) each and 21,00,000 (Twenty-One Lakhs) 8% Non- Cumulative Redeemable Preference Shares of ₹10/- each (Rupees Ten).

The paid up equity share capital of the Company as at 31st March, 2023 is ₹24,32,56,000/-. During the year under review, the Company has not issued any:

- a) shares with differential rights
- b) sweat equity shares.

The issued, subscribed and paid up 8% Non- Cumulative Redeemable Preference Shares is 20,70,975 of ₹10/- each amounting to ₹ 2,07,09,750/-.

9. Material Changes and Commitments :

There have been no material changes and commitments, 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.

10. Significant and Material Orders passed by the Regulators or Courts or Tribunal :

The Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench, has by pronouncement made on 14th July, 2023, sanctioned the scheme of amalgamation of Refnol Resins and Chemicals Limited (Transferor Company) with Indokem Limited (Transferee Company) and their respective shareholders, under Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013, and rules framed thereunder.

The copy of the order of the NCLT sanctioning the scheme as uploaded on its website on 14th July 2023, approves the scheme of amalgamation, finding it fair, reasonable, and is not in violation of any provisions of law or contrary to public policy.

According to the order, upon implementation of the scheme, Indokem Limited will issue fully paid-up equity shares to the equity shareholders of Refnol Resins and Chemicals Limited in the proportion of 1,153 equity shares of Indokem for every 1,000 equity shares held in Refnol.

There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

11. Subsidiary, Associate and Joint Venture Companies :

During the year under review, the Company does not have any subsidiaries or associate companies; also it has not entered into any joint venture agreements with any other entities.

The Company has made investment in Indokem Bangladesh (Pvt.) Limited i.e. Foreign Subsidiary of the Company incorporated on 30th April 2023.

12. Directors and Key Managerial Personnel :

During the year under review, there were no changes in the composition of the Board of Director and Key Managerial Personnel of the Company.

As required under Section 152 of the Companies Act, 2013, Mrs. Asha Mahendra Khatau (DIN - 00063944), Non-executive Director of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible have offered herself for re-appointment at the ensuing Annual General Meeting.

The second term of appointment of Mr. Kailash Pershad (DIN – 00503603) and Mr. Bhalchandra Sontakke (DIN – 01225753) as Independent Directors of the Company will come to end as on 31st March 2024. Accordingly, to fill these vacancies to be caused by the vacation of positions, based on recommendation of the Nomination and Remuneration Committee, the Board in its meeting held on 25th July, 2023 has appointed Mr. Suyash Neelkanth Bhise (DIN - 06667481), Mrs. Sneha Vidyadhar Khandekar (DIN - 06729350) and Mr. Adarsh Pankaj Shukla (DIN – 10244570) as additional Independent Directors of the Company w.e.f. 25th July 2023.

The Board recommends the appointment of Mr. Suyash Bhise, Mrs. Sneha Khandekar and Mr. Adarsh Shukla as Independent Directors of the Company for a period of 5 consecutive years from 25th July, 2023 for the approval of the members in the ensuing Annual General Meeting of the Company

Mr. Manish M. Khatau (DIN - 02952828) was appointed as Whole-time Director of the Company with effect from 1st March, 2021 for a period of 3 years and hold office till 29th February, 2024. In view of the impending expiry of his earlier appointment, based on recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 25th July, 2023, have re-appointed Mr. Manish M. Khatau as Whole-time Director of the Company with effect from 1st March, 2024 for a further period of 3 years, subject to the approval of shareholders.

Mr. Arupkumar Basu (DIN - 00906760) was appointed by Board of Directors as Additional Non-executive Director of the Company w.e.f. 25th July 2023, based on the recommendation of Nomination and Remuneration Committee. Further in the same meeting, it was decided to appoint Mr. Arupkumar Basu as Managing Director of the Company from the date of the scheme of amalgamation between Refnol Resins and Chemicals Limited and Company becoming effective.

Further, the Board recommends the appointment of Mr. Manish M. Khatau as Whole-time Director and Mr. Arupkumar Basu as Managing Director for a period of 3 years for the approval of the members in the ensuing Annual General Meeting of the Company.

The details as required under Regulation 17 of SEBI Listing Regulations, 2015 of Mrs. Asha Khatau, Mr. Suyash Bhise, Mrs. Sneha Khandekar, Mr. Adarsh Shukla, Mr. Manish M. Khatau and Mr. Arupkumar Basu are disclosed in the notice of the Annual General Meeting. None of the other Directors are related inter se except Mr. Mahendra K. Khatau and Mr. Manish M. Khatau who are related to Mrs. Asha Mahendra Khatau. Based on the written representations received from the Directors as on 31st March, 2023 taken on record by the Board of

Directors, none of the Directors are disqualified as on 31st March, 2023 from being appointed as a Director in terms of Section 164(2) of the Act. Further, in terms of BSE circular dated 20th June, 2018, bearing reference no. LIST/COMP/14/2018-19 and based on confirmation received from all the appointees that they are not debarred from accessing capital markets and / or restrained from holding the office of director by virtue of any order of the SEBI or any other such authority.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under the Act and the Listing Regulations. In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfil the conditions specified in the Act and the Rules made thereunder and are independent of the management.

During the year, the Non-executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees and reimbursement of expenses incurred by them for attending meetings of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. Mahendra K. Khatau as Chairman and Managing Director, Mr. Manish M. Khatau as Whole-time Director, Ms. Rupal B. Parikh as Chief Financial Officer and Mr. Rajesh D. Pisal as Company Secretary.

13. Certification from Company Secretary in Practice :

M/s. Ragini Chokshi and Co., Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section as **Annexure F**.

14. Training and Familiarization Program for Directors :

The Company has provided information and made the Independent Directors aware about the major developments in legal and regulatory areas, particularly regarding Companies Act, 2013 and Regulation 25 (7) of SEBI Listing Regulations, 2015. The details of Policy on Familiarization Program for the Independent Directors and List of Familiarization programmers for Independent Directors held by the Company are available on the website of the Company at www.indokem.co.in

15. Annual Evaluation of Board Performance and Performance of its Committees and Individual Directors :

The Board evaluated the effectiveness of its functioning of the Committees and of individual Directors, pursuant to the provisions of the Act and the SEBI Listing Regulations.

The Board sought the feedback of Directors on various parameters including:

- Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long term strategic planning, etc.);
- Structure, composition and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board/Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January, 2017.

In a separate meeting of the IDs held on 6th February, 2023, the performance of the Non-Independent Directors, the Board as a whole and Chairman of the Company were evaluated taking into account the views of Executive Directors and other Non-executive Directors.

The NRC in its meeting held on 6th February, 2023 reviewed the performance of the individual Directors and the Board as a whole.

In the Board meeting that followed the meeting of the Independent Directors and the meeting of NRC, the performance of the Board, its Committees, and individual Directors were discussed.

Outcome of Evaluation :

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and the Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities and fiduciary duties.

16. Policy on Directors' Appointment and Remuneration and other details :

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of this report.

17. Remuneration of Directors and Key Managerial Personnel :

Pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration of Directors and Key Managerial Personnel are as furnished in **Annexure A**.

18. Particulars of Employees :

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

None of the employees of the Company fall under the limits laid down in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in Annexure H to this Report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary at iklsecretarial@gmail.com.

19. Directors' Responsibility Statement :

Pursuant to the requirements under Section 134(3)(c) read with 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state and confirm that:

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- (ii) Appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;
- (iii) Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Annual Accounts had been prepared on a going concern basis;
- (v) The Internal Financial Controls had been laid down to be followed by the Company and the such internal financial controls are adequate and are operating effectively; and
- (vi) Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. Statutory Auditors :

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s. CNK & Associates LLP, Chartered Accountants (ICAI Firm Registration Number: W100036), have been appointed as the Auditors of the Company to hold office till the conclusion of the 61st AGM to be held in 2027.

21. Statutory Auditor's Report :

The standalone financial statements of the Company have been prepared in accordance with Ind AS notified under Section 133 of the Act. The Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers.

22. Cost Auditor and Cost Audit Report :

Pursuant to Section 148(1) of the Companies Act, 2013 the Company is required to maintain cost records as applicable since F. Y. 2022-23 as specified by the Central Government and accordingly Company has maintained accounts and cost records as required under the Act and the Companies (Cost Records and Audit) Rules, 2014. The members ratified the appointment of M/s. Y. S. Gokhale & Associates (Firm Registration No. 101710) as the Cost Auditors for FY 2022-23 on 29th September, 2022.

The Board, at its meeting held on 25th July, 2023 has, on the recommendation of the Audit Committee, approved the reappointment of M/s. Y. S. Gokhale & Associates (Firm Registration No. 101710), as Cost Auditors of the Company for F.Y. 2023-24 on a remuneration of ₹90,000/- plus taxes as applicable. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and will accordingly place before the Shareholders for ratification. The same is placed for ratification of Members and forms part of the Notice of the AGM.

23. Secretarial Auditor and Secretarial Audit Report :

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Ragini Chokshi & Co., a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for the FY 2022-23. The Report of the Secretarial Audit is annexed herewith as **Annexure G**. The report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

The Company has also undertaken an audit for the FY 2022-23 pursuant to SEBI Circular No. CIR/CFD/CMO/II/27/2019 dated 8th February, 2019 for all applicable compliances as per the Securities and Exchange Board of India Regulations and Circular/ Guidelines issued thereunder. The Report (Annual Secretarial Compliance Report) has been submitted to the Stock Exchange on 15th May, 2023 which is within 60 days of the end of the financial year ended 31st March, 2023.

24. Internal Auditor :

Pursuant to the provisions of Section 138 of the Act, the Board, at its meeting held on 26th May, 2022 based on the recommendation of the Audit Committee, had approved the appointment of Mr. Mukund Nagpurkar to conduct the internal audit of your Company for the F.Y. 2022-23.

The Board of Directors at their meeting held on 22nd May, 2023 has re-appointed Mr. Mukund Nagpurkar as the Internal Auditors of your Company for the F.Y. 2023-24 to review various operations of the Company.

25. Reporting of Fraud :

During the year under review, neither the Statutory Auditors, Cost Auditors nor the Secretarial Auditor have reported to the Audit Committee of the Board, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in this Annual Report.

26. Statement on compliance of applicable Secretarial Standards :

The Company complies with all applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

27. Corporate Governance :

The Company has complied with the requirements of Corporate Governance as stipulated under the Listing Regulations and accordingly, the Corporate Governance Report and the requisite Certificate from M/s. Ragini Chokshi and Co., Practicing Company Secretaries, regarding compliance with the conditions of Corporate Governance is enclosed as a part of Annual Report as **Annexure E**.

28. Management Discussion and Analysis :

The **Management Discussion and Analysis** as required under Regulation 34(2) read with Schedule V of SEBI Listing Regulations, 2015 forms a part of the Annual Report.

29. Copy of Annual Return :

Pursuant to Section 92(3) read with section 134(3)(a) of the Companies Act, 2013, copies of the Annual Return for the F. Y. 2022-23 of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and can be accessed at <https://www.indokem.co.in>.

30. Meetings of the Board of Directors :

During the year, Five Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Regulations 17 of the Securities and Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulation, 2015.

31. Board Committees :

As required under the Act and the SEBI Listing Regulations, the Company has formed all the statutory committees namely, Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. Besides, the Company also has a Share Transfer Committee, Risk management Committee and Committee of Board of Directors. Detailed information about these Committees and relevant information for the year under review are given in the Corporate Governance Report.

There have been no instances where the Board did not accept the recommendations of its committees, including the Audit Committee.

32. Internal Financial Control Systems and their Adequacy :

The Company's internal control systems commensurate with the nature of its business, the size, and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate. Details on the Internal Financial Controls of the Company forms part of Management Discussion and Analysis forming part of this Annual Report 2022-23.

33. Vigil Mechanism / Whistle Blower :

The Company has established a vigil mechanism pursuant to the requirements of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. No personnel have been denied access to the chairman of the Audit Committee to report genuine concerns. Establishment of vigil mechanism is hosted on the website of the Company under the web link: <https://www.indokem.co.in/pdf/newpdf/VIGIL%20MECHANISM.pdf>

34. Code of Conduct :

Your Company has a Code of Conduct for Board and Senior Management Personnel that reflects its high standards of integrity and ethics. The Directors and Senior Management of the Company have affirmed their adherence to this Code of Conduct for F.Y. 2022-23. This Code is available on the Company's website and can be accessed at: <https://www.indokem.co.in/pdf/newpdf/Code%20of%20Conduct%20for%20Directors.pdf> and https://www.indokem.co.in/pdf/financial/senior_employee_code_of_conduct.pdf

As required under Regulation 34 of the SEBI Listing Regulations, Mr. Mahendra K. Khatau, Chairman and Managing Director has signed a declaration stating that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with this Code of Conduct, which is annexed as **Annexure D** to this Report.

35. Insider Trading Policy :

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), the Company has formulated the "Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons" and the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information", ("Code") which allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in Company's shares, it also prohibits dealings in the Company's shares by Directors, Designated Persons, Connected Persons and their immediate relatives, while in possession of unpublished price sensitive information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's share is closed. The Code has been revised in line with the amendments to the PIT Regulations from time to time.

The Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the PIT Regulations.

A structured digital database of all the designated employees is being digitally maintained by the Company on its internal server. These contains the names and other particulars as prescribed of the persons covered under the Code drawn up pursuant to the PIT Regulations.

The Company Secretary has been appointed as the Compliance Officer to ensure the implementation of the Code for fair disclosure and conduct.

The Board of Directors, Designated Persons and other Connected Persons have affirmed compliance with the Code. The Code is available on the website of the Company and can be accessed at: https://www.indokem.co.in/pdf/newpdf/IKL_Prevention%20of%20Insider%20Trading%20Rules,%202015.pdf

36. Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 :

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has also complied with the provisions related to constitution of Internal Complaints Committee (ICC) under the said Act to redress complaints received regarding sexual harassment. The Company received no complaints pertaining to sexual harassment during FY 2022-23.

37. Particulars of Loans, Guarantees or Investments :

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose are given in the Notes to the Standalone Financial Statements.

The Company has made investment in Indokem Bangladesh (Pvt.) Limited i.e. Foreign Subsidiary of the Company incorporated in Bangladesh on 30th April 2023 and is holding 75,000 Equity Shares of Indokem Bangladesh (Pvt.) Limited having face value of Bangladesh Taka 10/- each.

38. Deposits :

The Company has neither accepted nor renewed any deposits falling within the purview of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time and as such, no amount of principal or interest was outstanding as of the date of the Balance Sheet. The Company had no unpaid / unclaimed deposit(s) as on 31st March, 2023. Hence, the requirement of providing details relating to deposits covered under Chapter V of the Act is not applicable.

39. Transactions with Related Parties :

All Related Party Transactions that were entered into during the financial year were at arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. None of the transactions with related parties fall under the scope of Section 188(1) of the Companies Act, 2013. All Related Party Transactions are placed before the Audit Committee and before the Board for their prior approval. Prior approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The Company has also sought approval of the Members for approval of material significant related party transactions as per the requirements of the Listing Regulations. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are stated in **Annexure B** in Form AOC-2 which forms part of this report.

All RPTs are mentioned in the notes to the accounts. The Directors draw attention of the Members to the Notes to the financial statements which sets out the disclosure for RPTs.

40. Insurance :

All the properties and insurable interests of the Company including the buildings, plant and machineries and stocks have been adequately insured.

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

Your Company is engaged in the continuous process of energy conservation by way of improved operational and maintenance practices:

A. Conservation of Energy :
(a) Energy Conservation measures taken :
(i) Electrical Energy :

- Regular preventive / predictive maintenance of electrical system is carried out to ensure minimum loss of energy / power supply.
- Regular upgradation in electrical system is done so as to minimize consumption of electrical power supply.

(ii) Furnace Oil / LDO Consumption :

There is no major consumption of Furnace Oil / Light Diesel Oil. However, there are some processing activities carried out limiting the consumption of energy.

(b) Additional investments and proposals if any, being implemented for reduction of consumption of energy :

Apart from the above mentioned strategies, your Company is in the process to upgrade and install new machineries which will altogether result in energy saving and will add to operational efficiency in coming years.

(c) Impact of the measures at (a) and (b) for reduction of consumption of energy and consequent impact on the cost of production :

There is no such special impact for the same.

(d) Energy consumption and energy consumption per unit of production :

As per Form– A forming part of **Annexure C**

B. Technology Absorption :

Your Company has taken positive efforts for technology absorption and its up gradation:

- (a) Modification in air conditioning system to improve process conditions.

- (b) Modification in existing machines for high value and new products developments including process simplification.
- (c) The Company focused its Research and Development efforts on process and process development of new products and formulations, trouble shooting.

Due to above factors and measures been considered there are various benefits resulted such as:

- (i) Cost reduction;
- (ii) Improvement in quality;
- (iii) Improvement in operating performance;
- (iv) New product developments

42. Foreign Exchange Earnings and Outgo :

(₹ in Lakhs)

PARTICULARS	31.03.2023	31.03.2022
I. Foreign Exchange Earned		
F. O. B. Value of Export	2728	2887
II. Foreign Exchange Outgo		
C. I. F. Value of Imports of Raw Materials	559	1136
Expenses in Foreign Currency	39	15
TOTAL	598	1151

43. Safety, Health and Environment :

- a) **Safety:** The Company encourages a high level of awareness of safety issues among its employees and strives for continuous improvement. Employees are trained in safe practices to be followed at work place.
- b) **Health:** Your Company attaches utmost importance to the health of its employees. Periodic checkup of employees is done to monitor their health. Health related issues if any are discussed with visiting Medical Officer.
- c) **Environment:** Company always strives hard to give importance to environmental issues in normal course of operations. Adherence to environmental and pollution control norms as per Maharashtra Pollution Control guidelines is of highest concern to the Company.

44. Risk Management :

The Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans. The Company through its risk management process, strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors. The Board of Directors has developed and implemented Risk Management Policy for the Company. There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis Report, which forms part of this report.

45. Research and Development :

Your Company continuously makes significant investments in research and development (R&D) to develop products that the textile industry needs today and will need tomorrow. Your Company's in-house laboratories have produced a number of products that are used by textile industry around the world.

46. Corporate Social Responsibility (CSR) :

Your Company does not fall under the criteria of Corporate Social Responsibility as laid down under Section 135 of the Companies Act, 2013 and by virtue of above your Company has not initiated any activities for the same.

47. Cautionary Statement :

Statements in the Board's Report and the Management Discussion and Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

48. Appreciation :

The Board of Directors is thankful to the employees, customers, vendors, investors of the Company for their continuous support and is grateful for the confidence and faith shown by them. Your Directors take this opportunity to place on record their sincere gratitude to the Banks, Central and State Government Departments and the Local Authorities for their guidance and support.

For and on behalf of the Board

Sd/-

**Mr. Mahendra K. Khatau
Chairman & Managing Director**

DIN: 00062794

Place: Mumbai

Date: 25th July, 2023

ANNEXURE A

[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]

- i. The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year:

(₹ in Lakhs)

Sr. No.	Particulars	Remuneration for the financial year ended 31 st March, 2023	Ratio of Remuneration to median remuneration of employees
1.	Mr. Mahendra K. Khatau, Chairman & Managing Director	67.00	9.24
2.	Mr. Manish M. Khatau, Whole-time Director	34.18	18.12

Note: The Non-Executive Non-Independent Directors of the Company are not paid any remuneration by the Company. The Independent Directors of the Company are entitled to sitting fees as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Independent Directors are provided in the Corporate Governance Report.

- ii. The percentage increase in remuneration of each Executive Director, Chief Financial Officer, Company Secretary in the financial year is given below:

Executive Directors, Chief Financial Officer and Company Secretary	% increase / (decrease) in remuneration in the financial year
Mr. Mahendra K. Khatau - Chairman and Managing Director	0.00
Mr. Manish M. Khatau – Whole-time Director	0.00
Ms. Rupal B. Parikh – Chief Financial Officer	9.79
Mr. Rajesh D. Pisal – Company Secretary	3.32

- iii. The percentage increase in the median remuneration of employees in the financial year: 17.76%
- iv. The number of permanent employees on the rolls of Company as on 31st March, 2023: 122
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
Average percentile increase for other than managerial personnel: 18.43%
Average percentile increase for managerial personnel: 3.28%
- vi. It is affirmed that the remuneration paid during the period under review is as per the remuneration policy of the Company.

For and on behalf of the Board

Sd/-

Mr. Mahendra K. Khatau
Chairman & Managing Director
DIN: 00062794

Place: Mumbai
Date: 25th July, 2023

ANNEXURE B
FORM NO. AOC – 2

[Pursuant to Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain Arm's Length Transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

a	Name(s) of the related party and nature of relationship	NIL
b	Nature of contracts/arrangements/transactions	
c	Duration of the contracts / arrangements/transactions	
d	Salient terms of the contracts or arrangements or transactions including the value, if any	
e	Justification for entering into such contracts or arrangements or transactions	
f	Date(s) of approval by the Board	
g	Amount paid as advances, if any	
h	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis:

a	Name(s) of the related party and nature of relationship	1. Refnol Resins and Chemicals Limited
b	Nature of contracts/arrangements/transactions	Purchase and Sale of Material
c	Duration of the contracts / arrangements/transactions	1 st April, 2022 to 31 st March, 2023
d	Salient terms of the contracts or arrangements or transactions including the value, if any	₹9.13
e	Date(s) of approval by the Board	14 th January, 2022
f	Amount paid as advances, if any	Nil
a	Name(s) of the related party and nature of relationship	2. Orchard Acres
b	Nature of contracts/arrangements/transactions	(i) Purchase and Sale of Material (ii) Availing premise on Leave and License basis
c	Duration of the contracts / arrangements/transactions	(i) 1 st April, 2022 to 31 st March, 2023 (ii) 1 st April, 2022 to 31 st March, 2027
d	Salient terms of the contracts or arrangements or transactions including the value, if any	(i) ₹6.61 Crores (ii) ₹0.14 Crores
e	Date(s) of approval by the Board	(i) 14 th January, 2022 (ii) 14 th January, 2022
f	Amount paid as advances, if any	Nil

For and on behalf of the Board

Sd/-

**Mr. Mahendra K. Khatau
Chairman & Managing Director
DIN: 00062794**

**Place: Mumbai
Date: 25th July, 2023**

ANNEXURE C
FORM A

[Statement showing particulars as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars with respect to Conservation of Energy:

Particulars	For the financial year ended 31.03.2023	For the financial year ended 31.03.2022
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased Units in Lakhs	3.75	3.76
Total Amount – ₹ In Lakhs	43.23	36.46
Cost ₹ / Unit	11.53	9.70
(a) Own Generation		
(i) Through Diesel Generator Set: Units generated / Lakhs Units Per Ltr. of Diesel Oil Cost – Rs. / Unit	N.A.	N.A.
(ii) Through Steam Turbine / Generator		
2. Coal (specify quality and where used)	N.A.	N.A.
3. Furnace Oil, L.D.O. Quantity – Ltrs.	51924	41509
Total Amount – ₹ In Lakhs	35.07	23.17
Average Rate – ₹ / Unit	67.54	55.82
1. Others / internal Generation Gas - (000 NM ³) Total Amount – (₹ in Lakhs) Average Rate – (₹ / NM ³)	N.A.	N.A.
B. Production / Consumption of:	For the financial year ended 31.03.2023	For the financial year ended 31.03.2022
Products		
Dyes	MT	679.245
Sizing Chemicals	MT	8337.390
Auxiliaries	MT	2704.198
Capacitors	Units	342

For and on behalf of the Board

Sd/-

Mr. Mahendra K. Khatau
Chairman & Managing Director
DIN: 00062794

Place: Mumbai
Date: 25th July, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF ECONOMY, INDUSTRY STRUCTURE AND DEVELOPMENTS:

Business Environment

a. Global Economic Outlook

In FY 2022-23, the global economy continued to grapple with several macroeconomic pressures. The continued war between Russia and Ukraine, the impact of supply chain disruptions and mounting inflationary pressures affected countries globally. The sudden surge of COVID in China dampened growth prospects further, as global inflation remained high at an escalated 8.7%.

The entire chemical industry in India had seen robust economic growth over the last five years including excellent performance during the pandemic. However, the world economic outlook for growth has fallen from 3.4% in 2022 to under 2.0% in 2023. There are already indications that most countries in European economies are entering recessionary conditions. Despite these projections of low growth rates, India's growth is expected to be resilient. After seeing a surge in market conditions and manufacturing output, there have been signs of moderation in the second half of FY 2023.

The global economy demonstrated tentative signs of a soft landing in early 2023. The recent financial sector turmoil and sticky inflation have posed a risk to sustained growth. The slowdown is most pronounced in advanced economies, especially in the Eurozone and the United Kingdom. Moreover, central banks' monetary policies are expected to bear fruit, contributing to a drop in global inflation. The Emerging Markets and Developing Economies (EMDEs), including India, are powering ahead, with growth rates anticipated to witness a significant upsurge this year.

In terms of the global economy, the baseline forecast is that growth will decline from 3.4% in 2022 to 2.8% in 2023 before levelling off at 3.0% in 2024. Conversely, a particularly sharp drop in growth, from 2.7% in 2022 to 1.3% in 2023, is anticipated for advanced economies. Despite this, the baseline global headline inflation rate is projected to drop from 8.7% in 2022 to 7.0% in 2023 as a result of reduced commodity prices, however the rate of decline for underlying (core) inflation is anticipated to be slower. Even if monetary policy has tightened, domestic demand in EMDEs like India and China has so far remained healthy. The IMF projects that these regions will contribute significantly to the global economy in FY 2024 as its anticipated expansion accelerates to 4.2% from 3.9% in over the previous year FY 2023.

b. India Economic Outlook

India sustained its position as the world's fastest-growing major economy after remaining mostly insulated from the gloomy global outlook in FY 2022-23. Throughout this year, the domestic economy demonstrated remarkable resistance to global headwinds. The National Statistical Office's (NSO) second advance estimate reveals that the Indian economy is in a sweet spot and expected to clock a growth rate of 7% in FY 2023-24. Amid global uncertainty, the Indian economy continues to be resilient.

Overall, India's demand remains conducive to economic growth. India remains bullish about the next fiscal year on the back of its underlying and overall macroeconomic stability. However, it remains cautious about emerging geopolitical and geoeconomic concerns.

OPPORTUNITIES AND CHALLENGES:

- High inflation in textile importing countries and higher inventory levels across the textile value chain further impacted the demand of textile dyes and chemicals. This in turn affected the selling prices and margins of dyes and chemicals.
- The size of the world Textile Dyestuff industry is estimated at US\$ 6.6 bn and is expected to grow at about 3% in the coming years. China continues to be the largest manufacturer of dyes followed by India. The world market for high-performance pigments is estimated at US\$ 5.9 bn (constitutes both organic and inorganic pigments) and is expected to grow at about 4% in the coming years.

- Fluctuations in foreign exchange, high inflation in export markets, low demand and competition from China may impact sales realisations. Treatment costs are expected to remain high because of stricter regulatory norms and increasing demand for the implementation of green chemistry principles and ESG compliance.
- The world market for textiles is growing and, therefore, the demand for dyes will continue to grow in future.
- Rising domestic demand in Textile Dyes and chemicals, India's attractiveness as a manufacturing destination and its improved ease of doing business are some factors that suggest possibility of further growth in the chemical industry.
- The Indian Textile chemicals industry continues to be benefited due to availability of technically skilled manpower and competitive labour costs.
- Pollution and effluent problems have become the single biggest factor in restricting the growth of the textiles dyes industry in the developed nations. Tighter rules and regulations, strict laws and high standard for treatment of the effluents have forced these countries to look for better opportunities without sacrificing their interest. If India has to capitalize on these opportunities, then there seems to be no harm in encouraging this industry in the country provided proper measures are taken for effluent treatment.
- The cost of compliance and complex regulatory process also impact operations economically. The ability to scale up, offering differentiated products through innovations, implementing effective sales and marketing strategy and maintaining high levels of regulatory standards will clearly separate winners from the crowds in this space.

OVERVIEW OF COMPANY :-

Indokem Limited is one of the leading manufacturing Company of Textiles Dyes and Chemicals and Exporter of related products. The manufacturing Index of the Company remained broadly positive, the Company has kept pace with the changes and there is tremendous growth in future.

- During the F. Y. 2022-23, your Company achieved a turnover of ₹111.66 Crores, which is decreased by 1.5% as compared to last year, which is mainly due to higher price level of both inputs and finished goods.
- The Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench, has by pronouncement made on 14th July, 2023, sanctioned the scheme of amalgamation of Refnol Resins and Chemicals Limited (Transferor Company) with Indokem Limited (Transferee Company) and their respective shareholders, under Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013, and rules framed thereunder. The copy of the order of the NCLT sanctioning the scheme as uploaded on its website on 14th July 2023, approves the scheme of amalgamation, finding it fair, reasonable, and is not in violation of any provisions of law and is not contrary to public policy. According to the order, upon implementation of the scheme, Indokem Limited will issue fully paid-up equity shares to the equity shareholders of Refnol Resins and Chemicals Limited in the proportion of 1,153 equity shares of Indokem Limited for every 1,000 equity shares held in Refnol.
- Company has invested in new machineries to manufacture new products range from Ambernath Units.
- Company has also invested in modernization of Effluent Treatment Plants of all the Ambernath Units.
- Company is continuously investing in Quality Control machinery in Laboratory and has qualified staff to meet global standards.
- IT system and infrastructure is being continuously monitored and enhanced with any required upgrades.
- Our major product has received Global Organic Textile Standard (GOTS) certification and successfully completed annual GOTS audit. GOTS is the worldwide leading textile processing standard for organic fibers, including ecological and social criteria, backed up by independent certification of the entire textile supply chain.
- Company has successfully registered maximum of its products under Zero Discharge of Hazardous Chemicals (ZDHC) certification.

- Company is continued as ISO 45001:2008 certified Company.
- Customers have shown great trust in our Reactive Dyes range of products and now we are focusing on Pigment Emulsions range for which there is less competition.
- Company is regularly investing in new and attractive Packing Material for the products which has shown better effects.
- Company is continuously investing in the registration and renewal of Trademarks to safeguard Intellectual Property Rights.
- New Corporate clients have shown faith in our products since last couple of years.

Discussion on Financial Performance with respect to Operational Performance

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Net Sales	11186	11356
Earnings before Interest, Tax, Depreciation and Amortisation	344	530
Profit before Tax	31	283
Total Comprehensive Income for the year	30	290

Significant Changes in Key Financial Ratios:

Parameters	FY2022-23	FY2021-22	% change
Debtors Turnover (number of times)	3.69	4.43	-16.70%
Inventory Turnover (number of times)	8.08	9.67	-16.44%
Interest Coverage Ratio	1.17	2.67	-56.18%
Current Ratio	1.69	1.66	1.81%
Debt Equity Ratio	0.46	0.35	-31.42%
Operating Profit Margin (%)	0.04%	2.63%	-98.47%
Net Profit Margin (%)	0.27%	2.49%	-89.16%
Return on Net Worth	0.90%	8.29%	-89.14%

FUTURE OUTLOOK:

The long-term growth prospects of the Indian economy being positive, the textile chemical industry is also expected to grow in view of growing population, increasing disposable income, and changing consumer trends. The growing demand for textile dyes for various fiber types, such as cotton, polyester, and viscose, is expected to fuel the growth of the textile dyes market. Constantly changing fashion trend is also expected to drive textiles industry, thereby propelling the market growth. The Company is intending to add more product range for customers in existing and new markets. The Company is taking all measures to strengthen itself against the volatility and inflation. We hope that our commitment will continue to drive the Company, as we move forward.

RISKS AND CONCERNS:

- Chemicals industry is a highly regulated industry with stringent environmental norms. Any change in policy by the Government may have an adverse impact on the performance of the Industry. However, Indokem Limited follows best in class process controls and systems, and hence we are always ready to adapt to any changes in the Government Regulations.

- Huge fluctuation in the foreign exchange rates had an adverse impact on the Company's import and export transactions which finally impacted financials of the Company. Further rise in the crude oil prices has weakened Indian Rupee due to increase in import costs.
- As part of the global policy, the relevant parameters for all manufacturing sites are analyzed to minimize the risk associated with protection of environment, safety of operations and health of people at work. These are then monitored regularly with reference to statutory regulations prescribed by government authorities and guidelines defined by Indokem. The Company fulfills its legal requirements concerning emission, waste water and waste disposal. Improving work place safety continues to be top priority at all manufacturing units.
- The Company continues its focus on compliance in all areas of its business operations by rationalizing and strengthening controls. This is also an important component of Company's Code of Conduct. The Company has set in place the requisite mechanism for meeting with the compliance requirements and periodic monitoring to avoid any deviation. Company aims to set exemplary and sustainable standards, not only through products, services and performance, but also through integrity and behavior.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. In order to supplement the internal control process, the Company has appointed an Internal Auditor who is authorised by the Audit Committee to assess the adequacy and compliance of internal control process and provide their report covering observations and recommendations. Based on the report of internal audit function, the Company undertakes corrective actions in their respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

Further, in compliance with the Companies Act, 2013, and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has laid down a system of internal financial controls over financial reporting and adequacy and operating effectiveness of such controls. These controls are designed to provide a reasonable assurance regarding:

- Adherence to the Company's policies and procedures;
- Safeguarding assets;
- Prevention and detection of fraud and error;
- Reliability, completeness and accuracy of accounts;
- Timely reporting of information (financial, non-financial, internal and external).

QUALITY MANAGEMENT SYSTEM:

Your Company maintains its quality systems from lower level Management to higher level Management by imparting ethical standards in its approach and behavior and implementing the same in day to day business practices. The Company is complying with ISO, GOTS and ZDHC certification for its manufacturing units.

HUMAN RESOURCE MANAGEMENT:

The biggest asset of the Company are its people; it is promoting a culture that empowers its people to be the best version of themselves essential to foster high engagement and consistent improvement in performance. It is creating a learning organisation and building end-to end capabilities to be future-ready as its businesses further evolve and expand – it is committed to pervade technology in all its HR processes.

People and culture are the cornerstones for building a company and for it to face the test of time. The Company took further initiatives to enhance i) its HR processes (particularly using technology) related to recruitment, performance management, learning and development, manpower planning and employee care and ii) work environment related to culture and code of conduct to manage a growing business.

Indokem is an equal opportunity employer and strives to create an inclusive workplace and work culture. The Company is committed to treating all people with respect, care, fairness, sensitivity, and dignity.

Industrial Relations remain cordial during the FY 2022-23. The Board gives guidance to the Management ensuring that the implications of safety and sustainability are addressed properly in all the strategic initiatives. Company considers its committed and talented workforce as one of its most critical assets and key to driving sustainable performance, growth and developing competitive advantage. The number of employees increased from 117 as on 31st March, 2022 to 122 as on 31st March, 20223.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or forecast may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments with the country and other factors such as litigations and industrial relations.

CONCLUSION:

Your Company has already turned around and expects future growth in its performance in coming year on account of several initiatives taken by the Company in improving plant efficiency, new product developments and focus on Research and Development. We have come a long way from where we had begun and we continue to set new benchmarks for ourselves in order to constantly improve our performance. To summarise, your Company is optimistic about the growth in the medium term in revenues as well as operating margins.

For and on behalf of the Board

Sd/-

**Mr. Mahendra K. Khatau
Chairman & Managing Director
DIN: 00062794**

Place: Mumbai

Date: 25th July, 2023

CORPORATE GOVERNANCE REPORT

COMPLIANCE REPORT FOR THE FINANCIAL YEAR 2022-23:

The Company is committed towards following the best governance practices and maintaining a culture within the organization, which promotes an overall development and not just a materialistic approach. This report is prepared in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 'SEBI Listing Regulations, 2015', and the Company has complied with the spirit of the Regulations:

I. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY:

The Company continues to lay great importance on the adoption of best compliance practices and maintenance of transparency at all levels of the hierarchy. At Indokem Limited, it is imperative that the Company affairs are managed in a fair and transparent manner.

The Company treads carefully with a high sense of responsibility towards all stakeholders. Creating value for all stakeholders is the prime goal of the Company. The Company has a duty towards all its stakeholders to operate the business of the Company with the core principles of accountability, transparency, integrity, societal, environment and regulatory compliances while creating long-term value for all its stakeholders.

We, at Indokem, ensure that we evolve and follow the Corporate Governance guidelines and best practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our financial performance as well as the leadership and governance of the Company.

II. BOARD OF DIRECTORS:

Indokem believes that a diverse and vigilant Board is essential to ensure highest standards of Corporate Governance. The Board of Indokem, being at the core of its Corporate Governance practice, plays a pivotal role in overseeing the management in serving and protecting the long-term interests of all its stakeholders.

Size and Composition of the Board

Our policy is to have a mix of EDs, NEDs, and IDs to maintain the Board's independence and separate its functions of governance and management. As on 31st March, 2023, the Board comprised of six members, two of whom are EDs, one is NED, who is also Women Director and three are IDs. The Board periodically evaluates the need for change in its composition and size.

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 and Section 152 of the Act. During the year under review and as on date of this report, none of our Directors serve as Director or as IDs in more than seven listed companies and none of the EDs serve as IDs on any listed company. Further, none of our IDs serve as Non-Independent Director of any company on the board of which any of our Non-Independent Director is an ID.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may reasonably be anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the Management. Further, the IDs have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

The Company has issued formal letters of appointment to the IDs. As required under Regulation 46 of the SEBI Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website at https://www.indokem.co.in/pdf/newpdf/IKL_General%20Terms%20and%20conditions%20for%20appointment%20of%20IDs.pdf

During FY2022-23, none of our Directors acted as Member in more than 10 committees or as Chairperson in more than 5 committees across all listed entities where they serve as a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

During the Audit Committee and Board Meetings, the Chairman and Company Secretary give extensive briefings to the Board members on the business of the Company and on various financial, legal & compliance issues.

During the year under review there were no changes in the composition of the Board of Directors. 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 (AGM) and the number of Directorship and Committee Chairmanships/ Memberships held by them in other Public Limited Companies as on 31st March, 2023 are given herein below.

Name and Category of the Director		Attendance at the meetings during F. Y. 2022-23		No. of Directorships held in other Indian Public Limited Companies ⁽¹⁾	Committee(s) position ⁽²⁾		Directorship in other listed company(ies) and category of Directorship as on 31-03-2023
		Board Meeting	Last AGM		M	C	
1	Mr. Mahendra K. Khatau Chairman & Managing Director – Promoter	5	Yes	2	1	0	1. Refnol Resins and Chemicals Limited (Chairman-Non executive Director)
2	Mr. Manish M. Khatau Whole-time Director – Promoter	5	Yes	0	-	-	Nil
3	Mrs. Asha M. Khatau Non-executive Director – Promoter	5	Yes	2	1	1	1. Refnol Resins and Chemicals Limited (Non-executive Director)
4	Mr. Kailash Pershad Non-executive Independent Director	5	Yes	1	-	-	Nil
5	Mr. Bhalchandra Sontakke Non-executive Independent Director	5	Yes	1	1	1	1. Refnol Resins and Chemicals Limited (Independent Director)
6	Mr. Rahul Singh Non-executive Independent Director	5	Yes	2	2	-	1. Refnol Resins and Chemicals Limited (Independent Director) 2. Pyxis Finvest Limited (Independent Director)

- (1) Directorship in Indian Public Companies (listed and unlisted) excluding Indokem limited, Section 8 and foreign companies.
- (2) In terms of Regulation 26(1)(b) of the SEBI Listing Regulations, the disclosure includes chairmanship / membership of the Audit Committee and Stakeholders' Relationship Committee in other Indian Public companies (listed and unlisted) excluding Indokem Limited. Further, membership includes positions as Chairperson of committee.

Disclosure of relationships between Directors inter-se

Mr. Mahendra K. Khatau - Chairman and Managing Director, Mrs. Asha M. Khatau – Non-executive Director and Mr. Manish M. Khatau – Whole-time Director are related to each other as family. None of the other Directors are related to each other.

Board Meetings

Tentative dates for Board Meetings in the ensuing financial year are decided in advance and communicated to the Members of the Board. The information, as required under Regulation 17(7) read with Schedule II Part A of the SEBI Listing Regulations, is made available to the Board.

The Board meets at least once a quarter to review the quarterly financial results and other agenda items. Additional meetings are held when necessary. The recommendations of the Committees are placed before the Board for necessary approvals. All committee recommendations placed before the Board during the year under review were unanimously accepted by the Board.

The Board met 5 times during the year on 21st April, 2022, 26th May, 2022, 9th August, 2022, 11th November 2022 and 9th February, 2023 and the gap between two meetings did not exceed one hundred and twenty days during the financial year 2022-23. The necessary quorum was present for all the meetings.

All the Directors as on the date of the Annual General Meeting ('AGM') were present at the AGM of the Company held on Thursday, 29th September, 2022.

All the Board Meetings held during in FY2022-23 were held video conferencing in according with relaxations granted by Ministry of Corporate Affairs and SEBI.

Meeting of the Independent Directors

Pursuant to Schedule IV of the Act, the Independent Directors of the Company met on 6th February, 2023 without the presence of Non-Independent Directors and Members of the Management of the Company. The meetings of Independent Directors were chaired by Mr. Kailash Pershad, Independent Director.

At the meeting held on 6th February, 2023, the Independent Directors, inter alia, evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board taking into account the views of Executive and Non-Executive Directors. They also discussed the aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

- i. Details of Equity Shares of the Company held by Non-executive Directors as on 31st March, 2023 are given below:

Name of the Directors	Category	Number of equity shares
Mrs. Asha M. Khatau	Non-executive Director	45,243
Mr. Kailash Pershad	Non-executive Independent Director	NIL
Mr. Bhalchandra Sontakke	Non-executive Independent Director	NIL
Mr. Rahul Singh	Non-executive Independent Director	NIL

The Company has not issued any convertible instruments to any of the Non-executive Directors.

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting:

Mrs. Asha Mahendra Khatau (DIN: 00063944), Non-executive Director is liable to retire by rotation at the ensuing AGM and being eligible offers herself for re-appointment.

The second term of appointment of Mr. Kailash Pershad and Mr. Bhalchandra Sontakke as Independent Directors of the Company will come to end as on 31st March 2024. Accordingly, to fill these vacancies to be caused by the vacation of positions, the Nomination and Remuneration Committee and Board in its meeting held on 25th July, 2023 proposed the appointment/ appointed Mr. Suyash Bhise, Mrs. Sneha Khandekar and Mr. Adarsh Shukla as Independent Director of the Company for the period of five consecutive years w.e.f. 25th July 2023.

Based on the recommendation of Nomination and Remuneration committee, the Board of Directors have appointed Mr. Arupkumar Basu as Additional Non-Executive Director w.e.f. 25th July, 2023. Further, the Board has appointed Mr. Arupkumar Basu as Managing Director on the date of becoming effective, the scheme of Amalgamation between Refnol Resins and Chemicals Limited and Company.

Profile of Mrs. Asha Mahendra Khatau, Mr. Suyash Neelkanth Bhise, Mrs. Sneha Vidyadhar Khandekar Mr. Adarsh Pankaj Shukla and Mr. Arupkumar Basu as required under Regulation 36(3) of the SEBI Listing Regulations, 2015 and Companies Act, 2013 are given as Annexure to the Notice of the AGM to be held on 31st August, 2023.

- ii. The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

In terms of requirement of Listing Regulations, 2015, the Board has identified the following core skills / expertise / Competencies of the Directors in the context of the Company's business for effective functioning as given below:

<u>Director</u>	<u>Industry Knowledge</u>	<u>Leadership</u>	<u>Expertise and Experience in Finance</u>	<u>Strategy and Planning</u>	<u>Board Governance</u>	<u>Merger and Acquisition</u>	<u>Exposure in Policy Shaping and Industry Advocacy</u>	<u>Sales and Marketing</u>
Mahendra K. Khatau	✓	✓	✓	✓	✓	✓	✓	✓
Asha M. Khatau	✓	✓	✓	✓	✓	✓	✓	✓
Manish M. Khatau	✓	✓	✓	✓	✓	✓	✓	✓
Kailash Pershad	✓	✓	✓	✓	✓	✓	✓	✓
B. G. Sontakke	✓	✓	✓	✓	✓	✓	✓	-
Rahul Singh	✓	✓	✓	✓	✓	✓	✓	-

- iii. **Resignation of Independent Director:** None of the Independent Directors of the Company have resigned before the expiry of his/her tenure.

iv. Familiarization Program for Independent Directors:

In compliance with Regulation 25 (7) of SEBI Listing Regulations, 2015 and Schedule IV of Companies Act, 2013, the Board of Directors has carried out Familiarization Program for Independent Directors. The details of the same has been posted on the website of the Company at <https://www.indokem.co.in>

III. COMMITTEES OF THE BOARD:

As mandated by the Listing Regulations, the Company has constituted an Audit Committee, a Stakeholders Relationship Committee, Nomination & Remuneration Committee. Other key Committees constituted by the Company are Risk Management Committee, Share Transfer Committee and Committee of Board of Directors. The functioning of these Committees is regulated by the mandatory terms of reference, roles and responsibilities and powers as provided in the Act and the Listing Regulations.

The Minutes of the meetings of all these Committees are placed before the Board for noting. The Company Secretary acts as the Secretary of these Committees.

There are six Board Committees which comprise of three Statutory Committees and three other Committees that have been formed considering the needs of the Company and best practices in Corporate Governance as on 31st March, 2023 which are as follows:

1. AUDIT COMMITTEE:

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings held and attended
	Name	Category	
<p>Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.</p> <ul style="list-style-type: none"> Oversight of financial reporting process. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval. Evaluation of internal financial controls and risk management systems. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company. Evaluation of the internal financial controls and risk management systems. To approve transactions of the Company with related parties and subsequent modifications of the transactions with related parties. <p>In addition, the powers and role of the Audit Committee are as laid down under Section 177 of the Act and Regulation 18 and Schedule II Part C of the Listing Regulations.</p>	Mr. Kailash Pershad	Chairman (Non- executive Independent Director)	5
	Mr. Rahul Singh	Member (Non- executive Independent Director)	5
	Mr. Bhalchandra Sontakke	Member (Non- executive Independent Director)	5
	Mr. Mahendra K. Khatau	Member (Chairman & Managing Director)	5

The Audit Committee comprises of 4 qualified Directors, out of them 3 are Independent Directors. The Chairman of the Committee is an Independent Director. The Committee's composition complies with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

All Members of the Committee are financially literate and have financial management expertise.

No. of meetings held: The Audit Committee met five times during F. Y. 2022-23, as against the minimum requirement of four meetings. The gap between any 2 meetings did not exceed 120 days.

Dates: 21st April 2023, 26th May 2022, 9th August 2022, 11th November 2022 and 9th February, 2023.

The Audit Committee invites such executives as it considers necessary (and particularly the head of the finance function) to be present at its meetings. The Chief Financial Officer and Internal Auditor attend the meetings. The Company Secretary is the Secretary of the Audit Committee.

Mr. Kailash Pershad, The Chairman of the Committee was present at the 56th Annual General Meeting held on 29th September, 2022.

2. NOMINATION AND REMUNERATION COMMITTEE:

In compliance with the provisions of Regulation 19 of the SEBI Listing Regulations, 2015 and Section 178 of the Companies Act, 2013 the Company has adopted a policy which deals with the manner of Nomination, Remuneration and Evaluation of the Board of Directors, Key Managerial Personnel and employees in Senior Management. The policy has been posted on the Company's website at www.indokem.co.in.

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings attended
	Name	Category	
Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act. <ul style="list-style-type: none"> ➤ Recommend to the Board the setup and composition of the Board and its Committees. ➤ Recommend to the Board the appointment / re-appointment of Directors and Key Managerial Personnel. ➤ Formulating criteria for evaluation of performance of Independent Directors and the Board. ➤ Devising a policy on diversity of Board of Directors. ➤ Recommend to the Board the Remuneration Policy for Directors, Executives, Key Managerial Personnel and senior Management employees. ➤ Oversee familiarization programmes for the Directors. 	Mr. Bhalchandra Sontakke	Chairman (Non- executive Independent Director)	1
	Mr. Kailash Pershad	Member (Non- executive Independent Director)	1
	Mr. Rahul Singh	Member (Non- executive Independent Director)	1

The Nomination & Remuneration Committee comprises of 3 Directors, all of whom are Non-executive, Independent Directors. The Chairman of the Committee is a Non-executive Independent Director. The Committee's composition meets the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

No. of meetings held: One meeting of Nomination and Remuneration Committee of the Board of Directors was held on 6th February, 2023 during the financial year ended 31st March, 2023.

Mr. Bhalchandra Sontakke, the Chairman of the Committee was present at the 56th Annual General Meeting held on 29th September, 2022. The Company Secretary is the Secretary of the Nomination and Remuneration Committee.

POLICY ON NOMINATION, REMUNERATION AND EVALUATION:
A. Performance Evaluation:

Board Performance Evaluation Policy has been framed by the Nomination and Remuneration Committee (NRC) and approved by the Board in its meeting and subsequently amended by the Board on several occasions. The policy has been framed in compliance with the provisions of Section 178 (2), 134(3)(p) and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (LODR) Regulations, as amended from time to time.

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015 the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees. A structured questionnaire was prepared, after taking into

consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligation and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

B. Remuneration Policy:

In determining the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees of the Company, a Remuneration Policy has been framed by the Nomination and Remuneration Committee and approved by the Board with the following broad objectives:

- i. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully.
- ii. Motivate KMP and other employees and to stimulate excellence in their performance.
- iii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iv. Ensuring that the remuneration of Directors, KMP and other employees achieve a balance between components fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- v. Retain, motivate and promote talent and to ensure long term association and loyalty of talented employees.

The full text of the remuneration policy is available at www.indokem.co.in.

C. Criteria for Appointment of Directors, Key Managerial Personnel (KMP) and Senior Management:

- i. Criteria for qualifications, positive attributes and independence of Directors, KMP and Senior Management Personnel.
- ii. Identifying candidates who are qualified to become Directors, KMP and Senior Management Personnel.

D. Remuneration of Directors:

i. Remuneration to Executive Directors:

Remuneration paid to the Executive Directors is recommended by the Nomination and Remuneration Committee, approved by the Board and is subject to the overall limits as approved by the shareholders.

Details of remuneration paid / payable to the Executive Directors for the year ended 31st March, 2023 are given below:

(Amount in ₹)

Sr. No.	Particulars	Mr. Mahendra K. Khatau (Chairman and Managing Director)	Mr. Manish M. Khatau (Whole-time Director)
1	Salary	36,00,000/-	13,20,000/-
2	House Rent Allowance	18,00,000/-	10,20,000/-
3	House Maintenance Allowance / City Compensatory Allowance	9,00,000/-	8,94,240/-
4	Reimbursement of Gas, Electricity and other utilities Car Maintenance	2,79,600/-	39,600/-
5	Medical Reimbursement	60,000/-	72,000/-

Sr. No.	Particulars	Mr. Mahendra K. Khatau (Chairman and Managing Director)	Mr. Manish M. Khatau (Whole-time Director)
6	Leave Travel Concession	60,000/-	72,000/-
7	Provident Fund	Nil	1,58,400/-
	Total	66,99,600/-	35,76,240/-
8	Gratuity @ 4.8 % of basic	1,72,800/-	63,360/-
1	Service Contract	5 Years	3 Years
2	Notice Period	3 months	3 months

ii. Sitting Fees paid to Non-executive Directors and Independent Directors::

During the year 2022-23, the Company paid fees of ₹7,500/- per meeting to its Non-executive Directors and Independent Directors for attending meetings of Board and meetings of Committees of the Board.

Details of total sitting fees paid / payable to the Non-executive Directors and Independent Directors for the year ended 31st March, 2023 are given below:

(Amount in ₹)

Name of Director	Sitting Fees Paid			
	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee	Stakeholder Relationship Committee
Non-executive Director				
Mrs. Asha M. Khatau	30,000	-	-	-
Non-executive Independent Directors				
Mr. Kailash Pershad	30,000	30,000	-	30,000
Mr. Bhalchandra Sontakke	30,000	30,000	-	30,000
Mr. Rahul Singh	30,000	30,000	-	30,000

Note: None of the Non-executive Directors have any pecuniary relationship or transaction vis-à-vis the Company. Mr. Mahendra K. Khatau and Mrs. Asha M. Khatau are related to each other as husband and wife and Mrs. Asha M. Khatau and Mr. Manish M. Khatau are related to each other as mother and son.

The Non-executive Directors do not get any remuneration from the Company except the sitting fees as approved by the Board from time to time. All Independent Directors are experts in their respective fields and their services are beneficial to the Company.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee comprises of 3 Non-executive Directors, all of whom are Independent Directors.

The Stakeholders Relationship Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 20 and Part D (B) of Schedule II of the SEBI (LODR) Regulations.

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings attended
	Name	Category	
<ul style="list-style-type: none"> ➤ Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc. ➤ Review of measures taken for effective exercise of voting rights by shareholders. ➤ Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent. 	Mr. Bhalchandra Sontakke	Chairman (Non- executive Independent Director)	4
	Mr. Kailash Pershad	Member (Non- executive Independent Director)	4
	Mr. Rahul Singh	Member (Non- executive Independent Director)	4

No. of meetings held: Four meetings of Stakeholders Relationship Committee of the Board of Directors were held during the financial year ended 31st March, 2023.

Dates: 26th May 2022, 9th August, 2022, 11th November, 2022 and 9th February, 2023.

Mr. Bhalchandra Sontakke, the Chairman of the Committee was present at the 56th Annual General Meeting held on 29th September, 2022. The Company Secretary is the Secretary of the Stakeholders Relationship Committee.

E. Name, designation and address of Compliance Officer:

Mr. Rajesh D. Pisal (General Manager - Legal & Company Secretary)

Indokem Limited

Khatau House, Plot No. 410, Mogul Lane, Mahim (West), Mumbai - 400 016. Telephone: 91 22 6123 6711

Email: iklsecretarial@gmail.com

F. Details of investors complaints received during the year 2022-23 are as follows:

No. of complaints received at the beginning of the year	00
No. of complaints received during the year	03
No. of complaints resolved during the year	03
No. of complaints pending at the end of the year	00

All the complaints were duly resolved within stipulated time limits.

4. RISK MANAGEMENT COMMITTEE:

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings attended
	Name	Category	
The Risk Management Committee of the Board is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations, 2015. <ul style="list-style-type: none"> ➤ Frame implement and monitor the risk management plan for the Company. 	Mr. Mahendra K. Khatau	Chairman (Chairman & Managing Director)	-
	Mr. Manish M. Khatau	Member (Whole-time Director)	-
	Mrs. Asha M. Khatau	Member (Non-executive Director)	-

No. of meetings held: NIL (Formation of this Committee is not mandatorily applicable to the Company)

5. SHARE TRANSFER COMMITTEE:

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings attended
	Name	Category	
➤ The Committee looks into the issues relating to Shareholders, including transfer, transmission and transposition of shares, issue of duplicate share certificates and other related matters.	Mr. Mahendra K. Khatau	Chairman (Chairman & Managing Director)	-
➤ The Committee meets to approve the share transfers and transmissions from time to time in accordance with request received from our members with the help of our Registrar and Share Transfer Agent (RTA), Link Intime India Private Limited	Mr. Manish M. Khatau	Member (Whole-time Director)	-
	Mr. Bhalchandra Sontakke	Member (Non-executive Independent Director)	-

No. of meetings held: No meeting of Share Transfer Committee of the Board of Directors was held during the financial year ended 31st March, 2023

6. COMMITTEE OF BOARD OF DIRECTORS:

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings attended
	Name	Category	
The Committee of Board of Directors is constituted to look after such matters as may be delegated by the Board from time to time.	Mr. Mahendra K. Khatau	Chairman (Chairman & Managing Director)	7
	Mr. Manish M. Khatau	Member (Whole-time Director)	7
	Mrs. Asha M. Khatau	Member (Non-executive Director)	7

No. of meetings held: Seven meetings of Committee of the Directors were held during the financial year ended 31st March, 2023.

Dates: 19th May 2022, 5th July 2022, 26th September 2022, 17th November 2022, 24th January 2023, 24th February, 2023 and 17th March, 2023.

IV. GENERAL BODY MEETINGS:
A. Details of Annual General Meetings held during the preceding 3 years and Special Resolution passed thereat is given below:

56th Annual General Meeting
Date and Time: 29 th September, 2022 at 3:00 P.M.
Venue: Through Video Conferencing ("VC")/Other Audio Visual Means ("OVAM").
Details of Special Resolution passed: Nil
55th Annual General Meeting
Date and Time: 30 th September, 2021 at 3:00 P.M.
Venue: Through Video Conferencing ("VC")/Other Audio Visual Means ("OVAM").
Details of Special Resolution passed:
1. Resolution under Section 188 of Companies Act, 2013 for entering into related party transactions.

54th Annual General Meeting
Date and Time: 29 th September, 2020 at 3:00 P.M.
Venue: Through Video Conferencing ("VC")/Other Audio Visual Means ("OVAM").
Details of Special Resolution passed:
<ol style="list-style-type: none"> Resolution under Section 188 of Companies Act, 2013 for entering into related party transactions. Resolution for re-appointment of Mr. Manish M. Khatau, Whole Time Director of the Company for a period of 3 years under the provisions of Section 196, 197, 203 of the Companies Act, 2013 read with Schedule V to the Act.

B. Details of Extra Ordinary General Meetings or NCLT Convened Meeting held during the year and Special Resolution passed thereat is given below:

Meeting of Equity Shareholders as per the Directions of National Company Law Tribunal, Division Bench, Mumbai
Date and Time: 11 th October, 2022 at 10:30 A.M.
Venue: Through Video Conferencing ("VC")/Other Audio Visual Means ("OVAM").
Details of Special Resolution passed:
<ol style="list-style-type: none"> To consider and approve draft Scheme of Amalgamation of Refnol Resins and Chemicals Limited ('Refnol') with Indokem Limited ('Indokem') and their respective Shareholders.

C. Postal Ballot:

1. Resolutions passed through Postal Ballot:

There were no resolutions passed through postal ballot during the financial year ended 31st March, 2023.

2. Whether any special resolution is proposed to be conducted through postal ballot:

No special resolution is proposed to be conducted through postal ballot.

3. Procedure for postal ballot:

No special resolution is proposed through postal ballot; hence the details of procedure are not given.

D. E-voting facility:

E-voting facility was offered to all the members to enable them to cast their votes electronically, instead of dispatching the Ballot Form by post.

V. Policies

Indokem's policies equip its employees and stakeholders with clear principles and standards. These policies serve as a decision-making framework, ensuring consistency and fairness in operations. The clear and well-communicated policies help to develop a positive business culture. In order to ensure ethical and transparent conduct of operations, the Board has formulated and implemented well defined codes, policies, charters and practices across the organisation.

The Company has adopted following Statutory policies

- Company's Code of Conduct
- Code of Practices and Procedures for Fair Disclosure of UPSI.
- Policy on dealing with Related Party Transactions
- Policy for determining Materiality of Events
- Prevention of Insider Trading Rules, 2015
- Code of conduct for Board of Directors and Senior Management Personnel
- Details of establishment of Vigil Mechanism / Whistle Blower Policy
- Policy for Preservation of Documents

9. Code of Practices and Procedures for Fair Disclosure of UPSI
10. Policy on Nomination, Remuneration and Evaluation
11. Board Performance and Evaluation Policy
12. Policy on Prevention of Sexual Harassment at Workplace
13. Archival Policy for any Material Event / Information disclosed to the Stock Exchange

VI. DISCLOSURES:
1. Related Party Transactions:

- i. All transactions entered into with Related Parties as defined under Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations, as amended, during the year under review, were undertaken an arm's length price basis and in the ordinary course of business;
- ii. There were no materially significant transactions with related parties during the year under review which were in conflict with the interest of the Company at large; the Board has approved a policy for related party transactions which has been uploaded on the website of the Company
- iii. For related party transactions, refer Note No. 28 of Notes to Accounts annexed to the Financial Statements.

2. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three financial years-

The equity shares of the Company are listed with BSE Limited and the Company has complied with all the applicable regulations of capital markets. There were no instances of penalties, strictures imposed on the Company by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital markets during the last three years

3. Policy for determining 'material' subsidiaries:

The Company does not have any subsidiary during the financial year 2022-23. However, the Company has made investment in Indokem Bangladesh (Pvt.) (Ltd.), a foreign subsidiary of the Company which was incorporated on 30th April, 2023.

4. Vigil Mechanism (Whistle Blower Policy):

In accordance with Section 177 of the Act and Rules made thereunder, read with Regulation 22 of the Listing Regulations, the Board has adopted a 'Vigil Mechanism/Whistle Blower Policy' for Directors and Employees to report their genuine concerns and actual / potential violations, if any, to the designated official of the Company fearlessly.

The said Policy provides the type of concerns / violation to be reported, investigation procedure, protection and safeguards and other related matters and the same is available at <https://www.indokem.co.in/investors.php>

No personnel / employee of the Company has been denied access to the Audit Committee for reporting genuine concerns. During the year under review, 0 (zero) complaint was received under the Whistle Blower Policy.

5. Prevention of Insider Trading:

Details of Insider Trading policy is mentioned in Board's Report.

6. Certificates from Practising Company Secretaries

As required by Regulation 34(3) and Schedule V, Part E of the SEBI Listing Regulations, the certificate given by M/s. Ragini Chokshi & Co., Practising Company Secretaries, regarding compliance of conditions of the Company of corporate governance, is annexed to the Board's Report.

As required by Clause 10(i) of Part C under Schedule V of the SEBI Listing Regulations, the Company has received a certificate from M/s. Ragini Chokshi & Co., Practising Company Secretaries, certifying that none of our Directors have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI or MCA or such other statutory authority.

7. Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The disclosure regarding the complaints of sexual harassment are given in the Board's Report.

8. Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company, which is available at www.indokem.co.in.

All the Board Members and Senior Management Personnel have affirmed compliance with the Code for the Financial Year ended 31st March, 2023. A declaration to this effect signed by the Chairman and Managing Director is annexed to this Report.

9. Reconciliation of Share Capital Audit Report:

Reconciliation of Share Capital Audit Report in terms of SEBI Circular No. CIR/MRD/ DP/30/2010 dated 06.09.2010 and SEBI Directive no. D&CC/FITTC/ CIR-16/2002 dated 31.12.2002, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis and is also submitted to the Stock Exchanges where the shares of the Company are listed.

10. No funds were raised through preferential allotment or qualified institutions placements as specified under regulation 32 (7A) during the year under review.

11. Details of material subsidiaries of the Company, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries are as under:

Not Applicable as there were no material subsidiary of the as at the end of the financial year 31st March 2023.

12. Loans and Advances in which Directors are interested:

During the year under review the Company has not provided any loans and advances to any firms/companies in which Directors are interested.

13. Details of remuneration paid to the statutory auditors:

The details of total fees for all services paid by the Company to the statutory auditors are as follows:

Payment to Statutory Auditors and its Network Firms	31st March, 2023 (₹ in lakhs)
Audit and Limited Review Fee	6
Tax Audit	1
In other capacity - Other Services	1
Reimbursement of Expenses	-
Total	8

VII. Compliance with discretionary requirements:

All mandatory requirements of the SEBI Listing Regulations have been complied with by the Company. The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the SEBI Listing Regulations are as under:

i. The Board:

The Company presently has an Executive Chairman.

ii. Shareholder Rights:

The quarterly / half yearly and yearly financial results were published in one regional language (Marathi) newspaper and one English newspaper. These were not sent individually to the shareholders.

iii. Modified Opinion(s) in audit report:

The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company.

iv. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:

The Company has same person as Chairman and Managing Director.

v. Reporting of Internal Auditor:

Internal Auditors are invited to the meetings of the Audit Committee wherein they report directly to the Committee.

VIII. MEANS OF COMMUNICATION:

The quarterly, half yearly and annual financial results of the Company are sent out to the BSE Ltd. where the securities of the Company are listed, immediately after they are approved by the Board. The results are thereafter published in leading newspapers in India which includes Mumbai Lakshadeep (Marathi edition) and Business Standard (English Edition). The results are simultaneously posted on the website of the Company at www.indokem.co.in. The official news releases of the Company are displayed on the website of the Company and on the website of BSE Ltd.

The Company has designated email ID - iklsecretarial@gmail.com exclusively for investor servicing and the contact details with respect to Investor Grievance has been provided on the website of the Company at www.indokem.co.in. Management Discussion and Analysis Report is a part of the Company's Annual Report.

IX. GENERAL SHAREHOLDER INFORMATION:
1. Annual General Meeting for F. Y. 2022-23:

Date : 31st August, 2023

Time : 2:00 P.M.

Venue : The Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting through video-conferencing/other audio-visual means ('VC/OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Act and MCA Circulars, the AGM of the Company is being held through VC/OAVM. The deemed venue of the AGM shall be Khatau House Plot No. 410, Mogul Lane, Mahim West, Mumbai – 400 016.

For details, please refer to the Notice of this AGM.

2. Financial Calendar:

Financial Year	1 st April, 2022 to 31 st March, 2023
Date of AGM:	Thursday 31 st August, 2023
Date of Book Closure	Friday, 25 th August, 2023 to Thursday, 31 st August, 2023
Dividend payment Date	The Company has not declared any dividend during last three years.

3. Listing on Stock Exchanges:

The BSE Limited

P. J. Towers, Dalal Street, Mumbai – 400 001

Listing Fees as applicable have been paid.

4. Stock Code:

BSE Limited: 504092

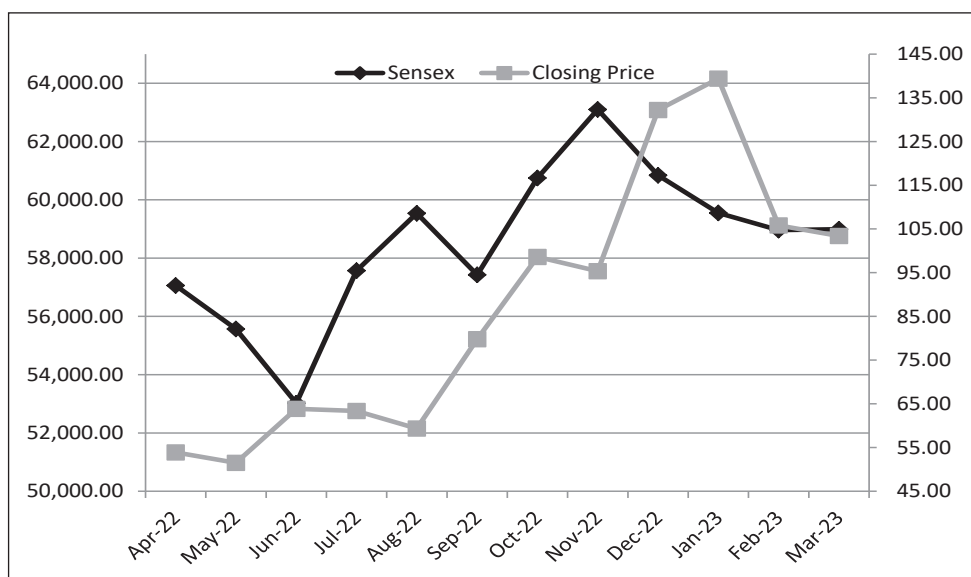
5. ISIN for Equity Shares:

INE716F01012

6. Market Price Data:

Month wise high / low prices during last year at BSE are as under:

Month	High (₹)	Low (₹)
April, 2022	62.40	46.20
May, 2022	59.65	45.10
June, 2022	72.50	50.80
July, 2022	68.95	59.00
August, 2022	68.45	57.10
September, 2022	98.45	59.05
October, 2022	108.00	80.00
November, 2022	106.00	89.20
December, 2022	153.75	83.95
January, 2023	155.90	111.00
February, 2023	144.50	100.70
March, 2023	120.90	83.10

7. Performance of the share price of the Company in comparison to the BSE Sensex:

8. Registrar and Share Transfer Agents:

Name and Address: Link Intime India Private Limited

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

Vikhroli (West), Mumbai – 400 083.

Telephone: 49186270.

Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

9. Address for acceptance of documents:

- i. All the communications relating to Share Transmission in physical form and other communication including share certificates and change of address etc. may be addressed to our Registrar and Share Transfer Agents at the address mentioned above.

- ii. Shareholders may also contact Compliance Officer of the Company, Indokem Limited, Khatau House, Plot No. 410, Mogul Lane, Mahim (West), Mumbai – 400 016.

10. Share Transfer System:

As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed entities can be transferred only in dematerialised form, with effect from 1st April, 2019 including in case of transmission or transposition of securities, w.e.f. 25th January, 2022. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. All share transfers and other share-related issues are processed by the RTA. Any Director of the Company or the Company Secretary is empowered to approve transfers.

Pursuant to SEBI circular dated January 25, 2022, securities of the Company shall be issued in dematerialised form only while processing service requests in relation to issue of duplicate securities certificate, renewal/ exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

11. Shareholding pattern as on 31st March, 2023:

Sr. No.	Category	No. of Shares held	(%) of Shareholding
1.	Promoters and Promoter group	1,72,53,011	70.93
2.	Mutual Funds, Banks / Financial Institutions and Insurance Cos.	53,775	0.22
3.	Body Corporate	1,22,360	0.50
4.	Indian Public / HUF	63,15,525	25.96
6.	Clearing Members	7,471	0.03
7.	NRIs / OCBs / Foreign Nationals	5,73,458	2.36
Total		2,43,25,600	100.00

12. Distribution of Shareholding as on 31st March, 2023:

Category (Shares)	No. of Shareholders	(%) of Shareholders	No. of Shares	(%) of Shares
Up to – 5,000	25128	99.47	4304676	17.70
5,001 – 10,000	62	0.25	424437	1.74
10,001 – 20,000	29	0.11	379335	1.56
20,001 – 30,000	10	0.04	243560	1.00
30,001 – 40,000	5	0.02	174748	0.72
40,001 – 50,000	3	0.01	128740	0.53
50,001 – 1,00,000	9	0.04	653831	2.69
100,001 and above	15	0.06	18016273	74.06
Total	25261	100.00	24325600	100.00

13. Dematerialization of Shares and Liquidity:

The Company has an arrangement with NSDL and CDSL for dematerialisation of shares with ISIN INE482A01020. As on 31st March, 2023, 87.69% of equity share capital corresponding to equity shares were held in dematerialised form.

In accordance with the proviso to Regulation 40(1) of SEBI Listing Regulations transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a Depository. However, investors are not barred from holding shares in physical form.

The shares of the Company are traded on BSE Limited.

14. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion dates and likely impact on equity: Nil

15. The Company has complied with all the requirements of Corporate Governance Report as stated under sub-paras (2) to (10) of section (C) of Schedule V to the Listing Regulations.

16. The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), applicable with regard to corporate governance.

17. Disclosure with respect to demat suspense account/ unclaimed Suspense Account: N. A.

18. Furnishing of KYC by Physical Shareholders

Considering the ease of doing business for Investors in the securities market, the Securities and Exchange Board of India vide its circulars dated 3rd November, 2021 and 16th March, 2023 mandated Investors holding securities of listed companies in physical mode to furnish PAN and Nomination (the "KYC") in the prescribed form in addition to furnishing the Bank Account and contact details of such shareholders. The shareholders holding shares in physical form are requested to refer to the communication sent by the Company earlier for detailed instructions in this regard and provide the KYC and other details to the Company's Registrar and Share Transfer Agent.

Failure to furnish KYC and other details would result in freezing of folios effective 1st October, 2023. The frozen folios shall be eligible for payment of dividend electronically only upon furnishing the KYC and other details. As per aforesaid Circulars, the folios which are frozen till 31st December, 2025, are required to be referred by RTA / Listed Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

In view of the above, the shareholders holding shares in physical form are requested to furnish the KYC and other details and also dematerialize their holdings at the earliest. The relevant circulars and the forms to be furnished for updating KYC and other details are available on the website of the Company at www.indokem.co.in and the shareholders may also approach the compliance officer at the registered office of the Company.

19. Issue of shares in demat mode

The Securities and Exchange Board of India, vide its circular dated 25th January, 2022, considering the enhanced measures to ease dealings in securities market by the Investors, has mandated listed companies to issue shares in dematerialized form only, when such shares are required to be issued pursuant to the following requests:

- i. While processing issue of duplicate securities certificate;
- ii. Claim from Unclaimed Suspense Account;
- iii. Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates / folios; and
- iv. Transmission and Transposition are received from the Members of the Company holding shares in physical form.

The prescribed process for dealing with the above requests has been advised to the shareholders holding shares in physical form vide our separate communication on this. The shareholders holding shares in physical form are requested to refer to the same. In terms of the circular, the Registrar and Share Transfer Agents are required to issue a letter of confirmation upon processing of investor requests in lieu of physical share certificates and the same is required to be dematerialized by the shareholder or claimant within 120 days of the issue of letter of confirmation. In case the shareholders or claimant fails to submit a demat request within the aforesaid 120 days, the shares would be credited to a Suspense Escrow Demat Account opened by the Company. The Company shall issue shares from Suspense Escrow Demat Account as and when the shareholder or claimant approaches the Company.

20. List of all Credit ratings obtained by the Company: No Credit Ratings obtained during Financial Year 2022-23.

21. Address for Correspondence:
Indokem Limited

Khatau House, Plot No. 410, Mogul Lane,
Mahim (West), Mumbai – 400 016.

Telephone: 6123 6767

Designated e-mail address for Investor Services: iklsecretarial@gmail.com

Website: www.indokem.co.in

22. Plant Locations:

- i. Company Owned Plant - Plot No. 66, Chikhlori MIDC, Ambarnath, Dist. Thane, Maharashtra – 421 505.
- ii. Rented Plant - Plot No. 112, Chikhlori MIDC, Ambarnath, Dist. Thane, Maharashtra – 421 505.
- iii. Rented Plant - Plot No. 125, Chikhlori MIDC, Ambarnath, Dist. Thane, Maharashtra – 421 505.
- iv. Rented Plant - Plot No. 128, Chikhlori MIDC, Ambarnath, Dist. Thane, Maharashtra – 421 505.
- v. Company Owned Godown - Survey No. 81/2, Hissa No.2B, at Village Dahisar Mori, Taluka and District Thane, Maharashtra - 421 204.
- vi. Rented Godown - Plot No. 123, Chikhlori MIDC, Ambarnath, Dist. Thane, Maharashtra – 421 505.
- vii. Rented Plant/Godown - Survey No. 292, at Narol-Bareja Road, Opp. Shahwadi Bus Stand, N.H. No. 8, Narol, Ahmedabad, Gujarat – 382 405.
- viii. Rented Plant - 1 / 4 I, Palladam Road, Thanneer Pandhal, Pappampatti, Sulur Taluk, Pappampatti, Coimbatore, Tamil Nadu – 641 016.

23. Disclosure of commodity price risk or foreign exchange risk and hedging activities:

The Company is working on to manage its risks associated with commodity imports from international markets as well as local market. The objective of this is to ensure protection from risk arising out of adverse and volatile movement in commodity prices by proper monitoring of the exposures and taking timely actions to keep risks to acceptable levels.

The volatility and significant increases in raw material prices in recent years, has already had, and could in the future, have a material adverse effect on the Company's results of operations and financial condition. While the Company is trying to take certain commercial and technical measures to reduce the impact of this adverse development including increasing or changing the commercial terms of the sales of finished products, but there can be no assurance that such measures will be successful.

Further, the Company has a dedicated Procurement team with strong understanding of chemical raw material markets. This team works closely with suppliers and the Company's operations team to plan and source its raw material supplies through reliable and lowest cost supply chain.

Volatility in raw material prices significantly impacts the input costs of manufacturing and therefore, profitability. Dependence on global supply chains as well as geo-political events requires close tracking of potential risks. The Company being a sizable user of commodities, exposes it to the price risk on account of procurement of commodities. However, there are no hedging instruments suitable to the company to specifically mitigate the aforesaid risk. In respect of foreign exchange risk, the Company proposes to use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to its commitments.

For and on behalf of the Board

Sd/-

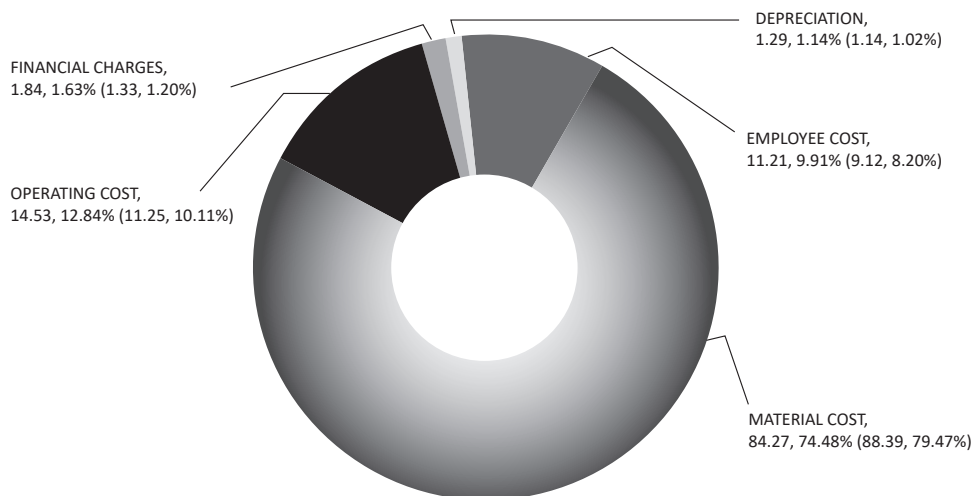
Mr. Mahendra K. Khatau
Chairman & Managing Director
DIN: 00062794

Place: Mumbai

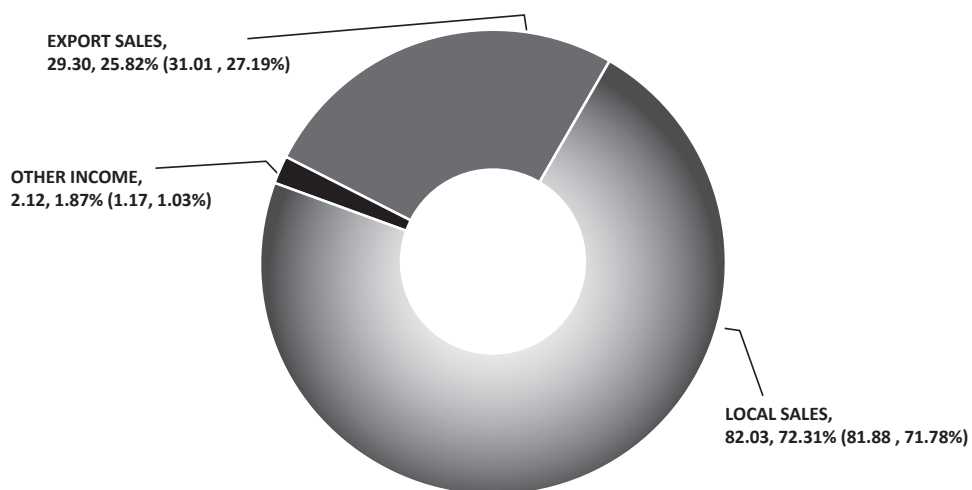
Date: 25th July, 2023

FINANCIAL HIGHLIGHTS F. Y. - 2022-23

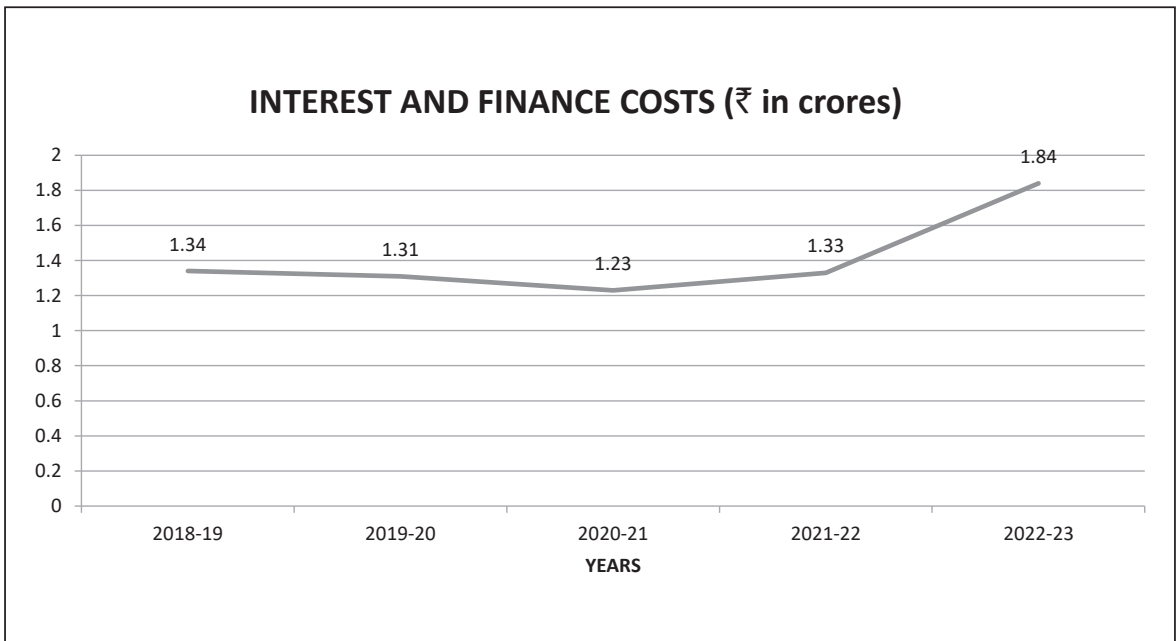
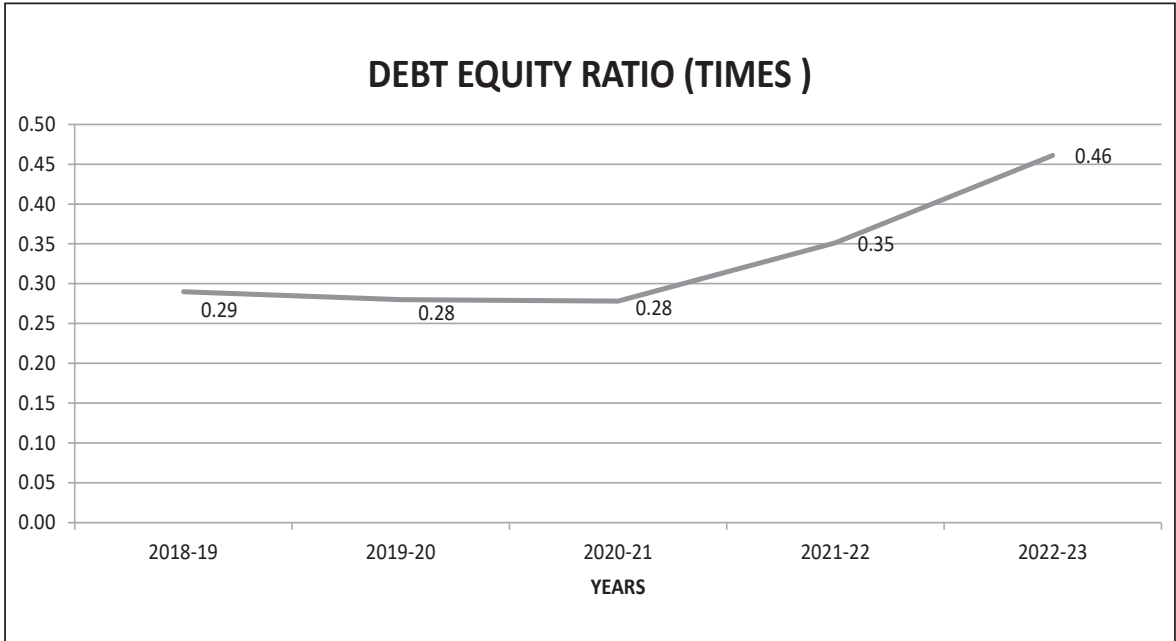
DISTRIBUTION OF REVENUE (₹ in crores)
(Previous year's values in brackets)



SOURCES OF REVENUE (₹ in crores)
(Previous year's values in brackets)



FINANCIAL HIGHLIGHTS F. Y. - 2022-23



ANNEXURE D
DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

The Company has adopted the Code of Conduct for directors and senior management. The Code has been circulated to all the members of the Board and senior management and the same has been posted on the Company's website. The Board members and senior management have affirmed their compliance with the Code and a declaration signed by the Chairman and Managing Director of the Company is given below:

"It is hereby declared that the Company has obtained from all members of the Board and senior management personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management of the Company for the year 2022-23."

Sd/-
Mahendra K. Khatau
Chairman and Managing Director
DIN: 00062794
Place: Mumbai
Date: 22nd May, 2023
CERTIFICATION BY CHAIRMAN AND MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD

To,

The Members of Indokem Limited,

We hereby certify that:

1. We have reviewed Financial Statements and the Cash Flow Statement for the Financial year ended 31st March, 2023 and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. 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.
2. 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 in violation of the Company's Code of Conduct.
3. 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.
4. We have indicated to the Auditors and the Audit Committee:
 - a. Significant changes in internal control over financial reporting during the year;
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Mahendra K. Khatau
Chairman and Managing Director
DIN: 00062794
Sd/-
Rupal B. Parikh
Chief Financial Officer
Place: Mumbai
Date: 22nd May, 2023

ANNEXURE E**CERTIFICATE ON CORPORATE GOVERNANCE**

**Certificate on compliance with the conditions of Corporate Governance under
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,

The Members,

INDOKEM LIMITED

Khatau House, Mogul Lane, Mahim, Mumbai 400016

We have examined the compliance of the conditions of Corporate Governance by **INDOKEM LIMITED** ('the Company') **CIN: L31300MH1964PLC013088** the financial year ended March 31, 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination, as carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Company Secretaries of India (the "ICSI"), 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 Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Paragraphs C and D of Schedule V to the SEBI Listing Regulations for the year ended March 31, 2023.

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

**For Ragini Chokshi & Co
(Company Secretaries)**

Sd/-

**Makarand Patwardhan
(Partner)**

C .P. No.: 9031

ACS: 11872

UDIN: A011872E000668836

PR Certificate no.: 689/2020

Place: Mumbai

Date: 24/07/2023

ANNEXURE F
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 of
INDOKEM LIMITED**

Khatau House, Mogul Lane, Mahim, Mumbai 400016

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of INDOKEM LIMITED having CIN: L31300MH1964PLC013088 and having registered office at Khatau House, Mogul Lane, Mahim, Mumbai 400016 (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 my/our opinion and to the best of my/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 me / us by the Company & its officers.

I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mahendra Kishore Khatau	00062794	01/04/2010
2.	Asha Mahendra Khatau	00063944	30/10/2009
3.	Kailash Pershad	00503603	31/10/2006
4.	Bhalchandra Gopinath Sontakke	01225753	30/10/2009
5.	Manish Mahendra Khatau	02952828	11/02/2016
6.	Rahul Singh	07477748	25/08/2020

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

**For Ragini Chokshi & Co
(Company Secretaries)**

Sd/-

**Makarand Patwardhan
(Partner)**

C .P. No.: 9031

ACS: 11872

UDIN: A011872E000668935

PR Certificate no.: 689/2020

Place: Mumbai

Date: 24/07/2023

ANNEXURE G
SECRETARIAL AUDIT REPORT
FORM NO MR-3
For the Period 01-04-2022 TO 31-03-2023
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members
INDOKEM LIMITED

Khatau House, Mogul Lane, Mahim, Mumbai, 400016.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INDOKEM LIMITED (CIN: L31300MH1964PLC013088)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering April 01, 2022 to March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period **April 01, 2022 to March 31, 2023** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;(to the extent applicable)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(not applicable to the company during the period under review)**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021; **(not applicable to the company during the period under review)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;**(not applicable to the company during the period under review)**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(not applicable to the company during the period under review)**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(not applicable to the company during the period under review)**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(not applicable to the company during the period under review)**
 - i) Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018; **(to the extent applicable)**

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:

1. Factories Act, 1948;
2. Industries (Development & Regulation) Act, 1951
3. Labour Laws and other incidental laws
4. Environment Protection Act, 1986 and other Environmental Laws
5. Hazardous Wastes (Management and Handling) Rules, 1980 and Amendment Rule, 2003
6. The Legal Metrology Act, 2009
7. Other local laws as applicable to various plants and offices

Based on the Compliance Certificates obtained by the Company from the various functional heads and Factory Managers, we relied on the Compliances of the above-mentioned statutes.

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

- a) Secretarial Standards i.e. SS-1 & SS-2 issued by The Institute of Company Secretaries of India.
- b) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with Stock Exchanges.

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

We further report that

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

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

All decisions of the Board and Committee meeting were carried with requisite majority.

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.

The Compliance by the company of applicable Financial Laws like Direct & Indirect Tax Laws, Goods and Service Tax has not been reviewed in the audit since the same has been subject to the review by the statutory financial audit and other designated professionals.

We further report that during the audit period, the company had no specific events or actions which might have a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For Ragini Chokshi & Co
(Company Secretaries)**

**Sd/-
Makarand Patwardhan
(Partner)**

C .P. No.: 9031

ACS: 11872

UDIN: A011872E000667648

PR Certificate no.: 689/2020

Place: Mumbai

Date: 24/07/2023

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
Indokem Limited
Khatau House Mogul Lane Mahim, Mumbai 400016.

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

1. The maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision 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 Ragini Chokshi & Co
(Company Secretaries)

Sd/-
Makarand Patwardhan
(Partner)
C .P. No.: 9031
ACS: 11872
UDIN: A011872E000667648
PR Certificate no.: 689/2020

Place: Mumbai
Date: 24/07/2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Indokem Limited

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 31 of the financial statements regarding Revised Scheme of Amalgamation. The board of directors had at their meeting held on 15th January, 2022 inter alia approved Revised Scheme of Amalgamation between Indokem Limited and Refnol Resins and Chemicals Limited w.e.f. the Appointed Date i.e. 1st April, 2021. The Scheme is subject to necessary approvals from regulatory authorities. Pending such approvals, no effect of the above mentioned scheme has been given in financial statements for the year ended 31st March, 2023.

Our Opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information other than the Financial Statement and Auditor's Report thereon

The Company's Board of Directors is responsible for preparation the other information. The other information comprises the information included in the Management discussion and analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's information, but does not include the financial statements and our auditor's report thereon. The Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's Information are expected to be made available to us after the date of this auditor's report. Any material misstatement pertaining to it, will be reported thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (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; and

- (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 Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 22 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2023.

- iv. i. The Management has represented that , to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- ii. The Management has represented that , to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- iii. Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- v. There is no dividend declared or paid during the year by the Company and hence provisions of section 123 of the companies Act, 2013 are not applicable.
- vi. As the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable for the year under audit.

For C N K & Associates LLP
 Chartered Accountants
 Firm Registration No.:101961W / W-100036
 Sd / -
Pareen Shah
 Partner
 Membership No. 125011

Place : Mumbai
 Date : 22nd May 2023
 UDIN: 23125011BGTMIU3840

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

((Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of the company 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:

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of the property, plant and equipment;
- (B) The Company has maintained proper records showing full particulars of Intangible Assets;
- (b) The company has a phased programme of physical verification of its Property, plant and equipments so as to cover all assets once in two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. In accordance with this programme, certain Property, plant and equipments were verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification;

- (c) Based on our verification of the documents provided to us and according to the information and explanations given by the Management, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements, are held in the name of the Company as at the Balance Sheet date except following:

(₹ In lakhs)

SN	Description of item of property	Gross carrying value as on 31.03.23	Title deeds held in the name of	Whether promoter, director or their relative or employee	Property held since which date	Reason for not being held in the name of the company
1	Buildings (Delhi)	133.60	M/s Ramakem Limited	Amalgamated Company	01/10/1994	The Company became the owners of the premises by virtue of Scheme of Amalgamation of M/s. Manish Dyes Products Private Limited and M/s. Ramakem Limited, with the Company. However, pending completion of the relevant registration formalities, the immovable properties continue to be in the name of the erstwhile amalgamated company.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;
- (e) The Company does not have any proceedings initiated or pending for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Hence the requirements under paragraph 3(i)(e) of the Companies (Auditor's Report) Order, 2020 ("the Order") are not applicable to the Company;
- (ii) (a) In our opinion and according to information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals with appropriate coverage and procedures of such verification by the management and no discrepancies were noticed on physical verification of 10% or more in aggregate for each class of inventory;
- (b) The Company has working capital limits sanctioned from banks or financial institutions exceeding Rs. 5 crores during the year and as represented by the management and as per the documents made available to us, the Company is not required to file quarterly returns / statements during the year for the above working capital limits sanctioned from banks or financial institutions.
- (iii) The Company has made investments in companies which prima facie, are not prejudicial to the Company's interest and the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence the requirements under paragraph 3(iii) (a), (c) (d) (e),(f) of the Companies (Auditor's Report) Order, 2020 ("the Order") are not applicable to the Company;
- (iv) The Company has complied with the provisions of sections 185 and 186 of the Companies Act 2013 in respect of loans granted, investment made, and guarantee and securities provided, as applicable;
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, therefore, the provisions of paragraph 3(v) of the Order are not applicable to the Company;
- (vi) We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained by the company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;
- (vii) (a) In our opinion, the company is generally regular in depositing undisputed statutory dues including Goods and Service tax, provident fund, employee state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues as applicable to the appropriate authorities;

There were no undisputed amounts payable with respect to above statutory dues in arrears as at March 31, 2023 for a period of six months from the date they became payable;

- (b) The particulars of statutory dues as at March 31, 2023 which have not been deposited on account of a dispute are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	11.92	2007 - 2008	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2.09	2006 - 2007	Commissioner of Income Tax (Appeals)
The Employees Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund Ankleshwar	61.37	March 1997 to August 2007	Central Government Industrial Tribunal - Ahmedabad
The Employees Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund Ankleshwar	3.30	March 2007 to July 2011	Central Government Industrial Tribunal - Ahmedabad
The Employees Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund Mumbai	6.53	August 2012 to November 2012	Central Government Industrial Tribunal - Mumbai
The Employees Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund Mumbai	8.52	April 2010 to March 2012	Central Government Industrial Tribunal - Mumbai
The Employees Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund Mumbai	9.69	April 2010 to March 2012	Central Government Industrial Tribunal - Mumbai
The Employees Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund Mumbai	3.78	December 2012 to March 2013	Central Government Industrial Tribunal - Mumbai

Note: - Net off amounts paid under protest

- (viii) There were no transactions which were not recorded in the books of account, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;
- (b) The Company is not declared as wilful defaulter by any bank or financial institution or other lender;
- (c) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;
- (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) According to the information and explanations given to us, and the records examined by us, the company has no subsidiaries, associates or joint ventures. Accordingly, reporting under the clause 3 (ix) (e) and (f) is not applicable;
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;

- (xi) (a) No fraud by the Company and no material fraud on the company has been noticed or reported during the year;
- (b) According to the information and explanations given to us, no report under sub - section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us, and based on our examination of the records, Company has not received any whistle blower complaints during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable;
- (xiii) In our opinion, all the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards;
- (xiv) (a) In our opinion and the records examined by us, the company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures;
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and the provisions of section 192 of the Companies Act, 2013 are not applicable;
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion and as presented by management 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;
- (xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year;
- (xviii) There has been no resignation of the statutory auditors during the year;
- (xix) Based on our examination of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;
- (xx) The Company is not required to spend any amount on CSR activities during the current year Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year;
- (xxi) The Company has no subsidiary, associates or joint venture and the company is not required to prepare Consolidated Financial Statements as per the section 129 of the Companies Act. Accordingly reporting under clause 3(xxi) is not applicable to the Company.

For **C N K & Associates LLP**

Chartered Accountants

Firm Registration No.:101961W / W-100036

Sd/-

Pareen Shah

Partner

Membership No. 125011

Place : Mumbai
Date : 22nd May 2023
UDIN: 23125011BGTMIU3840

Annexure B to the Independent Auditor's Report

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 INDOKEM LIMITED ("the Company") as of 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of internal financial controls with reference to financial statements of the company 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 on Audit of Internal Financial Controls over Financial Reporting (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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about internal financial controls with reference to financial statements of the company were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an internal financial controls system with reference to financial statements of the company and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.:101961W / W-100036

Sd / -

Parveen Shah

Partner

Membership No. 125011

Place : Mumbai
Date : 22nd May 2023
UDIN: 23125011BGTMU3840

BALANCE SHEET AS AT MARCH 31, 2023
₹ in lakhs

	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current Assets			
Property, plant and equipment	3(a)	27,52	25,69
Capital work-in-progress	3(b)	13	88
Goodwill	4	71	71
Intangible assets	4	3	7
Financial assets			
Investments	5(a)	1	1
Other financial assets	5(c)	47	43
Income tax assets (net)	6	18	20
Other non-current assets	7	2,18	2,10
Total Non-current Assets		31,23	30,09
Current Assets			
Inventories	8	14,18	13,49
Financial assets			
Trade receivables	5(d)	32,20	28,50
Cash and cash equivalents	5(e)	29	56
Bank balance other than cash and cash equivalents	5(f)	1	2
Loans	5(b)	-	1
Other financial assets	5(c)	38	71
Income tax assets (net)	6	3	4
Other current assets	7	1,92	1,34
Total Current Assets		49,01	44,67
Total Assets		80,24	74,76
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9(a)	24,33	24,33
Other equity	9(b)	10,79	10,49
Total Equity		35,12	34,82
LIABILITIES			
Non-current Liabilities			
Financial liabilities			
Borrowings	10(a)	12,23	9,18
Other financial liabilities	10(c)	2,50	2,35
Provisions	11	1,47	1,47
Total Non-current Liabilities		16,20	13,00
Current Liabilities			
Financial liabilities			
Borrowings	10(b)	3,86	3,05
Trade payables	10(d)		
(i) Total outstanding dues of Micro and Small Enterprises		62	-
(ii) Total outstanding dues of Creditors other than Micro and Small Enterprises		20,83	20,31
Other financial liabilities	10(c)	18	6
Provisions	11	75	61
Other current liabilities	12	2,68	2,91
Total Current Liabilities		28,92	26,94
Total Liabilities		45,12	39,94
Total Equity and Liabilities		80,24	74,76

See accompanying notes 1 to 35 forming part of the Ind AS financial statements

As per our attached report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W / W - 100036

Pareen Shah

Partner

Membership No.: 125011

Place : Mumbai
Date: May 22, 2023
For and on Behalf of the Board of Directors
Mahendra K. Khatau

Chairman & Managing Director

DIN : 00062794

Rupal B. Parikh

Chief Financial Officer

Manish M. Khatau

Director

DIN : 02952828

Rajesh D. Pisal

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023
₹ in lakhs

	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
CONTINUING OPERATIONS			
Income			
Revenue from operations	13	1,11,86	1,13,56
Other income	14	1,59	50
Total Income		1,13,45	1,14,06
Expenses			
Cost of materials consumed	15	77,39	78,77
Purchase of stock in trade		7,30	9,37
Changes in inventories of finished goods and work-in-process and Stock in trade	16	(42)	25
Employee benefits expenses	17	11,21	9,12
Finance cost	18	1,84	1,33
Depreciation / amortisation	3 & 4	1,29	1,14
Other expenses	19	14,53	11,25
Total Expenses		1,13,14	1,11,23
Profit / (loss) before tax		31	2,83
Current tax	20	-	-
Excess / short Provision for previous years		.*	-
Profit / (loss) after tax		31	2,83
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit and loss account</i>			
Remeasurement of post employment benefit obligation		(1)	7
Total other comprehensive income / (loss)		(1)	7
Total comprehensive income / (loss) for the year		30	2,90
Earnings per equity share (Face value of ₹ 10 each) :			
Basic and diluted earnings per share (in ₹)	21	0.13	1.16

See accompanying notes 1 to 35 forming part of the Ind AS financial statements

* Amount is below rounding off limits followed by the Company's norms

As per our attached report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W / W - 100036

For and on Behalf of the Board of Directors
Pareen Shah

Partner

Membership No.: 125011

Mahendra K. Khatau

Chairman & Managing Director

DIN : 00062794

Manish M. Khatau

Director

DIN : 02952828

Place : Mumbai
Date: May 22, 2023
Rupal B. Parikh

Chief Financial Officer

Rajesh D. Pisal

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023
A. Equity Share Capital

₹ in lakhs

Balance as at 1 st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 st April, 2022	Changes in equity share capital during the year	Balance as at 31 st March, 2023
24,33	-	24,33	-	24,33

Balance as at 1 st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 st April, 2021	Changes in equity share capital during the year	Balance as at 31 st March, 2022
24,33	-	24,33	-	24,33

B. Other Equity

₹ in lakhs

Particulars	Reserves and surplus				Total Equity
	Capital Reserve	General Reserve	Securities Premium Reserve	Retained Earnings	
Balance as at 1 st April, 2022	10,23	4,61	6,48	(10,82)	10,49
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 1 st April, 2022	10,23	4,61	6,48	(10,82)	10,49
Total Comprehensive Income for the year	-	-	-	30	30
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Balance as at 31st March, 2023	10,23	4,61	6,48	(10,53)	10,78

₹ in lakhs

Particulars	Reserves and surplus				Total Equity
	Capital Reserve	General Reserve	Securities Premium Reserve	Retained Earnings	
Balance as at 1 st April, 2021	10,23	4,61	6,48	(13,72)	7,59
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 1 st April, 2021	10,23	4,61	6,48	(13,72)	7,59
Total Comprehensive Income for the current year	-	-	-	2,90	2,90
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Balance as at 31 st March, 2022	10,23	4,61	6,48	(10,82)	10,49

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W / W - 100036

For and on Behalf of the Board of Directors
Pareen Shah

Partner

Membership No.: 125011

Mahendra K. Khatau

Chairman & Managing Director

DIN : 00062794

Manish M. Khatau

Director

DIN : 02952828

Place : Mumbai
Date: May 22, 2023
Rupal B. Parikh

Chief Financial Officer

Rajesh D. Pisal

Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

₹ in lakhs

	Year ended March 31, 2023	Year ended March 31, 2022
I. CASH FLOW FROM CONTINUING OPERATIONS		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	31	2,83
Adjustments for :		
Depreciation	1,29	1,14
Finance costs	1,84	1,33
Interest income	(1)	(1)
Allowances for credit losses	-*	30
Bad debts written off	-*	9
(Gain) / loss on sale / scrapping of asset	-	1
Profit on sale of current and non-current investments (net)	-*	-*
Sundry balances written back (Net)	(35)	(7)
Sundry balances written off	9	-
Gain/loss on forward contract	-	-*
Adjustment on account of OCI	(1)	7
Operating profit before working capital changes	3,16	5,69
Changes in working capital:		
(Increase) / decrease in inventories	(69)	(3,51)
(Increase) / decrease in trade receivables	(3,80)	(6,08)
(Increase) / decrease in loans and advances	1	-
(Increase) / decrease in other financial assets	29	50
(Increase) / decrease in other assets	(63)	(19)
Increase / (decrease) in trade payables	1,14	2,45
Increase / (decrease) in other financial liabilities	16	9
Increase / (decrease) in other liabilities	13	49
Increase / (decrease) in employee benefit obligations	14	21
Cash generated from operations	(9)	(35)
Income taxes refunded/ (paid), net	-*	(4)
Net cash (used in) / generated from operating activities	(9)	(39)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Expenditure on property, plant and equipment and capital advances	(2,32)	(1,30)
Proceeds from sale of non-current investments	-	-*
Purchase of current investments	-	-*
Sale of current investments	-	-*
Redemption / (investments in fixed deposits)	1	1
Interest received	1	1
Net cash (used in) / generated from investing activities	(2,30)	(1,28)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

₹ in lakhs

	Year ended March 31, 2023	Year ended March 31, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from loans taken from banks and financial institutions	52,41	4,97
Repayment of loans taken from banks and financial institutions	(48,50)	(4,31)
Unsecured loans taken from directors	7	3,35
Unsecured loans repaid to directors	(11)	(1,28)
Loan taken from company	(2)	64
Repayment of loans to company	-	(50)
Finance costs paid	(1,73)	(1,33)
Net cash (used in) / generated from financing activities	2,12	1,54
NET CASH (USED IN) / GENERATED FROM CONTINUING OPERATIONS	(27)	(13)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(27)	(13)
Cash and cash equivalents at the beginning of the year	56	69
Cash and cash equivalents at the end of the year (refer note 5(e))	29	56

* Amount is below the rounding off limits followed by the Company's norms.

See accompanying notes 1 to 35 forming part of the Ind As financial statements.

As per our attached report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W / W - 100036

For and on Behalf of the Board of Directors

Pareen Shah

Partner

Membership No.: 125011

Mahendra K. Khatau

Chairman & Managing Director

DIN : 00062794

Manish M. Khatau

Director

DIN : 02952828

Place : Mumbai

Date: May 22, 2023

Rupal B. Parikh

Chief Financial Officer

Rajesh D. Pisal

Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Note 1 : Corporate Information

Indokem Limited (referred to as “the Company”) manufactures and deals in dyes, sizing chemicals and auxiliaries in textile industry. The Company also deals in electrical capacitors. It has its head office in Mahim, Mumbai and branch offices at Ahmedabad, Delhi and Coimbatore. Its manufacturing facilities are located at Dahisar Mori and Ambarnath near Mumbai and warehousing facilities are located at Dahisar Mori, Ambarnath near Mumbai, Narol-Ahmedabad and Coimbatore locations. The Company is incorporated and domiciled in India and is listed on the Bombay Stock Exchange in India.

The financial statements for the year ended March 31, 2023 were approved for issue in accordance with the resolution of the Board of Directors in its meeting held on May 22, 2023.

Note 2 : Significant Accounting Policies
a) Statement of compliance:

These financial statements are prepared in accordance with the Indian Accounting Standard (referred to as “Ind AS”) notified under Section 133 of Companies Act, 2013 read with 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.

b) Basis of preparation and presentation:
1) Basis of preparation:

These financial statements have been prepared in accordance with historical cost basis except for the following assets and liabilities :

- i) Certain financial assets and liabilities are measured at fair value;
- ii) Assets held for sale are measured at the lower of carrying value and fair value less costs to sell; and
- iii) Defined benefit plans where plan assets are measured at fair value.

2) Functional and presentation currency:

The Company’s presentation and functional currency is in Indian rupees. All amounts in these financial statements, except per share value and unless stated otherwise, have been rounded off and presented in lakhs.

3) Classification of assets and liabilities into current / non-current:

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. All the assets and liabilities have been classified as current / non-current as per the Company’s normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current .

c) Use of estimates:

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances.

Differences between actual results and estimates are recognised in the period in which the results are known / materialised. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Critical estimates and judgements :

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
The areas involving critical estimates or judgement are :

- Estimation of defined benefit obligation - Refer Note 24
- Estimation of current tax expenses - Refer Note 20
- Useful lives of property, plant and equipment - Refer Note 2(g)
- Fair valuation of financial and non-financial assets - Refer Note 23

d) Principles of business combination:

The acquisition method of accounting under Ind AS 103 is used to account for business combinations by the Company from the date of transition to Ind AS i.e. April 1, 2016. Prior to the date of transition to Ind AS, business acquisition has been accounted based on previous GAAP.

e) Property, plant and equipment (“PPE”):

The initial cost of an item of PPE comprises its purchase price net of any trade discounts and rebates and includes import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any other directly attributable expenditure incurred in making the asset ready for its intended use, including interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Material items such as spare parts, stand-by-equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16- property, plant and equipment.

An item of property, plant and 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 de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of Profit and Loss when the asset is derecognised.

f) Capital work in progress:

Capital work in progress is stated at cost, net of impairment losses, if any.

g) Depreciation:

The Company provides depreciation as per the useful life of PPE as per Schedule II to the Companies Act, 2013.

Depreciation is provided on Straight Line Method on all PPE at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013, except in the case of following assets:

Nature of asset	Useful life
Leasehold Land and Building	Lease term
Temporary shed	Remaining lease term

Assets costing less than ₹ 5,000/- are fully depreciated in the year of capitalisation. Depreciation on additions / deductions to PPE made during the year is provided on pro-rata basis from / upto the date of such additions / deductions, as the case may be.

h) Intangible assets:

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

Nature of asset	Useful life
Computer software	3 years

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
i) Borrowing costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. 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.

j) Assets held for sale:

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for sale in its present condition subject only to terms that are usual and customary for sale of such assets. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment classified as held for sale are not depreciated.

k) Leases:

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

l) Impairment of non-financial asset:

Non-financial assets other than inventories and non-current assets held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is higher of the asset's or cash generating unit's (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of 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.

m) Inventories:

- 1) Inventories are valued as follows:

Raw materials and packing materials are valued at lower of cost and net realisable value (NRV). Cost is determined on FIFO basis. The cost of inventory comprises of its purchase price, including non-refundable purchase taxes, and any directly attributable costs related to the inventories.

- 2) Work-in-process is valued at lower of cost and net realisable value. Cost of finished goods and WIP includes cost of raw materials, direct labour, other direct costs and related production overheads upto the relevant stage of production. Cost of inventories is computed on FIFO basis.
- 3) Stock in trade is valued at cost or net realisable value whichever is lower.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
n) Foreign currency transactions:

The transactions in currencies other than the Company's functional currency are translated at the rates of exchange prevailing at the dates of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the year end exchange rates. Foreign exchange gains and losses arising from such translation are recognised in the statement of profit and loss.

Foreign exchange differences regarded as adjustments to borrowing costs are presented in the statement of profit and loss, within finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains / losses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rate as on the date of initial recognition.

Effective April 1, 2018, the Company has adopted Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

o) Revenue recognition:

The Company derives revenues primarily from sale of manufactured goods, traded goods.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of products are recognised at a time on which the performance obligation is satisfied.

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

Interest income is recognised on time proportion basis taking into account the amount outstanding on effective interest rate.

Insurance claims are accounted on accrual basis when the claims become receivable.

Recoveries from group Companies and third parties include recoveries towards common facilities / resources and other support provided to such parties which is recognised as per terms of agreement and in the year in which such services are rendered.

p) Income taxes:

Current tax is the amount of tax payable on taxable income for the year determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

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

Deferred income tax is recognised on differences between the carrying amount of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all deductible temporary differences and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and deferred tax liabilities are measured at applicable tax rates and offset and presented as net.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

q) Fair value measurement:

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

- 1) In the principal market for the asset or liability; or
- 2) In the absence of a principal market, in the most advantageous market which can be accessed by the Company for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i) Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- ii) Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- iii) 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 reassessing 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.

r) Financial assets:
Initial recognition and measurement:

Financial assets are recognised and measured in accordance with Ind AS 109 on financial instruments. Accordingly, the Company recognises financial asset only when it has a contractual right to receive cash or other financial assets from another entity.

Financial assets are initially recognised at fair value plus transaction costs directly attributable to its acquisition. The transaction costs incurred for the purchase of financial assets held at fair value through profit or loss are expensed in the statement of profit and loss immediately.

Subsequent measurement:

Subsequent to initial recognition, financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVPL). The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
1) Debt instruments:

There are three measurement categories into which the Company classifies its debt instruments:

At amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are accounted for at amortised cost using the effective interest method. This category comprises trade accounts receivable, loans, cash and cash equivalents, bank balances and other financial assets. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). The movements in carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss and recognised in other gains / (losses). Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through profit or loss (FVPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in the statement of profit and loss and presented within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

2) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the profit or loss.

Derecognition:

A financial asset is primarily derecognised when:

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

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVPL) are recognised in the statement of profit and loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**Impairment of Financial Asset:**

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

- (i) Financial assets that are debt instruments and are measured at amortised cost e.g. loans, debt securities, deposits and bank balance.
- (ii) For trade receivables, the company uses a simplified approach as permitted under Ind As 109
- (iii) Financial assets measured at fair value through other comprehensive income.
- (iv) In case of other assets (listed as (i) and (ii) above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Trade Receivables

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

s) Financial Liabilities:**Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVPL, fair value gains / losses attributable to changes in own credit risk are recognized in OCI. These gains / losses are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Financial liabilities at amortised cost:

Financial liabilities classified and measured at amortised cost such as loans and borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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 de-recognition 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowing using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs.

The borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any noncash asset transferred or liabilities assumed, is recognised in profit or loss as other gains / (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for atleast 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

t) Employee benefits:
1) Short term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences such as paid annual leave and performance incentives.

2) Long term employee benefits:

The Company provides post-employment benefits under defined contribution and / or defined benefit plans:

(i) Defined benefit plan:

For defined benefit plan, the cost of providing benefits is determined using projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains or losses are recognised in full in other comprehensive income for the period in which they occur. Past service costs both vested and unvested are recognised as an expense (a) when the plan amendment or curtailment occurs ; (b) when the entity recognises related restructuring cost or termination benefits, whichever is earlier. The retirement benefits obligation recognised in the Balance Sheet represents the present value of defined benefit obligations reduced by the fair value of plan assets.

(ii) Defined contribution plans:

Contribution to defined contribution plans are recognized as an expense when the employees have rendered services entitling them to such benefits.

u) Provisions, contingent liabilities and contingent assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost.

Contingent liabilities are disclosed by way of a note to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are not recognized in financial statements but disclosed when the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
v) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. These do not include bank balances earmarked / restricted for specific purposes.

w) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

x) Earnings per share:
1) Basic earnings per share:

Basic earnings per share is calculated by dividing the profit / (loss) after tax attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

2) Diluted earnings per share:

Diluted earnings per share is calculated by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

y) Ind AS 108: Segment Reporting:

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers.

Based on "Management Approach" as defined in Ind AS 108 - Operating segments, the operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

2.2 Recent accounting pronouncements:

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into following amendments in the existing Accounting Standards which are applicable from April 1, 2023.

- i. Ind AS 101 – First time adoption of Ind AS – modification relating to recognition of deferred tax asset by a first-time adopter associated with (a) right to use assets and related liabilities and (b) decommissioning, restoration and similar liabilities and corresponding amounts recognised as cost of the related assets.
- ii. Ind AS 102 – Share-based Payment – modification relating to adjustment after vesting date to the fair value of equity instruments granted.
- iii. Ind AS 103 – Business Combination – modification relating to disclosures to be made in the first financial statements following a business combination.
- iv. Ind AS 107 – Financial Instruments Disclosures – modification relating to disclosure of material accounting policies including information about basis of measurement of financial instruments.
- v. Ind AS 109 – Financial Instruments – modification relating to reassessment of embedded derivatives.
- vi. Ind AS 1 - Presentation of Financials Statements – modification relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.
- vii. Ind AS 8 - Accounting Policies, Change in Accounting Estimates and Errors – modification of definition of 'accounting estimate' and application of changes in accounting estimates.
- viii. Ind AS 12 – Income Taxes – modification relating to recognition of deferred tax liabilities and deferred tax assets.
- ix. Ind AS 34 – Interim Financial Reporting – modification in interim financial reporting relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

The Company is evaluating the amendments and the expected impact, if any, on the Company's financial statements on application of the amendments for annual reporting periods beginning on or after April 1, 2023.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Note 3 : Property, plant and equipment
Note 3 (a) : Property, plant and equipment F.Y.2022-23

₹ in lakhs

Assets	Free-hold land	Lease-hold land (Right of Use)	Build-ings	Plant & machin-ery	Electrical fittings	Fur-niture and fix-tures	Vehicles	Office equip-ment	Total
GROSS BLOCK									
As at April 1, 2022	2,64	10,70	8,66	5,05	15	47	2,48	61	30,77
Additions	-	-	16	1,06	5	21	1,41	18	3,07
Deletions	-	-	-	-	-	-	-	-	-
As at March 31, 2023	2,64	10,70	8,82	6,11	20	68	3,89	79	33,84
DEPRECIATION									
As at April 1, 2022	-	13	1,56	1,49	10	30	1,12	37	5,08
For the Year	-	3	27	41	1	5	39	9	1,24
Deductions	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	16	1,83	1,90	11	35	1,51	46	6,32
NET BLOCK									
As at March 31, 2023	2,64	10,54	7,00	4,21	9	33	2,38	33	27,52
As at March 31, 2022	2,64	10,57	7,10	3,56	5	17	1,36	24	25,69

3(a). Property, plant and equipment F.Y.2021-22

₹ in lakhs

Assets	Free-hold land	Lease-hold land (Right of Use)	Build-ings	Plant & machin-ery	Electrical fittings	Fur-niture and fix-tures	Vehicles	Office equip-ment	Total
GROSS BLOCK									
As at April 1, 2021	2,64	10,70	7,45	4,78	14	45	2,28	49	28,94
Additions	-	-	1,21	29	1	2	20	13	1,86
Deletions	-	-	-	2	-	-	-	1	3
As at March 31, 2022	2,64	10,70	8,66	5,05	15	47	2,48	61	30,77
DEPRECIATION									
As at April 1, 2021	-	11	1,28	1,16	9	26	80	31	4,01
For the Year	-	2	28	34	1	4	32	7	1,09
Deductions	-	-	-	1	-	-	-	1	2
As at March 31, 2022	-	13	1,56	1,49	10	30	1,12	37	5,08
NET BLOCK									
As at March 31, 2022	2,64	10,57	7,10	3,56	5	17	1,36	24	25,69
As at March 31, 2021	2,64	10,59	6,17	3,62	8	19	1,48	18	24,93

Notes:

- Vehicles having a written down value of ₹183 Lakhs as at March 31, 2023 (₹ 132 Lakhs As at March 31, 2022) have been secured against loan from Banks/Financial Institutions.
- Title deeds of immovable property are held in the name of the company except as referred to in Note no. 33 (a).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Note 3(b) : Capital work in progress

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
As at beginning of the year	88	1,44
For the Year	39	63
Deductions/Adjustments	1,14	1,19
Total Capital work in progress	13	88

Capital work in progress(CWIP) Ageing Schedule

₹ in lakhs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	
As at 31 March 2023					
Projects in progress	13	-	-	-	13
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022					
Projects in progress	41	33	14	-	88
Projects temporarily suspended	-	-	-	-	-

Note: There are no Projects whose completion is overdue or has exceeded its cost.

4. Intangible assets F.Y. 2022-23

₹ in lakhs

Assets	Goodwill	Computer software	Total
GROSS BLOCK			
As at April 1, 2022	71	39	1,10
Additions	-	-	-
Deletions	-	-	-
As at March 31, 2023	71	39	1,10
DEPRECIATION			
As at April 1, 2022	-	32	32
For the Year	-	4	4
Deductions	-	-	-
As at March 31, 2023	-	36	36
NET BLOCK			
As at March 31, 2023	71	3	74
As at March 31, 2022	71	7	78

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Intangible assets F.Y. 2021-22

₹ in lakhs

Assets	Goodwill	Computer software	Total
GROSS BLOCK			
As at April 1, 2021	71	37	108
Additions	-	2	2
Deletions	-	-	-
As at March 31, 2022	71	39	110
DEPRECIATION			
As at April 1, 2021	-	26	26
For the Year	-	6	6
Deductions	-	-	-
As at March 31, 2022	-	32	32
NET BLOCK			
As at March 31, 2022	71	7	78
As at March 31, 2021	71	12	83

5 (a). Investments

₹ in lakhs

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(a) Investments carried at fair value through OCI	-	-	-	-
(b) Investments carried at amortised cost	-	-	-	-
(c) Investments carried at fair value through profit or loss				
Other investments, unquoted				
2,00,000 redeemable debentures of ₹ 100 each of Priyamvada Holdings Limited (As at March 31, 2023 - 2,00,000. As at March 31, 2022 - 2,00,000)	1	1	-	-
50,000 optionally convertible debentures of ₹ 100 each of Khatau Holding and Trading Company Private Limited (As at March 31, 2023 - 50,000. As at March 31, 2022 - 50,000)	-*	-*	-	-
Total Investments	1	1	-	-

* Amount is below the rounding off limits followed by the Company's norms.

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

₹ in lakhs

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Aggregate amount of unquoted investments	1	1	-	-
Aggregate amount of quoted investment	-	-	-	-

Note 5 (b) : Loans

₹ in lakhs

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Other loans and advances	-	-	-	1
Total loans	-	-	-	1

Note 5 (c) : Other financial assets

₹ in lakhs

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Security deposits (Refer Note 1 below)	37	34	22	22
Bank Deposits with maturity more than 12 months	10	9	-	-
Other receivables*	-	-	-	-
Advances to others*	-	-	-	-
Export Incentives receivable	-	-	16	49
Total other financial assets	47	43	38	71

Note 1: Security deposits as at March 31, 2023 and March 31, 2022 include an amount of ₹ 27 lakhs that pertains to discontinued operations and therefore disclosed as Non Current.

Note 2 : * Amount is below the rounding off limits followed by the Company's norms.

Note 5 (d) : Trade receivables

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivable considered good -Secured	3,89	63
Trade receivable considered good -Unsecured	28,31	27,87
Trade receivable which have significant increase in credit risk	2,16	2,16
Trade receivable credit impaired	-	-
Less : Allowances for credit losses	(2,16)	(2,16)
Total Trade receivables	32,20	28,50

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Trade receivable ageing schedule

₹ in lakhs

Particulars	Not Due	Outstanding for following period from due date of payment as on 31.03.2023					Total
		Less than 6 Months	6 Months - 1 year	1-2 years	2-3 Years	More than 3 Years	
As at 31 March 2023							
Undisputed Trade receivable - Considered good	11,58	9,21	2,53	3,65	23	4,66	31,86
Undisputed Trade receivable - which have significant increase in credit risk	-	-	9	21	56	1,30	2,16
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivable - Considered good	-	-	5	11	2	16	34
Disputed Trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Total	11,58	9,21	2,67	3,97	80	6,13	34,36
Less: Expected credit loss	-	-	-	-	-	-	2,16
Total Trade receivable	11,58	9,21	2,67	3,97	80	6,13	32,20

₹ in lakhs

Particulars	Not Due	Outstanding for following period from due date of payment as on 31.03.2022					Total
		Less than 6 Months	6 Months - 1 year	1-2 years	2-3 Years	More than 3 Years	
As at 31 March 2022							
Undisputed Trade receivable - Considered good	12,18	8,77	1,68	1,56	8	3,93	28,20
Undisputed Trade receivable - which have significant increase in credit risk	-	9	13	39	-	1,55	2,16
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivable - Considered good	-	-	6	2	6	16	30
Disputed Trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Total	12,18	8,86	1,87	1,97	14	5,64	30,66
Less: Expected credit loss	-	-	-	-	-	-	2,16
Total Trade receivable	12,18	8,86	1,87	1,97	14	5,64	28,50

Note 5 (e) : Cash and cash equivalents

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Balances with banks in current accounts	25	51
(b) Cash in hand	4	5
Total cash and cash equivalents	29	56

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Note 5 (f) : Bank balance other than cash and cash equivalents

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits with maturity less than 12 months	1	2
Total bank balance other than cash & cash equivalents	1	2

Note 6 : Income tax assets

₹ in lakhs

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Income tax assets (Net of Advances)	18	20	3	4
Total income tax assets (net)	18	20	3	4

Note 7 : Other assets

₹ in lakhs

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Considered good				
Indirect taxes recoverable	-	-	42	35
Advance for capital expenditure	2,10	2,10	-	-
Prepayments	8	-	38	13
Advances to suppliers	-	-	98	78
Advances to related parties*	-	-	6	-
Advances to employees	-	-	8	8
Total other assets	2,18	2,10	1,92	1,34

*Advance has been given in accordance with Section 186(4) of the Companies Act, 2013 and refer note 34.

Note 8 : Inventories

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
At lower of cost or net realisable value		
(a) Raw materials and packing materials		
Raw materials	10,37	9,13
Goods-in-transit	-	87
Packing materials	65	75
(b) Finished goods		
Finished goods	2,64	2,26
Goods-in-transit	38	23
(c) Stock in trade	14	25
Total inventories	14,18	13,49

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Note 9 : Share capital and other equity
Note 9 (a) : Share capital

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised share capital:		
Equity shares of ₹ 10/- each (As at March 31, 2023 - 2,43,25,600, As at March 31, 2022 - 2,43,25,600)	24,33	24,33
Preference shares of ₹ 10/- each (As at March 31, 2023 - 21,00,000, As at March 31, 2022 - 21,00,000)	2,10	2,10
Issued, subscribed and fully paid up capital:		
Equity shares of ₹ 10/- each (As at March 31, 2023 - 2,43,25,600, As at March 31, 2022 - 2,43,25,600)	24,33	24,33
	24,33	24,33

(i) Reconciliation of number of shares and amount outstanding at the beginning and end of reporting period

Equity shares

Particulars	31 st March, 2023		31 st March, 2022	
	No of shares	Amount ₹ In lakhs	No of shares	Amount ₹ In lakhs
At the beginning of year	2,43,25,600	2,433	2,43,25,600	24,33
Increase during the year	-	-	-	-
Cancelled during the year	-	-	-	-
At the end of reporting period	2,43,25,600	2,433	2,43,25,600	24,33

(ii) Rights, preference and restrictions attached to shares:

Equity shares:

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) The details of shareholders holding more than 5% of shares of the company :

Particulars	31 st March, 2023		31 st March, 2022	
	Number	%	Number	%
Equity shares:				
Vindhyapriya Holdings Private Limited	53,65,296	22.06%	53,65,296	22.06%
Mahendra K. Khatau	16,37,066	6.73%	16,37,066	6.73%
Priyanilgiri Holdings Private Limited	48,96,929	20.13%	48,96,929	20.13%
MKK Holdings Private Limited	37,77,877	15.53%	37,77,877	15.53%

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

(iv) Promoter's Shareholding :

Promoter Name	As at 31 st March, 2023			As at 31 st March, 2022		
	No of shares	% of total shares	% change during the year	No of shares	% of total shares	% change during the year
Vindhyapriya Holdings Private Limited	53,65,296	22.06%	-	53,65,296	22.06%	-
Priyanilgiri Holdings Private Limited	48,96,929	20.13%	-	48,96,929	20.13%	-
MKK Holdings Private Limited	37,77,877	15.53%	-	37,77,877	15.53%	-
Mahendra Kishore Khatau	16,37,066	6.73%	-	16,37,066	6.73%	-
Khatau Holdings And Trading Company Private Limited	8,47,705	3.48%	-	8,47,705	3.48%	-
Emerald Capital Services Private Limited	3,88,920	1.60%	-	3,88,920	1.60%	-
Leelabai Kishore Khatau	80,883	0.33%	-	80,883	0.33%	-
Asha Marine Products Private Limited	52,700	0.22%	-	52,700	0.22%	-
Asha Mahendra Khatau	45,243	0.19%	-	45,243	0.19%	-
Anil Kishore Khatau	42,393	0.17%	-	42,393	0.17%	-
Priya Mahendra Khatau	38,920	0.16%	-	38,920	0.16%	-
Manish Mahendra Khatau	35,592	0.15%	-	35,592	0.15%	-
Prism Plantations Private Limited	20,737	0.09%	-	20,737	0.09%	-
Neomy Anil Khatau	12,500	0.05%	-	12,500	0.05%	-
Ilesha Anil Khatau	5,250	0.02%	-	5,250	0.02%	-
Shreya S. Singhanian	5,000	0.02%	-	5,000	0.02%	-

Note 9 (b) : Other equity

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	10,23	10,23
Capital reserve	4,61	4,61
General reserve	6,48	6,48
Retained earnings	(10,53)	(10,83)
Total reserves and surplus	10,79	10,49

Nature and purpose of other reserves:
Securities premium

Securities premium reserve is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Capital reserve

Capital reserve includes amounts realised on forfeiture of shares and reserves acquired on previous amalgamations.

General reserve

General reserve consists of reserve created on account of the difference between the fair valuation of assets and liabilities acquired by Company vis-a-vis the share capital it issued on amalgamation with its subsidiary companies vide Amalgamation Scheme approved by the Honorable High Court of Bombay.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
10(a). Long term borrowings

₹ in lakhs

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Secured				
(a) Rupee term loans / vehicle loans				
(i) from banks (Refer note (i) below)	1,23	55	35	29
(b) Loans repayable				
(i) from banks - (Refer note (i) below)	6,03	3,63	80	-
Total secured loans [A]	7,26	4,18	1,15	29
Unsecured				
(a) 20,70,975 8% Non- cumulative redeemable preference shares of ₹ 10/- each (Refer note (ii) below)	2,07	2,07	-	-
(b) Loans from financial institutions (Refer note (iii) below)	2,90	2,93	-	-
Total unsecured loans [B]	4,97	5,00	-	-
Total borrowings [A+B]	12,23	9,18	1,15	29

Note 10 (b) : Short term borrowings

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Current maturities of long term borrowings(Refer note 10(a))		
(i) from banks (Refer note (i) below)	1,15	29
Unsecured		
Loan from related parties ((Refer note (iv) below)	2,71	2,76
Total Short term borrowings	3,86	3,05

i) Repayment terms and securities of secured loans:

₹ in lakhs

Nature of security	Terms of repayment	Month in which last installment is due	Prevailing Interest rate per annum	Balance as at March 31, 2023	Balance as at March 31, 2022
Secured rupee term loans / vehicle loans from banks					
Secured against hypothecation of specific vehicle	Monthly instalments	September 10, 2023*	8.95%	-	22
Secured against hypothecation of specific vehicle	Monthly instalments	August 05,2025	10.28%	9	13
Secured against hypothecation of specific vehicle	Monthly instalments	August 05,2025	10.26%	10	14
Secured against hypothecation of specific vehicle	Monthly instalments	January 05,2026	8.52%	11	14
Secured against hypothecation of specific vehicle	Monthly instalments	September 20, 2026	6.80%	17	22
Secured against hypothecation of specific vehicle	Monthly instalments	December 04, 2027	8.22%	1,10	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Note 10 (b) : Short term borrowings (Contd.)

₹ in lakhs

Nature of security	Terms of repayment	Month in which last installment is due	Prevailing Interest rate per annum	Balance as at March 31, 2023	Balance as at March 31, 2022
Secured against property -(Building - Khatau house, first and exclusive charge on entire current and movable fixed asset and Dropline overdraft facility of ₹ 800 lakhs were sanctioned in the month of March, 2022 . Validity of facility is for 120 months leads reduction in limit by ₹6.67 lakhs every month.	Monthly reducing reset plan		9.50%	6,83	3,63
				8,40	4,48

*- Loan was repaid during F. Y. 2022-23

(ii) Unsecured preference shares

The 8% non- cumulative, redeemable preference shares amounting to ₹ 207 lakhs were allotted on February 11, 2016 and were redeemable on or before February 10, 2022. However, the terms of redemption have been further extended for a period of 3 years i.e to February 10, 2025.

(iii) Unsecured loans from financial institutions

Loans from financial institutions are secured against pledging of investments held by promoters in personal capacity. It carries a rate of interest ranging from 9 % to 9.8 % p.a.

(iv) Unsecured loans from related parties

Unsecured loans from related parties do not have any specific repayment schedule. Hence it has been classified under Short Term Borrowings.

Note 10 (c) : Other financial liabilities

₹ in lakhs

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Security deposits from others	2,50	2,35	4	3
Interest accrued but not due on loans	-	-	1	.*
Interest accrued and due on borrowings	-	-	13	3
Total other financial liabilities	2,50	2,35	18	6

* Amount is below the rounding off limits followed by the Company's norms.

Note 10 (d) : Trade payables

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables:		
- Dues to micro and small enterprises (Refer Note below)	62	-
- Other than micro and small enterprises	20,83	20,31
Total Trade payables	21,45	20,31

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Trade payable ageing summary

₹ in lakhs

Particulars	Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 Years	Total
As at 31 March 2023						
MSME	23	39	-	-	-	62
Others	8,60	11,96	5	1	21	20,83
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
As at 31 March 2022						
MSME	-	-	-	-	-	-
Others	9,53	10,18	4	24	32	20,31
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-

Note 11 : Provisions

₹ in lakhs

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits				
Gratuity (Refer Note 24)	1,04	1,07	53	45
Compensated absences (Refer Note 24)	36	33	22	16
Superannuation scheme	7	7	-	-
Total Provisions	1,47	1,47	75	61

Note 12 : Other current liabilities

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory and other related dues	48	46
Employee benefit payable	1,36	1,20
Payable to others	29	42
Advance from customers	55	83
Total other current liabilities	2,68	2,91

Note 13 : Revenue from operations

₹ in lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products		
Sales		
Finished goods	1,01,53	1,01,31
Trading sales	9,80	11,58
Total Sales	1,11,33	1,12,89
Other operating revenues		
Freight, octroi, insurance and handling charges recovered	1	3
Export incentives	52	64
Total revenue from operations	1,11,86	1,13,56

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Note 14 : Other income

₹ in lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income		
- on fixed deposits with banks	-*	-*
- on others	1	-*
Recovery of office expenses	7	6
Gain on foreign exchange transactions (net)	1,13	31
Service charges earned	-*	-
Profit / (Loss) on sale of investment	-*	-*
Sundry balances written back (net)	36	7
Miscellaneous Income- others	2	6
Total other income	1,59	50

Note: * Amount is below the rounding off limits followed by the Company's norms.

Note 15 : Cost of materials consumed

₹ in lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock of raw materials	10,00	6,47
Add : Purchases	73,12	78,74
Less : Closing stock of raw materials	10,37	10,00
Cost of raw materials consumed	72,75	75,21
Opening stock of packing materials	75	52
Add : Purchases	4,54	3,79
Less : Closing stock of packing materials	65	75
Cost of packing materials consumed	4,64	3,56
Total cost of materials consumed	77,39	78,77

Note 16 : Changes in inventories of finished goods, work-in-process and stock in trade

₹ in lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Stock:		
Finished goods	2,49	2,64
Stock in trade	25	11
Work-in-process	-	24
Less: Closing Stock:		
Finished goods	3,02	2,49
Stock in trade	14	25
(Increase) / decrease in inventories	(42)	25

Note 17 : Employee benefit expenses

₹ in lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	10,59	8,62
Contribution to staff provident and other funds (Refer Note No. 24)	13	12
Staff welfare expenses	25	18
Gratuity expenses	24	20
Total employee benefit expenses	11,21	9,12

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Note 18 : Finance cost

₹ in lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on		
- Borrowings	1,52	97
- Others	32	36
Total Finance costs	1,84	1,33

Note 19 : Other expenses

₹ in lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rent	97	86
Power and fuel	94	72
Water charges	2	4
Repairs and maintenance		
Buildings	29	16
Plant & machinery	36	29
Equipments	14	15
Others	62	42
Security charges	24	21
Effluent treatment plant expenses	6	4
Laboratory and testing expenses	24	21
Rates and taxes	6	5
Doubtful debts written off (net)	.*	9
Provision / reversal of expected credit loss	.*	30
Freight, forwarding and repacking	5,38	3,25
Legal and professional fees	1,59	1,71
Travelling and conveyance	1,53	90
Auditor's remuneration (Refer Note below)	8	12
Communication expense	10	11
Printing, postage and courier	17	14
Insurance	24	19
Commission on sales	14	14
Advertisement and sales promotion	30	14
Directors sitting fees	3	4
Penalties and fines	.*	-
Sundry balances written off (net)	9	-
MEIS licence written off	18	-
Amalgamation Expenses	18	21
Miscellaneous expenses	58	76
Total other expenses	14,53	11,25

Note: Auditor's remuneration comprises (net of goods and service tax / service tax)

₹ in lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As an auditor including limited review	6	5
Tax audit	1	1
Other Tax Matters	1	6
Total auditor's remuneration	8	12

* Amount is below rounding off limits followed by the Company's norms

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Note 20 : Income taxes

Income tax expenses recognised in the statement of profit and loss comprises of:

Particulars	₹ in lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Current income taxes	-	-
Deferred tax	-	-
Effective income tax rate (%)*	Nil	Nil

* Note: Due to the carried forward business and unabsorbed depreciation losses of past years, the taxable profit of the Company shall be set off against such losses. Hence, the effective tax rate is Nil.

Note 21 : Earnings per share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax attributable to owners of the company (₹ in lakhs)	31	2,83
Weighted average equity shares for the purpose of calculating		
Basic earnings per share (nos.)	2,43,25,600	2,43,25,600
Diluted earnings per share (nos.)	2,43,25,600	2,43,25,600
Basic earnings per share		
Basic earnings per share attributable to owners (₹)	0.13	1.16
Diluted earnings per share		
Diluted earnings per share attributable to owners (₹)	0.13	1.16

Note 22 : Contingent liabilities (to the extent not provided for)

Particulars	₹ in lakhs	
	As at March 31, 2023	As at March 31, 2022
Disputed income tax demand in appeal	14	14
Claims against the Company not acknowledged as debts	74	74
Disputed provident fund damages in appeal	77	77
Custom duty in the event of non-fulfilment of export obligations in respect of advance licenses availed	29	35
Total	1,94	2,00

Note 23 : Financial instruments
(i) Capital management

For the purpose of the Company's capital management, equity includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company's capital management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholders' value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of debt which includes the borrowings, cash and cash equivalents including short term bank deposits, equity comprising issued capital, reserves and non-controlling interests. The gearing ratio for the year is as under:

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

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Debt (including borrowings from related and unrelated parties)	16,09	12,23
Less: Cash and cash equivalents including short term deposits	(30)	(58)
Net debt (A)	15,79	11,65
Total equity (B)	35,12	34,82
Net debt to equity ratio (A/B)	0.45	0.33

(ii) Categories of financial instruments

The carrying value of financial instruments by categories as of March 31, 2023 is as follows:

₹ in lakhs

Particulars	Amortized cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets :					
Cash and cash equivalents	29	-	-	29	29
Bank balance other than cash and cash equivalents	1	-	-	1	1
Investments	-	1	-	1	1
Trade receivables	32,20	-	-	32,20	32,20
Loans	-	-	-	-	-
Other financial assets	85	-	-	85	85
Total	33,35	1	-	33,36	33,36
Financial liabilities:					
Borrowings	16,09	-	-	16,09	16,09
Trade payables	21,45	-	-	21,45	21,45
Other financial liabilities	2,68	-	-	2,68	2,68
Total	40,22	-	-	40,22	40,22

The carrying value of financial instruments by categories as of March 31, 2022 is as follows:

₹ in lakhs

Particulars	Amortized cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets :					
Cash and cash equivalents	56	-	-	56	56
Bank balance other than cash and cash equivalents	2	-	-	2	2
Investments	-	1	-	1	1
Trade receivables	28,50	-	-	28,50	28,50
Loans	1	-	-	1	1
Other financial assets	1,14	-	-	1,14	1,14
Total	30,23	1	-	30,24	30,24

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

₹ in lakhs

Particulars	Amortized cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Total carrying value	Total fair value
Financial liabilities:					
Borrowings	12,23	-	-	12,23	12,23
Trade payables	20,31	-	-	20,31	20,31
Other financial liabilities	2,41	-	-	2,41	2,41
Total	34,95	-	-	34,95	34,95

Fair Value Hierarchy :

The fair value hierarchy is based on the inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels :

Level 1- Level 1 hierarchy includes financial instruments measured using quoted prices and mutual funds are measured using the closing net asset value (NAV)

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs are required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 – if one or more of the significant inputs is based on observable market data, the instrument is included in Level 3.

The fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2023 is as follows :

₹ in lakhs

Particulars	Level 1	Level 2	Level 3	Total
Financial assets :				
At fair value through profit and loss				
Investment in optionally convertible debentures	-	-	1	1
Total	-	-	1	1

The fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2022 is as follows :

₹ in lakhs

Particulars	Level 1	Level 2	Level 3	Total
Financial assets :				
At fair value through profit and loss				
Investment in optionally convertible debentures	-	-	1	1
Total	-	-	1	1

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash and cash equivalents, other bank balances, trade and other receivables, trade and other payables and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities or nature of these instruments.

The fair value of Company's interest bearing borrowings are determined using amortised cost basis using a discount rate that reflects issuer's borrowing rate as at the end of reporting date.

Financial risk management objectives:

The Company's activities exposes it to a variety of financial risk viz. market risks, credit risks and liquidity risks. In order to manage the aforementioned risks, the Company has a risk management policy and a program that performs close monitoring of and responding to each risk factors.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates and other market changes.

Foreign currency risk:

Foreign currency risk mainly arises from transactions undertaken by an operating unit in currencies other than its functional currency. The carrying amount of Company's financial assets and financial liabilities denominated in foreign currencies at the reporting date are as follows :

Particulars	USD	₹ in lakhs
As at March 31, 2023		
Financial assets	23	19,03
Financial liabilities	-*	41

5% appreciation / depreciation of the respective foreign currencies with respect to the functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately ₹ 93.10 lakhs (net) for the year ended March 31, 2023.

* Amount is below rounding off limits followed by the Company's norms

Particulars	USD	₹ in lakhs
As at March 31, 2022		
Financial assets	19	14,40
Financial liabilities	1	80

5% appreciation/ depreciation of the respective foreign currencies with respect to the functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately ₹ 67.99 lakhs (net) for the year ended March 31, 2022.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant floating interest rate borrowings during the year ended March 31, 2023 and March 31, 2022. Hence, the Company is not exposed to significant interest rate risk as at the respective reporting dates.

Credit risk:

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

Liquidity risk:

The responsibility for liquidity risk management rests with the Board of Directors, which has an appropriate liquidity risk management framework for the management of the Company's short, medium and longterm funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

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

The table below provides details regarding contractual maturities of significant financial liabilities as at March 31, 2023

₹ in lakhs

Particulars	Within one year	One to five years	More than five years	Total
Financial instruments:				
Borrowings	3,86	12,23	-	16,09
Trade and other payables	21,45	-	-	21,45
Other financial liabilities	18	2,50	-	2,68
Total financial liabilities	25,49	14,73	-	40,22

The table below provides details regarding contractual maturities of significant financial liabilities as at March 31, 2022

₹ in lakhs

Particulars	Within one year	One to five years	More than five years	Total
Financial instruments:				
Borrowings	3,05	9,18	-	12,23
Trade and other payables	20,31	-	-	20,31
Other financial liabilities	6	2,35	-	2,41
Total financial liabilities	23,42	11,53	-	34,95

Note 24 : Disclosure as required under Ind AS-19 - Employee Benefits
I. Defined Contribution Plans:

The Company has recognised the following amounts in the Income Statement during the year under "Contribution to staff provident and other funds. (Refer Note No. 17)

₹ in lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employer's contribution to Provident Fund	13	12
Employer's contribution to Employee State Insurance	-	-*
Total	13	12

Note: * Amount is below the rounding off limits followed by the Company's norms.

II. Defined benefit plans
A) Gratuity

The Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the plan, qualifying employees are entitled to Gratuity depending upon the number of years of service rendered by them subject to minimum specified number of years of service and the salary at time of retirement / resignation.

a) Movements in present value of defined benefit obligation (DBO)

₹ in lakhs

Particulars	Gratuity March 31, 2023	Gratuity March 31, 2022
Obligations as at beginning of the year	1,52	1,46
Current service cost	15	13
Interest cost	9	8
Past Service Cost	-	-
Benefits paid	(19)	(7)
Actuarial (gain) / loss on obligations	1	(7)
Present value of defined benefit obligation as at end of the year	1,58	1,52

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
b) Movements in the fair value of plan assets

₹ in lakhs

Particulars	Gratuity March 31, 2023	Gratuity March 31, 2022
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Return on plan assets excluding amounts included in interest income	-	-
Actuarial gain / (loss) on plan assets	-	-
Contributions by the employer	-	-
Benefits paid	-	-
Fair value of plan assets as at end of the year	-	-

c) Amount recognised in the Balance Sheet

₹ in lakhs

Particulars	Gratuity March 31, 2023	Gratuity March 31, 2022
Present value of defined benefit obligation as at end of the year	1,58	1,52
Fair value of plan assets as at end of the year	-	-
Net liability recognised in the Balance Sheet	1,58	1,52

d) Amounts recognised in the statement of Profit and Loss

₹ in lakhs

Particulars	Gratuity March 31, 2023	Gratuity March 31, 2022
Current service cost	15	13
Past service cost	-	-
Interest cost	9	8
Expected return on plan assets	-	-
Total amounts recognised in the statement of Profit and Loss	24	21

e) Amounts recognised in other comprehensive income

₹ in lakhs

Particulars	Gratuity March 31, 2023	Gratuity March 31, 2022
Components of actuarial gain / losses on obligations:		
Due to change in financial assumptions	(12)	(3)
Due to change in demographic assumptions	.*	-
Due to change in experience adjustments	13	(5)
Return on plan assets excluding amounts included in interest income	-	-
Total	1	(8)

* Amount is below the rounding off limits followed by the Company's norms

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
f) Sensitivity analysis

₹ in lakhs

Particulars	Gratuity March 31, 2023	Gratuity March 31, 2022
DBO On base assumptions		
A. Discount Rate		
1. Effect due to 0.5% increase in discount rate	1,55	1,49
2. Effect due to 0.5% decrease in discount rate	1,61	1,56
B. Salary Escalation Rate		
1. Effect due to 0.5% increase in salary escalation rate	1,61	1,56
2. Effect due to 0.5% decrease in salary escalation rate	1,55	1,49
C. Withdrawal Rate		
1. Effect due to 10 % (10%) increase in withdrawal rate	1,58	1,52
2. Effect due to 10 % (10%) decrease in withdrawal rate	1,57	1,52

g) Actuarial assumptions

Following are the principal actuarial assumptions used at Balance Sheet date:

Particulars	Gratuity March 31, 2023	Gratuity March 31, 2022
Discount rate (per annum)	7.30%	6.40%
Expected Return on Plan Assets	NA	NA
Withdrawal rate	15.00% & 10.00%	10.00%
Salary growth rate	5.00%	6.00%
Mortality rates	India Assured Lives Mortality (2012-14)	

B) Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits for measurement purpose. The Company's liability is actuarially determined by an independent actuary using the Projected Unit Credit Method at the end of each year. Actuarial losses / gains are recognised in the Statement of Profit and Loss in the year in which they arise.

a) Movements in present value of defined benefit obligation (DBO)

₹ in lakhs

Particulars	Compensated absences March 31, 2023	Compensated absences March 31, 2022
Obligations as at beginning of the year	49	42
Current service cost	7	6
Interest Cost	3	2
Past Service Cost	-	-
Benefits paid	(5)	(2)
Actuarial (gain) / loss on obligations	4	1
Present value of defined benefit obligation as at end of the year	58	49

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
b) Movements in the fair value of plan assets

₹ in lakhs

Particulars	Compensated absences March 31, 2023	Compensated absences March 31, 2022
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Return on plan assets excluding amounts included in interest income	-	-
Actuarial gain / (loss) on plan assets	-	-
Contributions by the employer	-	-
Benefits paid	-	-
Fair value of plan assets as at end of the year	-	-

c) Amount recognised in the Balance Sheet

₹ in lakhs

Particulars	Compensated absences March 31, 2023	Compensated absences March 31, 2022
Present value of defined benefit obligation as at end of the year	58	49
Fair value of plan assets as at end of the year	-	-
Net liability recognised in the Balance Sheet	58	49

d) Amounts recognised in the statement of Profit and Loss

₹ in lakhs

Particulars	Compensated absences March 31, 2023	Compensated absences March 31, 2022
Current service cost	7	6
Past service cost	-	-
Interest cost	3	2
Expected return on plan assets	-	-
Total amounts recognised in the statement of Profit and Loss	10	8

e) Amounts recognised in other comprehensive income

₹ in lakhs

Particulars	Compensated absences March 31, 2023	Compensated absences March 31, 2022
Components of actuarial gain / losses on obligations:		
Due to change in financial assumptions	-	-
Due to change in demographic assumptions	-	-
Due to change in experience adjustments	-	-
Return on plan assets excluding amounts included in interest income	-	-
Total	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
f) Sensitivity analysis

₹ in lakhs

Particulars	Compensated absences March 31, 2023	Compensated absences March 31, 2022
DBO On base assumptions		
A. Discount Rate		
1. Effect due to 0.5% increase in discount rate	57	48
2. Effect due to 0.5% decrease in discount rate	59	50
B. Salary Escalation Rate		
1. Effect due to 0.5% increase in salary escalation rate	59	50
2. Effect due to 0.5% decrease in salary escalation rate	57	48
C. Withdrawal Rate		
1. Effect due to 10% (10%) increase in withdrawal rate	58	48
2. Effect due to 10% (10%) decrease in withdrawal rate	58	49

g) Actuarial assumptions

Following are the principal actuarial assumptions used at Balance Sheet date:

Particulars	Compensated absences March 31, 2023	Compensated absences March 31, 2022
Discount rate (per annum)	7.30%	6.40%
Expected Return on Plan Assets	NA	NA
Withdrawal rate	15.00% & 10.00%	10.00%
Salary growth rate	5.00%	6.00%
Mortality rates	India Assured Lives Mortality (2012-14)	
Leave availment rate	1.50%	1.50%
Leave encashment rate	0.00%	0.00%

Note 25 : Operating leases

The Company has taken office, factory spaces and warehouses under cancellable operating leases for periods ranging from 11 months to 3 years. Lease arrangements are usually renewable on mutually agreed terms and are cancellable by written notice.

₹ in lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Future minimum lease payments are as follows:		
- not later than one year	92	68
- later than one year but not later than five years	1,77	1,12
- later than five years	-	-
Total	2,69	1,80

Note 26 : Segment reporting
Business Segment:

The Company operates in two segment viz. textile dyes and chemicals and electrical capacitors, however the segment reporting for electrical capacitors is not disclosed separately, as the same does not qualify for separate disclosure as per IND AS 108 on operating segments.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Note 27 : Deferred tax

Deferred tax asset on carry forward of unused tax losses and unused tax credits has not been recognised because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

Details of business loss and unabsorbed depreciation carry forward in future till assessment year 2022-23 is as follows.

Assessment year	Unabsorbed Depreciation ₹	Unabsorbed Business Loss ₹	Remarks
2019-20	1,09,05,368	-	
2016-17	66,69,170	-	
2014-15	74,308	-	
2013-14	64,225	-	
2012-13	3,93,846	-	
2011-12	5,45,714	-	
2009-10	6,38,048	-	
2006-07	1,04,49,874	-	
2000-01	3,03,27,640	-	
1998-99	18,72,025	-	
1997-98	20,58,727	-	
Total	6,39,98,945	-	
Total unabsorbed depreciation and business loss	6,39,98,945		
Income tax @ 26.75%	1,71,19,718		

Based on the above deferred tax assets to the extent of ₹ 171.20 lakhs is available in future to set off against future income tax.

Note 28 : Related party relationships, transactions and balances: (as per IND-AS 24)
a) Enterprise significantly influenced by the Key Managerial Personnel or their relatives

- i) Samudra Dye-chem Private Limited
- ii) Chemron Texchem LLP
- iii) Asha Marine Products Private Limited
- iv) Emerald Capital Services Private Limited
- v) Vindhyapriya Holdings Private Limited
- vi) Khatau Leasing and Finance Company Private Limited
- vii) Prism Plantations Private Limited
- viii) Khatau Holding and Trading Company Private Limited
- ix) Prerana Leasing and Finvest Private Limited
- x) MKK holdings Private Limited
- xi) Priyanilgiri Holdings Private Limited
- xii) Refnol Resins and Chemicals Limited
- xiii) Priyamvada Holdings Limited
- xiv) Orchard Acres
- xv) Reactive Engineering Private Limited (w.e.f January 21st, 2022)
- xvi) Indokem Bangladesh (Pvt.) Limited (Incorporated on April 30th, 2023)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
b) Key management personnel and their relatives

- i) Mr. Mahendra K.Khatau (Chairman and Managing Director)
- ii) Mrs. Asha M. Khatau (Non-Executive Director and wife of Chairman)
- iii) Mr. Manish M. Khatau (Whole-Time Director and son of Chairman)
- iv) Mr. Kailash Pershad (Non-Executive Independent Director)
- v) Mr. Bhalachandra G. Sontakke (Non-Executive Independent Director)
- vi) Mr. Rahul Singh (Non-Executive Independent Director)
- vii) Ms. Rupal B. Parikh (Chief Financial Officer)
- viii) Mr. Rajesh D. Pisal (Company Secretary)

c) Key Managerial Personnel Compensation

₹ in lakhs

Particulars	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Short-term employee benefits	1,37	1,35
Terminal Benefits	9	9
Other Benefits	3	3
Total Compensation	1,49	1,47

d) Details of transactions with related parties during the year

₹ in lakhs

Nature of transactions	Significantly Influenced		Key Management Personnel and their relatives		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Revenue from operations						
Orchard Acres	15	-	-	-	15	-
Refnol Resins and Chemicals Limited	59	39	-	-	59	39
Total	74	39	-	-	74	39
Purchase of Goods						
Orchard Acres	6,26	7,67	-	-	6,26	7,67
Refnol Resins and Chemicals Limited	8,54	9,54	-	-	8,54	9,54
Total	14,80	17,21	-	-	14,80	17,21
Income:						
Rent Received / Other Income / Sale Of Assets						
Orchard Acres	14	14	-	-	14	14
Samudra Dye-chem Private Limited	-	1	-	-	-	1
Refnol Resins and Chemicals Limited	-	-	-	-	-	-
Total	14	15	-	-	14	15
Director's Sitting Fees						
Mrs. Asha M. Khatau	-	-	-*	1	-*	1
Mr. Kailash Pershad	-	-	1	1	1	1
Mr. Balchandra G. Sontakke	-	-	1	1	1	1
Mr. Rahul Singh	-	-	1	1	1	1
Total	-	-	3	4	3	4

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

₹ in lakhs

Nature of transactions	Significantly Influenced		Key Management Personnel and their relatives		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Managerial Remuneration #						
Mr. Mahendra K. Khatau	-	-	72	73	72	73
Mr. Manish M. Khatau	-	-	36	36	36	36
Ms. Rupal B. Parikh	-	-	23	21	23	21
Mr. Rajesh D. Pisal	-	-	18	17	18	17
Total	-	-	1,49	1,47	1,49	1,47
Expenses						
Orchard Acres	21	20	-	-	21	20
Reactive Engineering Private Limited	21	5	-	-	21	5
Refnol Resins and Chemicals Limited	-	-*	-	-	-	-*
Total	42	25	-	-	42	25

Note 1 : *Amount is below the rounding off limits followed by the Company's norms.

Note 2 : # does not include the amount payable towards compensated absences by the Company, as the same is calculated for the Company as a whole on actuarial basis.

e) Details of transactions with related parties during the year

₹ in lakhs

Nature of transactions	Significantly Influenced		Key Management Personnel and their relatives		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Interest on Borrowings						
Prism Plantations Private Limited	2	1	-	-	2	1
Mr. Mahendra K. Khatau	-	-	21	14	21	14
Mrs. Asha M. Khatau	-	-	8	4	8	4
Mr. Manish M. Khatau	-	-	12	9	12	9
Total	2	1	41	27	43	28
Loan taken during the year						
Prism Plantations Private Limited	-	14	-	-	-	14
Chemron Texchem LLP	-	50	-	-	-	50
Mr. Mahendra K. Khatau	-	-	5	1,14	5	1,14
Mrs. Asha M. Khatau	-	-	-	1,45	-	1,45
Mr. Manish M. Khatau	-	-	2	76	2	76
Total	-	64	7	3,35	7	3,99

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

₹ in lakhs

Nature of transactions	Significantly Influenced		Key Management Personnel and their relatives		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Loan repaid during the year						
Prism Plantations Private Limited	2	-	-	-	2	-
Chemron Texchem LLP	-	50	-	-	-	50
Mr. Mahendra K. Khatau	-	-	6	23	6	23
Mrs. Asha M. Khatau	-	-	1	1,00	1	1,00
Mr. Manish M. Khatau	-	-	4	5	4	5
Total	2	50	11	1,28	13	1,78
Advances paid during the year						
Indokem Bangladesh (Pvt.) Limited	6	-	-	-	6	-
Total	6	-	-	-	6	-

f) Outstanding balances with related parties:

₹ in lakhs

Nature of transactions	Significantly Influenced		Key Managerial Personnel and their relatives		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Trade receivables						
Orchard Acres	7	-	-	-	7	-
Less: Allowances for Credit Losses	.*	-	-	-	.*	-
Net amount receivable	7	-	-	-	7	-
Refinol Resins and Chemicals Limited	73	2	-	-	73	2
Less: Allowances for Credit Losses	-	-	-	-	-	-
Net amount receivable	73	2	-	-	73	2
Total	80	2	-	-	80	2
Other receivables						
Orchard Acres	28	14	-	-	28	14
Total	28	14	-	-	28	14
Deposit given						
Orchard Acres	5	5	-	-	5	5
Reactive Engineering Private Limited	1	1	-	-	1	1
Total	6	6	-	-	6	6

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

₹ in lakhs

Nature of transactions	Significantly Influenced		Key Managerial Personnel and their relatives		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Investments in optionally convertible debentures						
Khatau Holding and Trading Company Private Limited	-*	-*	-	-	-*	-*
Priyamvada Holdings Limited	1	1	-	-	1	1
Total	1	1	-	-	1	1
Advances paid during the year						
Indokem Bangladesh (Pvt.) Limited	6	-	-	-	6	-
Total	6	-	-	-	6	-

*Amount is below the rounding off limits followed by the Company's norms.

g) Outstanding balances with related parties:

₹ in lakhs

Nature of transactions	Significantly Influenced		Key Managerial Personnel and their relatives		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Trade Payables						
Refinol Resins and Chemicals Limited	4,26	3,29	-	-	4,26	3,29
Orchard Acres	1,74	2,13	-	-	1,74	2,13
Total	6,00	5,42	-	-	6,00	5,42
Borrowings						
Prism Plantations Private Limited	13	14	-	-	13	14
Mr. Mahendra K. Khatau	-	-	1,29	1,30	1,29	1,30
Mrs. Asha M. Khatau	-	-	54	55	54	55
Mr. Manish M. Khatau	-	-	75	77	75	77
Total	13	14	2,58	2,62	2,71	2,76
Interest accrued and due on borrowings						
Prism Plantations Private Limited	-*	-*	-	-	-*	-*
Mr. Mahendra K. Khatau	-	-	9	2	9	2
Mrs. Asha M. Khatau	-	-	2	1	2	1
Mr. Manish M. Khatau	-	-	2	1	2	1
Total	-*	-*	13	4	13	4

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

₹ in lakhs

Nature of transactions	Significantly Influenced		Key Managerial Personnel and their relatives		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Other Payables						
Mr. Mahendra K. Khatau	-	-	-*	-*	-*	-*
Reactive Engineering Private Limited	2	-	-	-	2	-
Total	2	-	-*	-*	2	0
O/s Dues Managerial Remuneration						
Mr. Mahendra K. Khatau	-	-	3	2	3	2
Mr. Manish M. Khatau	-	-	2	2	2	2
Ms. Rupal B. Parikh	-	-	1	1	1	1
Mr. Rajesh D. Pisal	-	-	1	1	1	1
Total	-	-	7	6	7	6

* Amount is below the rounding off limits followed by the Company's norms.

Note 29 : Expenditure on Corporate Social Responsibility (CSR)

There is no amount required to be spent by the Company during the year towards Corporate Social Responsibility in terms of Section 135 of the Companies Act, 2013.

Note 30 : Managerial Remuneration

In view of inadequacy of profits of the year 2022-23 the total remuneration paid by the Company to its Directors including Managing Director (MD) was in accordance with the limits prescribed under section 197 read with Schedule V of the Companies Act, 2013.

Note 31 :

The Board of Directors of the Company, at its meeting held on January 15th, 2022 have considered and approved a Revised Scheme of Amalgamation between the Company and Refnol Resins and Chemicals Limited. The appointed date for the scheme is April 1, 2021 or such other date as may be fixed or approved by the National Company Law Tribunal. Pending approval from various authorities, no accounting effect has been given to the above scheme for the year ended March 31, 2023.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Note 32 : Disclosures related to various Ratios

₹ in lakhs

Name of Ratio	Formula	F.Y. 2022-23		F.Y. 2021-22		% of change	Reason for variation if change is more than 25% +/- as compared to previous year
Current Ratio (No. of times)	Current Assets	49,01	1.69	44,67	1.66	0.02	NA
	Current Liabilities	28,92		26,94			
Debt Equity Ratio(No. of times)	Short term Debt + Long term Debt	16,09	0.46	12,24	0.35	0.30	The increased in ratio is due to new term loan and working capital taken from financial institution during the year
	Share holder's equity	35,12		34,82			
Debt Service Coverage Ratio(No. of times)	Earnings available for Debt service	3,11	1.89	4,94	2.36	-0.20	NA
	Debt service	1,64		2,09			
Return on Equity	Net Profit After Tax	31	0.88%	2,83	8.47%	-0.90	The increased in ratio is due to profit after taxes reduced during the year like increase in employee cost , legal and professional charges, travelling and amalgamation expenses and reduction in product margins as compare to previous year.
	Average Share holder's equity	34,97		33,37			
Inventory Turnover Ratio(No. of times)	Sales	1,11,86	8.08	1,13,56	9.67	-0.16	NA
	Average Inventory	13,84		11,74			
Trade Receivable turnover Ratio(No. of times)	Net Sales	1,11,86	3.69	1,13,56	4.43	-0.17	NA
	Average Trade receivables	30,35		25,66			
Trade payable turnover Ratio(No. of times)	Net Purchase / Services	99,19	4.82	1,02,52	5.37	-0.10	NA
	Average Trade payables	20,57		19,09			
Net Capital Turnover Ratio(No. of times)	Net Sales	1,11,86	5.57	1,13,56	6.41	-0.13	NA
	Working Capital	20,09		17,73			
Net Profit Ratio	Net Profit After Tax	31	0.27%	2,83	2.49%	0.89	The reduction in net profit ratio is mainly due to increase in employee cost, legal and professional charges, travelling and amalgamation expenses and reduction in product margins.
	Total Sales	1,11,86		1,13,56			
Return on Capital Employed	Earning Before Interest and Tax	1,83	3.56%	3,80	8.07%	-0.56	This is mainly due to decrease in profit and debts also increased during the year.
	Capital Employed	51,21		47,06			
Return on Investment	Income generated from Invested funds	NA	NA	NA	NA	NA	NA
	Average Invested funds in Treasury Investment	NA		NA			

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Note 33 : Other Disclosures :

a) The Company holds all the title deeds of immovable property in its name except following properties.

₹ in lakhs

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value as on 31.03.23	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Buildings	Buildings (Delhi)	133.60	M/s Ramakem Limited	Amalgamated Company	01-10-1994	The Company became the owners of the premises by virtue of Scheme of Amalgamation of M/s. Manish Dyes Products Private Limited and M/s. Ramakem Limited, with the Company. However, pending completion of the relevant registration formalities, the immovable properties continue to be in the name of the erstwhile amalgamated company.

b) The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

c) The Company has following transactions with struck off companies.

Name of the Struck off Companies	Nature of transactions with struck off company	No. of shares	Balance outstanding/Nominal share value	Relationship with the struck off company, if any
ALMEIDA EQUITY FUND PVT. LTD.	Investments in securities	240	2,400.00	Equity shareholder
ARUNESH TRADING & INVESTMENTS (P) LTD.	Investments in securities	50	500.00	Equity shareholder
ASHWIN TRADING&INVESTMENTS (P) LTD.	Investments in securities	50	500.00	Equity shareholder
ADITI CAPITAL SERVICES P. LTD.	Investments in securities	50	500.00	Equity shareholder
CONSOLIDATED SERVICES & SEC. I. LTD.	Investments in securities	5650	56,500.00	Equity shareholder
DEEPAUL TRADING & INVESTMENTS (P) LTD.	Investments in securities	150	1,500.00	Equity shareholder
DELHI FINANCIERS PVT. LTD.	Investments in securities	150	1,500.00	Equity shareholder
G M DANDIDAR COMMERCIAL PVT. LTD.	Investments in securities	6500	65,000.00	Equity shareholder
INTACT LEASING & FINANCE LTD.	Investments in securities	500	5,000.00	Equity shareholder
M/S RAMHARI INVESTMENTS P. LTD.	Investments in securities	450	4,500.00	Equity shareholder

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

Name of the Struck off Companies	Nature of transactions with struck off company	No. of shares	Balance outstanding/Nominal share value	Relationship with the struck off company, if any
MANJAPRA SEC & INVT. P. LTD.	Investments in securities	1650	16,500.00	Equity shareholder
NAVRATNA INVESTMENTS P. LTD.	Investments in securities	50	500.00	Equity shareholder
NAKUL TRADING & INVESTMENTS PVT. LTD.	Investments in securities	150	1,500.00	Equity shareholder
ORLON EXPORTS PVT. LTD.	Investments in securities	100	1,000.00	Equity shareholder
SILVER ARROW INVEST PVT. LTD.	Investments in securities	100	1,000.00	Equity shareholder
SKIM INVESTMENTS AND LEASING P. LTD.	Investments in securities	50	500.00	Equity shareholder
SANTOSH SECURITIES LTD.	Investments in securities	50	500.00	Equity shareholder
VINSUM CONSULTANTS PVT. LTD.	Investments in securities	150	1,500.00	Equity shareholder
VMS CONSULTANTS PVT. LTD.	Investments in securities	80	800.00	Equity shareholder

- d) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- e) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
- f) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- g) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- h) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- i) The Company is not declared as wilful defaulter by any bank or financial institution or other lender.
- j) The Company does not have any subsidiaries therefore disclosure of compliance with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

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

Note 34 : During the year, the Company has given advance amounting to ₹ 6.27 lakhs for the purpose of incorporating foreign subsidiary company in Bangladesh namely "Indokem Bangladesh (Pvt.) Limited". The above company has been incorporated on 30th April, 2023.

Note 35 : Previous year's figures have been recasted / restated wherever necessary.

As per our attached report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W / W - 100036

For and on Behalf of the Board of Directors

Pareen Shah

Partner

Membership No.: 125011

Mahendra K. Khatau

Chairman & Managing Director

DIN : 00062794

Manish M. Khatau

Director

DIN : 02952828

Place : Mumbai

Date: May 22, 2023

Rupal B. Parikh

Chief Financial Officer

Rajesh D. Pisal

Company Secretary



A Khatau Group

If undelivered please return to

Indokem Limited

Khatau House, Plot No.410/411, Mogul Lane, Mahim,
Mumbai - 400 016.