



**PANCHSHEEL ORGANICS  
LIMITED**

**ANNUAL REPORT 2022-23**



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## ABOUT PANCHSHEEL

**Panchsheel Organics Limited** (‘the Company’), an **ISO 9001 : 2008 CERTIFIED, GMP approved** public listed company is manufacturer and exporter of Active Pharma Ingredients (APIs), Intermediates & Finished Formulations (both Human & Veterinary), having a wide experience of more than three decades in the healthcare field.

The company was promoted in 1990 by the Turakhia Bros Group, having 35 years of rich experience, expertise and a proven track-record in the field of Pharma Export-Import trading, dealing in a wide range of globally sourced, as well as indigenously manufactured, best-in-their-class life-saving medicines covering APIs, Intermediates, Specialty Chemicals, Hormones, Steroids etc.

Panchsheel is a technology based and market driven company backed by a strong R & D setup aims at innovative production and thus creating a niche market for our products. It complies with all the norms applicable as per Schedule ‘M’, GMP & WHO standards.

### Corporate Mission

Panchsheel’s motto: “To manufacture and market Active Pharmaceutical Ingredients of International Standards.”

### Manufacturing Facilities

The multipurpose manufacturing unit of the Company is situated at **Madhya Pradesh**, in the central province of India at Indore, in B6/ B7, Sector ‘C’, Sanwer Road Industrial Estate, **Indore** – 452015. It is very well equipped with most modern production facilities and latest equipments capable of undertaking large orders and complex reactions very comfortably with plenty of available land, of which 5,000 sq.mts is constructed covering 4 manufacturing blocks. The Company has sufficient Government permission and has maintained all types of licenses for safety and pollution. The Company has also maintained an approved effluent treatment plant.

The Company has two other manufacturing units in the name of **Suneeta Chemicals** and **Paramount Organics**, both located in **Indore**. Every unit has a built-in testing facility which is well-equipped with most modern equipments and testing apparatus like HPLC, GC, IR, UV etc to ensure complete compliance to the set quality standards. They offer a wide range of products under different categories like Cardiovascular, Neuropsychiary, Anti-fungal, Fluoroquinolones, Antiallergic, Anti-Inflammatory, Gastrointestinal, Osteoporosis, Erectile Dysfunction and many more.

The formulation division of Panchsheel is under the name of **Gene Biotech Pvt Ltd** (“Gene”), situated in Poanta Sahib, Himachal Pradesh. This unit is also GMP approved.

Gene has all the facilities to offer customized manufacturing under private label and packaging as per client’s need.



## **Our Promoters**

### **1. Mahendra Turakhia**

Mr. Mahendra Turakhia, Chairman and Managing Director of the Company, has established Panchsheel Group. He has completed B.Sc. and is a first generation entrepreneur. He has vast and varied experience in the pharmaceutical industry and over the years, has made a wide network of contacts all over India and abroad. His background and experience makes him a qualified expert in all core areas of the company's operations.

### **2. Kishor Turakhia**

Mr. Kishor Turakhia, an Executive Director of the Company has completed B. Com and has rich experience in the pharmaceutical industry as well as in finance. He oversees business development and contributes in evolving new growth strategies.

### **3. Rajesh Turakhia**

Mr. Rajesh Turakhia, Chief Financial Officer of the Company, has completed B. Com and has rich experience in the pharmaceutical industry as well as finance.

For more details, please visit our Website: <https://panchsheelorganics.com/>



### **Board of Directors**

Mr. Mahendra A. Turakhia  
(Chairman & Managing Director)

Mr. Kishor A. Turakhia  
(Executive Director)

Mr. Rajesh Ahecchand Turakhia  
(Additional Director)

Mr. Diwakar Mani Tripathi  
(Non-Executive Independent Director)

Mr. Shambhunath Chakravarti  
(Non-Executive Independent Director)

Mrs. Darshana Vishal Shah  
(Non-Executive Independent Director)

### **Chief Financial Officer**

Mr. Gaurang Natavarbhai Patel

### **Company Secretary**

Mr. Hitesh Singh Parihar (w.e.f 28<sup>th</sup> April, 2023)

### **Statutory Auditors**

M/S. Jayesh R. Shah & Co.,  
Chartered Accountants

### **Registered Office**

B6 & B7, Sector – C, Industrial Area,  
Sanwer Road, Indore – 452015, MP.

### **Corporate Office**

137,138, Hubtown Solaris,  
Prof. N S Phadke Marg,  
Opposite Teli Gali,  
Andheri (East), Mumbai – 400 069.

### **Bankers**

Yes Bank  
Andhra Pradesh Financial Corporation

**ISIN:** INE316G01019

### **Secretarial Auditors**

M/S. GMS & Co.,  
Practicing Company Secretaries

### **Plant**

B6 & B7, Sector – C, Industrial Area,  
Sanwer Road, Indore – 452015, MP.

### **Share Transfer Agents**

Purva Sharegistry (India) Pvt. Ltd.,  
Unit No. 9, Shiv Shakti Industrial Estate,  
J. R. Boricha Marg, Lower Parel (East),  
Mumbai - 400 011.



## NOTICE OF THE 34<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE is hereby given that the 34<sup>th</sup> Annual General Meeting of the Members of Panchsheel Organics Limited will be held on Friday, September 29, 2023 at 04:00 P.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following businesses:-**

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### **ORDINARY BUSINESS:**

- 1. To consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Board of Directors and the Auditors thereon;**

“RESOLVED THAT the audited financial statements of the Company including the Balance Sheet as at 31<sup>st</sup> March 2023, Statement of Profit and Loss, cash flow statement for the year ended on that date and noted thereon, Report of the Board of Directors and Auditors thereon be and are hereby received, considered and adopted.”

- 2. To appoint a director in place of Mr. Rajesh Abhechand Turakhia (DIN: 00006246), who retires by rotation and, being eligible, offered himself for re-appointment.**

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

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 and rules made thereunder (including any statutory modification and re-enactment thereof) and other applicable provisions, if any of the Companies Act, 2013, Mr. Rajesh Abhechand Turakhia (DIN: 00006246), who is liable to retire by rotation and being eligible, has offered himself for appointment, be and is hereby re-appointed as a Director in the category of executive director of the Company.”

- 3. To declare final dividend on Equity shares for the financial year March 2023.**

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

“RESOLVED THAT on the basis of the recommendations of the Board of Directors and in accordance with Section 123 of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014, the approval of the Members be and is hereby given for payment of final dividend @ 8% (i.e. 0.8 per share) on 117,81,750 equity shares of Rs. 10/- each fully paid for the year ended March 31, 2023 and the same be paid to the shareholders whose names appear in the Register of Members as on September 22, 2023, out of the profits of the Company for the financial year ended March 31, 2023.”



**For and on behalf of the Board'**  
**Panchsheel Organics Limited**  
**Sd/-**  
**Hitesh Singh Parihar**  
**Company Secretary**  
**Membership No: A61540**  
**Mumbai, August 14, 2023**

**Corporate Office:**  
**Unit No. 137, Hubtown Solaris,**  
**N S Phadke Marg,**  
**Opposite Teli Galli,**  
**Andheri (East), Mumbai – 400069.**

**Registered Office:**  
B-6 & B-7 Sector-C, Industrial Area, Sanwer Road,  
Indore – 452015, Madhya Pradesh.  
CIN: L24232MP1989PLC005390  
☎ 0731-2721709 ☎ 91-22063929 ✉ [www.panchsheelorganics.com](http://www.panchsheelorganics.com)

**NOTES:**

- 1.** In view of the extraordinary circumstances due to outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) by Circular No.14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020 and Circular No. 20/2020 dated 5th May, 2020 read with Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 (the said Circulars) had permitted sending of the Notice of AGM along with Annual Report only through electronic mode to those Members whose e-mail addresses were registered with the Company / Depositories as well as conducting the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

MCA by Circular No. 2/2022 dated 5th May, 2022 and SEBI vide its Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated 13th May, 2022 have extended the above exemptions till 31st December, 2022 and accordingly in compliance with applicable provisions of the Companies Act, 2013 and the said Circulars the:

a. Notice of the AGM along with Annual Report for the Financial Year 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories.

b. 34<sup>th</sup> AGM of the Members will be held through VC / OAVM.



2. An explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), in respect of the Special Business to be transacted at the Annual General Meeting ('AGM'), is annexed hereto.
3. Pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (the Listing Regulations) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India information in respect of the Directors seeking appointment/re-appointment at the AGM, an Annexure is given to the Notice
4. As per the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the 34<sup>th</sup> AGM is being held through VC as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 34<sup>th</sup> AGM and hence Proxy Form, Attendance Slip and Route Map of the venue of the AGM are not being annexed to this Notice.
5. Corporate Members are requested to send a scanned copy (in PDF / JPG format) of the Board Resolution authorizing their representatives to attend this AGM, pursuant to Section 113 of the Act, through e-mail at [compliance@panchsheelorganics.com](mailto:compliance@panchsheelorganics.com).
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 to 1000 members on a first come first serve basis as per the MCA Circulars. 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. In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the AGM.

#### 8. **QUORUM**

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. **BOOK CLOSURE**

The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2023 to September 29, 2023 (both days inclusive).



**10. DIVIDEND:**

The dividend, as recommended by the Board, if approved at the AGM, will be paid subject to deduction of tax at source, as may be applicable, between October 3, 2023 to October 10, 2023, to those Members:

- a. whose names appear as Beneficial Owners as on September 22, 2023 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the equity shares held in electronic form; and
- b. whose names appear as Members in the Register of Members of the Company as on September 22, 2023 in respect of the equity shares held in physical form, after giving effect to valid request(s) received for transmission/ transposition of equity shares.

Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of Members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates.

**11. UNCLAIMED DIVIDEND**

Members are requested to note that dividend which has remained unpaid or unclaimed for 7 consecutive years or more from the date of transfer to the Company's Unpaid Dividend Account will be transferred to the Investor Education and Protection Fund (IEPF) as per Section 124 of the Act.

Accordingly, pursuant to the provisions of the Act and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company has transferred a sum of Rs. 1,97,496 to the IEPF during the year 2022-23.

Members are further requested to note that the unpaid or unclaimed dividends and/or the equity shares transferred to the IEPF can be claimed by them by making an on-line/electronic application in Form IEPF-5. Upon submitting duly completed form, applicants are requested to take a print of the same and send the physical copy, duly signed, along with the requisite documents specified in Form IEPF-5, to the Company/ the RTA of the Company, Purva Sharegistry (India) Private Limited (Unit no. 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opposite Kasturba Hospital Lane, Lower Parel (East), Mumbai - 400 011, email:[support@purvashare.com](mailto:support@purvashare.com)). The Rules and the application form (Form IEPF-5), as prescribed by the Ministry of Corporate Affairs (MCA) for claiming the shares/ dividends are available on the website of MCA /IEPF authority – [www.iepf.gov.in](http://www.iepf.gov.in).

In view of the above, Members who have not claimed /encashed the Dividend Warrants for Final Dividend 2015-16 and /or any subsequent years are requested to claim their unpaid dividends within stipulated timeline by writing to the Company /RTA giving the necessary details.



## **12. GENERAL GUIDANCE TO SHAREHOLDERS**

### **• NOMINATION FACILITY**

As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The Members are requested to submit the said form to their Depository Participant (DP) in case the shares are held in electronic form and to Purva Sharegistry (India) Private Limited, the Registrar & Transfer Agent (RTA) of the Company, in case the shares are held in physical form.

### **• MODE OF HOLDING SHARES**

As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with holding physical shares, the Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agent of the Company for any support in this regard

### **• UPDATION OF PERSONAL DETAILS**

- Pursuant to SEBI circular dated April 20, 2018, shareholders whose ledger folios having incomplete details with regard to PAN and Bank particulars are required to compulsorily furnish the same to the Registrar and Transfer Agent (RTA)/ to the Company for registration in the folio.
- Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Purva Sharegistry (India) Private Limited, in case the shares are held in physical form.

## **13. DISPATCH OF ANNUAL REPORT IN ELECTRONIC FORM AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT BY E-MAIL:**

- a. In accordance with the MCA and the SEBI Circulars and owing to the difficulties involved in dispatching of physical copies of the Annual Report for the financial year 2022-23 (including the Financial Statements, Board's Report, Auditor's report or other documents required to be attached thereto), the Annual Report (2022-23) and the Notice of the AGM are being sent in electronic mode to Members and other persons entitled to receive the Notice, whose e-mail address is registered with the Company or the Depository Participant(s).



- b. The Members holding Equity Shares of the Company in Demat Form or Physical Form and who have not yet registered their e-mail address are requested to follow the procedure stated in point no. 14 given below for the purpose of registration.
- c. A copy of the Annual Report 2022-23 along with the Notice of the AGM and Explanatory Statement is available on the website of the Company at [www.panchsheelorganics.com](http://www.panchsheelorganics.com), BSE Limited (BSE) at [www.bseindia.com](http://www.bseindia.com) and National Securities Depository Limited (NSDL) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**14. PROCEDURE FOR REGISTRATION OF EMAIL IDS WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND FOR E-VOTING ON THE RESOLUTIONS SET OUT IN THIS NOTICE:**

- a. In case the shares are held in physical mode, shareholders are requested to provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN and Aadhar Card by e-mail to the Company at [compliance@panchsheelorganics.com](mailto:compliance@panchsheelorganics.com).
- b. In case the shares are held in demat mode, please provide DPID & CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, self-attested scanned copy of client master or copy of Consolidated Account Statement, PAN Aadhar to the respective Depository Participants.
- c. If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 17(g) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- d. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

**15. PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:**

- a. As the AGM is being conducted through VC /OAVM, the Members are encouraged to express their views /send their queries in advance mentioning their name, demat account number (DP ID & Client ID) /Folio Number, e-mail ID, mobile number at [compliance@panchsheelorganics.com](mailto:compliance@panchsheelorganics.com).
- b. Members desirous of getting any information in respect of the contents of the Annual Report are requested to forward the same to the Company Secretary at least 10 days prior to the AGM so that the required information can be made available. The same will be replied by/on behalf of the Company suitably.
- c. In order to enable the smooth conduct of AGM, the Members who would like to express their views during the AGM may register themselves as a Speaker by sending an email to [compliance@panchsheelorganics.com](mailto:compliance@panchsheelorganics.com), along with your name and DP ID/Client ID on or before Thursday, September 28, 2023 before 6.00 P.M.

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

**16. PROCEDURE FOR JOINING THE AGM THROUGH VC/ OAVM:**

- Shareholders will be able to attend the AGM through VC / OAVM through web link – <https://purvashare.invc.vc/broadcast/64f8497351ad90aba2b555ef>
- The Members will be provided with the facility to attend the AGM through VC/OAVM through the e-Voting system by following the instructions given in point 17(g).
- The link for VC/OAVM will be available in shareholder/members login where the Electronic Voting Event Number ('EVEN') of Panchsheel Limited (the Company) will be displayed.
- On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM of the Company.
- 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 below in point no. 17(g) of the Notice. Further, the members can also use the OTP based login for logging into the e-Voting system.
- The Members are encouraged to join the AGM through Laptops for better experience. The Members will need the latest version of any of the following browsers viz. Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Further, the Speaker Members are recommended to use an Internet with a good speed for better communication.
- Please note that the Members/participants connecting through Mobile devices, Tablets or Laptop via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**17. PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:**

- a. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) [the Rules], Regulation 44 of the Listing Regulations and the MCA Circulars, the Company has provided the facility to its Members to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means. The facility of casting votes by a member using remote e-voting system as well as e-voting during the AGM will be provided by NSDL having its office at Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
- b. The members are requested to carefully read the instructions on e-voting given in point no. 17(g) before casting their vote electronically.
- c. The remote e-voting period begins on Tuesday, September, 26, 2023 at 9.00 a.m. and ends on Thursday, September 28, 2023 at 5.00 p.m. During the remote e-voting period, the Members of the Company holding shares either in physical form or in dematerialized form, as on Friday, September 22, 2023, the cut-off date, may cast their vote electronically. This



remote e-voting module shall be disabled by NSDL for voting thereafter. The voting rights of the members shall be in proportion to their equity shares held in the total paid up equity share capital of the Company as on the cut-off date.

- d. The Members who have not cast their votes during the aforementioned period, can cast their votes during the AGM by following the same process as applicable for remote e-voting. The remote e-voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
- e. Once the vote on a resolution is cast, the member shall not be allowed to change it subsequently or cast the vote again.
- f. The Members who had cast their votes by remote e-voting prior to the AGM may attend the AGM. However, they shall not be entitled to cast their vote again. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- g. The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

#### Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for <b>NSDL IDeAS facility</b> , please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “ <b>Beneficial Owner</b> ” icon under “Login” which is available under “ <b>IDeAS</b> ” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider – NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.



	<p>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>“Register Online for IDeAS”</b> Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>I. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>I. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>I. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>V. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>



Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**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.**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

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

<p><b><u>How to Log-in to NSDL e-Voting website?</u></b></p> <ol style="list-style-type: none"> <li>1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> </ol>
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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.nsd.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 :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your





‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

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](http://www.evoting.nsdl.com).

b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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.

**18. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

- The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast their votes 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.
- 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.



- Members may also send their queries relating to e-voting to Ms. Pallavi Mhatre, Manager, NSDL, at email id: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call Toll Free No. 1800 1020 990 /1800 224 430 17.

## 19. GENERAL INFORMATION FOR SHAREHOLDERS

- i. 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 “Forget User Details/Password?” or “Physical User Rest Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- ii. The Statutory Registers under the Act and documents, if any, referred to in the Notice and Explanatory Statement pursuant to Section 102 of the Act will be available electronically for inspection by the Members during the AGM. Documents, if any, referred to in the Notice will also be available for electronic inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [compliance@panchsheelorganics.com](mailto:compliance@panchsheelorganics.com).
- iii. The Board of Directors of the Company has appointed CS Gaurang Shah, Proprietor of M/s. GMS & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. The Scrutinizer’s decision on the e-voting shall be final.
- iv. The Scrutinizer shall, after the conclusion of voting at the AGM, count the votes cast at the meeting, and the votes cast through remote e-voting and make, within two working days from the of the conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- v. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.panchsheelorganics.com](http://www.panchsheelorganics.com) and on the website of NSDL e-voting viz. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be forwarded to BSE.
- vi. In case of any queries regarding the Annual Report, the Members may write to [compliance@panchsheelorganics.com](mailto:compliance@panchsheelorganics.com) to receive an email response.

## 20. PROCEDURE FOR REGISTRATION OF E-MAIL ADDRESS AND BANK DETAILS BY SHAREHOLDERS:-

- i. **For Temporary Registration of e-mail id for shareholders holding shares in Demat form and Registration of email id for shareholders holding shares in physical form:**

The Members of the Company holding Equity Shares of the Company in physical form and Members holding shares in Demat Form who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Purva Sharegistry (India) Pvt. Ltd. by clicking the link: <http://www.purvashare.com/email-and-phone-updation/> and follow the registration process as guided therein. The members are requested to provide details such as Name, DP ID, Client ID/ PAN, mobile number and



e-mail id. In case of any query, members may send an e-mail to the RTA of the Company at [support@purvashare.com](mailto:support@purvashare.com).

**On submission of the shareholders details, an OTP will be received, which needs to be entered in the link for verification.**

**ii. For Permanent Registration of e-mail id for shareholders holding shares in demat form:**

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail addresses, in respect of demat holdings with their respective Depository Participants (DP) by following the procedure prescribed by their Depository Participants.

**iii. Registration of Bank Details for shareholders holding shares in physical form:**

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with Purva Sharegistry (India) Pvt. Ltd. by sending an E-mail at [support@purvashare.com](mailto:support@purvashare.com). The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, e – mail id on a covering letter requesting them to update the bank details. The covering letter should be signed by the shareholder(s) and the same should be accompanied with self-attested PAN card and address proof, along with a copy of the cheque leaf with the first named shareholder's name printed on the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. In case of any query, members may send an e-mail to the RTA at [support@purvashare.com](mailto:support@purvashare.com).

**iv. Registration of Bank Details for Demat shareholders:**

It is clarified that for registration of bank details, the Members are requested to register their bank details, in respect of demat holdings with their respective Depository Participants (DP) by following the procedure prescribed by the Depository Participants.

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013.**

**Item No. 2**

Mr. Rajesh Abhechand Turakhia (DIN: 00006246), joined the Company's Board in December 2021.

In terms of section 152 of the Companies Act 2013 and the Articles of Association of the Company, Mr. Rajesh Abhechand Turakhia (DIN: 00006246) is due to retire by rotation at this meeting.



However, he has not offered himself for re-election due to other commitments, resulting in a vacancy on the Board; and, the Board has resolved, subject to approval of shareholders, that the vacancy in the Board so created shall not be filled.

The Board recommends the resolution for approval by the shareholders. None of the Directors has any concern or interest in this resolution.

**For and on behalf of the Board'  
Panchsheel Organics Limited**

**Sd/-**

**Hitesh Singh Parihar**

**Company Secretary**

**Membership No: A61540**

**Mumbai, August 14, 2023**

**Corporate Office:**

**Unit No. 137, Hubtown Solaris,  
N S Phadke Marg,  
Opposite Teli Galli,  
Andheri (East), Mumbai – 400 069.**

**Registered Office:**

B-6 & B-7 Sector-C, Industrial Area, Sanwer Road,

Indore – 452015, Madhya Pradesh.

CIN: L24232MP1989PLC005390

☎ 0731-2721709 ☎ 91-22063929 ✉ [www.panchsheelorganics.com](http://www.panchsheelorganics.com)



## **CFO CERTIFICATION**

To,  
The Board of Directors  
**Panchsheel Organics Limited**

This is to certify with reference to the Annual Accounts of the Company for the year ended 31<sup>st</sup> March, 2023 that:-

- a. I have reviewed financial statements and the cash flow statement for the year ended on 31<sup>st</sup> March, 2023 and that to the best of my knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or that may violate the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. I have not come across any reportable deficiencies in the design or operation of such internal controls.
- d. I have indicated to the Auditors and the Audit committee:
  - i. That there are no significant changes in internal control over financial reporting during the year;
  - ii. That there are no significant changes in accounting policies during the year except implementation of Ind AS; and
  - iii. That there is no instance of any fraud which we have become aware of.

**For Panchsheel Organics Limited**

Sd/-

**Gaurang Natwarlal Patel**  
(Chief Financial Officer)

**Place: Mumbai**  
**Date: August 14, 2023**



## **CERTIFICATE BY MANAGING DIRECTOR**

*[Pursuant to Regulation 17 (8) of SEBI Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Schedule II]*

To,  
The Board of Directors,  
**Panchsheel Organics Limited.**

I, Mahendra Turakhia, Managing Director of Panchsheel Organics Limited, to the best of my knowledge and belief, certify that:

1. I have reviewed the Balance Sheet as on March 31, 2023 and Profit and Loss Account for the year ended as on that date along with all its schedules and notes on accounts as well as the cash flow statements and the Board's Report;
  2. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit any material fact, in light of the circumstances under which such statements were made, not misleading anyone with respect to the statements made;
  3. Based on my knowledge and information, the financial statements and other financial information included in this Report, present in all the material aspects, a true and fair view of the Company's affairs, the financial condition, results of operations and Cash Flows of the Company as of, and for, the periods presented in this Report, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
  4. To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct;
- V. I am responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and I have:
- a) Designed such disclosure controls and procedures to ensure that material information relating to the Company, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
  - c) Evaluated the effectiveness of the Company's disclosure, controls and procedures; and
  - d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting;
- VI. I have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Company (and persons performing the equivalent functions):



- a) All deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies;
  - b) Significant changes, if any, in internal controls during the year covered by this report;
  - c) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
  - d) Instances of significant fraud of which I am aware, that involves management or other employees who have a significant role in the Company's internal control system;
7. I affirm that I have not denied any personnel, access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and I have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices; and
  8. I further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

**For Panchsheel Organics Limited**

**Sd/-**

**Mahendra Turakhia**

Managing Director

DIN: 00006222

**Date: August 14, 2023**





## 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,  
**Panchsheel Organics Limited.**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Panchsheel Organics Limited** having CIN: L24232MP1989PLC005390 and having its Registered Office at B-6 & B-7 Sector-C, Industrial Area, Sanwer Road, Indore, Madhya Pradesh - 452015 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status on MCA Portal i.e. [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31<sup>st</sup> March, 2023, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority/ies.

Sr. No.	Name of the Directors	DIN	Date Of Initial Appointment In Company
1.	Mr. Mahendra A. Turakhia	00006222	01/04/2012
2.	Mr. Kishor A. Turakhia	00006236	02/08/1989
3.	Mr. Rajesh A Turakhia	00006246	08/12/2021
4.	Mr. Shambhunath Chakravarti	06924557	30/05/2014
5.	Mrs. Darshana Vishal Shah	07360922	10/11/2015
6.	Mr. Diwakar Tripathi	06912629	30/05/2014

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 this, 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 GMS & Co**  
Practicing Company Secretary

Sd/-

**Gaurang Shah**

ACS No: 32581

CP No: 11953

Place: Mumbai

Date: 14<sup>th</sup> August, 2023

**BOARD'S REPORT**

To the Members of Panchsheel Organics Limited,

The Directors hereby present their 34<sup>th</sup> Annual Report on the business, operations and the state of affairs of the Company together with the audited financial statements for the year ended March 31, 2023:-

**FINANCIAL PERFORMANCE** (Amt in Rupees)

Particulars	2022-23	2021-22
Total Income	10,31,78,800	69,03,36,000
Total Expenditure	85,29,22,000	57,72,47,000
<b>Profit Before Tax</b>	<b>19,06,92,000</b>	<b>11,39,83,000</b>
Tax Expenses	(14,06,99,000)	(3,04,01,000)
<b>Profit for the year</b>	<b>4,99,94,000</b>	<b>8,35,82,000</b>
Other Comprehensive Income/ (Loss)	8,54,000	12,04,000
Total Comprehensive Income	14,15,53,000	8,47,86,000
<b>Earnings Per Share (Rs.) (Face Value of Re. 1/- each)</b>		
<b>Basic</b>	<b>12.78</b>	<b>8.33</b>
<b>Diluted</b>	<b>11.94</b>	<b>8.33</b>

**EQUITY SHARE CAPITAL**

During the year under review, Company has issued and allotted 17,75,950 Equity Shares on preferential basis.

The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

The Company has not issued ESOP or sweat equity shares to Directors or employees.

**DIVIDEND**

During the year under review, the Company declared 3 interim dividend of Rs. 1/-, Rs 0.8/- and Rs 0.8/- per Equity Share of the face value of Rs. 10/- each in its Board Meeting held on August 23 2022, 14 November 2022 and 13 February 2023 respectively.

The Board at its meeting held on September 09, 2022, recommended a final dividend of Rs. 1/- per Equity Share of the face value of Rs. 10/- each, which was approved by the Members of the company at the Annual General Meeting ('AGM') of the Company held on 29th September, 2022.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have subsidiaries, joint ventures and associate Companies.



## **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The particulars of loans given, Investments made, guarantees made and securities provided are reported in the financial statements.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

A report on Management Discussion and Analysis covering industry structure and developments, financial and operational performance of the Company, risks, concerns, opportunities, threats and outlook forms a part of this Report.

## **TRANSFER TO RESERVES**

The Company has not proposed to transfer any amount to the General Reserve.

## **INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT**

The Company has in place adequate internal financial controls with reference to the financial statements. The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with the applicable laws and regulations.

The Company has a robust Business Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks

trend, exposure and potential impact analysis at a Company level as also separately for business. The Company has adopted a Risk Management Policy.

## **HUMAN RESOURCES**

The key to the Company's agility and success is, of course, its highly dedicated people. The focus of the Company is on attracting, engaging and developing talented people who share their vision and values. Therefore, the Company offers innovative programs, benefits and resources that address the diverse needs of employees, reward their efforts, help them build their best careers at Panchsheel.

## **CORPORATE GOVERNANCE**

Corporate Governance Report and Certificate from the Statutory Auditors of the Company on compliance with the conditions of Corporate Governance pursuant to the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, form a part of this Report.

## **PUBLIC DEPOSITS**

The company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 ("the Act"). Accordingly, there is no disclosure or reporting required in respect of details relating to deposits.



## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to section 134 of the Companies Act, 2013, the Board of Directors confirm that:-

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2023 and the profits of the Company for the financial year ended on that date;
- (iii) proper and sufficient care has 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 have been prepared on a going concern basis;
- (v) internal financial controls have been laid down and the same are adequate and were operating effectively; and
- (vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors of the Company, as on 31<sup>st</sup> March, 2023, comprise of six Directors of which one is Managing Director, two are Executive Directors and three are Non-executive and Independent Directors. There is one Woman Director on the Board.

### **i. Independent Directors**

Mr. Shambhunath Chakravarti, Mr. Diwakar Mani Tripathi and Mrs. Darshana Shah continue to be the Independent Directors of the Company.

In accordance with the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have given a declaration that they meet the criteria of independence as provided in the said Section and also in terms of the Listing Regulations. In the opinion of the Board, the Independent Directors are persons of integrity and possess relevant expertise, experience and proficiency as per the Act.

### **ii. Retirement by rotation**

In terms of Section 152 of the Companies Act, 2013, Mr. Rajesh Abhechand Turakhia (DIN: 00006246), retires by rotation at the forthcoming AGM and, being eligible, has offered himself for re-appointment. Brief resume of Mr. Rajesh Abhechand Turakhia, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is covered in the notes of the Notice of 34<sup>th</sup> AGM of the Company.



### **iii. Key Managerial Personnel**

Mr. Nikhil Borana tendered his resignation as the Company Secretary and Compliance Officer with effect from February 03, 2023 and Mr. Hitesh Singh Parihar was appointed as the Company Secretary and Compliance Officer with effect from April 28, 2023.

### **BOARD MEETINGS HELD DURING THE YEAR**

During the year under review, 8 Board Meetings were held on the following dates: - 02 May 2022, 30 May 2022, 29 June 2022, 14 August 2022, 23 August 2022, 08 September 2022, 14 November 2022, 13 February 2023.

### **FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS**

The Board of Directors have adopted a Familiarization Program for Independent Directors of the Company. The same is available on the website of the Company at <https://panchsheelorganics.com>.

Besides that, expositions are made to the Directors on various topics covering the pharmaceutical industry. Updates on relevant statutory changes and judicial pronouncements around industry related laws are regularly circulated to the directors. Each director has complete access to any of the company's information and full freedom to interact with senior management.

### **AUDITORS**

Pursuant to the provisions of section 139 of the Act, the members at the annual general meeting of the Company held on 30 September 2021 appointed M/s. Jayesh R. Shah & Associates, Chartered Accountants (Firm Registration No. 104182W) as statutory auditors of the Company from the conclusion of 34th annual general meeting till the conclusion of 38th annual general meeting.

The statutory audit report for the financial year 2022-23 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

### **SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of section 204 of the Act and Rules made thereunder, the Company has appointed, M/s. GMS & Co., Practicing Company Secretaries (Membership No. 1587, CP No. 572) to undertake the secretarial audit of the Company. Secretarial audit report for the financial year ended March 31, 2023 issued by him in the prescribed form MR-3.

In addition to the above, pursuant to regulation 24A(2) of the Listing Regulations, 2015, a report on secretarial compliance for the financial year ended March 31, 2023 has been issued by M/s. GMS & Co., Practicing Company Secretaries and the same will be submitted with the stock exchanges within the given timeframe. The report will be made available on the website of the Company. The Secretarial Audit Report is provided as "[Annexure I](#)" to this Report.

There are no observations, reservations or qualifications or adverse remark in any of the aforesaid reports.



## COMMITTEES OF THE COMPANY

### - NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of Mrs. Darshana Shah, Non-Executive - Independent Director, Mr. Diwakar Tripathi, Non-Executive - Independent Director and Mr. Shambhunath Chakravarti, Non-Executive - Independent Director.

The Company has formulated a Remuneration Policy pursuant to Section 178 of the Act and the Listing Regulations. The Policy is provided as "[Annexure II](#)" to this Report.

### - AUDIT COMMITTEE

The Audit Committee comprises of Mr. Mahendra Turakhia, Managing Director and Executive Director, Mr. Diwakar Tripathi, Non-Executive - Independent Director and Mrs. Darshana Shah, Non-Executive - Independent Director.

Further details of the Audit Committee are provided in the Corporate Governance Report forming a part of this Report.

### - CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with the provisions of Section 135 of the Companies Act, 2013 (the Act) and the Rules made thereunder, the Board of Directors of the Company have constituted the Corporate Social Responsibility (CSR) Committee. The CSR Committee comprises of **Mr. Mahendra Turakhia, Managing Director; Mr. Kishor Turakhia, Executive Director and Mrs. Darshana Shah, Non-executive Director.**

The report on CSR activities undertaken during the year is provided as "[Annexure III](#)" to this Report. During the year ended March 31, 2023, the Committee met once.

## PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES OF THE BOARD AND DIRECTORS

In compliance with the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation was carried out as under:

Based on recommendation of the Nomination and Remuneration Committee, a mechanism and criteria are set for evaluation of the Board, Committees of the Board and Directors, including Independent Directors. The Board and Board Committees evaluation is done by the Board through self-assessment and group discussions. Parameters for evaluation of the Board include structure and composition of the Board, frequency and number of meetings, devotion of time for important business matters-financials, monitoring Internal Controls/ Code of Conduct/Insider Trading Policy/Risk Management Framework and Emerging Risks/Governance and compliance issues, adequate access to information for effective decision making, strategic guidance to management through regular interactions and cohesiveness in the overall working that facilitates open discussion.

Parameters for evaluation of the Committee include structure and composition of the committees, adequacy of charter and working procedure, frequency of meetings, if the Committee is



functioning as per the charter and if the Committee recommendations contribute effectively to the Board decision making.

Evaluation of the Directors is done by the Board (excluding the Director whose evaluation is being done). Parameters for evaluation of the Directors include skill set, knowledge, attendance, effective participation at Board/Committee Meetings, their contribution at the Meetings, leveraging on his/ her experience to provide the necessary insights/guidance on Board discussions and display of candor in expressing views even when they are in divergence with the rest of the Board, etc.

## **EMPLOYEES**

The particulars of ratio of remuneration of each director to median remuneration of the employees of the Company for the financial year under report, percentage increase in remuneration of each Director and KMP, etc, more particularly described under Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in “[Annexure IV](#)” to this Report.

The statement showing particulars of employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in this report in the above stated annexure.

## **RELATED PARTY TRANSACTIONS**

All the Related Party Transactions entered by the Company during the financial year are on arm’s length and in the ordinary course of business.

In accordance with the provisions of the Listing Regulations, the Company has formulated the Related Party Transactions Policy, which is available on the Company’s website at [www.panchsheelorganics.com](http://www.panchsheelorganics.com).

The details of the Related Party Transactions are discussed in notes to the financial statements.

The Audit Committee has granted omnibus (ad hoc) approval for the Related Party Transactions as per the provisions and restrictions contained in the policy framed as per Regulation 23 of the SEBI (LODR) Regulations, 2015 and provision of Companies Act, 2013 are also adhered.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The required information under the provisions of Section 134(3)(m) of the Companies Act, 2013 in respect of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, etc, are provided as “[Annexure V](#)”.

## **PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

Pursuant to the legislation ‘The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013’, the Company has a policy on Prevention of Sexual Harassment at Workplace. During the year under review, no complaint has been received from employees. There was no other case reported during the year under review under the said policy.





Entire staff is working in the most congenial manner and there were no occurrences of incidences of sexual harassment during the year.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has adopted a Whistle Blower Policy to report genuine concerns/ grievances. The Policy is available on the website of the Company at [www.panchsheelorganics.com](http://www.panchsheelorganics.com).

The Policy provides for adequate safeguards against victimization of persons who use such mechanism. The mechanism is overseen by the Audit Committee.

### **ANNUAL RETURN**

Pursuant to Sections 92 and 134 of the Companies Act, 2013, the Annual Return as on March 31, 2023 in Form MGT-7 is available on the website of the Company at [www.panchsheelorganics.com](http://www.panchsheelorganics.com).

### **ACKNOWLEDGEMENTS**

The Board of Directors acknowledge the valuable guidance and continued support and co-operation extended by the Securities and Exchange Board of India, Stock Exchanges, Ministry of Corporate Affairs, other Government Authorities, Banks, and other Stakeholders.

**For and on behalf of the Board of Directors  
Panchsheel Organics Limited**

Sd/-

**Mahendra A. Turakhia  
Managing Director  
DIN: 00006222**

**Mumbai, August 14, 2023**



**Annexure I**

**Form No. MR-3  
Secretarial Audit Report**

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

For the Financial Year ended 31st March, 2023

**To,  
The Members,  
Panchsheel Organics Limited.**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s **Panchsheel Organics Limited** (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 has 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 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 the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. 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;
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;- **Not Applicable.**
- g. The Securities and Exchange Board of India (Mutual Fund) Regulation 1996- **Not Applicable.**
- h. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not Applicable.**

**VI.** Company has complied with following laws.

1. Factories Act, 1948
2. Industrial Disputes Act, 1947
3. The Payment of Wages Act, 1936
4. The Minimum Wages Act, 1948
5. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
6. The Payment of Bonus Act, 1965
7. The Payment of Gratuity Act, 1972
8. The Water (Prevention and Control of Pollution) Act, 1974
9. The Water (Prevention and Control of Pollution) Cess Act, 1977
10. The Air (Prevention and Control of Pollution) Act, 1981.
11. The Environment (Protection) Act, 1986
12. The Pharmacy Act, 1948
13. The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954.

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

- i. Secretarial Standards (SS - 1 & SS - 2) issued by the Institute of Company Secretaries of India and as amended from time to time.
- ii. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with BSE Limited and National Stock Exchange of India Limited;
  - a. The delisting application filed with Ahmedabad Stock Exchange is in process.

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

All the decisions were carried out unanimously by the members of the Board and Committees and the same were duly recorded in the minutes of the meeting of the Board of Directors and Committees of the Company.

*We have not commented and pointed any area in which statutory auditor's observation and qualifications provided in audit report.*

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

**I further report that:**

1. Company has issued and allotted 17,75,950 Equity Shares on preferential basis.

**For GMS & CO.,  
Practicing Company Secretaries**

**Sd/-  
Gaurang Manubhai Shah  
Proprietor,  
Membership No: 32581  
C. P No: 11953  
UDIN: A032581E000804891  
Date: 14/08/2023  
Place: Mumbai**



**Annexure 'A'**

To,  
The Members,  
**Panchsheel Organics Limited,**  
Mumbai.

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, 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 management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure 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.
7. We have reported, in our audit report, only those non-compliance, especially in respect of filing of applicable forms/documents, which, in our opinion, are material and having major bearing on financials of the Company.

**For GMS & CO.,**  
**Practicing Company Secretaries**  
Sd/-  
**Gaurang Manubhai Shah**  
**Proprietor,**  
**Membership No: 32581**  
**C. P No: 11953**  
**UDIN: A032581E000804891**

**Date: 14/08/2023**  
**Place: Mumbai**



## Annexure II

### NOMINATION AND REMUNERATION POLICY

The Board of Directors of Panchsheel Organics Limited (“the Company”) has constituted the Nomination and Remuneration Committee (“the Committee”) in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Committee had framed Nomination and Remuneration Policy (“the Policy”) and recommended to the Board in accordance with the requirements of the Companies Act, 2013 and the Listing Regulations. The Board had approved and adopted the Policy w.e.f. 14<sup>th</sup> February, 2020.

#### 1. OBJECTIVE

The Committee and the Policy is in compliance with Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Key Objectives of the Committee would be:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Employees.
- b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board (as and when required).
- c) to recommend to the Board, the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

#### 2. DEFINITIONS

(a) **Key Managerial Personnel:** Key Managerial Personnel means—

- i) Chief Executive Officer or the Managing Director or the Manager;
- ii) Company Secretary,
- iii) Chief Financial Officer; and
- iv) Such other officers as may be prescribed.

(b) **Senior Management:**

Senior Management means personnel of the Company who are members of its core management team excluding the Board of Directors. This will also include all the members of management one level below the executive directors including all functional heads.

#### 3. MEMBERSHIP

- a) The Committee shall consist of minimum 3 non-executive directors, out of whom not less than one half shall be independent.



- b) Minimum two (2) members, of whom one must be Independent Director, shall constitute the quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **4. CHAIRPERSON**

- a) Chairperson of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairperson of the Committee.
- c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- d) Chairperson of the Committee meeting may be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries, if any.

#### **5. ROLE OF COMMITTEE**

##### **a) NOMINATION DUTIES**

The duties of the Committee in relation to nomination matters include:

- a) To identify persons who are qualified (i) to become directors and (ii) for appointment in Senior Management Cadre;
- b) To formulate criteria for determining qualifications, positive attributes and independence of a Director;
- c) To recommend to the Board, the appointment and removal of Senior Management Employees;
- d) To carry out evaluation of Directors' performance and recommend to the Board, their appointment/removal/ suspension based on his/her performance;
- e) To recommend the Board, a policy relating to remuneration for Directors, Key Managerial Personnel and other Senior Management employees;
- f) To devise a policy on Board diversity;
- g) Ensure that there is an appropriate induction & training program in place for new Directors and members of Senior Management and review its effectiveness;
- h) Ensure that on appointment on the Board, Independent Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- i) Determine the appropriate size, diversity and composition of the Board;
- j) Set a formal and transparent procedure for selecting new Directors on the Board



- k) Develop a succession plan for the Board and Senior Management and regularly reviewing the plan;
- l) Delegate any of its powers to one or more of its members;
- m) Recommend necessary changes to the Board;
- n) Consider any other matters as may be requested by the Board.

#### **b) REMUNERATION DUTIES**

The duties of the Committee in relation to remuneration matters include:

- to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate with regard to the remuneration of the members of the Board;
- to approve the remuneration of the Directors, Senior Management including key managerial personnel of the Company, maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
- to delegate any of its powers to one or more of its members;
- to consider any other matters as may be requested by the Board.

#### **6. BOARD DIVERSITY**

- a) The Board shall consist of such number of Directors, including at least one woman Director and not less than fifty percent of the Board of Directors comprising of non-executive directors, as is necessary to effectively manage the Company of its size.
- b) When the Chairperson of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case the Company does not have a regular non-executive Chairperson or in case the regular non-executive Chairperson is a promoter of the Company, at least half of the Board should comprise of independent directors.
- c) The Committee will lead the process for Board appointments. All Board appointments will be based on the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The Committee shall seek to address Board vacancies by actively considering candidates that bring a diversity of background and opinion from amongst those candidates with appropriate background and industry or related expertise and experience. The candidates will be considered against objective criteria, having due regard to the benefits of diversity of the Board.
- d) Additionally the Board may consider appointment of experts from various specialized fields such as finance, law, information technology, corporate strategy, marketing and business development, international business, operations management etc. so as to bring diversified skill sets on board or succeed any outgoing director with the same expertise.





## **7. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

## **8. COMMITTEE MEMBERS' INTERESTS**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## **9. VOTING**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In case of equality of votes, the Chairman of the meeting will have a casting vote.

## **10. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be recorded in minutes book and signed by the Chairperson of the Committee. Minutes of the Committee meetings will be tabled at the subsequent Board meeting.

Draft approved by Nomination and Remuneration Committee at its Meeting held on February 13, 2020 and recommended to the Board for its adoption.

Approved by the Board at its Meeting held on February 14, 2020



Annexure to Board's Report

Annexure III

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY****Annual Report on Corporate Social Responsibility Activities***[As prescribed under Section 135 of the Companies Act, 2013 and Companies(Corporate Social Responsibility Policy) Rules, 2014]***1. Brief outline on CSR Policy of the Company:**

To leverage the capacity and capital to equip and enable the social sector to achieve the greatest impact on the lives of the poor in India.

**2. Composition of CSR Committee:**

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation/Nature of Directorship</b>	<b>Number of meetings held during the year</b>	<b>Number of meetings attended during the year</b>
1	Mr. Mahendra Turakhia	Managing Director (Chairman of the Committee)	1	1
2	Mr. Kishor Turakhia	Executive Director	1	1
3	Mrs. Darshana Shah	Independent Director	1	1

- 3.** Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company at [www.panchsheelorganics.com](http://www.panchsheelorganics.com)
- 4.** Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
- 5.** Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Rs. 17.83 lakhs
- 6.** Average net profit of the Company of the last three financial years as per section 135(5): Rs. 891.59 lakhs
- 7.** (a) Two percent of average net profit of the Company as per section 135(5): Rs. 17.83 lakhs



- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- (c) Amount required to be set off for the financial year, if any: 17.83 lakhs
- (d) Total CSR obligation for the financial year (7a+7b-7c): Nil

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

Total Amount Spent for the Financial Year (in Lakhs)	Amount Unspent		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Total Amount Unspent	CSR Account as per section 135(6)	Amount	Date of transfer	Name of the Fund

Total Amount Spent for the Financial Year (in Lakhs)	Amount Unspent		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Total Amount Unspent	CSR Account as per section 135(6)	Amount	Date of transfer	Name of the Fund
0.83	17.00	-	-	-	Nil

- (b) Details of CSR amount spent against ongoing projects for the financial year: Nil
- (c) Details of CSR amount spent against other than ongoing projects for the financial year: NA
- (d) Amount spent in Administrative Overheads: NIL
- (e) Amount spent on Impact Assessment, if applicable: Not applicable
- (f) Total amount spent for the financial year (8b+8c+8d+8e): 0.83
- (g) Excess amount for set off, if any: NA

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

Sr . N o.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (amount in Crore)	Amount spent in the reporting Financial Year (amount in Crore)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Name of the Fund	(amount in Crore)	Date of transfer	Amount remaining to be spent in succeeding financial years (amount in Crore)



2	FY 2020-21	Rs.13.76	Nil	-	-	-	Rs.13.76
3	FY 2021-22	Rs. 17.00	Nil	-	-	-	Rs. 17.00
	Total	Rs.42.65		-	-	-	Rs.42.65

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

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project in duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of the reporting Financial Year. (in Rs.)	Status of the project - Completed/ Ongoing
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Nil

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

- Date of creation or acquisition of the capital asset(s): None
- Amount of CSR spent for creation or acquisition of capital asset: Nil
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

**11.** Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): delay in implementation of such projects resulted into an unspent amount.

Sd/-  
**Mahendra Turakhia**  
 Managing Director (Chairman of CSR Committee)

Sd/-  
**Kishor Turakhia**  
 Executive Director



### Statement of disclosure of remuneration

*[Pursuant to Section 197 of the Companies Act, 2013 ("the Act") and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

#### **Part-1: Disclosure of Ratio of Remuneration of each Director to the Median Employee's Remuneration, the Percentage increase in Remuneration of each Director, Chief Executive Officer, Company Secretary and Chief Financial Officer, etc, for the Financial Year ended 31st March, 2023.**

1. Ratio of remuneration of each Director to whom remuneration is paid to the median remuneration of employees:
  - a. Mr. Mahendra A. Turakhia, Managing Director: 1:2618.09
  - b. Mr. Kishor A. Turakhia, Executive Director: 1:2504.27
  - c. Mr. Rajesh A. Turakhia, Executive Director: 1:2504.27
2. Percentage increase in remuneration of Directors and Key Managerial Personnel to whom remuneration is paid in the financial year ended 31<sup>st</sup> March, 2023:
  - a. Mr. Mahendra A. Turakhia, Managing Director: 0
  - b. Mr. Kishor A. Turakhia, Executive Director: 0
  - c. Mr. Rajesh A Turakhia: (from 08<sup>th</sup> December, 2021), Executive Director: 0
  - d. Mr. Chandrakant A. Shah, Chief Financial Officer : 0
  - e. Mr. Nikhil Borana, Company Secretary : 0
3. Percentage increase in the median remuneration of employees in the financial year ended March 31, 2023 in comparison to the financial year ended March 31, 2022: 0
4. Number of permanent employees as on 31st March, 2023: 180
- a. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year: 0
- b. Percentile increase in the managerial remuneration in the last financial year:
  - i. Mr. Mahendra A. Turakhia, Managing Director: 0
  - ii. Mr. Kishor A. Turakhia, Executive Director: 0
  - iii. Mr. Rajesh A. Turakhia, Executive Director: 0
  - iv. Mr. Chandrakant Shah, Chief Financial Officer: 0
  - v. Mr. Nikhil Borana, Company Secretary: 0



- c. Justification of the above: Remuneration is based on individual performance
- d. Any exceptional circumstances for increase in the managerial remuneration: None
- 5. The remuneration of all the Directors, Key Managerial Personnel and other employees are as per the remuneration policy of the Company.

**Part-2: Statement of particulars of top ten employees in terms of remuneration pursuant to provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

There is no employee employed during the year drawing remuneration exceeding the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

For and on behalf of the Board  
**Panchsheel Organics Limited**

Sd/-

**Mahendra Turakhia**  
**Managing Director**  
**DIN: 00006222**

**Place: Mumbai**

**Dated: August 14, 2023**



## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

*[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with  
Rule 8 of the Companies (Accounts) Rules, 2014]*

### A. CONSERVATION OF ENERGY

#### i. Energy conservation measures:

The manufacturing units of the Company have continued their efforts to reduce their energy consumption year on year. Some of the key measures undertaken by the manufacturing plants are as below:

- Elimination of idle running of Air Handling Unit for energy reduction.
- Use of Energy Efficient aluminum Air piping solution to reduce friction losses.
- LED lighting for all plants
- Sharing of best practices at each plant started for easy replication of applicable ideas
- Use of Energy efficient motors for all new projects.

**The total power consumption by the Company is as below:-**

**Power Fuel Consumption: Rs. 1,21,65,407**

Sr. No.	Particulars	Current Year 22-23	Previous Year 21-22
1.	<b>Electricity</b>		
	Total Units	677880	618732
	Amount (Rs. In Lacs)	62.45	56.35
	Rate per unit (Rs.)	9.21	9.11
	Consumption per unit of Production (in unit)/Kg	5.64	6.19
2.	<b>Gas/Furnace Oil (Diesel)</b>		
	Total units (liter)	328404	299706
	Amount (Rs. In Lacs)	23.38	25.28
	Rate per Unit (Rs.)	7.12	8.85
	Consumption per unit of production (in unit) Kg	2.73	3.47

- ii. The steps taken by the Company for utilizing alternate sources of energy – Nil



- iii. The Capital Investment on Energy Conservation Equipment - None

## **B. TECHNOLOGY ABSORPTION**

- i. The efforts made towards technology absorption - The Company extensively uses the information technology in its operations and has absorbed the technology required in this regard.
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution - The Company has leveraged the technology to reach out to its customer in the difficult times of pandemic.
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year:
  - (a) The details of technology imported: Not Applicable
  - (b) The year of import: Not Applicable
  - (c) Whether the technology has been fully absorbed: Not Applicable
  - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable
- iv. The expenditure incurred on Research and Development: Not Applicable.

## **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review, the Company earned foreign exchange of Rs. 139.60 lakhs (previous year: Rs. 104.07 lakhs) and there was outgo of foreign exchange of Rs. 9.10 lakhs (previous year: Rs. 1.11 lakhs)





## Corporate Governance Report

### Company's Philosophy on Corporate Governance

At Panchsheel, we strongly uphold good governance practices to promote fairness, transparency, accountability and integrity. In line with this philosophy, Guiding Principles have been articulated and these forms an integral part of Company's Corporate Governance practices. Processes have been designed to run the businesses responsibly and harmonize the diversified interests of various stakeholders, thereby enhancing stakeholder value.

### Board of Directors

#### Composition, Meeting and Attendance

The Board of Directors (the Board) of the Company comprises of Executive and Non-Executive Directors and the same is in conformity with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and the Companies Act, 2013 (the Act).

The agenda for the Board Meetings is circulated in advance and is backed by comprehensive background information to enable the Board to take informed decisions. During the financial year 2022-23, the Board met 8 times i.e. on:

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the financial year 2022-23 and at the last Annual General Meeting (AGM), the number of directorships and committee positions held by them in other public limited companies and the name of the other listed entities where he/she is a Director and category of directorships as on March 31, 2023, are as under:

Name and DIN of the Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM held on September 30, 2020	No. of directorships in other Public Limited Companies \$	Name of other Listed entities where person is Director - Category of Directorship	Committee Position* Member/ Chairman
Mr. Mahendra Turakhia {Chairman}	Executive (Promoter)	8	Yes	0	-	Chairman/ Member - 1
(DIN: 00006222)						
Mr. Kishor Turakhia	Executive (Promoter)	8	Yes	0	-	Member - 2
(DIN: 00006236)						



Mrs. Paresha Turakhia (DIN: 08436437)	Executive	8	Yes	0	-	Nil
Mrs. Darshana Shah (DIN: 07360922)	Non-Executive, Independent	8	Yes	0	-	Chairman/ Member - 2
Mr. Diwakar Tripathi (DIN: 06912629)	Non-Executive, Independent	8	No	0	-	Chairman - 1 Member - 2
Mr. Shambhunath Chakravarti (DIN: 06924557)	Non-Executive, Independent	4	Yes	0	-	Member – 1

§ Only Directorships of public limited companies incorporated in India have been considered and excludes private limited companies, section 8 companies and foreign companies.

\*Only Audit Committee and Stakeholders' Relationship Committee, in other public limited companies, have been considered for the Committee position.

Except for Mr. Mahendra Turakhia and Mr. Kishor Turakhia, none of the Directors are related to each other.

None of the Directors hold office in more than 10 public companies as prescribed under the Act. No Director holds Directorships in more than 7 listed companies. Further, none of the Non-executive Directors serve as Independent Director in more than 7 listed companies as required under the Listing Regulations. The Managing Director does not serve as an Independent Director in any listed company. None of the Directors on the Board is a member of more than 10 Committees and Chairperson of more than 5 Committees, across all public limited companies in which he/she is a Director. Independent Directors are Non-executive Directors as defined under the Listing Regulations and the Act along with Rules framed thereunder. In terms of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.



Based on the declarations received from the Independent Directors, the Board has confirmed that they meet the criteria of independence as prescribed under the Listing Regulations and that they are independent of the management. In the opinion of the Board, the Independent Directors are persons of integrity and possess relevant expertise, experience and proficiency as per the Act.

All the directors of the Company have confirmed that they are not disqualified for being appointed as directors pursuant to Section 164 of the Companies Act, 2013.

M/s. GMS & Co., Company Secretaries, have issued a certificate certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs and any such statutory authority.

### **Committees of the Board:**

#### **A) Audit Committee**

##### **Meetings held:**

During the Financial Year 2022-23, the Committee met 6 times i.e. on: April 04, 2022, May 30, 2022, August 14, 2022, August 23, 2022, November 14, 2022, and February 13, 2023.

The composition as on March 31, 2023 and attendance during the year ended March 31, 2023:

<b>Name of the Members</b>	<b>No. of Meetings Attended</b>
Mr. Diwakar Tripathi	6
Mr. Mahendra Turakhia	6
Mrs. Darshana Shah	6

All the members have financial management expertise. The constitution and terms of reference of the Committee are in compliance with the requirements of the Act and the Listing Regulations.

Brief description of the terms of reference of the Audit Committee inter alia include:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company
3. Approval of payment to the statutory auditors for any other service rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:



- a. matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub section 3 of the section 134 of the Companies Act, 2013
  - b. changes if any, in the accounting policies and practices and reasons for the same
  - c. major accounting entries involving estimates based on the exercise of judgement by management
  - d. significant adjustments made in the financial statements arising out of audit findings
  - e. compliance with the listing and other legal requirements relating to financial statements
  - f. disclosure of any related party transactions g. qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
  6. Evaluation of internal financial controls and risk management systems
  7. Reviewing, with the management, performance of statutory auditors, adequacy of the internal control systems
  8. Discussion with internal auditors of any significant findings and follow up thereon
  9. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
  10. To review the functioning of the Whistle Blower/Vigil mechanism
  11. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Auditors and the Chief Financial Officer are invited to attend the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee.

#### **B) Nomination and Remuneration Committee Meetings held:**

During the Financial Year 2022-23, the Committee met 4 times on April 04, 2022, May 30, 2022, August 14, 2022 and March 31, 2023.

The Committee comprises of the Independent Directors only. The composition as on March 31, 2023 and attendance during the year ended March 31, 2023:

<b>Name of the Members</b>	<b>No. of Meetings Attended</b>
Mrs. Darshana Shah	4
Mr. Diwakar Tripathi	4
Mr. Shambhunath Chakravarti	4



Brief description of the terms of reference of the Nomination and Remuneration Committee inter alia includes:

1. Identifying the persons who can become Directors
2. Formulating the criteria for determining the qualifications, positive attributes etc. and independence of a Director
3. Recommending to the Board a policy relating to the remuneration for the Directors & Key Managerial Personnel
4. Recommend to the Board, all remuneration, in whatever form, payable to senior management
5. Specify the manner for effective annual evaluation of performance of the Board, its Committees and individual Directors.

The Company has formulated a Remuneration Policy which is annexed to the Board's Report.

### **C) Stakeholders' Relationship Committee**

#### **Meetings Held:**

During the financial year 2022-23, the Committee met two times on May, 30, 2022 and March, 31, 2023

The composition as on March 31, 2023 and attendance during the year ended March 31, 2023:

<b>Name of the Members</b>	<b>No. of Meetings Attended</b>
Mrs. Darshana Shah	2
Mr. Diwakar Tripathi	2
Mr. Kishor Turakhia	2

As on date of this Report, Mr. Nikhil Borana is the Company Secretary & Compliance Officer of the Company.

Based on the report received from the Registrar & Share Transfer Agents, the Company did not receive any requests/complaints during the year ended March 31, 2023.



### Board Evaluation

During the year, in accordance with the Board Evaluation Policy and the Guidance Note on Board Evaluation issued by SEBI, an annual evaluation of its own performance and that of the Committees and Directors pursuant to the provisions of the Act and the Listing Regulations was carried out by the Board on various parameters which inter alia included composition, diversity, effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, contribution of the Committees etc.

A separate meeting of the Independent Directors was held wherein the performance of the Non-Independent Directors, performance of the Board as a whole (including the Committees) and also that of the Chairman in terms of the provisions of the Act, the Listing Regulations and the Guidance Note issued by SEBI in this regard was discussed.

### General Body Meetings

The date, time and venue of the last three AGMs are given below:

Financial Year	Date	Time	Venue
2021-2022	September 30, 2022	4.00 p.m.	Held through Video Conferencing (B-6 & B-7 Sector-C, Industrial Area, Sanwer Road, Indore – 452015, Madhya Pradesh.)
2020-2021	September 30, 2021	12.00 Noon	Held through Video Conferencing (B-6 & B-7 Sector-C, Industrial Area, Sanwer Road, Indore – 452015, Madhya Pradesh.)
2019-2020	September 30, 2020	11.00 a.m.	B-6 & B-7 Sector-C, Industrial Area, Sanwer Road, Indore – 452015, Madhya Pradesh.

### Means of Communication

The financial results are submitted to the Stock Exchanges and also uploaded on the website of the Company at [www.panchsheelorganics.com](http://www.panchsheelorganics.com). The financial results are also published in the newspapers.

#### I. General Shareholder Information

- i. AGM: Date, time and venue/mode: Friday, September 29, 2023 at 04.00 P.M. through Video Conferencing/Other Audio Visual Means (VC/OAVM)
- ii. Financial Year: April 1, 2022 to March 31, 2023



Book Closure dates: September 23, 2023 to September 29, 2023 (both days inclusive)

iii. Dividend payment date: October 3, 2023 to October 10, 2023

## II. Listing of Securities on Stock Exchanges:

### Equity Shares

The Equity Shares of the Company are listed on:

Name of the Stock Exchange	Address of the Stock Exchange	Trading Symbol
BSE Limited (BSE)	P J Towers, Dalal Street, Fort, Mumbai - 400 001.	531726

The Company has paid the listing fees to the Stock Exchanges for the financial year 2022-23. ISIN with National Securities Depository Limited and Central Depository Services (India) Limited: INE316G01019

## III. Market Price Data

Stock Market price data for the financial year 2022-23 and high/low of market price of the Company's shares traded at BSE during each month in the financial year ended March 31, 2023 are as under:

Month	Open Price	High Price	Low Price	Close Price
April 2022	152.05	219.65	145.50	205.30
May 2022	211.00	235.95	185.35	219.55
June 2022	221.00	232.00	155.15	212.60
July 2022	216.75	246.70	197.60	239.65
August 2022	241.90	354.35	220.00	348.65
September 2022	358.95	425.55	306.80	331.50
October 2022	320.00	345.00	299.30	328.35
November 2022	328.50	330.00	253.05	265.25
December 2022	269.75	322.35	235.15	256.55
January 2023	261.80	268.50	240.10	247.60
February 2023	247.60	253.40	194.20	195.75
March 2023	195.75	244.00	160.15	173.05

**IV. Registrar & Share Transfer Agent:****Equity Shares**

Purva Share Registry (India) Private Limited  
Address: Unit No. 9, Shiv Shakti Ind. Estate, J. R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (East), Mumbai - 400011  
Ph. No. 022- 23012517 / 8261

**VI. Distribution of shareholding as on March 31, 2023**

S N	Category	No. of Shareholders	% of Shareholders	Amount	% Amount
1	1 - 5000	4093	68.42	1100370	0.93
2	5001 - 10000	578	9.66	992010	0.84
3	10001 - 20000	526	8.79	1891530	1.61
4	20001 - 30000	317	5.3	2517040	2.14
5	30001 - 40000	290	4.85	6764120	5.74
6	40001 - 50000	83	1.39	6786190	5.76
7	50001 - 100000	86	1.44	26537490	22.52
8	100001 and above	9	0.15	71228750	60.46
Total			100.00	117817500	100.00

**Shareholding Pattern as at 31st March, 2023:**

Sr. No.	Category of Shareholder	No. of Shareholders	Number of Shares	% of Equity
1.	Promoters	6	6842530	58.08
2.	Mutual Funds/ UTI	-	-	-
3.	Bank /Financial Institution/ Insurance Company/IEPF	1	170488	1.45
4.	FII/GDR	1	13777	0.12
5.	Bodies Corporate	32	343844	2.92
6.	Indian Public	5612	3859116	32.84
7.	NRIs/OCBs	64	148450	1.26
8.	Others	126	393545	3.34
<b>Total</b>		<b>5842</b>	<b>1,17,81,750</b>	<b>100</b>

**VII. Dematerialisation of shares:**

As on March 31, 2023, 1,15,72,950 equity shares representing 98.22% of the equity shares of the Company were held in dematerialised form and 2,08,800 equity shares representing 1.78% of the outstanding equity shares of the Company were held in physical form. At the end of each quarter, reconciliation of share capital audit is conducted by a Practicing Company Secretary to reconcile the total issued capital, listed capital and capital held by the Depositories in dematerialised form and is submitted to the stock exchanges.



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

The Company has not issued GDRs/ADRs/Warrants or any other instrument convertible into equity.

**IX. Details of equity shares lying in the suspense account pursuant to the Listing Regulations: Nil**

<b>Sr. No.</b>	<b>Particulars</b>	<b>No. of Shareholders</b>	<b>No. of equity shares</b>
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	-	-
2	Number of shareholders who approached the Company for transfer of shares from the suspense account during the year	-	-
3	Number of shareholders to whom shares were transferred from the suspense account during the year	-	-
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	-	-

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

**XI. Plant location(s):**

B6 & B7, Sector – C, Industrial Area, Sanwer Road, Indore – 452015, MP.

**Other Disclosures**

- i. The Company did not enter into any materially significant related party transactions having a potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in the financial statements.
- ii. The financial statements have been prepared in accordance with the applicable Accounting Standards.
- iii. The Company has a Whistle Blower Policy/Vigil Mechanism to report concerns about unethical behaviour, actual or suspected fraud or violation of our code of conduct and confirms that no personnel have been denied access to the Audit Committee.
- iv. Code for Prohibition of Insider Trading of the Company, the Policy for determining Material Subsidiaries and the Policy on Related Party Transactions are available at: [www.panchsheelorgancis.com](http://www.panchsheelorgancis.com).



- v. There have been no instances where the Board has not accepted recommendation of any Committee of the Board, during the financial year.
- vi. The statutory auditors of the Company, M/s. Jayesh R. Shah & Co, the Auditors were paid an amount of Rs. 3.50 lakh (Amount in lakh) by the Company for all the services provided by them.
- vii. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- a) Number of complaints filed during the Financial Year: Nil
- b) Number of complaints disposed of during the Financial Year: Nil
- c) Number of complaints pending as on end of the Financial Year: Nil.
- ix. The Company has complied with the corporate governance requirements as prescribed in Regulations 17 to 27, 46(2) (b) to (i) and Schedule V of Chapter IV of the Listing Regulations.
- viii. The Company has adopted the discretionary requirements as specified in Part E of Schedule II - The financial statements are accompanied with an unmodified audit report.
- ix. CEO/CFO Certification**
- The CEO and the CFO have certified to the Board, the requirements of the Listing Regulations, with regard to financial statements.
- x. Compliance Certificate**
- Pursuant to the Listing Regulations, a certificate issued by M/s. GMS & Co., Company Secretaries, certifying the compliance by the Company with the provisions of the Corporate Governance forms part of this Report.

**Address for correspondence:**

For any assistance, request or instruction regarding transfer or transmission of securities, dematerialisation of securities, change of address, non-receipt of annual report, dividend warrant and any other query relating to the securities of the Company, the investors may write to:

The Company Secretary	Purva Share Registry (India) Pvt. Ltd
Panchsheel Organics Limited	Unit No. 9, Shiv Shakti Ind. Estate,
B-6 & B-7 Sector-C, Industrial Area, Sanwer Road,	J.R. Boricha Marg,
Indore – 452015,	Opp. Kasturba Hospital Lane,
Madhya Pradesh.	Lower Parel (East),
Ph. No. 0731-2721709, 91-22063929	Mumbai-400011
Email: <a href="mailto:compliance@panchsheelorganics.com">compliance@panchsheelorganics.com</a>	



Panchsheel Organics Limited

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Website: [www.panchsheelorganics.com](http://www.panchsheelorganics.com)

Ph. No. 022- 23012517 / 8261.

Email: [support@purvashare.com](mailto:support@purvashare.com)

Website: [www.purvashare.com](http://www.purvashare.com)

**Declaration by the Chairman & Managing Director under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding adherence to the Company's Code of Conduct**

In accordance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, it is hereby confirmed that for the financial year ended March 31, 2023, the Directors and the Senior Management Personnel of the Company have affirmed compliance with Panchsheel's Code of Conduct.

**For Panchsheel Organics Limited**

Sd/-

**Mahendra Turakhia**  
**.Chairman & Managing Director**  
**DIN: 00006222**



## **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

TO THE MEMBERS,  
PANCHSHEEL ORGANICS LIMITED.

We have examined the compliance of conditions of Corporate Governance by Panchsheel Organics Limited (the Company) for the year ended on March 31, 2023 as stipulated in SEBI Listing Regulations, 2015 of the Company with the Stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-referred Listing Regulation.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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 Jayesh R. Shah & Co.,  
Chartered Accountants  
Firm Regn. No.104182W**

**Sd/-  
Jayesh Shah**

**Membership No.033864**

**Place: Mumbai  
Date: 14<sup>th</sup> August 2023**



## MANAGEMENT DISCUSSION AND ANALYSIS

### INTRODUCTION AND OVERVIEW OF PHARMACEUTICAL INDUSTRY

The pharmaceutical industry plays a unique role in improving the lives of the patients. It is also one of the world's fastest growing industries and amongst the biggest contributors to the world economy.

CMS estimates retail spending on prescription drugs at 9.2% of NHE in 2018 and projects that this share will fall to 9.0% by 2028. We estimate that non - retail drug spending accounted for an additional 4.5% of NHE in 2018, growing to 4.9% by 2028.

### INDIAN ECONOMY

As per the World Bank's latest India Development Report, India remains one of the fastest growing major economies in the world, despite challenging global environment. As per the National Statistical Office (NSO), the country's real GDP growth during FY23 is estimated at 7.2%, as compared to 9.1% in FY22. The recent economic growth in India can be attributed to the resurgence of private consumption, which has replaced export stimulus as the primary driver of growth. With near-universal vaccination coverage, consumer sentiment has improved, resulting in a surge in spending on contact-based services such as restaurants, hotels, shopping malls, and cinemas. Production activity and capacity utilisation growth have been observed across various sectors.

### INDUSTRY STRUCTURE AND DEVELOPMENT

The active pharmaceutical ingredients market size is slated to grow by \$ 60.56 billion between 2020-2024. Asia was the largest market for API in 2019, and the region will continue to offer maximum growth opportunities to market vendors during 2020-2024. The growing partnerships between Asian API manufacturers and global vendors, along with policy revamp in the region, preferring intellectual properties, will significantly encourage the API market growth in Asia. Almost 66% of the market's growth will originate from Asia. Japan, China, and India are the key markets for active pharmaceutical ingredients in Asia. The increased healthcare expenditure by the urban population and rapid surge in the aged population are influencing the APIs market growth, which has led to an increase in the number of DMF filings for APIs.

### SMEs IN THE PHARMA INDUSTRY

The MSME sector is one of the major generators of employment and is also a significant contributor to the overall growth of the country's economy. The MSME sector contributes Rs. 20 lacs crores to Goods & Services, contributing to 40 per cent of GDP of India. Similarly, in Indian Pharma industry, about 60 per cent of the manufacturing is contributed by MSMEs within an annual turnover of approximately Rs. 60,000 crores or \$9 billion which is an integral part of predominantly formulations and to an extent API industry more so for intermediates. The industry is extremely fragmented with approximately 24,000 units in the MSME sector accounting for 70 per cent of production by volume and 50 per cent by value on ex-factory basis. SMEs contribute to almost 90 per cent to domestic formulation and about 50 per cent to exports.”(Source: *Express Pharma*)

### INDIAN PHARMA INDUSTRY



The pharmaceutical industry in India, US\$40 billion by value, is world's 3rd largest by overall volume and world's largest as provider of generic medicines, with 20% and 3.5% share of total global pharmaceutical exports by volume and value respectively to more than 200 countries and territories, as in 2022. With industry standards compliant, mega production capabilities and a large number of skilled domestic workforce, Indian exports meet the standards and requirements of highly regulated markets of USA, UK, European Union and Canada. According to the Department of Pharmaceuticals and Ministry of Chemicals & Fertilizers, domestic pharmaceutical market turnover reached Rs.129,015 crore (US\$18.12 billion) in 2018, growing 9.4 per cent year-on-year and exports revenue was US\$17.28 billion in FY18 and US\$19.14 billion in FY19.

As of 2022, most of pharmaceuticals made in India are low cost generic drug which comprise most of pharmaceutical exports of India. Patented medicines are imported. active pharmaceutical ingredients (APIs) are imported from China (66% supplies by volume worth US\$2.4 billion) and Germany (US\$1.6 billion) as well as from US, Italy and Singapore. To foster an Atmanirbhar Bharat by enhancing the R&D, Make in India product development and high-value production capabilities, import substitution and domestic manufacture of APIs, the government has introduced a US\$2 billion incentive program which will run from 2021-22 to 2027-28. In 2019 the Department of Pharmaceuticals announced that as a part of the Make in India initiative, drugs for local use and exports must have 75% and 10% local APIs respectively and a bill of material must be produced for verification.

## **SEGMENT-WISE PERFORMANCE**

The operation of the Company consists of a single segment. Our Company deals in bulk drugs. Hence, Accounting Standard (AS-17) on Segment Reporting issued by the Institute of Chartered Accountants of India does not apply.

## **OUTLOOK**

The likely duration, intensity and spread of the corona virus has brought in a lot of uncertainty into the global and domestic economic outlook. The concerns have transformed from the initial impact of imports from China on the domestic supply chains to the domestic and external demand shock.

The duration of the same remains uncertain with social distancing and lockdowns raising the prospects of production shutdowns and job losses in some sectors. A revival in domestic investment is likely to be hindered, given the increased risk aversion on a global scale, and renewed concerns about resilience of the financial sector.

In the near term, the negative impact of the Covid-19 outbreak on economic growth and sentiment may be modestly mitigated by higher government spending, a brighter outlook for crop yields and emergency stockpiling of essential items. Furthermore, the fall in commodity prices would provide mild cushioning to earnings in the near term, which provides some comfort.

## **FACTORS THAT MAY AFFECT OUR RESULT OF OPERATIONS**

Our financial conditions and results of operations are affected by numerous factors inter alia–

- Growth of unorganized sector and threat from local regional players;
- Change in freight and forwarding charges;
- General economic and business conditions;



- Our Company's ability to successfully implement our growth strategy;
- Fluctuation in Exchange rates;
- Prices of raw materials we consume and the products we manufacture;
- Changes in laws and regulations relating to the industry in which we operate;
- Changes in political and social conditions in India.

## **PANCHSHEEL ORGANICS SWOT ANALYSIS**

### **- STRENGTHS**

- Extensive experience in specialty chemicals and pharmaceutical intermediates;
- Stronger sustainability and compliance framework with thrusts to continuously improving and adding on to it;
- Export sales in more than 15 countries;
- Sound manufacturing capability of APIs;
- Strategic location of manufacturing units with easy access to raw materials and utilities.

### **- WEAKNESS**

- Products are highly dependent on the availability of raw materials;
- Macro factors may expose various risks impacting the growth;
- Global nature of operations like unfavorable currency movements, etc, expose the business to losses.

### **- OPPORTUNITIES**

#### **• Domestic Markets**

The Company has a wide range of pharmaceutical products in its portfolio. The Company tries and taps every lawful opportunity coming it's way and follows a focused approach and increases marketing efforts. All these have resulted in increased growth of the Company in the recent years. In the coming years, it shall strive hard to build a strong reputation for themselves and carve a niche for our products.

#### **• International Markets**

The Company is continuously trying to build a large overseas business and revenue from export business accounts for a sizeable component of Company's total turnover. The Company is continuously tapping potentially new markets and exporting a wide range of products to these countries.

### **- THREATS**



- Due to emergence of corona virus, API production has been hampered in China, which has impacted the Company's supply chain;
- Other low-cost countries such as China and Israel are affecting outsourcing demand for Indian pharmaceutical products;
- Entry of foreign players (well-equipped technology-based products) into the Indian market;
- Drug Pricing: The domestic pharmaceutical industry is very much dependent on the government's Drug Pricing Policy. It is important for the Government to introduce free and fair competition rather than arbitrary drug control measures to decide prices of essential drugs.

This will ensure that Companies like us can manufacture and market all the vital life-saving drugs at economical prices;

- Rising Costs and Availability of Materials;
- The prices of many API's and intermediates have risen significantly due to restriction in production by various Chinese manufacturers. Other factors contributing to such price hike are rise in price of petroleum-based products, frequent shortages and general inflationary conditions.

All these adversely affect the production schedules and overall margins of our Company's products.

#### a. RESULTS OF OPERATIONS:

The break-up of Revenue and Costs of the Company is as given below:

<b>PARTICULARS</b>	<b>Financial year ended March 31, 2023</b>	<b>Financial year ended March 31, 2022</b>
<b>INCOME(A)</b>		
Sales & income from Operations:		
Domestic	1,01,63,33,201.00	66,68,74,276.00
Export	1,54,54,134.00	23,461,857.00
Total Sales	1,03,17,87,335.00	69,03,36,133.00
<i>Less : Excise Duty</i>	0	0
<i>Add: Other Income:</i>		
Other operating Income	1,18,27,127.23	8,94,423.00
<b>TOTAL INCOME</b>	<b>1,04,36,14,462.23</b>	<b>69,12,29,556.00</b>
<b>EXPENDITURE(B)</b>		
Operating Expenditure	67,80,19,619.00	43,37,51,441.00





Administrative and other expenditure	10,73,20,336.00	11,45,44,980.00
Finance Charges	54,66,100.00	28,88,958.00
(Increase)/ Decrease in stocks	(1,26,62,501.00)	(3,55,44,682)
Depreciation for the Year	1,57,98,497.00	1,24,53,771
<b>TOTAL</b>	<b>85,29,20,336.14</b>	<b>57,72,47,495</b>
Profit Before Tax	<b>19,06,94,086.51</b>	<b>11,39,83061</b>
Less: Current tax	5,11,39,799.75	(3,19,90,000.00)
Excess or short income tax provision		(13,73,043.00)
Deferred Tax	(11,46,411.58)	2,16,452.00
<b>Profit after Tax</b>	<b>14,07,00,698.34</b>	<b>8,35,81,557.00</b>

**(1) Total Income:**

Our revenue has Increased from Rs. 69,12,29,556 to Rs 1,04,36,14,462.23. as compared to previous year 2022-23. Sales in the domestic market have increased, however it has increased in the export market. The overall sales have however decreased.

**(2) Operating Expenditure:**

The operating expenditure has Increased from Rs. Rs. 43,37,51,441.00 to Rs. 67,80,19,619.00 as compared to previous financial year 2021-22.

**(3) Administrative and other Expenditures:**

The administrative expenses have decreased from Rs. 11,45,44,980.00 to Rs. 10,73,20,336.00 as compared to previous financial year 2021-22.

**(4) Depreciation:**

The Depreciation cost has increased from Rs. 1,24,53,771 in Financial Year 2021-22 to 1,57,98,000 current year.

**(5) Net Profit:**

Net profit for the financial year 2021-22 is Rs. **14,06,99,000**

**b. OTHER FACTORS:**

**(1) Known trends or uncertainties**



The world economy has witnessed an unprecedented economic crisis causing severe recessionary trends in various countries, but Indian pharmaceutical industry remained less affected compared to other sectors.

**(2) Future relationship between costs and revenues**

The Company doesn't see substantial increase in labor cost or other costs related to the product, except that raw material prices may go up in the near future due to rise in commodity prices. However, any increase in raw material prices would be duly covered in the sales price of the product.

**(3) Dependence on Single or few suppliers / Customers**

The Customer base of the Company is very strong it does not deal with a single customer or supplier. The Company has a very cordial relationship with all the customers and suppliers with whom they have been dealing since a very long time.

**(4) Significant developments subsequent to the last financial year**

In the opinion of the Directors, there are no significant changes since the date of the last financial statements, which could materially affect the operations, and profitability of the Company.

**TRANSACTION(S) IN WHICH THE MANAGEMENT IS INTERESTED IN THEIR PERSONAL CAPACITY**

During the year, there are no materially significant related party transactions entered into with the management that may have potential conflict with the interest of the Company.

For more details, refer Notes to the Financial Statements.

**CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations, may be 'forward looking statements' and are within the meaning of the applicable laws and regulations. Actual results might differ substantially or materially from those expressed and implied. Important developments that could affect the Company's operations include a downtrend in the international market, fall in onsite, offshore rate and significant changes in political and economic environment, environment standards, tax laws, litigations and labor relations.



## INDEPENDENT AUDITOR'S REPORT

To the Members of Panchsheel Organics Limited

### Report on the Audit of the Standalone Financial Statements

#### 1. Opinion

We have audited the standalone financial statements of Panchsheel Organics Limited ("the Company"), which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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.

#### 3. 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.

There are no key audit matters to communicate. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### 4. Emphasis of Matter

a. The records of fixed assets as per requirements of clause I of Companies (Auditor's Report) Order, 2020 ("the Order"), are not maintained as required by the Companies Act, 2013.

#### 5. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles



generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

#### **6. Auditor's Responsibilities for the Audit of the Financial Statements**

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

#### **7. Other Matter**

The Company is required to appoint Internal Auditor as per the requirement of section 138 read with Rule 13 of Companies (Accounts) Rules, 2014, but has not appointed any during the year under audit.

#### **8. Report on Other Legal and Regulatory Requirements**

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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

#### **9. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



(e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the director is disqualified from being appointed as a director in terms of section 164(2)(a) of the Companies Act, 2013 as on 31st March, 2023.

(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 A".

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative 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

**For Jayesh R Shah & Co.**

**Firm's Registration No.104182W**

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**Jayesh Shah**

**Proprietor**

**Membership No. 033864**

**Place: Mumbai**

**Date: 30<sup>th</sup> May, 2023**

**UDIN: 23033864BGYCSN8761**



**Annexure-A to the Independent Auditors Report.**

Referred to in paragraph 9(f) of the Independent Auditors' Report of even date to the members of Panchsheel Organics Limited on the Ind AS financial statements for the year ended March 31, 2023.

**Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over financial reporting of Panchsheel Organics Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

3. 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial control, both applicable to an audit of internal financial control and both issued by ICAI. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.
5. 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**

6. 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. 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**

8. In our opinion, *subject to our note no.7 Other Matter of the main report*, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating



effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company - commensurate with the size of the company and nature of its business 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 Jayesh R Shah & Co.  
Firm's Registration No.104182W**

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**Jayesh Shah  
Proprietor  
Membership No. 033864  
Place: Mumbai**

**Date: 30<sup>th</sup> May, 2023  
UDIN: 23033864BGYCSN8761**



**Annexure-B to the Independent Auditors Report.**

Referred to in paragraph (7) of the Independent Auditors Report of even date to the members of Panchsheel Organics Limited on the Ind AS financial statements for the year ended March 31, 2023.

(i) (a) (A) The Company has not maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment. The management explained that the records was maintained but has been misplaced and the new records are under preparation.

(B) The Company does not have any intangible assets hence no records require.

(b) The management explained that they are require to submit details of plant every five years with FDA and a list of plant and equipments is prepared and physically verified by the management once in a year. Due to proper internal control in the factory there are no chance of any discrepancies. As per the management there were no discrepancies noticed but, in absence of proper records, in our opinion, it is difficult to report whether any material discrepancies have been noticed and dealt with properly in books of accounts;

(c) According to information and explanation given to us and on the basis of our examination of the records of the Company, we are of the opinion that 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 and self-constructed properties) disclosed in the financial statements are held in the name of the company;

(d) AS per the information furnished and verification of the records the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;

(e) As per the information provided by the management and from verification of the records, in our opinion there are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under, if so, whether the company has appropriately disclosed the details in its financial statements;

(ii) (a) As informed to us and from verification of records the Physical verification of inventory is conducted once in a year by the management, In our opinion the coverage and procedure of such verification by the management is appropriate; a minor discrepancies were noticed and have been properly dealt with in the books of account;

(b)As per the information and verification of the records, The company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets;

(iii) According to information and explanation provided and from verification of the records, In our opinion, during the year, the company has not made any investments, or 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 sub clause a, b, c, d, e and f of clause iii is not applicable;



(iv) In our opinion and according to the information and explanations given to us and from verification of the records, the Company has not granted any loans or made any investments or provided any guarantees, and security, to the companies covered under section 185. Further the Company has complied with the provisions of Section 186 of the Companies Act;

(v) From verification of the records, in our opinion the Company has not accepted any deposits during the year from the public within the meaning of the provisions of section 73 to 76 of the Companies act, 2013 and rules framed there under;

(vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act and management informed that they have made and maintained the records;

(vii) (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;

(b) According to the information and explanation provided to us and the records of the Company verified by us, the outstanding dues of Sales Tax, VAT, Income tax and excise duty which have not been deposited on account of dispute with the appropriate authorities are as under;

Sr. No	Name of the Statue	Nature of Dues	Amt Due	Period to which the amt. relates	Forum where dispute is pending
1	Income Tax Act, 1961	80HHC/80IA/MAT/Regular Demand	152710/-	FY 2005-06	Rectification filed
2	Income Tax Act, 1961	80HHC/80IA/MAT/Regular Demand	8598/-	FY 2012-13	Rectification Filed
3	Income Tax Act, 1961	80HHC/80IA/MAT/Regular Demand	630140/-	FY 2016-17	Rectification filed
4	Income Tax Act, 1961	80HHC/80IA/MAT	36600/-	FY 2017-18	The Income Tax Appellate Tribunal, Indore.
5	Central Sales Tax & VAT	Sales Tax Interest & Penalty	452310/-	FY 2005-06	The Hon'ble Registrar, MP Commercial Tax Appellate



					Board, Bhopal (MP)
6	Central Sales Tax & VAT	Sales Tax Interest & Penalty	273138/-	FY 2006- 07	The Hon'ble Registrar, MP Commercial Tax Appellate Board, Bhopal (MP)
7	Central Sales Tax & VAT	Sales Tax Interest & Penalty	591395/-	FY 2007- 08	The Hon'ble Registrar, MP Commercial Tax Appellate Board, Bhopal (MP)
8	Central Sales Tax & VAT	Sales Tax Interest & Penalty	688545/-	FY 2008- 09	The Hon'ble Registrar, MP Commercial Tax Appellate Board, Bhopal (MP)
9	Central Sales Tax & VAT	Sales Tax Interest & Penalty	276114/-	FY 2008- 09	The Hon'ble Registrar, MP Commercial Tax Appellate Board, Bhopal (MP)
10	Central Sales Tax & VAT	Sales Tax Interest & Penalty	426311/-	FY 2009- 10	The Hon'ble Registrar, MP Commercial Tax Appellate Board, Bhopal (MP)
11	Central Sales Tax & VAT	Sales Tax Interest & Penalty	851350/-	FY 2010- 11	The Hon'ble Registrar, MP Commercial Tax Appellate Board, Bhopal (MP)
12	Central Sales Tax & VAT	Sales Tax Interest & Penalty	497963/-	FY 2011- 12	The Hon'ble Registrar, MP Commercial Tax Appellate Board, Bhopal (MP)
13	Central Sales Tax & VAT	Sales Tax Interest & Penalty	2234783/-	FY 2012- 13	The Hon'ble Registrar, MP Commercial Tax Appellate



					Board, Bhopal (MP)
14	Central Sales Tax & VAT	Sales Tax Interest & Penalty	57999/-	FY 2013- 14	The Hon'ble Registrar, MP Commercial Tax Appellate Board, Bhopal (MP)
15	Central Sales Tax & VAT	Sales Tax Interest & Penalty	451780/-	FY 2014- 15	The Hon'ble Registrar, MP Commercial Tax Appellate Board, Bhopal (MP)
16	Central Sales Tax & VAT	Sales Tax Interest & Penalty	332470/-	FY 2016- 17	The Hon'ble Registrar, MP Commercial Tax Appellate Board, Bhopal (MP)

(viii) According to information and explanation given to us by the management and from the verification of the records, in our opinion, there are no any transactions, not recorded in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (43 of 1961);

(ix) (a) Based on our audit procedures and the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;

(b) As per the information, we are of the opinion that the company is not a declared willful defaulter by any bank or financial institution or other lender;

(c) As per the information and verification of records, in our opinion the Company has not availed any term loans during the year;

(d) In our opinion, the funds raised on short term basis have not been utilised for long term purposes;

(e) From verification of the records, in our opinion the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

(f) From verification of the records, in our opinion, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;

(x) (a) From verification of the records, in our opinion, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year;

(b) From verification of the records, in our opinion the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year;



(xi) (a) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practice and according to information and explanations given to us, we have neither come across any instances of material fraud by the or on the Company, has been noticed or reported during the year;

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) As per the information and explanation furnished, there are no whistle-blower complaints received during the year by the company;

(xii) (a) As the Company is not a Nidhi company sub clause a, b and c of clause xii of the order are not applicable to the Company;

(xiii) As per the information and explanation provided by the company and from the verification of the records, in our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed properly in the Ind AS financial statements as required under Ind AS 24, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;

(xiv) (a) The Company is require to appoint Internal Auditor as per the requirement of section 138 read with rule 13 of the Companies (Accounts) Rule 2014. But has not appointed any during the year under report;

(b) As the company has not appointed any internal auditor, there is no any report to be considered by us.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him accordingly the provisions of section 192 of Companies Act are not applicable to the company;

(xvi) (a) We have been informed by the management and from the verification of the books of accounts, in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934);

(b) On verification of the books of accounts, we are of the opinion that the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;

(c) On verification of the books of accounts, we are of the opinion that the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;

(d) In our opinion, company does not have any CIC as part of the group;

(xvii) From verification of the books and records, in our opinion, the company has not incurred cash losses in the financial year and in the immediately preceding financial year;

(xviii) There has not been any resignation of the statutory auditors during the year;

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, the



auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date; We however state that this is not an assurance as to the future viability of the Company, We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) As informed to us and by the management and verified by us , the amount to be spend under Corporate Social Responsibility as require under section 135 of the Companies Act, 2013 is not a sizable amount that company can start a CSR project on its own hence the Company has donated the required amount to the other organization conducting the activities as per the requirements of CSR; Though till the date of signing the report, we have not been provided the confirmation from the organization that they have spent the amount donated by the company as per the requirements of CSR.

(xxi) The Company do not have any subsidiary or holding company hence reporting under this clause is not applicable.

**For Jayesh R Shah & Co.**  
**Firm's Registration No.104182W**

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**Jayesh Shah**  
**Proprietor**  
**Membership No. 033864**  
**Place: Mumbai**

**Date: 30th May, 2023**  
**UDIN: 23033864BGYCSN8761**



**BALANCE SHEET AS AT MARCH 31, 2023**

(Rs. in lakhs)

	Note	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment and Intangible assets	3	769.18	713.66
Capital work-in-progress	4	353.02	171.15
Intangible assets			
Financial assets			
i. Non current investments	5	0.06	0.06
ii. Loans	6	-	-
iii. Other financial assets	7	3,211.91	50.70
Deferred tax assets (net)	8	35.93	27.34
Other non-current assets	9	280.56	351.18
<b>Total Non-Current Assets</b>		<b>4,650.67</b>	<b>1,314.09</b>
<b>Current assets</b>			
Inventories	10	3,244.24	2,525.68
Financial assets			
i. Trade receivables	11	3,879.00	3,251.83
ii. Cash and cash equivalents	12	346.44	197.26
iii. Bank balances other than (ii) above	13	24.43	8.71
iv. Loans	14	21.88	17.47
Other current assets	15	101.68	75.94
<b>Total Current Assets</b>		<b>7,617.67</b>	<b>6,076.89</b>
<b>Total Assets</b>		<b>12,268.34</b>	<b>7,390.98</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			



Equity share capital	16	1,178.18	1,003.08
Other equity		8,428.14	3,737.93
<b>Total Equity</b>		<b>9,606.32</b>	<b>4,741.01</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	17	54.02	99.25
ii. Trade payables	18	56.67	193.49
Employee benefit obligations	19	122.16	111.30
Other non-current liabilities	20	60.93	-
<b>Total Non-Current Liabilities</b>		<b>293.78</b>	<b>404.04</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	21	503.94	312.09
ii. Trade payables	22		
a. Total outstanding dues of micro enterprises and small enterprises			64.39
b. Total outstanding dues of creditors other than (a) above		1,588.17	1,617.49
iii. Other financial liabilities	23	93.66	55.68
Income tax liabilities (Net)	24	71.78	125.85
Employee benefit obligations	25	52.43	52.36
Other current liabilities	26	58.26	18.07
<b>Total Current Liabilities</b>		<b>2,368.24</b>	<b>2,245.93</b>
<b>Total Equity &amp; Liabilities</b>		<b>12,268.34</b>	<b>7,390.98</b>
<b>The notes are an integral part of these financial statements</b>		0.00	





**In terms of our report of even date**

**For Panchsheel Organics Limited**

**For Jayesh R Shah & Co  
Chartered Accountants  
Firm Registration No.:104182W**

**Mahendra Turakhia  
Managing Director  
DIN:00006222**

**Kishor Turakhia  
Director  
DIN:00006236**

**Jayesh Shah  
Proprietor  
Membership No.: 033864**

**Rajesh Turakhia  
Director  
DIN: 00006246**

**Gaurang Patel  
Chief Financial  
Officer**

**Hitesh Singh Parihar  
Company Secretary**

**Place: Mumbai  
Date: May 30, 2023**

**Place: Mumbai  
Date: May 30, 2023**



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

(Rs. in lakhs)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	28	10,317.88	6,903.36
Other income	29	118.27	8.94
<b>Total Income</b>		<b>10,436.14</b>	<b>6,912.30</b>
<b>Expenses</b>			
Cost of materials consumed	30	5,527.90	4,073.61
Purchase of stock in trade		1,130.12	177.15
Changes in inventories of finished goods and work-in-progress	31	(126.62)	(355.45)
Excise duty			
Employees benefit expenses	32	589.78	491.53
Finance costs	33	54.65	28.89
Depreciation and amortisation expenses	34	157.98	124.54
Power and fuel		122.18	86.75
Other expenses	35	1,073.22	1,145.45
<b>Total Expenses</b>		<b>8,529.21</b>	<b>5,772.47</b>
<b>Profit before tax</b>		<b>1,906.93</b>	<b>1,139.83</b>
Income tax expense			
Current tax	23A	511.40	319.90
Excess or short income tax provision			(13.73)
Deferred tax	8A	(11.46)	(2.16)
<b>Total tax expenses</b>		<b>499.94</b>	<b>304.01</b>
<b>Profit for the year</b>		<b>1,406.99</b>	<b>835.82</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of post employment benefit obligations		11.41	16.09
Income tax relating to above	8A	(2.87)	(4.05)
<b>Other comprehensive income for the year, net of tax</b>		<b>8.54</b>	<b>12.04</b>
<b>Total comprehensive income for the year</b>		<b>1,415.53</b>	<b>847.86</b>
<b>Earnings per equity share (in Rs.)</b>			
(Nominal value per share Rs.10)			
Basic earning per share (In Rs.)		12.78	8.33
Diluted earning per share (In Rs.)		11.94	8.33
<b>The notes are an integral part of these financial statements</b>			



**In terms of our report of even date**

**For Panchsheel Organics Limited**

**For Jayesh R Shah & Co  
Chartered Accountants  
Firm Registration No.:104182W**

**Mahendra Turakhia  
Managing Director  
DIN:00006222**

**Kishor Turakhia  
Director  
DIN:00006236**

**Jayesh Shah  
Proprietor  
Membership No.: 033864**

**Rajesh Turakhia  
Director  
DIN: 00006246**

**Gaurang Patel  
Chief Financial  
Officer**

**Hitesh Singh Parihar  
Company Secretary**

**Place: Mumbai  
Date: May 30, 2023**

**Place: Mumbai  
Date: May 30, 2023**



**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,906.93	1,139.83
<b>Adjustments for:</b>		
Depreciation and amortisation	157.98	124.54
Interest income	(118.00)	(7.81)
Interest and finance charges	54.65	28.89
Loss on sale of Property, Plant and Equipments		
<b>Operating profit before working capital changes</b>	<b>2,001.56</b>	<b>1,285.45</b>
<b>Adjustments for:</b>		
Increase / (Decrease) in trade payables, current	(93.75)	525.35
Increase / (Decrease) in trade payables, non-current	(136.82)	172.32
Increase / (Decrease) in other financial liabilities, current	(2.48)	4.76
Increase / (Decrease) in other financial liabilities, non-current		
Increase / (Decrease) in employee benefit obligation, current	11.49	18.05
Increase / (Decrease) in employee benefit obligation, non current	10.86	2.75
Increase / (Decrease) in other current liabilities	40.20	11.50
Increase / (Decrease) in other non current liabilities	60.93	-
(Increase) / Decrease in trade receivables, current	(627.17)	(1,353.96)
(Increase) / Decrease in inventories	(718.56)	(646.63)
(Increase) / Decrease in loans, current	(4.40)	(14.75)
(Increase) / Decrease in loans, non current	70.63	55.80
(Increase) / Decrease in other bank balances	(15.72)	2.36
(Increase) / Decrease in other current assets	(25.74)	(1.01)
(Increase) / Decrease in other current assets		
(Increase) / Decrease in current investments		
(Increase) / Decrease in non current investments		
(Increase) / Decrease in non current loans		
(Increase) / Decrease in other non-current financial assets	(1.35)	0.28
(Increase) / Decrease in other financial assets		
(Increase) / Decrease in other non-current assets	-	-
<b>Cash generated from operations</b>	<b>569.68</b>	<b>62.27</b>
Taxes paid (net of refunds)	(565.47)	(236.90)
<b>Net cash generated from operating activities</b>	<b>4.21</b>	<b>(174.63)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of tangible/intangible assets	(395.37)	(153.07)
Sale proceeds of property plant and equipments		-
Interest received	118.00	7.81



	Movement in term deposit with bank (net)	(3,159.87)	143.25
	<b>Net cash (used in) investing activities</b>	<b>(3,437.24)</b>	<b>(2.01)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Issue of shares	<b>3,206.86</b>	
	Issue of Share warrants	<b>636.45</b>	
	Repayment of borrowings (non current)	(45.23)	(3.59)
	Repayment of borrowings (current)	191.85	38.93
	Interest paid	(54.65)	(28.89)
	Dividend paid (Incl. Dividend Distribution Tax)	(353.07)	(66.52)
	Dividend distribution tax paid	-	-
	<b>Net cash (used in) financing activities</b>	<b>3,582.21</b>	<b>(60.07)</b>
	<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>149.18</b>	<b>(236.71)</b>
	Cash and cash equivalents at the beginning of the year	197.26	433.97
	<b>Cash and cash equivalents at the end of the year</b>	<b>346.44</b>	<b>197.26</b>
	<b>Cash and cash equivalents comprise:</b>		
	Cash on hand	15.40	18.23
	Balances with banks	320.92	168.91
	Demand deposits (less than 3 months maturity)	10.12	10.12
	<b>Total</b>	<b>346.44</b>	<b>197.26</b>

**Note:** The above cash flow statement has been prepared under "Indirect Method" specified in Ind AS 7 on "Cash Flow Statements".

In terms of our report of even date

For Panchsheel Organics Limited

For Jayesh R Shah & Co  
Chartered Accountants  
Firm Registration No.:104182W

Mahendra Turakhia  
Managing Director  
DIN:00006222

Kishor Turakhia  
Director  
DIN:00006236

Jayesh Shah  
Proprietor  
Membership No.: 033864

Rajesh Turakhia  
Director  
DIN: 00006246

Gaurang Patel  
Chief Financial  
Officer

Hitesh Singh Parihar  
Company Secretary

Place: Mumbai  
Date: May 30, 2023

Place: Mumbai  
Date: May 30, 2023



STATEMENT OF CHANGES EQUITY FOR THE YEAR ENDED

Equity Share Capital

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
1,003.08	-	1,003.08	175.10	1,178.18

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
501.54	-	501.54	501.54	1,003.08

A Other Equity

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (General Reserve)	Retained Earnings								
Balance as at April 1, 2022	-	-	-	30.00	220.60	3,487.33	-	-	-	-	-	-	-	3,737.93
Changes in accounting policy or prior period errors	-	-	-	-	-		-	-	-	-	-	-	-	-



Restated balance at the beginning of the reporting period	-	-	-	30.00	220.60	3,487.33	-	-	-	-	-	-	-	3,737.93
Other comprehensive income	-	-	-	-	-	8.54	-	-	-	-	-	-	-	8.54
Dividends paid (Including dividend distribution tax)	-	-	-	-	-	-393.54	-	-	-	-	-	-	-	-393.54
Transfer to retained earnings (Profit of Current Year)	-	-	-	-	-	1,406.99	-	-	-	-	-	-	-	1,406.99
Issue of bonus shares														
Issue of shares				3,031.77										3,031.77
Issue of Share warrants													636.45	636.45
Any other change (Adj. of MAT entitlement)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	-	-	-	3,061.77	220.60	4,509.32	-	-	-	-	-	-	636.45	8,428.14

	Share application money pending allotment	Equity component of component and financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (General Reserve)	Retained Earnings								



															ure)	
Balance as at April 1, 2021	-	-	-	30.00	220.60	3,216.25	-	-	-	-	-	-	-	-	-	3,466.85
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-s	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	30.00	220.60	3,216.25	-	-	-	-	-	-	-	-	-	3,466.85
Other comprehensive income	-	-	-	-	-	12.04	-	-	-	-	-	-	-	-	-	12.04
Dividends paid (Including dividend distribution tax)	-	-	-	-	-	-75.23	-	-	-	-	-	-	-	-	-	-75.23
Transfer to retained earnings (Profit of Current Year)	-	-	-	-	-	835.82	-	-	-	-	-	-	-	-	-	835.82
Issue of bonus shares						-501.54										
Any other change (Adj. of MAT entitlement)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	-	-	-	30.00	220.60	3,487.33	-	-	-	-	-	-	-	-	-	3,737.93





Directors of the Company propose dividend @ 10% amounting to Rs. 100.31 Lakhs as at March 31, 2022 (Rs. 25.08 as at March 31, 2022)

**In terms of our report of even date**

**For Panchsheel Organics Limited**

**For Jayesh R Shah & Co  
Chartered Accountants  
Firm Registration No.:104182W**

**Mahendra Turakhia  
Managing Director  
DIN:00006222**

**Kishor Turakhia  
Director  
DIN:00006236**

**Jayesh Shah  
Proprietor  
Membership No.: 033864**

**Rajesh Turakhia  
Director  
DIN: 00006246**

**Gaurang Patel  
Chief Financial  
Officer**

**Hitesh Singh Parihar  
Company Secretary**

**Place: Mumbai  
Date: May 30, 2023**

**Place: Mumbai  
Date: May 30, 2023**



Sr no	Ratio Analysis	Numerator	Rs. In Lakhs	Denominator	Rs. In Lakhs	31st March 2023	31st March 2022	% Changes
1	Current Ratio	Current assets	7617.67	Current Liabilities	2368.24	3.22	2.71	18.88
2	Debt Equity Ratio	Total Liabilities	557.96	Shareholder's Equity	9606.32	0.06	0.09	-33.06
3	Debt Service Coverage Ratio <sup>a</sup>	Net Operating Income	2119.57	Interest+Principal	612.61	3.46	2.94	17.78
4	Return on Equity Ratio (in %) <sup>b</sup>	Profit for the period	1415.53	Avg. Shareholders Equity	7173.67	19.73%	19.47%	1.35
5	Inventory Turnover Ratio	Cost of Goods sold	6531.40	Average Inventory	1381.30	4.73	3.42	38.41
6	Trade Receivables Turnover Ratio	Net Credit Sales	10317.88	Average Trade Receivables	3881.29	2.66	2.34	13.75
7	Trade Payables Turnover Ratio	Total Purchases	7207.23	Average Trade Payables	1760.10	4.09	2.96	38.46
8	Net Capital Turnover Ratio	Net Sales	10317.88	Average Working Capital	4540.19	2.27	2.11	7.73
9	Net Profit Ratio (in %)	Net Profit	1415.53	Net Sales	10317.88	13.72%	12.28%	11.70
10	Return on Capital employed	EBIT	1913.17	Capital Employed*	9900.10	0.19	0.22	-13.17
11	Return on Investment (FD Investment)	Return/Profit/Earnings	118.00	Investment	1631.30	0.07	0.06	13.46

Capital Employed is equal to Total assets - Current

\* Liabilities

a Debt Service Coverage Ratio increase due to increase in net operating income during the year

b Return on Equity Ratio (in %) increased primarily due to increase in profit during the year



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**Hitesh Singh Parihar  
Company Secretary**

**Place: Mumbai  
Date: May 30, 2023**

**Place: Mumbai  
Date: May 30, 2023**

**NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023****1. Company Overview**

Panchsheel Organics Limited (the 'Company') is a public limited Company domiciled in India with its registered office address being B6 & B7, Sector C, Industrial Estate, Sanwer Road, Indor, M. P. 452015. The company is listed on the Bombay Stock Exchange (BSE). The company's principal business is manufacturing and trading of Bulk Drug and Intermediate.

**2(A) Summary of significant accounting policies****2.01 Basis of preparation****a) Compliance with Indian Accounting Standards (Ind AS)**

"The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**b) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for following items:

<b>Items</b>	<b>Measurement Basis</b>
Certain financial assets and liabilities	Fair Value
Net defined benefit (asset)/ liability	Fair Value of plan assets less present value of defined benefit obligations

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 under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

**c) Current versus non-current classification**

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**2.02 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Chairman and Managing Director of the Company has been identified as CODM who assesses the financial performance and position of the company, and makes strategic decisions.

**2.03 Foreign Currency Transactions****a) Functional and presentation currency**

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

**b) Transactions and balances**

"Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rate at the date of the transaction."

**2.04 Revenue Recognition****"a) Sale of Goods**

Revenue is recognised at a point in time when the control of goods is transferred to customer, this is generally when the goods are delivered to the customer's location. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from goods or services. Revenue from delivery of goods is recognised at a point in time based on an overall assessment of the existence of a right to payment, the transfer of physical possession, the transfer of risks and rewards, and acceptance by the customer.

Revenue is reduced by goods and service tax. Revenue reflects actual transaction value. There are no reconciliation items."

**b) Export incentives**

Benefits on account of entitlement of export incentives are recognized as and when the right to receive is established.

**c) Interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

**d) Dividend income**

Dividend income is recognized when the right to receive is established.

**2.05 Borrowing costs**

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use or sale and borrowing costs are being incurred. Qualifying assets are assets that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

**2.06 Leasing - As a lessee****Ind AS 116 - Leases:**

"Ind AS 116 Leases replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments."

"The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs



incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term."

"The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability."

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently remeasured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognizes the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

## **2.07 Employee benefits**

### **a) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### **b) Post employee obligations**

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity
- defined contribution plans such as provident fund

**i) Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is determined at the year end by independent actuary using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity. Remeasurements are not reclassified to profit and loss in the subsequent periods.

**ii) Defined contribution plans****"Provident fund**

The Company pays contributions toward provident fund to the regulatory authorities as per local regulations where the Company has no further payment obligations. The contributions are recognised as employee benefit expense when they are due."

**c) Bonus plans**

The Company recognise a liability and an expense for bonuses. The Company recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**2.08 Current and deferred tax**

Income tax expense or credit represents the sum of the current tax and deferred tax.

Current and deferred tax is recognised in the Statement of Profit and Loss except to the extent it relates to items recognised in 'Other comprehensive income' or directly in equity, in which case it is recognised in 'Other comprehensive income' or directly in equity, respectively.

**Current tax**

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of profit and loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**Deferred tax**

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.



A deferred tax asset shall be recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance sheet, if and only when, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when the Deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## **2.09 Property, plant and equipment**

All items of property, plant and equipment (“PPE”) are stated at historical cost less accumulated depreciation less accumulated impairment losses. The cost of property, plant and equipment includes purchase price including import duties, non-refundable taxes and expenditure that is directly attributable to acquisition and installation, cost of dismantling and removing the item and restoring the site on which it is located.

Capital work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are substantially ready for their intended use. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

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

### **Depreciation methods, estimated useful lives and residual value**

Depreciation is provided on a pro-rata basis on the written down value method (WDV) to allocate their cost, net of their residual values, over their estimated useful lives as per technical evaluation. Estimated useful lives of the assets thereof are as under:

<b>Assets class</b>	<b>Useful life in years</b>
Building	30
Plant and Equipment	15
Laboratory / Testing	15
Furniture and Fixtures	10





Office Equipments	5
Vehicles	8
Computers	3

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

#### **2.10 Impairment of non-financial assets**

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **2.11 Government grants**

Government grant is recognized only when there is a reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received. Government grant related to assets is recognized as deferred income which is recognized in the statement of profit & loss on systematic basis over the useful life of the assets.

#### **2.12 Inventories**

"Inventories are stated at the lower of cost and net realisable value. Cost of raw materials, packing materials and fuels comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour, other direct costs and related production overheads. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the first in first out (FIFO). Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost."

#### **2.13 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **2.14 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial Assets**

##### **i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss),



- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income.

For investments in debt instruments, this will depend on the business model in which the investment is held.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

## ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through statement of profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through statement of profit or loss are expensed in statement of profit or loss.

### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

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. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in statement of profit or 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). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through statement of profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through statement of profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through statement of profit or loss is recognised in statement of profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

## iii) Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through statement of profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, credit risk is considered to be low.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. As a practical expedient, the company uses a provision matrix to determine



impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

#### **iv) De-recognition of financial assets**

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### **v) Trade Receivable**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### **Financial Liabilities**

#### **i) Classification**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

#### **ii) Measurement**

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through statement of profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through statement of profit or loss.

#### **iii) Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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.

#### **iv) Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit or loss over the period of the borrowings using the effective interest method.



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 a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit or loss.

#### **v) Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### **2.15 Provisions and contingent liabilities**

#### **Provision**

Provisions are recognised when the company has a present legal or constructive obligation 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 amount of the obligation can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the management's best estimate of the expenditure required to settle the present obligation at the Balance sheet date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

#### **Contingent liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### **Contingent Assets**

A contingent asset is disclosed, where an inflow of economic benefits is probable.

### **2.16 Earnings per share**

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share, adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**2.17 Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**2(B) Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. The areas involving critical estimates or judgements are:

**a) Estimation of Provisions & Contingent Liabilities**

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. If a loss arising from these litigations and/or claims is probable and can be reasonably estimated, the management record the amount of the estimated loss. If a loss is reasonably possible, but not probable, the management discloses the nature of the significant contingency and, if quantifiable, the possible loss that could result from the resolution of the matter. As additional information becomes available, the management reassess any potential liability related to these litigations and claims and may need to revise the estimates. Such revisions or ultimate resolution of these matters could materially impact the results of operations, cash flows or financial statements of the company. (Refer Note 27)

**b) Estimation of current tax expense and deferred tax**

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material adjustment to taxable profits/losses (Refer note 24).

**Recognition of deferred tax assets/ liabilities**

The recognition of deferred tax assets/ liabilities is based upon whether it is more likely than not that sufficient taxable profits will be available in the future against which the reversal of temporary differences will be offset. To determine the future taxable profits, the management considers the nature of the deferred tax assets, recent operating results, future market growth, forecasted earnings and future taxable income in the jurisdictions in which the company operate. (Refer Note 8).

**c) Useful lives of property, plant and equipment**

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period or even earlier in case, circumstances change such that the recorded value of an asset may not be recoverable. The estimate of useful life requires significant management judgment and requires assumptions that can include: planned use of equipments, future volume trends, revenue and expense growth rates and annual operating plans, and in addition, external factors such as changes in macroeconomic trends which are developed in connection with the Company's long-term strategic planning.

**d) Employee benefit plans**

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with



the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 32A.

### **2(C) Recent Accounting Pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards). Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

#### **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.



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**3.PROPERTY, PLANT AND EQUIPMENT**

Sr. No	Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
		Opening as at April 01, 2022	Additions	Disposals	Closing as at March 31, 2023	Opening as at April 01, 2022	For the Year	Disposals	Closing as at March 31, 2023	As at March 31, 2023
	<b>Own Assets</b>									
1	Land Leasehold	0.54	-	-	0.54	-	-	-	-	0.54
2	Land Freehold	25.78	-	-	25.78	-	-	-	-	25.78
3	Building	222.08	26.59	-	248.67	74.59	14.60	-	89.19	159.48
4	Plant and Equipment	885.84	101.00	-	986.84	517.45	84.94	-	602.39	384.45
5	Laboratory / Testing	54.19	25.94	-	80.13	40.31	5.87	-	46.18	33.95
6	Furniture and Fixtures	16.49	0.35	-	16.84	13.04	0.92	-	13.96	2.88
7	Office Equipments	3.45	0.63	-	4.08	2.97	0.39	-	3.36	0.72
8	Vehicles	234.67	57.45	-	292.11	81.28	50.86	-	132.14	159.97
9	Computers	5.17	1.55	-	6.72	4.91	0.40	-	5.31	1.41
	<b>TOTAL</b>	<b>1,448.20</b>	<b>213.50</b>	<b>-</b>	<b>1,661.70</b>	<b>734.55</b>	<b>157.98</b>	<b>-</b>	<b>892.53</b>	<b>769.18</b>

Sr. No.	Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
		Opening as at April 01, 2021	Additions	Disposals	Closing as at March 31, 2022	Opening as at April 01, 2021	For the Year	Disposals	Closing as at March 31, 2022	As at March 31, 2022
	<b>Own Assets</b>									
1	Land Leasehold	0.54	-	-	0.54	-	-	-	-	0.54
2	Land Freehold	25.78	-	-	25.78	-	-	-	-	25.78





3	Building	201.01	21.07	-	222.08	61.32	13.28	-	74.59	147.49
4	Plant and Equipment	826.17	59.67	-	885.84	453.60	63.86	-	517.45	368.39
5	Laboratory / Testing	52.42	1.77	-	54.19	35.73	4.58	-	40.31	13.88
6	Furniture and Fixtures	16.24	0.25	-	16.49	11.90	1.14	-	13.04	3.45
7	Office Equipments	3.36	0.09	-	3.45	2.61	0.36	-	2.97	0.48
8	Vehicles	167.44	67.22	-	234.67	40.40	40.88	-	81.28	153.39
9	Computers	5.17	-	-	5.17	4.47	0.44	-	4.91	0.26
	<b>TOTAL</b>	<b>1,298.13</b>	<b>150.06</b>	<b>-</b>	<b>1,448.20</b>	<b>610.02</b>	<b>124.54</b>	<b>-</b>	<b>734.55</b>	<b>713.66</b>



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**Notes to the Financial Statements (continued)**  
(Currency: Indian Rupees in Lakhs)

**4. Capital Work-In-Progress**

Particulars	Factory Building	Plant & Machinery	Advances for Land	Total
Carring amount as on March 31, 2021	67.22	100.92	-	168.15
Additions	3.00	0.01	-	3.01
Carring amount as on March 31, 2022	70.22	100.93	-	171.15
Additions	10.24	88.46	83.17	181.87
Carring amount as on March 31, 2023	80.46	189.39	83.17	353.02

**CAPITAL WORK -IN- PROGRESS AGEING**

Ageing for capital work-in-process as at March 2023 is as follows :

(Rs. in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 year	more than 3 year	
Project in process	181.87	3.01	4.01	164.13	353.02
Project temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>181.87</b>	<b>3.01</b>	<b>4.01</b>	<b>164.13</b>	<b>353.02</b>

Ageing for capital work-in-process as at March 2022 is as follows :

(Rs. in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 year	more than 3 year	
Project in process	3.01	-	4.01	164.13	171.15
Project temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>3.01</b>	<b>-</b>	<b>4.01</b>	<b>164.13</b>	<b>171.15</b>



**Title deeds of immovable properties not held in the name of the Company**

Relevant line items in the Balance Sheet	Description of items of property	Gross carrying Value	Title deeds held in the name of	Whether the deed holder/promotor/director/relative of promotor/director or employee of company	Property held since which date	Reason for not being held in the name of the company  Also indicate if in dispute
N/A	N/A	NIL	N/A	N/A	N/A	N/A

**NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**

**CAPITAL WORKING PROGRESS** (Rs. in lakhs)

Particulars	Factory Building	Plant & Machinery	Total
Carring amount as on March 31, 2021	67.22	100.92	168.15
Additions	3.00	0.01	3.01
Carring amount as on March 31, 2022	70.22	100.93	171.15

**CAPITAL WORK -IN- PROGRESS AGING**

Ageing for capital work-in-process as at March 2022 is as follows :

(Rs. in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 year	more than 3 year	
Project in process	3.01	-	4.01	164.13	171.15
Project temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>3.01</b>	<b>-</b>	<b>4.01</b>	<b>164.13</b>	<b>171.15</b>



Ageing for capital work-in-process as at March 2021 is as follows :

(Rs. in lakhs)

CWIP	To be completed in				Total
	Less than 1 year	1-2 year	2-3 year	more than 3 year	
Project in progress	-	4.01	0.20	163.93	168.14
Project temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>4.01</b>	<b>0.20</b>	<b>163.93</b>	<b>168.14</b>

Title deeds of immovable properties not held in the name of the Company

Relevant line items in the Balance Sheet	Description of items of property	Gross carrying Value	Title deeds held in the name of	Whether the deed holder/promotor/director/relative of promotor/director or employee of company	Property held since which date	Reason for not being held in the name of the company  Also indicate if in dispute
N/A	N/A	NIL	N/A	N/A	N/A	N/A

(Rs. in lakhs)

5	INVESTMENTS (NON-CURRENT)	As at March 31, 2023	As at March 31, 2022
	<b>Investments in equity Instruments (fully paid up)</b>		
	<b><u>Unquoted</u></b>		
	10 Shares in Gujarat Mercantile Credit Co Op Soc Ltd of Rs. 100 each	0.01	0.01
	<b>Investment in debt instruments</b>		
	<b><u>Unquoted</u></b>		
	Indira Vikas Patra	0.05	0.05
	<b>TOTAL</b>	<b>0.06</b>	<b>0.06</b>

Note:

Aggregate amount of unquoted investments	0.06	0.06
Aggregate amount of impairment in the value of the investments	-	-



6	LOANS (NON-CURRENT)	As at March 31, 2023	As at March 31, 2022
	(Unsecured, considered good)		
	Security deposits	-	-
	Other Advances	-	-
	<b>TOTAL</b>	-	-

(Rs. in lakhs)

7	OTHER NON-CURRENT FINANCIAL ASSETS	As at March 31, 2023	As at March 31, 2022
	Deposit with bank with maturity period of more than 12 months		
	- In fixed deposit accounts	3,149.00	0.25
	- In margin money deposit accounts	43.30	32.19
	Security deposits	19.61	18.26
	<b>TOTAL</b>	<b>3,211.91</b>	<b>50.70</b>

(Rs. in lakhs)

8	DEFERRED TAX ASSETS (NET)	As at March 31, 2023	As at March 31, 2022
	Deferred tax assets (Net)	35.93	27.34
	<b>TOTAL</b>	<b>35.93</b>	<b>27.34</b>
	<b>The balance comprises temporary differences attributable to:</b>		
	<b>Deferred Tax Liability</b>		
	Depreciation	14.27	19.04
	Borrowing Cost	0.05	0.22
	<b>Less : Deferred Tax Assets</b>		
	Provision for gratuity	43.94	41.19
	Provision for bonus	6.31	5.42
	<b>Net Deferred Tax Asset (Refer note below)</b>	<b>35.93</b>	<b>27.34</b>

**Note:** Deferred tax assets and deferred tax liability have been offset as they relate to same governing taxation laws.



8 A	MOVEMENT IN DEFERRED TAX ASSETS/LIABILITIES	As at March 31, 2021	(Charged)/ Credited to Profit and Loss	(Charged)/ Credited to OCI	(Charged)/ Credited to Equity	As at March 31, 2022
	<b>Deferred Tax Liability</b>					
	Depreciation	20.88	(1.84)	-	-	19.04
	Borrowing Cost	0.57	(0.34)	-	-	0.22
	<b>Total Deferred Tax Liability</b>	<b>21.45</b>	<b>(2.18)</b>	-	-	<b>19.26</b>
	<b>Less : Deferred Tax Assets</b>					
	Provision for gratuity	44.22	1.02	(4.05)	-	41.19
	Provision for bonus	6.46	(1.04)	-	-	5.42
	<b>Total Deferred Tax Assets</b>	<b>50.68</b>	<b>(0.02)</b>	<b>(4.05)</b>	-	<b>46.61</b>
	<b>Net Deferred Tax Assets</b>	<b>29.23</b>	<b>2.16</b>	<b>(4.05)</b>	-	<b>27.34</b>

8 B	MOVEMENT IN DEFERRED TAX ASSETS/LIABILITIES	As at March 31, 2022	(Charged)/ Credited to Profit and Loss	(Charged)/ Credited to OCI	(Charged)/ Credited to Equity	As at March 31, 2023
	<b>Deferred Tax Liability</b>					
	Depreciation	19.04	(4.77)	-	-	14.27
	Borrowing Cost	0.22	(0.18)	-	-	0.05
	<b>Total Deferred Tax Liability</b>	<b>19.27</b>	<b>(4.95)</b>	-	-	<b>14.31</b>
	<b>Less : Deferred Tax Assets</b>					
	Provision for gratuity	41.19	5.62	(2.87)	-	43.94
	Provision for bonus	5.42	0.89	-	-	6.31
	<b>Total Deferred Tax Assets</b>	<b>46.61</b>	<b>6.51</b>	<b>(2.87)</b>	-	<b>50.26</b>
	<b>Net Deferred Tax Assets</b>	<b>27.34</b>	<b>11.46</b>	<b>(2.87)</b>	-	<b>35.93</b>

(Rs. in lakhs)

9	OTHER NON CURRENT ASSETS	As at March 31, 2023	As at March 31, 2022
	Capital Advances		
	Deposits with government authorities towards matters in litigation		
	Other Advances (Trade receivables exceeding 1 year)	280.56	351.18
	<b>TOTAL</b>	<b>280.56</b>	<b>351.18</b>

(Rs. in lakhs)

10	INVENTORIES	As at March 31, 2023	As at March 31, 2022
	Raw materials	1,799.63	1,207.69
	Work in progress	279.21	304.58
	Finished Goods	956.55	955.80
	Traded Stock	208.85	57.61
	<b>TOTAL</b>	<b>3,244.24</b>	<b>2,525.68</b>



(Rs. in lakhs)

11	TRADE RECEIVABLES	As at March 31, 2023	As at March 31, 2022
	Unsecured - considered good Trade receivables	3,879.00	3,251.83
	Receivables from related parties	-	-
	<b>SUB- TOTAL</b>	<b>3,879.00</b>	<b>3,251.83</b>
	<b>Less:</b> Allowance for doubtful debts	-	-
	<b>TOTAL</b>	<b>3,879.00</b>	<b>3,251.83</b>

Trade Receivables ageing schedule as at 31st March,2023

(Rs. in lakhs)

	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables -considered good	3,775.78	103.22	58.14	26.21	196.21	4,159.56
(ii)	Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii)	Disputed trade receivables considered good	-	-	-	-	-	-
(iv)	Disputed trade receivables considered doubtful	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31st March,2022

(Rs. in lakhs)

	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables -considered good	2,856.27	85.28	40.90	80.67	188.71	3,251.83
(ii)	Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii)	Disputed trade receivables considered good	-	-	-	-	-	-
(iv)	Disputed trade receivables considered doubtful	-	-	-	-	-	-

(Rs. in lakhs)





12	CASH AND CASH EQUIVALENTS	As at March 31, 2023	As at March 31, 2022
	<b>Cash and Cash equivalents:</b>		
	Cash on hand	15.40	18.23
	<b>Bank Balances :</b>		
	- In Current accounts (Refer note below)	-	168.91
	- In Margin Money deposit maturing within 3 month	10.12	10.12
	<b>TOTAL</b>	<b>346.44</b>	<b>197.26</b>

(Rs. in lakhs)

13	OTHER BANK BALANCES	As at March 31, 2023	As at March 31, 2022
	Deposits with banks (Maturity more than three months and upto twelve months)		-
	Earmarked balance with bank for unpaid dividend	24.43	8.71
	<b>TOTAL</b>	<b>24.43</b>	<b>8.71</b>

14	LOANS (CURRENT)	As at March 31, 2023	As at March 31, 2022
	(Unsecured, considered good)		
	Loan to employees and other advances	21.88	17.47
	<b>TOTAL</b>	<b>21.88</b>	<b>17.47</b>

**Loans and advances to Directors, promoters, KMP's, related parties**

**Repayable on demands**

(Rs. in lakhs)

14A	Type of Borrowers	Current Period		Previous period	
		Amt. Outstanding	% of total	Amt. Outstanding	% of total
(i)	Promoters	-	-	-	-
(ii)	Directors	-	-	-	-
(iii)	KMP's	-	-	-	-
(iv)	Related parties	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Without specifying any terms or period of repayments**

(Rs. in lakhs)

14B	Type of Borrowers	Current Period		Previous period	
		Amt. Outstanding	% of total	Amt. Outstanding	% of total
(i)	Promoters	-	-	-	-
(ii)	Directors	-	-	-	-



(iii)	KMP's	-	-	-	-
(iv)	Related parties	-	-	-	-
	<b>Total</b>	-	-	-	-

(Rs. in lakhs)

15	OTHER CURRENT ASSETS	As at March 31, 2023	As at March 31, 2022
	(Unsecured, considered good unless otherwise stated)		
	Deposits with government authorities towards matters in litigation	91.86	67.59
	Pre-paid expense	9.82	8.35
	<b>TOTAL</b>	<b>101.68</b>	<b>75.94</b>

(Rs. in lakhs)

16	SHARE CAPITAL	As at March 31, 2023	As at March 31, 2022
	<b>Authorised</b>		
	1,60,00,000 (March 31, 2021 : 6,000,000) equity shares of Rs. 10/- each	1,600.00	1,600.00
		<b>1,600.00</b>	<b>1,600.00</b>
	<b>Issued</b>		
	1,00,30,800 (March 31, 2021 : 5,015,400) equity shares of Rs. 10/- each	1,178.18	1,003.08
	<b>Subscribed and paid-up</b>		
	1,00,30,800 (March 31, 2021 : 5,015,400) equity shares of Rs. 10/- each	1,178.18	1,003.08
	<b>TOTAL</b>	<b>1,178.18</b>	<b>1,003.08</b>

a) Reconciliation of the number of shares : Equity Shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Balance at the beginning of the year	100.31	1,003.08	50.15	501.54
Add: Issue of bonus shares	17.51	175.10	50.15	501.54
<b>Balance at the end of the year</b>	<b>117.82</b>	<b>1,178.18</b>	<b>100.31</b>	<b>1,003.08</b>

b) Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.



c) Details of shareholder holding more than of 5% of the aggregate shares in the company

	Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
(i)	Mahendra A Turakhia	19.71	16.73%	19.71	16.73%
(ii)	Kishore A Turakhia	19.72	16.74%	19.72	16.74%
(iii)	Rajesh A Turakhia	19.78	16.79%	19.78	16.79%
	<b>TOTAL</b>	<b>59.20</b>	<b>50.25%</b>	<b>59.20</b>	<b>50.25%</b>

d) The Company allotted 5015400 equity shares as a fully paid up bonus shares by capitalisation of profits transferred from retained earnings amounting to ₹501.54 Lakhs period ended 31st March 2022.

e) Disclosure of Shareholding of Promoters

Shares held by promoters at the end of the year 31st March 2023				
Sr. No.	Promoter Name	No. of Shares	% of total shares	% Change during the year
(i)	Rajesh A Turakhia	1,977,934	16.79%	Nil
(ii)	Kishore A Turakhia	1,971,772	16.74%	Nil
(iii)	Mahendra A Turakhia	1,970,672	16.73%	Nil
(iv)	Turakhia Rajesh Abhaychand HUF	307,400	3.06	Nil
(v)	Turakhia Mahendra Abhaychand HUF	307,400	3.06	Nil
(vi)	Turakhia Kishore Abhaychand HUF	307,356	3.06	Nil
Shares held by promoters at the end of the year 31st March 2022				
Sr. No.	Promoter Name	No. of Shares	% of total shares	% Change during the year
(i)	Rajesh A Turakhia	1,977,934	19.72%	Nil
(ii)	Kishore A Turakhia	1,971,772	19.66%	Nil
(iii)	Mahendra A Turakhia	1,970,672	19.65%	Nil
(iv)	Turakhia Rajesh Abhaychand HUF	307,400	3.06%	Nil
(v)	Turakhia Mahendra Abhaychand HUF	307,400	3.06%	Nil
(vi)	Turakhia Kishore Abhaychand HUF	307,356	3.06%	Nil

(Rs. in lakhs)

17	BORROWINGS - NON-CURRENT	As at March 31, 2023	As at March 31, 2022
	Secured:		
	From Yes Bank (Refer note below)	31.94	53.87



Less: Current maturities of long term debt	15.96	15.97
(Repayable in 36 monthly equal installment of Rs. 1.996 Lakh each starting from Aug 2021. Rate of interest is 8.65% p.a.)	<b>15.98</b>	<b>37.90</b>
<b>Vehicle Loan:</b>		
From Banks	62.71	91.34
Less: Current maturities of long term debt (Repayable in 36 monthly equal installments)	24.67	29.99
	<b>38.04</b>	<b>61.35</b>
<b>TOTAL</b>	<b>54.02</b>	<b>99.25</b>

**Details of securities**

1. First charge over the Fixed Assets by way of equitable mortgage of Land & Building and hypothecation of Plant & Machinery (existing & future) of the company.
2. Land (leasehold) admeasuring 3251.58 sq. mtrs. Situated at Plot no. B-6 & B-7, Sector -C, Industrial Area, Sanwer Road, Distt. Indore.
3. Charge on additional securities worth Rs.118.61 Lakhs in the form of shares already pledged with the Corporation.
4. Personal Guarantee of 3 Directors of the Company
5. Exclusive charge on current assets and movable fixed assets.
6. Exclusive charge on commercial property located at office no. 1 (1A and 1B), ground floor, Kapadia Chambers, Mumbai 400020
7. Personal Guarantee of all the Directors of the Company

There is no default in repayment of Loan Installment and interest thereon.

		(Rs. in lakhs)	
18	TRADE PAYABLE - NON-CURRENT	As at March 31, 2023	As at March 31, 2022
	Trade payables	56.67	193.49
	<b>TOTAL</b>	<b>56.67</b>	<b>193.49</b>

		(Rs. in lakhs)	
19	EMPLOYEE BENEFIT OBLIGATIONS - NON-CURRENT	As at March 31, 2023	As at March 31, 2022
	Provision for employee benefits (Refer note no. 31A): Provision for gratuity	122.16	111.30
	<b>TOTAL</b>	<b>122.16</b>	<b>111.30</b>

		(Rs. in lakhs)	
20	OTHER NON-CURRENT LIABILITIES	As at March 31, 2023	As at March 31, 2022
	Provision for employee benefits (Refer note no. 31A): Advance against warrants	60.93	-



	<b>TOTAL</b>	<b>60.93</b>	<b>-</b>
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Note:

		(Rs. in lakhs)	
21	BORROWINGS - CURRENT	As at March 31, 2023	As at March 31, 2022
	Secured: Working Capital loan from Bank (Refer note below) (Repayable in 8 Monthly Installment of Rs 12.50 lakhs starting from August 2016)	463.31	266.13
	Current maturities of long term borrowings	40.63	45.96
	<b>TOTAL</b>	<b>503.94</b>	<b>312.09</b>

**Details of securities**

1. Exclusive charge on current assets and movable fixed assets.
2. Exclusive charge on commercial property located at office no. 1 (1A and 1B), ground floor, Kapadia Chambers, Mumbai 400020
3. Personal Guarantee of all the Directors of the Company

		(Rs. in lakhs)	
22	TRADE PAYABLES	As at March 31, 2023	As at March 31, 2022
	a) total outstanding dues of micro enterprises and small enterprises	3.21	64.39
	b) total outstanding dues of creditors other than micro enterprises and small enterprises and dues to related parties	1,584.96	1,617.49
	c) total outstanding dues to related parties		
	<b>TOTAL</b>	<b>1,588.17</b>	<b>1,681.88</b>

		(Rs. in lakhs)	
21A	DUES TO MICRO AND SMALL ENTERPRISES	As at March 31, 2023	As at March 31, 2022
	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end		39.74
	Principal amount over due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.06	23.56
	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.05	0.11
	Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
	Interest paid under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
	Interest due and payable towards suppliers registered under MSMED Act, for payment already made.	-	-



	Further interest remaining due and payable for earlier years	1.10	0.98
	<b>TOTAL</b>	<b>3.21</b>	<b>64.39</b>

**Trade Payables ageing schedule: As at 31st March, 2023**

(Rs. in lakhs)

21B	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	3.21	-	-	-	3.21
(ii)	Others	1,584.96	90.56	54.59	(88.48)	1,641.63
(iii)	Disputed dues- MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-

**Trade Payables ageing schedule: As at 31st March, 2022**

(Rs. in lakhs)

21B	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	40.67	0.03	-	12.10	52.80
(ii)	Others	1,597.79	153.65	34.15	36.98	1,822.57
(iii)	Disputed dues- MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-

During the year no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has relied upon by the auditors.

(Rs. in lakhs)

23	OTHER CURRENT FINANCIAL LIABILITIES	As at March 31, 2023	As at March 31, 2022
	Salaries payable	28.11	25.43
	Provision for Bonus	25.08	21.54
	Dividend distribution tax	-	-
	Unclaimed dividend	40.47	8.71
	<b>TOTAL</b>	<b>93.66</b>	<b>55.68</b>

(Rs. in lakhs)

24	INCOME TAX LIABILITIES (CURRENT)	As at March 31, 2023	As at March 31, 2022



Provision for Income tax (Net of advance tax and Tax deducted at Source of Rs. 194.05 Lakhs, March 31, 2021: 162.15 Lakhs)	71.78	125.85
<b>TOTAL</b>	<b>71.78</b>	<b>125.85</b>
<b>Movement in provision for income tax</b>		
Opening balance	125.85	56.58
Less: Current tax payable for the year	511.40	306.17
Add: Taxes Paid / (Refunded)	(565.47)	(236.90)
<b>Closing balance</b>	<b>71.78</b>	<b>125.85</b>

		(Rs. in lakhs)	
23A	TAX EXPENSE	As at March 31, 2023	As at March 31, 2022
	<b>Current Tax :</b>		
	Current Tax on Profits for the Year	511.40	319.90
	<b>Total Current Tax Expense</b>	<b>511.40</b>	<b>319.90</b>
	<b>Deferred Tax :</b>		
	Decrease/ (Increase) in Deferred Tax Assets	(6.51)	0.02
	(Decrease)/increase in Deferred Tax Liabilities	(4.95)	(2.18)
	<b>Total Deferred Tax Expense/(Benefit)</b>	<b>(11.46)</b>	<b>(2.16)</b>
	<b>Income Tax Expense</b>	<b>499.93</b>	<b>317.74</b>
	<b>Reconciliation of tax expense and accounting profit multiplied by statutory tax rate</b>		
	Profit for the year	1,906.93	1,139.83
	Rate of tax	25.17%	25.17%
	<b>Tax Expense at Applicable Tax Rate</b>	<b>479.97</b>	<b>286.90</b>
	Tax Rate Difference	-	(19.33)
	CSR Expenses	0.21	9.06
	Interest on delayed payment of TDS and advance tax	10.98	11.56
	Deferred tax adjustment		20.00
	Others	8.77	9.54
	<b>Income Tax Expense</b>	<b>499.93</b>	<b>317.74</b>

		(Rs. in lakhs)	
25	EMPLOYEE BENEFIT OBLIGATIONS - CURRENT	As at March 31, 2023	As at March 31, 2022



	Provision for employee benefits		
	Provision for gratuity	52.43	52.36
	<b>TOTAL</b>	<b>52.43</b>	<b>52.36</b>

(Rs. in lakhs)

26	OTHER CURRENT LIABILITIES	As at March 31, 2023	As at March 31, 2022
	Advances from customers	-	-
	Statutory dues (including provident fund and tax deducted at source)	58.26	18.07
	Others	-	-
	<b>TOTAL</b>	<b>58.26</b>	<b>18.07</b>

(Rs. in lakhs)

27	CONTINGENT LIABILITIES	As at March 31, 2023	As at March 31, 2022
	Claim against the Company not acknowledged as debts		
	a) Demand contested by the Company		
	- Sales tax		84.70
	- Excise duty		-
	- Income tax (Incl. TDS)		20.33
	b) Letter of Credit		
	- Domestic letter of credit		-
	- Buyers credit		85.56
	- Documents at site		42.29

(Rs. in lakhs)

28	REVENUE FROM OPERATIONS	Year ended March 31, 2023	Year ended March 31, 2022
	<b>Sale of Product (Including excise duty)</b>		
	Finished Goods		
	- Bulk Drug & Intermediate	9,175.26	6,618.98
	Stock in trade		
	- Bulk Drug & Intermediate	1,008.27	161.87
	- Formulations	133.14	120.68
	<b>Total sale of products</b>	<b>10,316.67</b>	<b>6,901.53</b>
	<b>Other operating revenue</b>		
	- D.E.P.B. Licence	-	-
	- Others	1.21	1.83
	<b>Total other operating income</b>	<b>1.21</b>	<b>1.83</b>
	<b>TOTAL</b>	<b>10,317.88</b>	<b>6,903.36</b>

(Rs. in lakhs)

29	OTHER INCOME	Year ended March 31, 2023	Year ended March 31, 2022
	Interest Income from financial assets at amortised cost	118.00	7.81
	Wind Mill	-	1.13





	Commission Received	0.27	-
	<b>TOTAL</b>	<b>118.27</b>	<b>8.94</b>

(Rs. in lakhs)

30	COST OF MATERIAL CONSUMED	Year ended March 31, 2023	Year ended March 31, 2022
	Raw material consumed		
	Opening inventory	1,207.69	916.51
	Add: Purchases	6,077.11	4,337.28
	Less: Closing inventory	1,799.63	1,207.69
	<b>Cost of raw material consumed during the year</b>	<b>5,485.17</b>	<b>4,046.10</b>
	Packing material consumed		
	Opening inventory	-	-
	Add: Purchases	42.73	27.51
	Less: Closing inventory	-	-
	<b>Cost of packing material consumed during the year</b>	<b>42.73</b>	<b>27.51</b>
	<b>TOTAL</b>	<b>5,527.90</b>	<b>4,073.61</b>

(Rs. in lakhs)

31	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	Year ended March 31, 2023	Year ended March 31, 2022
	<b>(Increase) / Decrease in stocks</b>		
	Stock at the end of the year		
	Finished goods	956.55	955.80
	Work in progress	279.21	304.58
	Stock in trade	208.85	57.61
	<b>TOTAL A</b>	<b>1,444.61</b>	<b>1,317.99</b>
	Less: Stock at the beginning of the year		
	Finished goods	375.32	886.45
	Work in progress	885.06	33.45
	Stock in trade	57.61	42.64
	<b>TOTAL B</b>	<b>1,317.99</b>	<b>962.54</b>
	<b>(Increase) / Decrease in stocks (B-A)</b>	<b>(126.62)</b>	<b>(355.45)</b>

(Rs. in lakhs)

32	EMPLOYEE BENEFITS EXPENSES	Year ended March 31, 2023	Year ended March 31, 2022
	Salaries, wages and bonus	513.85	434.44
	Contribution to provident and other funds:		
	Provident fund [Refer note no. 32A(i)]	18.22	16.07
	Gratuity [Refer note no. 32A(ii)]	24.64	22.80
	ESIC	7.25	5.76
	Staff welfare expenses	25.82	12.45
	<b>TOTAL</b>	<b>589.78</b>	<b>491.53</b>

**31A EMPLOYEE BENEFIT OBLIGATIONS:**

i) Defined-contribution plans

The Company makes contribution to provident fund under the provision of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and to superannuation fund for the qualifying employees as per the Company's policy.

(Rs. in lakhs)



Amount recognised in Statement of Profit and Loss	Year ended March 31, 2023	Year ended March 31, 2022
Provident fund	18.22	16.07

ii) Defined-Benefits Plans

The company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, as per the company's policy. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death. The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company. The gratuity plan is an unfunded plan.

**Profit & Loss account expenses: (Rs. in lakhs)**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Service Cost	12.81	11.99
Past service Cost	-	-
Interest on defined benefit obligation/(asset) (net)	11.83	10.81
<b>Total expenses charged</b>	<b>24.64</b>	<b>22.80</b>

**Amount recorded in other comprehensive income: (Rs. in lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance recorded in OCI	-	-
<b>Remeasurement during the period due to:</b>		
(Gain)/loss from change in financial assumptions	(1.74)	(4.83)
(Gain)/loss from change in demographic assumptions	-	-
Experience (gains)/losses	(9.67)	(11.26)
Actuarial (gains)/losses on plan assets	-	-
<b>Total amount recognised in OCI</b>	<b>(11.41)</b>	<b>(16.09)</b>

**Present value of defined benefit obligation: (Rs. in lakhs)**

Particulars	Gratuity (Funded Plan)	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	163.66	158.95
Current service cost	12.81	11.99
Past service cost	-	-
Interest on defined benefit obligation	11.83	10.81
<b>Remeasurement due to:</b>		
(Gain)/loss from change in financial assumptions	(1.74)	(4.83)
(Gain)/loss from change in demographic assumptions	-	-
Experience (gains)/losses	(9.67)	(11.26)
Benefit paid	-	(2.01)
<b>Balance at the close of the year</b>	<b>176.89</b>	<b>163.65</b>

**Fair value of plan assets: (Rs. in lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	-	-
Contributions by employer	-	-
Interest income	-	-



Benefits paid		-
Actuarial gains/(losses) on plan assets		-
<b>Balance at the close of the year</b>		<b>-</b>

**Assets and Liabilities recognised in the Balance Sheet:**

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligations	174.59	163.66
Fair value of plan assets	-	-
Deficit of funded plan	<b>174.59</b>	<b>163.66</b>
Non-current (Note 19)	122.16	111.30
Current	52.43	52.36

**Major Category of Plan Assets as a % of total Plan Assets:**

Particulars	As at March 31, 2023	As at March 31, 2022
Government of India securities		0.00%
Corporate bonds		0.00%
Insurance managed fund		0.00%
Others		0.00%
		<b>0.00%</b>

**Actuarial Assumptions:**

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.38%	7.23%
Salary Growth rate	5.00%	5.00%

The discount rates reflects the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

The expected rate of return of plan assets is the Company's expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

**Sensitivity Analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions by 0.5% is:

a) Impact of the change in discount rate

(Rs. in lakhs)

Present Value of Obligation at the end of the period	<b>176.89</b>
a) Impact due to increase of 0.50%	(5.56)
b) Impact due to decrease of 0.50 %	5.97

b) Impact of the change in salary increase

(Rs. in lakhs)

Present Value of Obligation at the end of the period	<b>176.89</b>
a) Impact due to increase of 0.50%	6.08
b) Impact due to decrease of 0.50 %	(5.71)



The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which has been used for calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**Expected Contribution to the Fund in the next year:**

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Gratuity	25.77	23.87

iv) **Risk Exposure**

The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The risks commonly affecting the defined benefit plan are expected to be:

**Demographic Risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

**Salary Inflation Risk :** Higher than expected increases in salary will increase the defined benefit obligation

**Interest-Rate Risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

v) **Defined Benefit Liability and Employer Contributions**

The company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

The expected maturity analysis of undiscounted gratuity is as follows:

**Maturity Analysis of the Projected Benefit Obligations - Gratuity (Undiscounted)**

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
1st Following Year	54.73	52.36
2nd Following Year	2.73	2.41
3rd Following Year	36.21	2.50
4th Following Year	1.69	33.81
5th following year	1.73	1.51
Sum of 6th to 10th Following Year	79.81	71.06

(Rs. in lakhs)



33	FINANCE COSTS	Year ended March 31, 2023	Year ended March 31, 2022
	Interest on short term borrowings	11.55	-
	Interest on long term borrowings	6.24	5.21
	Other finance cost	36.86	23.68
	<b>TOTAL</b>	<b>54.65</b>	<b>28.89</b>

(Rs. in lakhs)

34	DEPRECIATION AND AMORTISATION EXPENSES	Year ended March 31, 2023	Year ended March 31, 2022
	Depreciation on property, plant and equipment	157.98	124.54
	<b>TOTAL</b>	<b>157.98</b>	<b>124.54</b>

(Rs. in lakhs)

35	OTHER EXPENSES	Year ended March 31, 2023	Year ended March 31, 2022
	Consumables	14.76	9.78
	Repairs to building	5.38	5.20
	Security Service	5.93	5.94
	Loss on sales of Assets	0.05	-
	Quality control expenses	6.97	5.42
	Other operating expenses	67.14	48.18
	Commission & Brokerage	33.35	17.31
	Advertisement and publicity expenses	4.29	1.99
	Outward Cartage, Hamali & Crain Charges	11.73	11.02
	Freight, handling and other charges	29.65	16.79
	Processing Charges	662.68	833.40
	Legal and professional fees	1.03	1.52
	Consolidation charges	3.34	2.27
	Conveyance	3.86	2.95
	Courier Charges	8.56	5.95
	Sundry Balance W/off and Bad Debts	(12.37)	1.26
	Export Clearing Charges	9.29	7.56
	Exhibition Expenses	19.34	5.27
	Fees & Subscription	29.23	21.96
	Freight Outward	15.51	6.90
	Loading Charges	15.60	1.60
	Miscellaneous Expenses	9.09	7.98
	Printing & Stationary	3.67	2.91
	Rent	25.16	25.18
	Telephone Expenses & Charges	1.21	0.91
	Travelling Expenses	19.11	11.90
	Warehousing Charges	-	-
	Other operating expenses	-	-
	Other Administrative Expenses	25.67	26.30
	Duties and taxes	12.26	0.03
	Directors fees	0.30	0.40
	Legal And Professional Charges	40.43	19.09



Corporate social responsibility	0.83	36.00
Net loss on foreign currency transactions and translations	(3.33)	(0.73)
Payment to auditors	-	-
As auditor:	-	-
Audit fees (Including limited review)	3.50	3.00
Tax audit fees	-	0.21
<b>TOTAL</b>	<b>1,073.22</b>	<b>1,145.45</b>

**34A Value of Imports on CIF basis in respect of :**

	Year ended March 31, 2023	Year ended March 31, 2022
Raw Material	1158.80	14.42
Components and Spare Parts	-	-
Capital Goods	-	-
<b>TOTAL</b>	<b>1158.80</b>	<b>14.42</b>

**34B Expenditure in Foreign Currency on account of:**

	Year ended March 31, 2023	Year ended March 31, 2022
a) Royalty, know how, professional, consultation fees, interest and other matters	9.10	1.11
b) Travelling	-	-
<b>TOTAL</b>	<b>9.10</b>	<b>1.11</b>

**34C Value of Imported and Indigenous material consumed & percentage there of:**

	Year ended March 31, 2021		Year ended March 31, 2022	
	Value	%	Value	%
Value of Imported material consumed	321.12	26.59%	1288.58	32.09%
Value of Indigenous material consumed	886.57	73.41%	2726.62	67.91%
<b>TOTAL</b>	<b>1,207.69</b>	<b>100.00%</b>	<b>4015.20</b>	<b>100.00%</b>

**34D**

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Dividend Remitted in foreign currency</b>		-

**34E Earning in foreign exchange**

	Year ended March 31, 2023	Year ended March 31, 2022
Royalty, know how Professional and consultancy fees	139.60	104.07
Interest and dividends	-	-
Other Income	-	-
<b>TOTAL</b>	<b>139.60</b>	<b>104.07</b>



**36 SEGMENT INFORMATION**

The Company's chief operating decision maker (CODM) has identified one business segment viz. Manufacturing and Trading of Bulk Drug and Intermediate. There are no other reportable segment.

(Rs. in lakhs)

**GEOGRAPHIC INFORMATION**

PARTICULARS	Year ended March 31, 2023		Year ended March 31, 2022	
	Country of domicile (India)	Foreign countries	Country of domicile (India)	Foreign countries
Revenue from External Customers			6,816.10	87.26

The Company does not hold any non-current assets in foreign countries.

There are no individual customers or a particular group contributing to more than 10% of revenue.

**37 RELATED PARTY DISCLOSURES:**

**36 Names of the related parties and nature of relationship:**

**a**

i) Enterprises over which KMP exercise significant influence

- Turakhia Brothers
- Invochem Laboratories
- Synodrug & Intermediates
- Suneeta Chemicals
- Gene Biotech Private Limited
- Paramount Organics

ii) Key Management Personnel

- Mahendra A Turakhia
- Kishore A Turakhia
- Rajesh A Turakhia
- Paresha R Turakhia

iii) Relatives of Key Management Personnel

- Arti K Turakhia
- Devang R Turakhia
- Amisha M Turakhia
- Pallavi M Turakhia
- Harsh K Turakhia

**36 Compensation of key managerial personnel**

**b**

(Rs. in lakhs)

Related Parties	Year ended March 31, 2023	Year ended March 31, 2022
Short-term employee benefits to CEO and Whole Time Director		80.40
Directors' sitting fees to independent directors		0.40
<b>Total</b>		<b>80.80</b>

**Key Management Personnel Compensation**

Gratuity is computed for all the employees in aggregate, the amounts relating to the Key Managerial Personnel cannot be individually identified.

36

**c Details of Transactions with related Parties:****(Rs. in lakhs)**

<b>Particulars</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
<b>Purchase of Assets - Plant and Equipment</b>		
Gene Biotech Private Limited		-
<b>Sales</b>		
Turakhia Brothers		0.30
Synodrug & Intermediates		12.47
Paramount Organics		-
Suneeta Chemicals		41.72
<b>Purchases</b>		
Turakhia Brothers		10.82
Synodrug & Intermediates		81.42
Suneeta Chemicals		62.99
Paramount Organics		17.45
<b>Rent</b>		
Turakhia Brothers		16.10
Arti K Turakhia		-
<b>Testing Charges</b>		
Invochem Laboratories		4.63
<b>Processing Charges</b>		
Synodrug & Intermediates		41.29
Suneeta Chemicals		789.31
<b>Salary</b>		
Devang R Turakhia		18.00
Harsh Turakhia		18.00
Pallavi Turakhia		9.00
Amisha M Turakhia		9.00

36

**d Details of outstanding balances with related Parties:****(Rs. in lakhs)**

<b>Related Parties</b>	<b>Year ended March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Trade Receivables</b>		
Paramount Organics		55.27
Turakhia Brothers		1.75





Synodrug & Intermediates		0.03
Suneeta Chemicals		-
<b>TOTAL</b>		<b>57.05</b>
<b>Trade Payables</b>		
Invochem Laboratory, Mumbai		-
Suneeta Chemicals		27.00
Turakhia Brothers Indore		1.40
Panchsheel Organics		-
<b>TOTAL</b>		<b>28.40</b>

**Terms and conditions:**

All the transactions with the related parties during the year are based on the arms length price and terms that would be available to/from third parties

All outstanding balances are unsecured and repayable in cash.

**38 FAIR VALUE MEASUREMENTS**

**(i) Financial instruments by category**

There are no financial assets/liabilities that are measured at fair value through other comprehensive income. Category wise break up of financial assets/liabilities measured at amortised cost and fair value through statement of profit and loss account are given below:

Particulars	(Rs. in lakhs)			
	As at March 31, 2023		As at March 31, 2022	
	Amortised Cost	FV PL	Amortised Cost	FVPL
<b>Financial Assets</b>				
Investments			0.05	0.01
Security deposits (Level 3)			-	-
Other Advances			-	-
Deposit with bank			50.70	-
Trade receivables			3,251.83	-
Cash and cash equivalents			8.71	-
Loans to employee			17.47	-
<b>Total Financial Assets</b>			<b>3,328.77</b>	<b>0.01</b>
<b>Financial Liabilities</b>				
Borrowings			411.34	-
Trade payables			1,681.88	-
Other current financial liabilities			55.68	-
<b>Total Financial Liabilities</b>			<b>2,148.90</b>	<b>-</b>

**(ii) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**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 required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**iii) Fair value of financial assets and liabilities measured at amortised cost**

The carrying amounts of Investments, deposits with banks and interest there on, trade receivables, cash and cash equivalents, loans to employees, borrowings, trade payables and other current financial liabilities are considered to be the same as their fair values due to their short-term nature.

The fair values of security deposits and other advances are based on discounted cash flows. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. Fair value of the security deposit and other advances are considered to be the same as their carrying value.

**39 FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The market risk to the Company is foreign exchange risk and interest rate. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer end.

38

**A CREDIT RISK**

Credit risk comprises of direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. It mainly arises from trade receivables, cash and cash equivalents (excluding cash on hand) and bank deposits.

**(i) Credit risk management****a) Trade receivables**

The carrying amount of trade receivables represent the maximum credit exposure net of provision for impairment. The maximum exposure to credit risk was Rs. 3,603.02 lakhs as of March 31, 2022 (March 31, 2021: Rs. 2,304.85).

Trade receivables are derived from revenue earned from customers. Credit risk for trade receivable is managed by the company through credit approvals, establishing credit limits and periodic monitoring of the creditworthiness of its customers to which the company grants credit terms in the normal course of business. The Company's credit period generally ranges from 90-120 days.

The company does not have a high concentration of credit risk to a single customer. Single largest customer have the total exposure in receivables Rs.434.67 lakhs as of March 31, 2022 (March 31, 2021: Rs. 106.60 lakhs).

As per simplified approach, the company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of company's customers' financial condition; aging of trade accounts receivable and the company's historical loss experience. The company defines default as an event when there is no reasonable expectation of recovery. The company has not made any provision for loss allowance in any of the years presented.



Trade receivables are written off when there is no reasonable expectation of recovery.

**b) Cash & cash equivalent and bank deposits**

Credit risk on cash and cash equivalents and bank deposits is generally low as the said deposits have been made with banks having good reputation, good past track record and high quality credit rating and company also reviews their credit-worthiness on an on-going basis.

**c) Other financial assets**

Credit risk on other financial assets is generally considered to be low

**38B MARKET RISK**

**(i) Foreign currency risk**

Foreign exchange risk arises on financial instruments being denominated in a currency that is not the functional currency of the entity and that are monetary in nature. The Company is exposed to foreign exchange risk mainly arising from Trade Payables denominated in United States Dollar ('USD') and European Union Currency ('EURO') and Trade receivables in United States Dollar ('USD').

**(a) Foreign currency risk exposure:**

The Company has not entered into any derivative transactions during the year and there were no derivative transactions outstanding as on March 31, 2021

The Company's exposure to foreign currency risk at the end of the reporting period are as follows

PARTICULARS	As at March 31, 2022			As at March 31, 2022		
	Amount	Foreign currency	Foreign Currency Amount	Amount	Foreign currency	Foreign Currency Amount
<b>(i) Financial assets</b>						
Trade receivables				102.68	USD	1.35
<b>(ii) Financial liabilities</b>						
Trade payable				340.69	USD	4.51

**(b) Sensitivity:**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments is as follows:

PARTICULARS	(Rs. in lakhs)	
	Impact on Profit after Tax positive/(negative)	
	Year ended March 31, 2023	Year ended March 31, 2022
USD - Sensitivity		



Rs./USD -Increase by 0.32% (March 31, 2021: 0.32%)		(0.76)
Rs./USD -Decrease by 0.32% (March 31, 2021: 0.32%)		0.76

#Holding all other variables constant

**(ii) Interest rate exposure**

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows :

PARTICULARS	(Rs. in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings		266.13
Fixed rate borrowings		145.21
<b>Total borrowings</b>		<b>411.34</b>

An analysis by maturities is provided in Note 39(C) liquidity risk below.

PARTICULARS	Impact on Profit after Tax positive/(negative)	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest rate - increase by 50 basis points		(1.33)
Interest rate - decrease by 50 basis points		1.33

38

**C LIQUIDITY RISK**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities (comprising the undrawn borrowing facilities below), by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The liquidity risk is managed by means of the ultimate parent company's Liquidity and Financial Indebtedness Management Policy, which aims to ensure the availability of sufficient net funds to meet the Company's financial commitments with minimal additional cost. One of the main liquidity monitoring measurement instruments is the cash flow projection, using a minimum projection period of 12 months from the benchmark date.

**(i) Financing arrangements**

The Company has undrawn borrowing facilities of Rs. 256.02 lakhs as at March 31, 2022 (Rs. 101.60 lakhs as at March 31, 2021) which is renewable on yearly basis by mutual consent. Undrawn credit facilities comprises of fund based and non-fund based.

**(ii) Maturities of financial liabilities**

The following table shows the maturity analysis of the companies financial liabilities based on the contractually agreed undiscounted cash flows as at the Balance Sheet date.



(Rs. in lakhs)

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES	Less than 6 months	6 months to 1 year	Above 1 Year	Total
<b>March 31, 2023</b>				
Borrowings				
Trade payables				
Other financial liabilities				
<b>Total Liabilities</b>	-	-	-	-

(Rs. in lakhs)

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES	Less than 6 months	6 months to 1 year	Above 1 Year	Total
<b>March 31, 2022</b>				
Borrowings	156.04	156.04	99.25	411.34
Trade payables	1,681.88	-	-	1,681.88
Other financial liabilities	55.68	-	-	55.68
<b>Total Liabilities</b>	<b>1,893.60</b>	<b>156.04</b>	<b>99.25</b>	<b>2,148.90</b>

#### 40 Security of current assets against borrowings

Disclosure when borrowings have been availed based on security of current assets

Quarter	Name of Bank	Particular of security	Amount as per	Amount as reported	Difference in amounts	Reason
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		by provided	Books of accounts	in quarterly report statement		
<b>Quarter 1</b>	Yes Bank Ltd	Inventory	1,992.99	1,980.08	12.91	At the time of submission of return or statement filed with the bank, material amounting of Rs. 12.91/- lakhs were given for job work and cost of such material was not mentioned in the report.
<b>Quarter 2</b>	Yes Bank Ltd	Inventory	2,153.68	2,125.82	27.86	At the time of submission of return or statement filed with the bank, material amounting of Rs. 27.86/- lakhs were given for job work and cost of such material was not mentioned in the report.
<b>Quarter 3</b>	Yes Bank Ltd	Inventory	2,249.63	2,162.96	86.67	At the time of submission of return or statement filed with the bank, material amounting of Rs. 86.67/- lakhs were given for job work and cost of such material was not mentioned in the report.
<b>Quarter 4</b>	Yes Bank Ltd	Inventory	2,525.68	2,525.68	-	-

#### 41 CAPITAL MANAGEMENT

The company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure of the Company, management can make, or may propose to the stockholders when their approval is required, adjustments to the amount of dividends paid to stockholders, return capital to stockholders, issue new shares or sell assets to reduce, for example, debt.

The Company considers total equity reported in the financial statements to be managed as part of capital.

The Company does not have any borrowing which is subject to the capital requirements.

#### 42 EARNINGS PER SHARE

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax (Rs. in lakhs)	1,406.99	835.82
Weighted average number of shares outstanding for basic / diluted EPS (In lakhs)		100.31
Nominal value per share (In Rs.)	10.00	10.00
Basic / diluted earning per Share (In Rs.)		8.33

#### 43 LEASES

As a lessee: Operating lease

The Company has operating leases for land and premises. Most of the leases are renewable for further period on mutually agreeable terms.

(Rs. in lakhs)



<b>With respect to all operating leases:</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Lease payments recognised in the Statement of Profit and Loss during the year	25.16	25.18

#### Transition to New Standards

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

#### 44 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

<b>Particulars</b>	<b>(Rs. in lakhs)</b>	
	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
<b>Opening Balance yet to spend</b>	3.54	25.72
Gross amount required to be spent by the Company during the year	17.83	13.83
<b>Total amount to spend</b>	<b>21.37</b>	<b>39.54</b>
<b>Amount spent during the year on:</b>		
i) Construction / acquisition of asset		-
ii) On purposes other than (i) above	0.83	36.00
<b>Total amount spent</b>	<b>0.83</b>	<b>36.00</b>
<b>Amount yet to spend</b>	<b>20.55</b>	<b>3.54</b>

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the Company intends to transfer its unspent CSR fund to a designated bank account opened with Yes Bank Limited.

#### 45 IMPACT OF COVID 19

The spread of COVID-19 has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lock-down, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures.

The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, intangible assets, Trade Receivables, and Inventory as at the balance sheet date and has concluded that there is no material adjustments required in the financial statements.

Management believes that it has considered all the possible impact of known events arising from COVID -19 pandemic in the preparation of the financial Statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.



- 46 Figures for the corresponding previous years have been regrouped/ rearranged, wherever necessary, to conform to the classification of the current year.

**In terms of our report of even date**

**For Panchsheel Organics Limited**

**For Jayesh R Shah & Co  
Chartered Accountants  
Firm Registration No.:104182W**

**Mahendra Turakhia  
Managing Director  
DIN:00006222**

**Kishor Turakhia  
Director  
DIN:00006236**

**Jayesh Shah  
Proprietor  
Membership No.: 033864**

**Rajesh Turakhia  
Director  
DIN: 00006246**

**Gaurang Patel  
Chief Financial Officer**

**Hitesh Singh Parihar  
Company Secretary**

**Place: Mumbai  
Date: May 30, 2023**

**Place: Mumbai  
Date: May 30, 2023**