ANNUAL REPORT 2023

aether
elementally innovative

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Perspectives as a Managing Director

"Second life innings with inception of Aether in 2013 at the age of 62 years, by swimming against the tide!"

Let me start this message from my heart with a big vote of thanks to all our Shareholders who have been with us from the day we went into Public (IPO) on June 3, 2022; for believing in us, our story in the past, accepting our present, and expecting to grow with us with belief in our future story.

Aether means pure in Greek and infinite in Sanskrit, and hence, we have always been, we are, and we would like to be as pure as we can in our approach and commitment. Sky is our limit to grow together with the support from each and every stakeholder and Aetherians.

I believe in delivering, rather than talking. And that is the philosophy with which my entire family (my wife and two sons) has been moving forward since 2013, when we created Aether. We have been delivering what we have said, all throughout the year, with the quarterly results, the Earning Calls, the Quarterly Presentations, the announcements for the new products launched, revenues achieved, margins earned, and various other milestones that we have achieved.

The Fiscal Year 2023 started off well for us wherein we created history by listing on Indian Stock Exchanges on June 3, 2022, with a significant valuation of ₹ 8,000 crores plus and on the listing day touched the upper circuit within 10 minutes of the Bell Ringing Ceremony. Once again a very big thank you to all the Shareholders who invested in Aether Industries and being part of our history creation.

When we started Aether, we wanted the company to be based on chemistry and technology. Chemistry is obvious. But technology is something the industry does not adopt much. So, we thought that we will encompass chemistry with technology, and that will be the driving force behind Aether. Aether is committed to and focuses on producing advanced intermediates and speciality chemicals involving complex and differentiated chemistry and technology core competencies.

Our R&D expenses (revenue and capital) accounted to 7.51% of our total revenue of Fiscal Year 2023, which gives us a core strength to build a strong base and approach to our future growth. Our products find application in the pharmaceutical, agrochemical, material science, coating, high performance photography, additive, and oil and gas segments of the chemical industry.

Pharma Industry Slow Down

About 45% of the company's revenues come from the pharmaceutical business while one-third from supplying products for the agrochemical industry. In the first two quarters, almost all the chemical companies dealing in the Pharmaceutical sector, felt bad tremors as there was complete slow down and slow intake of material by various pharmaceutical customers. We also were impacted by the same but as we had other business segments like Agrochemicals, Material Sciences, Coatings, Oil & Gas, Instant Photography and others, we were able to sail reasonably well in the initial two quarters, though the revenues and margins were affected a bit.

Nevertheless, the Pharmaceutical Industry has started coming back to its normal from the mid of the third quarter of FY 2023 and the demands started to flow well and at last in the last two quarters, more specifically in the Q4 of FY 2023, the demand has come back to almost the historically normal levels. This revamping of the Pharmaceutical sector has helped us achieve good results in the last two quarters.

CRAMS

Aether has always given great prospects for the CRAMS business model and that has been proved by us by achieving an increase of more than 70% in revenue in this business model. This model is the highest margin business model and the increase in this business model is definitely a significant key for our success in Fiscal Year 2023. We expect this business model to show a continued upward trend in the years to come.

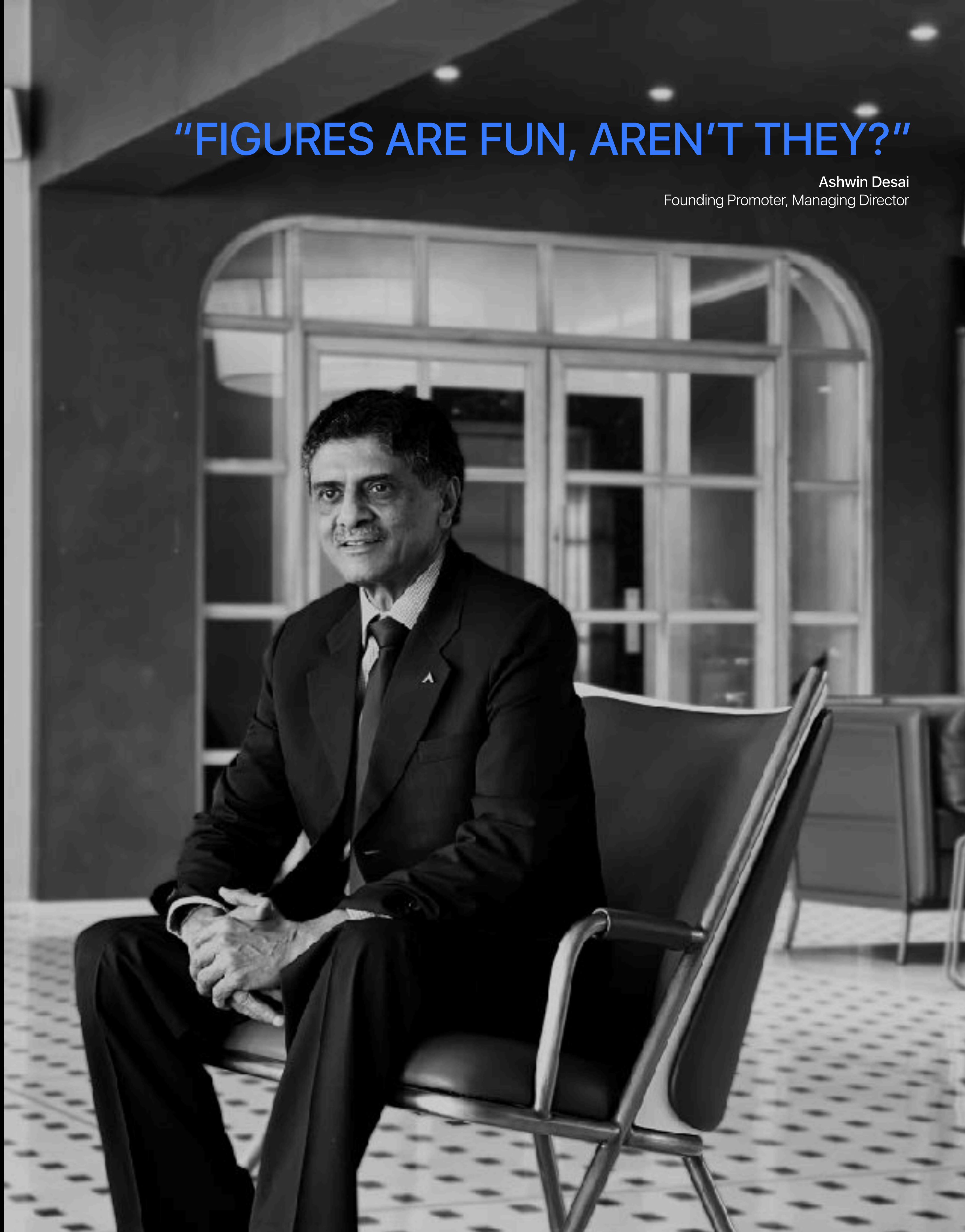
Contract / Exclusive Manufacturing

The Contract / Exclusive Manufacturing business model has also picked up well and has shown increase in this Fiscal Year 2023 as well, like the past years. A growth of approximately 60% in this business model shows our commitment towards the contract manufacturing business model and we are seeing an increase in this business model in the future years to come because many other contracts are under discussion to materialise in the future years to come.

Sustainability and giving back to the Nature

On one of the most crucial current worldwide topic of Sustainability and giving back to the Nature / Environment, Aether has always been on front foot as we believe in clean and green environment, and by doing the best we can do to protect the environment and Mother Nature.

We have in July 2022, commissioned a 16 MW Solar Power Plant at Sarod Village in Bharuch District of Gujarat, for captive power consumption. This Solar Power plant will take care of our Manufacturing Unit - 1 (R&D and Pilot Plant facility), Manufacturing Unit - 2 (Plot 8203 at GIDC, Sachin, Surat) and the newly commissioned Greenfield Manufacturing Unit - 3 (Plot 8202/1 at GIDC, Scahin, Surat). This will not only help us reduce our electricity costs by approximately 40% to 45%, but also help us reduce the use of non-renewable electricity sources and thus help the sustainability cause. We are also evaluating a Hybrid Power plant strategy, which will help us take care of night units



"FIGURES ARE FUN, AREN'T THEY?"

Ashwin Desai
Founding Promoter, Managing Director

power consumption. This Solar Power plant will take care of our Manufacturing Unit - 1 (R&D and Pilot Plant facility), Manufacturing Unit - 2 (Plot 8203 at GIDC, Sachin, Surat) and the newly commissioned Greenfield Manufacturing Unit - 3 (Plot 8202/1 at GIDC, Scahin, Surat). This will not only help us reduce our electricity costs by approximately 40% to 45%, but also help us reduce the use of non-renewable electricity sources and thus help the sustainability cause.

We are also evaluating a Hybrid Power plant strategy, which will help us take care of night units as well against the day units of our power being taken care of by our Solar Power Plant. This will make us 80% based on renewable source of energy for our power requirements.

Human Capital

On one of the most crucial current worldwide topic of The philosophy at Aether has always been to attract top talent and also retain this talent for the betterment of the Company and of our colleagues who work with Aether. This can be seen from the year on year increase in the manpower, which also is commensurate with the growth of the Company. We were only 200 Aetherians in 2016, which has increased steadily and we are now more than 850 plus Aetherians by end of Fiscal Year 2023. For us the human capital has always been of utmost importance as our colleagues are actually those who really put in their efforts to bring all the success that Aether has achieved today.

- Ashwin Desai - Founding Promoter, Managing Director

“THERE ARE TWO TYPES OF PEOPLE IN THIS WORLD ONE, WHO ARE BRILLIANT AND THE OTHERS WHO ARE HARDWORKING I BELONG TO THE SECOND CATEGORY OF HARDWORKING”

- Ashwin

Integrated Approach

"It is always possible..."

Thank you to all the investors, who have believed in us, and have invested in us during our IPO in June 2022, and in the period thereafter. Aether grew as one of the fastest speciality chemical companies in India and we are committed to grow continuously in the years to come.

Business outlook

Revenue for Aether has grown along with the margins in Fiscal Year 2023, compared to Fiscal Year 2022. Though not a big leap but we can say that we have good business to sustain. The CRAMS business model leaping ahead by more than 70% and Contract / Exclusive Manufacturing business model showing a growth of 60% odd in Fiscal Year 2023, compared to Fiscal Year 2022, shows that we are not dependent on any single business model. Though the LSM business model has shown a downward trend, the other two business models, really came up well to help us sustain much better.

Our business models of CRAMS and Contract / Exclusive Manufacturing have shown significant and promising growth. We are continuing to see a significant upwards trend in inquiries, customer additions, previous contract renewals, and actual business being translated into revenues in the two business models of CRAMS and Contract / Exclusive manufacturing.

We exhibited in ChemSpec Europe in Germany, Chemicals America in Charleston USA, various exhibitions in India, China and Japan in Fiscal Year 2023. Tremendous influx of CRAMS opportunities in the post pandemic era, evidenced by significant growth in the CRAMS business model as compared to last year. We continue to talk with the highest technical echelons of numerous multi-national innovator companies across the industry spectrum.

Expansions

We fully completed the CAPEX of our newly expanded R&D Centre and it was inaugurated on October 11th, 2022 by Padma Vibhushan Professor Dr. Man Mohan Sharma. The expansion of our Pilot Plant also was completed and operational from that time itself.

CAPEX for the new Greenfield Manufacturing Site 3, which was started in August 2021, was completed in December 2022 and we launched 3 products in January 2023 by commissioning the start of that manufacturing site for commercial production. The remaining two products have been launched in April 2023 / May 2023.

Our plans towards the next 2 green-field manufacturing sites viz. Site 4 in Surat and Site 5 in Panoli, are also advancing well and various activities are going on towards the planning, initial civil construction, product selection, regulatory approval, and overall design of these 2 new sites. We have on February 8, 2023, inaugurated the Site 5 at Panoli GIDC by doing a brick laying ceremony, along with a blood donation camp, where we collected 706 units of blood.

Research & Development

In the Fiscal Year 2023, as mentioned above, we have tripled our R&D and Pilot Plant facilities by doing a significant level of CAPEX. We continue to invest increasingly towards R&D (revenue plus capital expenditure), wherein Fiscal Year 2023, our R&D spend stands at 7.51% of total revenue of Fiscal Year 2023. Also, the number of qualified employees in R&D Department have increased from 164 (92 Scientists and 72 Engineers) at the end of Fiscal Year 2022 to 233 (111 Scientists and 122 Engineers) at the end of Fiscal Year 2023. This number will keep on increasing as we invest even more towards R&D, envisioning a good number of CRAMS projects coming to us in the near future and also our own products (for the first time in India) number also increasing, which will help us for future launches at Site 3, Site 4 and Site 5.

All said and done

We have, in January 2023, launched our site 3 which is a green-field production site for our new products, trial runs had started then and commercial production have also begun since January 2023 end. We will step-wise start-up production of 5 new advanced pharmaceutical intermediates in this new site 3; all 5 products will be manufactured for the first time in India by Aether. We have recently got the possession of the Site 3+ and Site 3++, which are land plots adjacent to Site 3, where we will be launching 3 new products. This is in addition to the 5 new products which are advanced pharmaceutical intermediates which we will be manufacturing at Site 3.

The land size for the next green field manufacturing site which is Site 4 has been increased from 8000 sq. m to 18000 sq. m. Documentation for possession of all the plots and amalgamation is going on. Our plans towards the next 2 green-field manufacturing sites viz. aforementioned Site 4 in Surat and Site 5 in Panoli, are also advancing well and various activities are going on towards the planning, including initial civil construction, product selection, regulatory approval, and overall design of these 2 new sites. The reason for the large capex is primarily on the backing of robust inquiries and outsourcing opportunities which we have been receiving and remain confident in our abilities to grab these opportunities and work with world class corporates across sectors.

The growth in our CRAMS business model is continuously on the rise in the current financial year and the demand for the products in contract manufacturing is also increasing quarter on quarter. We have also recently made a few public announcements in this regard which reflect this continuous growth, which include partnerships with Polaroid (Germany), Otsuka (Japan) and Saudi Aramco. We remain upbeat and positive on this business model for future outlook.

The biggest announcement which came from our end was the LOI signed with Saudi Aramco Technologies Company. The Letter of Intent captures the preliminary terms of a detailed licensing agreement towards the manufacturing and commercialization at Aether of the Converge polyols technology and product series, the manufacturing process for which has been previously jointly developed and validated at pre-commercial scale by Aramco and Aether.

And at the end, I would like to once again thank all our stakeholders, all the absolutely wonderful Aetherians, all our investors, and all those who are directly or indirectly involved with Aether!

"WE MAY BE SMALL COMPARED TO MANY GLOBAL COMPANIES BUT WE HAVE ONLY BEEN MANUFACTURING FOR 7 YEARS"

- Aman

Dr. Aman Desai
Promoter, Whole-time Director

About Aether

1

Introduction

Aether Industries Limited, based out of Surat (Gujarat, India), focuses on producing advanced intermediates and **speciality chemicals** involving **complex** and differentiated chemistry and technology **core competencies**. Our products find application in the pharmaceutical, agrochemical, material science, coating, high performance photography, additive, and oil and gas segments of the chemical industry.

Our business was **started in** Fiscal Year **2013** with a vision to create a niche in the global chemical industry with a creative approach towards chemistry, technology and systems that would lead to sustainable growth. In the **first phase** of our development through Fiscal Year **2017**, we focused on building our team and infrastructure and on our R&D centred around building our core competencies. Our revenue generation operations commenced with our **second phase** in Fiscal Year **2018**. We are one of the fastest growing specialty chemical companies in India, growing at a **CAGR** of nearly **44%** between Fiscal Year 2018 and Fiscal Year 2023. The foundation of our Company is our **in-house research and development capabilities**. Our chemistry and technology core competencies and all of our products have been developed by our own R&D team, scaled up in our Pilot Plant, and launched into production employing in-house design and engineering.

Production capacity of more than **9500 MT** is available in our state-of-art and DCS automated manufacturing facilities.

Aether is also a **leading CRAMS (Contract Research and Manufacturing Services)** provider and Contract / Exclusive Manufacturing services provider, built upon technology intensive and state-of-art R&D and Pilot Plant facilities. All of our R&D, Pilot Plant, CRAMS, and Large Scale Manufacturing facilities are **capable of switching** between batch and continuous process technology.

Our products are advanced intermediates and speciality chemicals that occupy a position in the chemical industry value chain between commodity chemicals and final actives and formulations with our products more closely aligned to the higher value range, further away from the commodities and closer towards the final active part of the value chain. According to Frost & Sullivan, the Company is known to have **strong market positioning** in complex intermediates where global competition is intense. (Source: F&S Report, May 2022, Prospectus of Aether Industries Limited).

Our sales of our advanced intermediates and speciality chemicals products are predominantly conducted on a business-to-business basis both in India and internationally. A majority of our products are exported internationally, and we **export products to 21 countries**, including Italy, Spain, Germany, Netherlands, Singapore, the United States and other parts of the world.

Initial Public Offering (IPO)

An important milestone in the history of any company is when it is listed on stock exchanges. We, Aether Industries Limited, successfully launched our IPO and got listed on June 3, 2022 on the stock exchanges in India.

Inception & Onwards

2013

Aether Incorporated

- Naming and registration formalities completed,
- Incorporation completed,
- Aether is born

2014

Developed AIRIS

- Implementation of in-house developed web / mobile portal AIRIS
- SAP B-1 ERP System
- Team Aether grows > 50
- Commencement of R&D and Pilot Plant operations at Mfg. Facility 1

2015

Land Acquisition

- Acquired land of 10,500 Sq. Mtrs. at Mfg. Facility 2
- Commenced the construction of two production facilities
- Team Aether grows > 100

2016

Commercialisation

- Completed construction of two production facilities and started commercial production at Mfg. Facility 2
- Started commercial production of signature product - 4MEP
- Team Aether grows > 200

2017

Expansion QA/QC

- Expansion of the QA / QC facility at Mfg. Facility 1
- Team Aether grows > 300

2018

₹ 1,000 MM

- Achieved revenue of ₹ 1,000 MM
- Started commercial production of another signature product - OTBN

2019

₹ 2,000 MM

- Achieved revenue of ₹ 2,000 MM
- Added a warehouse at Plot No. 6714, GIDC Sachin, Surat
- Started commercial production of another signature product - MMBC
- Team Aether grows > 400

2020

₹ 3,000 MM

- Achieved revenue of ₹ 3,000 MM
- Pilot plant expanded at Mfg. Facility 1
- Added a unit for expansion of R&D and Pilot Plant at Mfg. Facility 1
- Received recognition from DSIR for R&D Facilities
- Added a Warehouse at Plot No. 8206, GIDC Sachin, Surat
- Team Aether grows > 500
- Commenced the construction of Solvent Recovery Plant at Mfg. Facility 2
- Implemented in-house developed web / mobile based safety / security system – AES

2021

Launched BFA

- Started commercial production of another signature product - BFA
- Added a warehouse at Plot No. 8208, GIDC Sachin, Surat
- Acquired land of 5,250 Sq. Mtrs. for Proposed Greenfield Project from GIDC and started construction
- Achieved revenue of ₹ 4,500 MM
- Aether team grows > 700

From the Inception & Onwards

2022

Scaling up

- Plot No. 14 + 15, approx. 125,000 Sq. Mtrs. acquired in Panoli GIDC, Gujarat for future Capex
- Achieved revenue of ₹ 6,000 MM
- Successfully launched the IPO with Market Cap of more than US $ 1 Billion, by listing on Indian Stock Exchanges
- 16MW Solar Power Plant commissioned, to take care of power requirement at Sites 1, 2 & 3
- Plot 8202/2/A, approx.2,600 Sq. Mtrs. acquired at Sachin GIDC for further Capex expansion at site 3
- Plot C-24/10 acquired at Hojiwala for warehousing requirements of the R&D Centre and World's Largest Pilot Plant
- Commercial launch of new Product IDB, for the first time in India
- Inauguration of revamped and expanded R&D Centre along with World's Largest Pilot Plant by Padma Vibhushan Prof. Man Mohan Sharma
- Executed long term contract with Polaroid Films BV, Europe
- Commercial launch of Product 10MISB, for the first time in India
- Dr. Aman Desai honoured Business World BW Disrupt "40 under 40" Business Leader Award

2023

Expansion

- Commercial production commenced at Manufacturing Facility 3 (8202/1, GIDc, Sachin, Surat)
- Executed long term contract with Otsuka Chemicals Co., Ltd., Japan
- Executed LOI with Saudi Aramco Technologies Company, Saudi Arabia
- Plot 8202/2/B, approx. 2,600 Sq. Mtrs. acquired Sachin GIDC for further expansion at site 3
- Commercial launch of Product ISBCC, for the first time in India
- Achieved annual revenues of ₹ 6,600 MM
- Commercial launch of Product ISBCC, for the first time in India
- Team Aether grows to 880 plus

R&D Centre Inauguration

Company's newly expanded Research & Development Centre was inaugurated on Tuesday, October 11, 2022. The ribbon-cutting ceremony to inaugurate the Newly Expanded R&D Laboratory was done by Padma Vibhushan Professor Dr. Man Mohan Sharma as the Chief Guest, in the presence of our Founding Promoters, Mr. Ashwin Desai and Ms. Purnima Desai, Chairman - Mr. Kamalvijay Ramchandra Tulsian, along with other Board of Directors and the Aetherians.

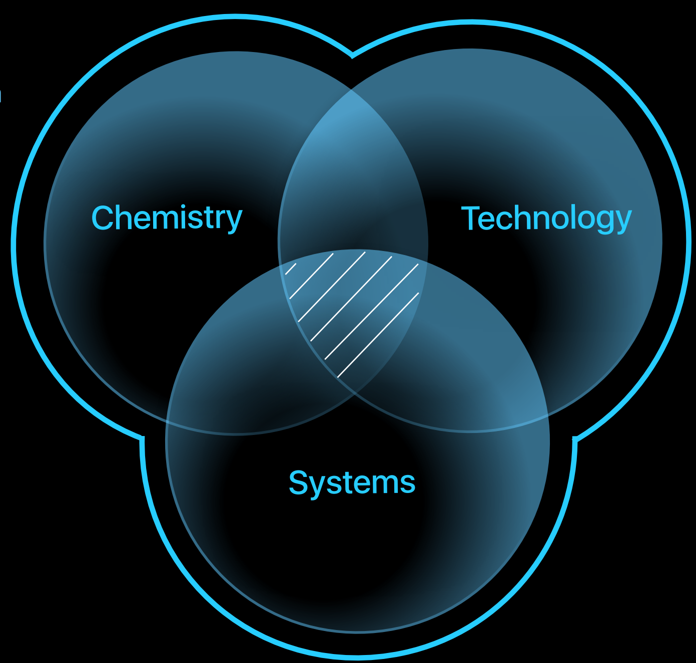
Core Competencies

Chemistry

Grignards and Organolithiations
Ethylene Oxide Chemistry
- Tandem Grignard / Ethylene Oxide
Isobutylene Chemistry
Hydrogenation
- Asymmetric Hydrogenation
Heterogeneous Catalysis
Exothermic Chemistry
Cross Coupling Chemistry
Olefin Metathesis / Polymerisation

Technology

Continuous Reaction
Batch Reaction
High Pressure Reaction
Fixed Bed Reaction
Cryogenic Reaction
High Vacuum Distillation
Wiped Film Distillation
Process Automation



Systems

SAP, AIRIS, AES
Multiple Certifications
(DCS) Automation

8x8 Matrix

Business Models

(INR MM)

52%

Large Scale Manufacturing

Advanced intermediates and speciality chemicals with application across the industry spectrum

FY18	885
FY19	1,473
FY20	2,489
FY21	3,249
FY22	3,955
FY23	3,357

13%

Contract Research and Manufacturing Services - CRAMS

Contract research, scale-up services, technology development, low volume high value contract manufacturing

FY18	63
FY19	202
FY20	275
FY21	359
FY22	479
FY23	817

34%

Contract / Exclusive Manufacturing

Manufacture under contractual supply agreements with MNCs

FY18	130
FY19	324
FY20	223
FY21	872
FY22	1,402
FY23	2,234

Partnering Up

Aether Industries Limited has executed a long-term Master Supply Agreement (MSA) with Europe based Polaroid Films.

The MSA includes cooperation in the areas of R&D and manufacturing services for Polaroid Film (instant photography chemistry) as well as Polaroid Sciences (new chemistry in fields of sustainability and medical use). Consequentially, the MSA proposes the groundwork for building on the current business as well as the creation of new research and supply agreements between the two companies. The MSA anticipates, based on historical data of the existing supply agreement between the two companies, an overall revenue of USD $ 15 MM (approximately ₹ 1,215 MM) over the partnership period of minimum 3 years. The revenues from additional research and supply agreements with the Polaroid Sciences division is not yet included, and will add to the aforementioned.

Aether Industries Limited has executed a long-term supply agreement for initially 10 years' with Otsuka Chemicals Co., Ltd., Japan, along with Chori Co., Ltd., Japan (being the Agent of Otsuka Chemical Co., Ltd.), thereby adding more business for two of its market leading products.

The revenue targets at maturity within three years for Aether, through this agreement is ₹ 510 MM per year by supplying 300 MT (combined for both the products) per year, in the Large Scale Manufacturing business model of the Company.

Aether Industries Limited has executed a letter of intent with Saudi Aramco Technologies Company, Saudi Arabia.

The Letter of Intent captures the preliminary terms of a detailed licensing agreement towards the manufacturing and commercialization at Aether of the ConvergeÒ polyols technology and product series, the manufacturing process for which has been previously jointly developed and validated at pre-commercial scale by Aramco and Aether.

The Board

Ashwin Desai
Founding Promoter, Managing Director,
Decades of experience in
Specialty Chemical Industry

Dr. Aman Desai
Promoter, Whole-time Director
10+ years experience in
Specialty Chemical Industry

Rohan Desai
Promoter, Whole-time Director
Extensive experience in
Specialty Chemical Industry

Purnima Desai
Promoter, Whole-time Director
Multiple decades experience in
Specialty Chemical Industry

Kamalvijay Tulsian
Chairman, Non-Executive Director
Decades of experience in
Textile and Chemical Industry

Jeevan Lal Nagori
Non-Executive Independent Director
34 years experience in
Chemical Industry

Leja Hattiangadi
Non-Executive Independent Director
Decades of experience in Engineering
Contracting / Chemical Industry

Dr. Amol Kulkarni
Non-Executive Independent Director
Experience as a Scientist

Ishita Manjrekar
Non-Executive Director
Experience in Chemical Industry

Arun Kanodiya
Non-Executive Independent Director
15+ years of experience in Chartered
Accountancy and Finance

Jitendra Vakharia
Non-Executive Independent Director
Decades of experience in Chemical and
Textile Industry

Rajkumar Borana
Non-Executive Independent Director
Extensive experience in Textile Industry

SMP and KMP

Senior Management Personnel and Key Management Personnel

Dr. James Ringer

Business Development Leader (Americas)

Bachelor's in Science - Purdue University (USA) and PhD in Organic Chemistry - University of Wisconsin (USA). Multiple decades of experience in the chemical industry. In past, worked at The Dow Chemical Company or its subsidiaries, for more than 30 years, as Director R&D, R&D Director II, and Leader R&D Director. Inventor / co-inventor on 22 patents granted in USA and published worldwide.

Raymond Roach

Business Development Leader (Americas)

Bachelor's in Science and Master's in Chemical Engineering from the University of Pittsburgh (USA). Multiple decades of experience in the chemical industry. In past, worked at The Dow Chemical Company (USA). The inventor / co-inventor on 7 patents granted in USA and published worldwide.

Dr. Norbert Flüggen

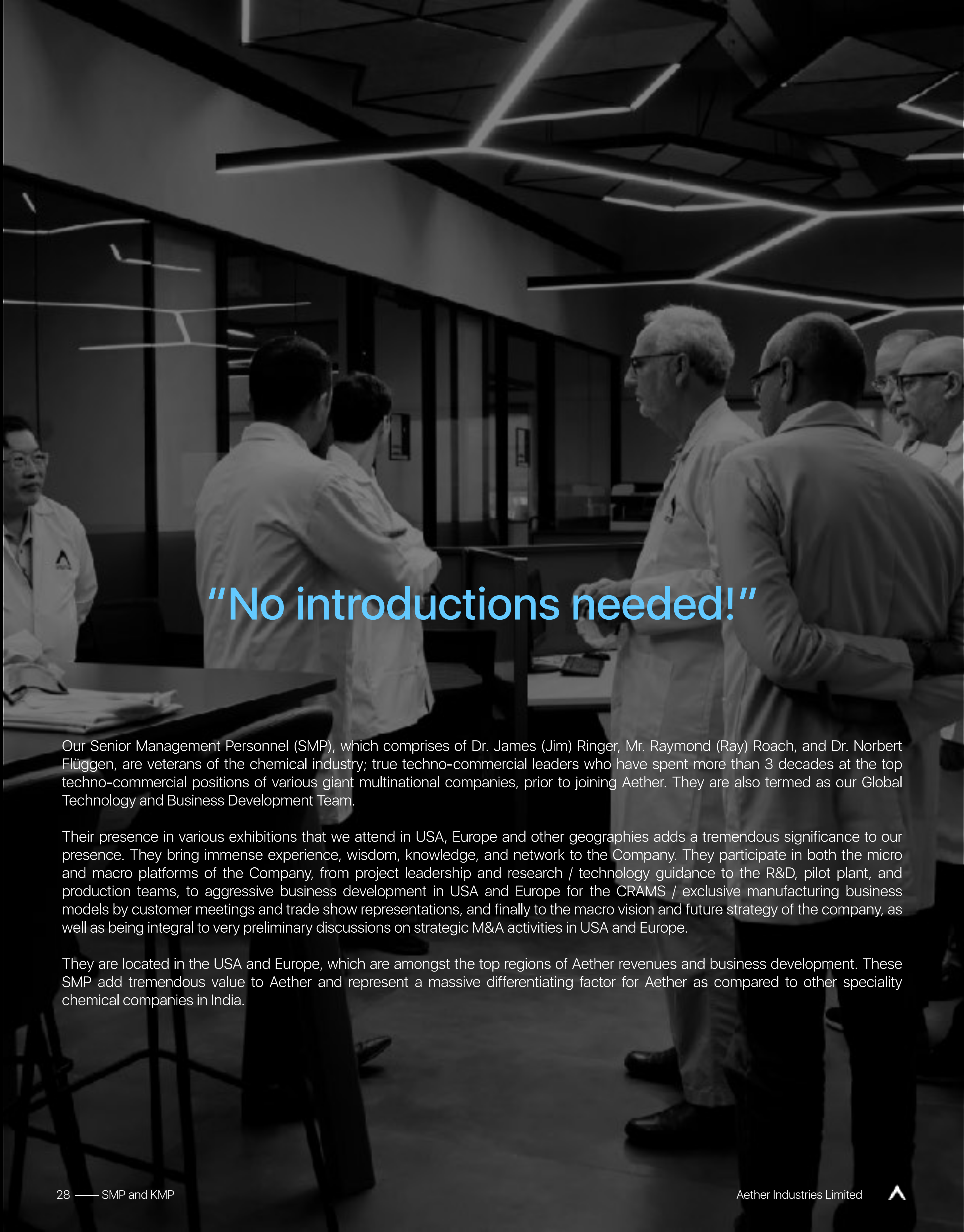
Business Development Leader (Europe)

Diploma in Physics and a Doctorate of Natural Sciences (PhD) degree from the University of Hannover (Germany). Multiple decades of experience in the chemical industry. In past, worked at with ALTANA, AG, Germany.

Faiz Nagariya

Chief Financial Officer

Responsible for overseeing Company's financial operations. FCA from the Institute of Chartered Accountants of India, with a bachelor's degree in Commerce from University of Mumbai. Brings 25+ years of diverse industry experience. Awarded as CA CFO For emerging corporates by Institute of Chartered Accountants of India



"No introductions needed!"

Our Senior Management Personnel (SMP), which comprises of Dr. James (Jim) Ringer, Mr. Raymond (Ray) Roach, and Dr. Norbert Flüggen, are veterans of the chemical industry; true techno-commercial leaders who have spent more than 3 decades at the top techno-commercial positions of various giant multinational companies, prior to joining Aether. They are also termed as our Global Technology and Business Development Team.

Their presence in various exhibitions that we attend in USA, Europe and other geographies adds a tremendous significance to our presence. They bring immense experience, wisdom, knowledge, and network to the Company. They participate in both the micro and macro platforms of the Company, from project leadership and research / technology guidance to the R&D, pilot plant, and production teams, to aggressive business development in USA and Europe for the CRAMS / exclusive manufacturing business models by customer meetings and trade show representations, and finally to the macro vision and future strategy of the company, as well as being integral to very preliminary discussions on strategic M&A activities in USA and Europe.

They are located in the USA and Europe, which are amongst the top regions of Aether revenues and business development. These SMP add tremendous value to Aether and represent a massive differentiating factor for Aether as compared to other speciality chemical companies in India.

Corporate Information

Key Managerial Personnel

Chief Financial Officer
CA Faiz A. Nagariya

Company Secretary & Compliance Officer
CS Chitrarth R. Parghi

Statutory Auditor

Birju S. Shah & Associates
113, International Business Centre,
Nr. Big Bazar, Piplod, Dumas Road,
Surat-395007, Gujarat, India

Cost Auditor

Ashvin Ambaliya & Associates
B/29, Danev Ashish Society,
Nr. Dhanmora Chikuwadi Road, Katargam,
Surat-395004, Gujarat, India

Secretarial Auditor

Dhirren R. Dave & Company
B-103, International Commerce Centre,
Nr. Kadiwala School, Ring Road,
Surat-395002, Gujarat, India

Registrar & Share Transfer Agent

Link Intime India Private Limited
C 101, 1st Floor, 247 Park,
L. B. S. Marg, Vikhroli (West),
Mumbai 400083, Maharashtra, India
Phone: +91 22 4918 6200
Email: rnt.helpdesk@linkintime.co.in
Web: www.linkintime.co.in

Registered Office and Site 2

Aether Industries Limited
Plot No. 8203, GIDC Sachin,
Surat-394230, Gujarat, India
Phone: +91-261-6603000
Email: info@aether.co.in
Web: www.aether.co.in
CIN: L24100GJ2013PLC073434

Site 1

Aether Industries Limited
Plot Nos. B-21/5 and B-21/7 SUSML,
Road No. 3, Hojiwala Industrial Estate,
Sachin, Surat 394230, Gujarat, India
Phone: +91-261-6603000
Email: info@aether.co.in
Web: www.aether.co.in
CIN: L24100GJ2013PLC073434

USA Office

6004, Harwood Drive, Midland,
Michigan, 48640, USA

Europe Office

Bruchweg 32,
47608 Geldern, Germany

Manufacturing Facilities | Long Leased

Manufacturing Facility 1
Plot Nos. B-21/5 and B-21/7 SUSML,
Road No. 3, Hojiwala Industrial Estate, Sachin,
Surat-394230, Gujarat, India

Manufacturing Facility 2
Plot No. 8203, GIDC Sachin,
Surat-394230, Gujarat, India

Manufacturing Facility 3
Plot No. 8202/1, GIDC Sachin,
Surat-394230, Gujarat, India

Manufacturing Facility 3 (under construction)
Plot No. 8202/2/A, GIDC Sachin,
Surat-394230, Gujarat, India

Manufacturing Facility 5 (activities are yet to commence)
Plot No. 14+15, GIDC Panoli,
Bharuch-394115, Gujarat, India

Note: Manufacturing Facility 4 Documentation under process

Warehouse | Leased

1. Plot No. C-24/23, Hojiwala Industrial Estate, Sachin,
Surat-394230, Gujarat, India
2. Plot No. 822, GIDC Sachin,
Surat-394230, Gujarat, India
3. Plot No. 6714, GIDC Sachin,
Surat-394230, Gujarat, India
4. Plot No. 8206/A, GIDC Sachin,
Surat-394230, Gujarat, India
5. Plot No. 8208/1 and 2-P, GIDC Sachin,
Surat-394230, Gujarat, India
6. Plot No. C-24/9, Hojiwala Industrial Estate, Sachin,
Surat-394230, Gujarat, India
7. Plot No. C-24/10, Hojiwala Industrial Estate, Sachin,
Surat-394230, Gujarat, India (Long Leased)

Aether Sites (Chemical Zones, Gujarat, India)

S1 - Hojiwala
21.140686° N, 72.8160973° E

Presently operational in S-1 (3,500 sq. m.)
Research & development
Analytical sciences
Pilot plant / CRAMS facility
(KG to MTs)

S2 - 8203
21.1406860° N, 72.8160973° E

Presently operational in S-2 (10,500 sq. m.)
Large scale Manufacturing and Contract / Exclusive Manufacturing Plant
6,096 MT per annum Capacity

S3 - 8202
21.0895827° N, 72.8481159° E

Presently operational in S-3 (5,250 sq. m.)
Large scale Manufacturing Plant
3,500 MT per annum Capacity

S4 - 362, 363
21.0933241° N, 72.8137618° E

New green-field production site in S-4, soon to start civil construction (18,000 sq. m.)
Large scale Manufacturing and Contract / Exclusive Manufacturing Plant
7,000 MT per annum Capacity

Aether Sites (Chemical Zones, Gujarat, India)

S5 - Panoli

21° 32' 19.302" N, 73° 0' 11.34" E

- For future expansions
- Acquired land in auction
- Plot no. 14 + 15, Panoli GIDC, Gujarat
- 125,000 sq. mtrs. / 31 acres (approximate)
- 12 times the land bank of the current land
- Easy proximity to NH8
- 54 Kms drive from current locations in Surat
- Applied for regulatory approvals
- Fencing work in progress

Financial Highlights

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Business Overview

"Our endeavour is to achieve balance between all the three Business Models"

One more year has passed by and I would like to say that it was a mixed year for us, where we saw ups and downs in the business, revenues and margins. Successful year, though, due to the IPO we did, which was very successfully launched with the help of our BRLMs and trust shown by our investors in Aether and its future growth story.

Despite the various on-going challenges like raw material costs, end product volatility, increase in the utility costs like steam and energy cost and lastly global geopolitical and economical situations, Aether is happy to announce that we have seen growth and upcoming demands in all the business segments. We have also exhibited in various exhibitions throughout the world including India in Fiscal year 2023, which gave us a good idea of the upcoming growth and opportunities for Aether.

In terms of demand, we have continued to see good growth in last two quarter of Fiscal Year 2023, compared to the first half of the Fiscal Year. We are seeing strong demand for our products and expect the demand growth to continue and are not seeing any signs of slowdown from our customers in the West. For our products, the end prices have been fairly stable across the board. Average Selling Price of our Products has increased in Fiscal Year 2023. On the raw materials front, we have seen the prices getting stabilised, which has aided our margins in Fiscal Year 2023. We have seen great traction from customers based out of Europe and US especially for the CRAMS business. With the gas crisis in Europe, we have seen significant increase in opportunities for the CRAMS business. This to a certain extent has been demonstrated by our recent public announcements and an increase in business from our existing agrochemical customers.

Coming to our 3 independent business models, in Fiscal Year 2023, we have seen 52% of our top line coming out of Large Scale Manufacturing business model, where we anticipate good future growth due to the launch of new products in the new green-field manufacturing site. 13% of our top line comes out of Contract Research and Manufacturing Services business model and our 3rd business model i.e., Contract / Exclusive Manufacturing contributed to 34% of our top line.

Our endeavour is to achieve balance between Large Scale Manufacturing business model, CRAMS and Contract / Exclusive Manufacturing so that we are not dependent on any single business model.

Our Sales Mix stands at Pharma 42%, Agrochemicals 35%, Material Science 5%, High Performance Photography 6%, Coatings 3% and Others including Oil & Gas as 9%

Our Exports stands at 69%, which includes export to SEZ and EOU units in India and Domestic Sales stands at 31%. Exports outside the geography of India accounted for 41% of the total revenue from operations.

We believe that with the launch of new products, building up of new capacities, seeing the increasing demand from marquee clients across sectors and geographies and renewal of existing contracts, we are certain to deliver good growth going forward.

We are excited about the growth at Aether and with the commencement of new CAPEX at Site 3+, Site 3++, Site - 4 and Site - 5 and we are confident of the new products launches which we have in our pipeline.

Overall, a successful year, with growth in revenues, margins and business where new products are added, new customers have been added and new geographies tapped for business.

At last, we at Aether, would like to thank all the stakeholders involved, including our Board of Directors, our Team Members, Shareholders, Customers, Vendors & Suppliers, Bankers, Auditors, all Government Departments, and everyone else who has a direct or indirect connection to Aether.

"MAKE IT HAPPEN, SHOCK EVERYONE"

- Rohan

"SYSTEMS ARE OFTEN MISTAKEN AS REPLACEMENTS, BUT I FIRMLY BELIEVE THAT THE SYSTEMS EASE OUT OPERATIONS"

Rohan Desai
Promoter, Whole-time Director

Financial Growth

Revenue is considered to be blood for any business and is very important for a company to grow and expand its business. It is the revenue combined with the margins and other ratios, which drives the future of any company.

Revenue generation for Aether Industries, which was formed in 2013, started only from Fiscal Year 2017, when the Manufacturing Facility - 2 at GIDC Sachin came into operation. Till then from 2013 till 2017, the Company did only R&D by developing new and advanced speciality chemicals / intermediates, which were to be launched in India for the first time.

For initial years, from 2013 to 2017, only R&D and no source of revenue at all, but Aether was focused on its mission and vision statements to develop chemistries and technologies, based on which the products were to be evolved and developed.

Revenue for Aether started only in Fiscal Year 2017, that too in the last quarter of that Fiscal Year, when the production of its Greenfield project started at its Manufacturing Site - 2, recording merely ₹ 250 MM odd revenues, but booking profits. This embarked the revenue start for Aether, along with profits and from then, the Company has never looked back and the growth in revenues and margins has been on increasing trend and that the Company has been able to sustain till now and has future plans to grow its revenues and margin trajectories. We have built our business organically and have demonstrated consistent growth in terms of revenues and profitability.

In just 7 years of commercial production, we have reported a revenue of ₹ 6,676 MM in Fiscal Year 2023 (₹ 5,970 MM in Fiscal Year 2022). The revenues are an outcome of our three robust business models, Large Scale Manufacturing (LSM), Contract Research and Manufacturing Services (CRAMS) and Contract / Exclusive Manufacturing (C/M E), which have been contributing to the total revenues year on year. The three business models, LSM, CRAMS and C/E M have contributes ₹ 3,357 MM (Fiscal Year 2022: ₹ 3,955 MM), ₹ 817 (Fiscal Year 2022: ₹ 479 MM) and ₹ 2,234 (Fiscal Year 2022: ₹ 1,402 MM) respectively in Fiscal Year 2023. There has been growth in the CRAMS and C/E M business models which is considerably a good growth but there is a reduction in the LSM business model, which is attributed to the Pharma industry lull down in the first two quarters of the Fiscal Year 2023.

The Company continues to be the fastest growing specialty chemical companies in India, growing at a CAGR of nearly 43.64% between Fiscal Year 2018 and Fiscal Year 2023. Our revenue from operations have increased at a CAGR of 43.11% from ₹ 1,085 MM in Fiscal Year 2018 to ₹ 6,511 MM in Fiscal Year 2023. Our revenue from exports (including deemed exports) have grown at CAGR of 84.17% from ₹ 391 MM in Fiscal Year 2018 to ₹ 4,495 MM in Fiscal Year 2023.

The Cost of Goods Sold has also reduced from 48.82% in Fiscal Year 2022 to 48.74% in Fiscal Year 2023, clearly indicating the de-bottlenecking being done in various products by the Company. This reduction is considered very less but taking into account the raw material pricing in the last quarter of Fiscal Year 2022 and the first two quarters of Fiscal Year 2023, we think that we have been able to control the Cost of Goods Sold considerably well.

The Company had in this Fiscal Year commissioned a 16MW Solar Power Plant, which started to give out put from July 2022, for its Manufacturing Unit - 2 and then for Manufacturing Unit - 1 in March 2023. This has helped the Company to save a considerable amount towards electricity expense, which has come down to 2.87% of the total revenues in Fiscal Year 2023 as compared to 3.60% in Fiscal Year 2022. The plant is expected t be fully utilised for Manufacturing Facility - 1, Manufacturing Facility - 2 and New Greenfield Manufacturing Facility - 3 (which is commissioned in January 2023) in Fiscal Year 2024, thereby helping the Company to save approximately 40% to 45% or its total electricity costs.

In the world of increasing prices of various utilities and other expenses, the Company has done a commendable work by reducing the over all other expenses as percentage of total revenue to 16.93% in Fiscal Year 2023 as against 17.90% in Fiscal Year 2022. Moreover, the total expenses, including the Cost of Goods Sold, Employee Costs, Finance Costs, Depreciation and Amortisation and Other Expenses, of the Company have been 73.87% of the total revenue in Fiscal Year 2023 as against 75.47% in Fiscal Year 2022. This is showing an overall financial control by the Company on various expenses.

The Company has reduced the Finance Cost as it has repaid all its Term Loans, which it had taken from the banks and also zeroed down the Working Capital Limits, from the IPO funds, which it has raised in June 2022. The loan repayment was part of the Object Clause for the IPO.

EBITDA and PAT margins have shown consistent growth year on year, thereby increasing the Net Worth of the Company. The EBITDA margins have shown an increase from 29.33% in Fiscal Year 2022 to considerably a good margin of 30.38% in Fiscal Year 2023. The increase in revenue growth, reduction in overall expenses and good EBITDA, has shown a considerable increase in the PAT margins from 18.25% in Fiscal Year 2022 to 19.53% in Fiscal Year 2023.

As a result of the above foregoings about revenues and margins, the Earnings Per Share (EPS) of the Company has grown year on year.

Particulars INR MM	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Income					
Revenue from operations	₹ 6,510.74	₹ 5,900.47	₹ 4,498.16	₹ 3,018.06	₹ 2,011.80
Other Income	₹ 165.65	₹ 69.74	₹ 39.73	₹ 19.75	₹ 20.97
Total income	₹ 6,676.39	₹ 5,970.21	₹ 4,537.89	₹ 3,037.81	₹ 2,032.77
Expenses					
Cost of materials consumed operation and incidental cost	₹ 3,796.14	₹ 3,585.21	₹ 2,249.16	₹ 1,729.90	₹ 1,142.51
Changes in inventories of finished goods and work-in-progress	-₹ 622.76	-₹ 704.88	₹ 57.72	-₹ 168.35	-₹ 46.76
Employee benefits expense	₹ 344.57	₹ 270.44	₹ 221.13	₹ 133.76	₹ 109.46
Finance costs	₹ 50.93	₹ 131.21	₹ 113.15	₹ 93.76	₹ 106.00
Depreciation and amortisation expense	₹ 232.45	₹ 154.87	₹ 110.11	₹ 78.48	₹ 64.07
Other expenses	₹ 1,130.27	₹ 1,068.63	₹ 848.56	₹ 605.19	₹ 331.52
Total expenses	₹ 4,931.60	₹ 4,505.48	₹ 3,599.83	₹ 2,472.74	₹ 1,706.80
Profit before tax	₹ 1,744.79	₹ 1,464.73	₹ 938.06	₹ 565.07	₹ 325.97
Tax expense:					
Current tax	₹ 311.22	₹ 338.73	₹ 201.00	₹ 121.92	₹ 70.34
Deferred tax	₹ 129.39	₹ 36.72	₹ 25.87	₹ 43.59	₹ 22.28
Total Tax Expenses	₹ 440.61	₹ 375.45	₹ 226.87	₹ 165.51	₹ 92.62
Profit for the period (A)	₹ 1,304.17	₹ 1,089.29	₹ 711.19	₹ 399.56	₹ 233.35
Other comprehensive (loss)/income					
Items that will not be reclassified subsequently to profit or loss					
I. Remeasurement of defined benefit liability / (asset)	-₹ 1.67	-₹ 1.98	-₹ 0.86	-₹ 3.16	-₹ 0.96
ii. Income tax relating to remeasurement of defined benefit liability / (asset)	₹ 0.42	₹ 0.50	₹ 0.22	₹ 0.92	₹ 0.21
Total others (B)	-₹ 1.25	-₹ 1.48	-₹ 0.64	-₹ 2.24	-₹ 0.75
Total comprehensive income for the period (A+ B)	₹ 1,302.93	₹ 1,087.81	₹ 710.55	₹ 397.32	₹ 232.60
Earnings per equity share [nominal value of ₹ 10]					
Basic	₹ 10.47	₹ 9.67	₹ 7.36	₹ 4.24	₹ 2.48
Diluted	₹ 10.47	₹ 9.67	₹ 7.36	₹ 4.24	₹ 2.48

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
EBITDA (₹ In MM)	₹ 1862.51	₹1,681.07	₹1,121.59	₹717.56	₹475.07
EBITDA Margin (%)	28.61%	28.49%	24.93%	23.78%	23.61%
PAT (₹ In MM)	₹1,304.17	₹1,089.29	₹711.19	₹399.56	₹233.35
PAT Margin (%)	19.53%	18.25%	15.67%	13.15%	11.48%
ROCE (%)	14.28%	23.96%	28.50%	26.07%	25.16%
Debt-Equity Ratio (Times)	0.00	0.74	1.19	2.18	3.27
Return on Net Worth (%)	10.48%	28.16%	40.79%	51.04%	60.54%

Notes:

1. EBITDA is calculated as profit before tax + depreciation and amortisation expense + finance costs - other income
2. EBITDA Margin is calculated as EBITDA divided by revenue from operations
3. PAT is the Profit for the period
4. PAT Margin is calculated as profit for the period/year divided by total income
5. ROCE is calculated as earnings before interest and taxes divided by Capital Employed
6. Debt-Equity Ratio is calculated as Debt divided by total equity
7. Return on Net Worth is calculated as profit for the period/year divided by Net Worth

Snapshots

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Financial snapshot

(INR MM)

	Revenue	EBITDA	PAT
FY23	6,676	2,028	1,304
	↑ 12%	↑ 16%	↑ 20%
FY22	5,970	1,751	1,089

"In the year, where there were tremors felt from various segments, like reduction in demand from Pharma industry, Russia Ukraine war going on, Raw Material pricing increases in the first two quarters of Fiscal Year 2023, the Company has been able to put up good numbers of revenue and margins.

We are continuously focused on the Working Capital Cycle and we are committed to bring it down to a considerable level in the near future.

The funds raised from the IPO were utilised well in time towards the object clauses as per the offer document and we are proud to say that we are a debt free Company today as all our Term Loans being repaid and Working Capital Limits zeroed down.

The Company has very robust plans of expansion towards Sites - 3, Site - 4 and Site - 5 along with the continuous expansions at R&D and Pilot Plant facilities, which will help the Company expand its business more by adding new products, new customers and new geographies.The Company will be raising funds from the public for the various CAPEX and expansion plans and use all the funds only towards the primary use towards the growth of the Company.

It has been the support of the investors, who have been with us since the IPO was done and who continue to be with us to see themselves grow with the growth of the Company."

- Faiz Nagariya (Chief Financial Officer)

Financial Capital

The Pharma slowdown in the first two quarters of Fiscal Year 2023, were very much evident from our pie of business segments, wherein the Pharma sectors, which was contributing approximately 60.00% odd in Fiscal Year 2022 has gone down to 42.15% in the Fiscal Year 2023. But our other business segments / sectors showed an increase in the Fiscal Year 2023, compared to Fiscal Year 2022 and hence, the business revenues were able to grow well in Fiscal Year 2023.

Our dependence on products has also been reducing and much more promising as we have launched various new products and the old products have also shown their prominence in the markets. This also proves that we are not dependent on any one product as we have numerous products and many more products in the pipeline for years to come.

We have been able to increase our revenues, thereby increasing our EBITDA, EBITDA Margins, PAT and PAT Margins in the Fiscal Year 2023 and expect to continue to increase our revenues and sustain with the EBITDA Margin and PAT Margin.

Financial capital most commonly refers to assets needed by a company to provide goods or services, as measured in terms of money value. In a sense, anything can be a form of financial capital as long as it has a monetary value and is used in the pursuit of future revenue. Most investors encounter financial capital with respect to debt and equity. Measuring it may show both problems, or a potential turnaround.

Aether Industries Limited was formed in January 2023, and from then in the beginning 3 to 4 years, extensive R&D was done to develop products, to be launched for the first time in India. It has been 10 years, since the inception of the Company.

The Company, started its commercial production in Fiscal Year 2017, that too in the last quarter of that Fiscal Year. Hence, in just 7 years into commercial manufacturing, we have reached revenue of over ₹ 6,676 MM in Fiscal Year 2023 (₹ 5,970 MM in Fiscal Year 2022).

We have built our business organically and have demonstrated consistent growth in terms of revenues and profitability. The Company has shown consistent growth since Fiscal Year 2017 in terms of Revenues and Margins, and has been growing at a CAGR of nearly 43.64% between Fiscal Year 2018 and Fiscal Year 2023, in terms of Revenues. Our revenue from operations have increased at a CAGR of 43.11% from ₹ 1,085 MM in Fiscal Year 2018 to ₹ 6,511 MM in Fiscal Year 2023. Our revenue from exports (including deemed exports) have grown at CAGR of 84.17% from ₹ 391 MM in Fiscal Year 2018 to ₹ 4,495 MM in Fiscal Year 2023.

In the last quarter of Fiscal Year 2022 and the first two quarters of Fiscal Year 2023, the Raw Material pricing saw an upward movement, which was too high that, it had increased the cost of production for almost all the companies. Also, the utility costs like electricity, steam, gas has gone up in Fiscal Year 2023. In spite of all such factors of increase in RMC, utility costs in Fiscal Year 2023, we were able to overcome such hurdles, by transferring the increased cost of RMC to the customers (mostly in Contract / Exclusive Manufacturing business model instantly and in Large Scale Manufacturing business model within a period of 3 to 6 months and also by installing 16MW Solar Power plant to reduce the electricity expense.

Contract Research and Manufacturing Services (CRAMS) and Contract / Exclusive Manufacturing were the two business models, which showed a growth of 70.46% and 59.28% in Fiscal Year 2023 as compared to Fiscal Year 2022. The Large Scale Manufacturing business model, though showed a reduction of 15.12% in Fiscal Year 2023 as compared to Fiscal Year 2022, sue to Pharma lull down in the first two quarters of Fiscal Year 2023, but from Q3 of Fiscal Year 2023, the same was back on track.

FY23	(INR MM)
Total Revenue	6,676
EBITDA	2,028
EBITDA Margin	30.38%
PAT	1,304
PAT Margin	19.53%
Net Worth	12,446

Manufacturing Capital

Putting the steel on the ground
Aether has always been known for the new CAPEX and expansion at its new sites, which it has been adding and also the current sites, year on year basis. Dr. Aman always says that by putting more and more steel on the ground, we are making ourselves ready for the future, where we will be launching various products, to be manufactured by Aether for the first time in India.

The philosophy of Aether of putting more and more steel on ground is evident since 2015, when it procured the site for the Manufacturing Site - 2 and undertook Greenfield Project in 2016-17 and then the Brownfield Project at the same site in 2020-21. Since, then Aether has been procuring new sites namely Manufacturing Site - 3 in 2021, for which the CAPEX was done from the IPO, which was done in June 2022. The Company has in Fiscal Year 2023, procured more lands besides Site - 3,, Site - 4 and Site - 5. Aether has also procured on long lease, plot at Hojiwala for the future expansion of R&D and Pilot Plant facilities. Aether is already in process of developing new products, which it will be launching in all the new sites for which the lands are procured.

Utilizing capacities, optimally
In the Fiscal Year 2023, we have utilised approximately 72.24% of our total available capacities available at Manufacturing Site - 2 and approximately 25% of our total available capacities at Manufacturing Site - 3 and thus, the operations are increasing year on year. Aether has added new lands to the Site 3, which are termed as Site - 3+ and Site - 3++, which will help make the Manufacturing Site - 3 same as Manufacturing Site - 2, in terms of the square meters in area. The capacities will be available in a year and half for the Company to launch new products.

We will want to utilise our available and unutilised capacities in such a way that we are able to bring in new products, new customers and new territories in the world open for us.

Expanding R&D and Pilot Plant
Along with expansion of our manufacturing plants, we are continuously investing in the expansion of our R&D and Pilot Plant as well. The R&D has been and will always be the base and core for Aether as all the products that we are manufacturing and selling are all developed in our in-house R&D and we would want to continue the developments of many more products to cater to the world. In the Fiscal Year 2023, we expanded our R&D and Pilot Plant Facilities which are now tripled from what they were in Fiscal Year 2022, by increasing the fume hoods in R&D from mere 17 to 55 and reactors in Pilot Plant from very few to 200 plus. The inauguration of the expanded R&D Facility was done by Padma Vibhushan Professor M. M. Sharma and the facility is fully functional from Q3 of Fiscal Year 2023.

FY23

	(INR MM)
Gross Block (Tangible + Intangible)	6,001
CAPEX	3,915

	(IN NO.)
Manufacturing Units	03
Greenfield Project expansion ongoing	01

Human Capital

The term human capital refers to the economic value of a worker's experience and skills. Human capital includes assets like education, training, intelligence, skills, health, and other things employers value such as loyalty and punctuality. As such, it is an intangible asset or quality that isn't (and can't be) listed on a company's balance sheet. Human capital is perceived to increase productivity and thus profitability. The more investment a company makes in its employees, the chances of its productivity and success become higher. At Aether, employees are considered an integral part of the Company and the most important part of the overall growth that the Company has witnessed in all these years, since its inception in 2013. The evolution of Human Capital in Aether is remarkable and the growth of the Company is also witnessed with the growth in the employees of the Company.

Developing the leaders, within
The Promoters of the Company have given such an environment to the employees, whereby the development is happening at all the levels in the Human Capital, where by the Company's focus is always been to give more chances to the internal people to grown at various levels in various departments, rather than bringing in expertise from outside. This is making the people to feel more comfortable and they are showing their commitment towards the Company, thereby keeping the attrition rate to the lowest in the Industry.

PMS and Increments / Promotion System
The performance monitoring will be done on Quarterly Basis and Performance appraisal will be done on Annual Basis.

The Criteria of performance assessment will be on the following basis:
Goals / KRAs – it must be noted here that Goals are applicable only to the Commercial team while KRA are applicable to both Commercial & Technical teams.
Individual Performance
360 Degree Performance Evaluation Score (Appraisal by Senior, Subordinates, Peers, and Support Staff)
Business Performance of the Company; and
Any other relevant factor, including but not limited to the need to retain and motivate the team members and reasonable forecast of the business.

Honesty is the best policy where Ethical Values are on top
Ethical values are always welcome at Aether as Honesty is always given the utmost value at Aether. At Aether, we give equal opportunities to all types of employees and there is no discrimination based on age, sex, religion, caste, cadre or any other type. We have working hours and holiday policies, which make us the most wanted Employer to work at.

Promote employee health and quality of life
We prioritize the health and safety of our employees and undertake several initiatives to promote employee health and quality of life. We work to ensure a safe and healthy workplace and provide our employees with the benefits, resources and flexibility to maintain and improve their wellness.

At Aether, we believe in employee welfare and well being, during the life and life thereafter. We have taken various policies relating to employees like the Group Medical Insurance, Group Personal Accident (GPA), Group Term Life Insurance (GTLI), Provident Fund contributions, ESIC and much more.

Under the Group Medical Insurance, we are giving an option for employees to cover themselves, their spouse and two dependent children for all kinds of hospitalisations and treatments.

Under the GPA, the lives and health of employees are covered during their travel to and fro from their home to work place and also during their travel at other places, from all kinds of accidents.

Under the GTLI, we are taking insurance on the life of employees, which will benefit to their families, in the event of death of the employee and his family will get 10 times of the CTC of the deceased employee at the time of his / her death. The coverage is 5 times of ₹ 20 Lakhs for the employees with CTC up to ₹ 4 Lakhs and remaining have 10 times of CTC coverage.

ESOPs for Employees
In November 2021, Aether had formulated the "Aether Employee Stock Option Scheme 2021" (Aether ESOS 2021) which was approved by its NR Committee and also approved by the Board of Directors in their meeting held then. The scheme allows the Employees to opt for Options and exercise them at a future date. The grant was given in such a way, that the vesting takes place during Bonus time during Diwali and there is no much financial burden on the employees during the exercise of the options.

During the Fiscal Year 2023, the first vesting took place in November 2022, where in 28,048 options were exercised by 255 employees, each at ₹ 321 per share.

Other welfare for the Employees
Various future annuation plans like Provident Fund contributions are encouraged and all employees are taking benefit of the same.

Employees, up to the salary of ₹ 21,000 per month are also covered under ESIC for the medical and other requirements.

Intellectual Capital

Research & Development

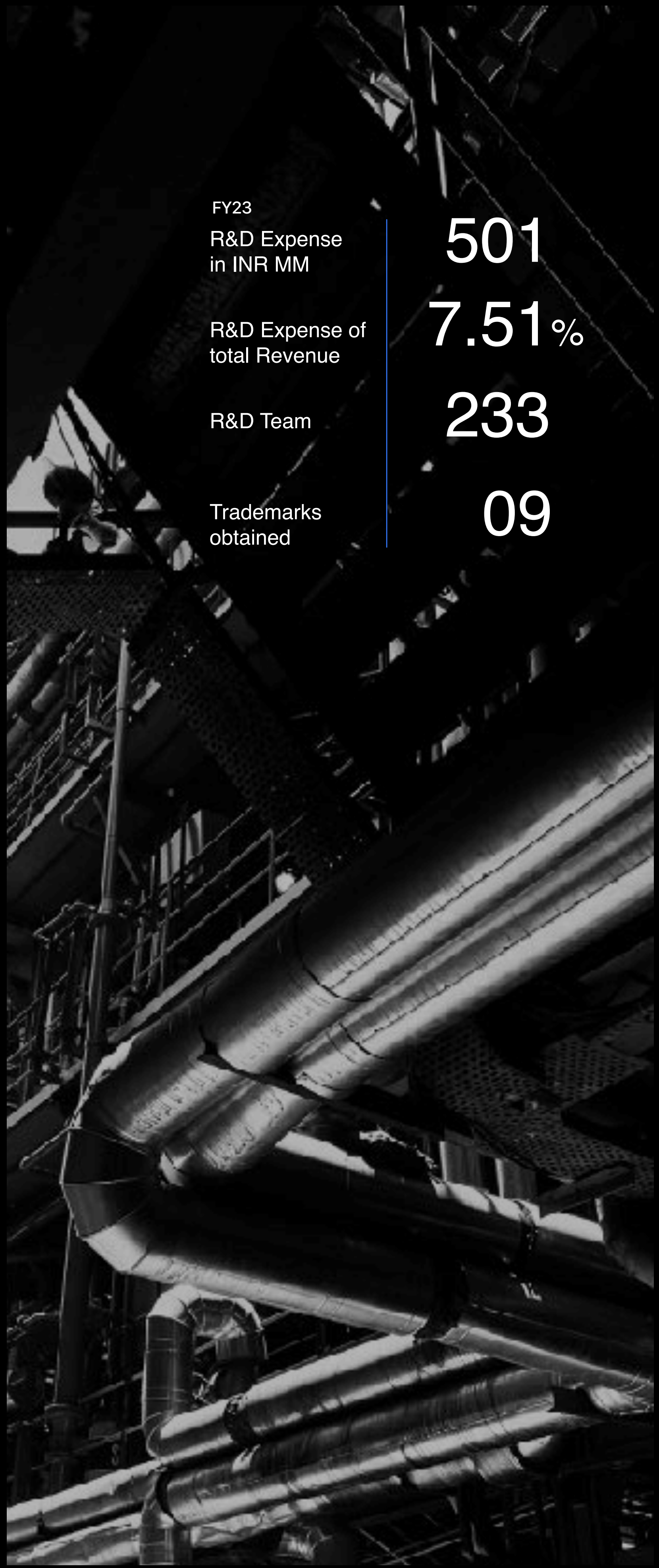
Aether has always believed in Research & Development and R&D has always been the core and base of Aether's growth story. Annual expenditure toward R&D (both revenue and capital) is significant at Aether, thereby confronting to the research oriented products / services. The R&D has allowed our Company to bring out products for the first time in India, which are not manufactured by any other players Moreover, in some products, we are the world leaders and the same is only possible due to the extensive R&D done by us.

Foundation of the Company

The foundation of our Company is our in-house research and development capabilities. According to Frost & Sullivan, our strategic investments in R&D have been critical to our success and a differentiating factor for us to attain leading market positions for certain products. (Source: F&S Report, May 2022, Prospectus of Aether Industries Limited). Based on the technical expertise we have developed over the years, we are able to carry out innovative processes at global scale, which, according to Frost & Sullivan, is difficult to replicate, and creates significant barriers for new entrants. (Source: F&S Report, May 2022, Prospectus of Aether Industries Limited).

Chemistry and technology core competencies

Our chemistry and technology core competencies and all of our products have been developed by our own R&D team, scaled up in our Pilot Plant, and launched into production with in-house design and engineering. According to Frost & Sullivan, our in-house development (without the support from any clients for R&D) showcases our innovation and research strength, and our expertise in a large range of chemistries and technologies has allowed us to support a number of end use industries. (Source: F&S Report, May 2022, Prospectus of Aether Industries Limited). Examples of our chemistry core competencies include Grignards, Organolithium and other organometallic chemistry, Ethylene Oxide and Isobutylene chemistry, Hydrogenation, Catalysis (homogeneous /heterogeneous), Cross coupling chemistry and Metathesis/Polymerization chemistry.



FY23

R&D Expense in INR MM	501
R&D Expense of total Revenue	7.51%
R&D Team	233
Trademarks obtained	09

For the competency of tandem Grignard and ethylene oxide chemistry, we have been a pioneer in Indian specialty chemicals markets, given that there are currently only four Indian companies in tandem Grignard and six Indian companies in ethylene oxide. Examples of our technology core competencies include continuous reaction technology, high pressure reaction technology, fixed bed reaction technology, DCS process automation and high vacuum distillation technology (wiped film/short path). We are one of the few companies in the specialty chemicals sector who has deployed continuous reaction technology as a core technology competency at all stages (R&D, Pilot Plant and large scale manufacturing).

Our R&D Facilities are dedicated to the development of our pipeline and next generation products as well as to our CRAMS customers. As of March 31, 2023, we had a specialised R&D team of 233 (As at March 31, 2022: 164) scientists and engineers including 111 (As at March 31, 2022: 92) scientists (with PhDs or Master of Science degrees) and 122 (As at March 31, 2022: 72) chemical engineers Our R&D laboratories are fitted with modern synthesis equipment including fume hoods, lab scale continuous and flow reactors and advanced separation equipment. In addition, our R&D labs are supplemented with modern analytical method development ("ADL") and quality control (QC) laboratories equipped with the entire suite of equipment necessary for modern organic chemistry research. We also have a state-of-art Pilot Plant, which is a vital link between R&D and large scale production. Our Pilot Plant has a dual functionality; it functions to generate critical scale-up data in the transition from R&D to production to help eliminate issues at full production scale; and it also functions as a stand-alone manufacturing facility for low volume, high value products for our CRAMS customers. We have one of the largest pilot plants in the world with more than 200 reactors installed, for both batch as well as continuous reaction technology.

Trade Marks

Aether has various Trademarks to its name in India as well as USA and the details of these are as under:-

Inventory Management — Status of TradeMark Application

No.	Country	Name of the IPR - TM / C	Class	Status
1	India	aether	1	TM Approved
2	India	aether	5	TM Approved
3	India	elementally innovative	1	TM Approved
4	India	elementally innovative	5	TM Approved
5	India	Aether, with logo and elementally innovative	1	® Approved
6	India	Aether, with logo and elementally innovative	5	® Approved
7	India	Logo of Aether	1	TM Approved
8	India	Logo of Aether	5	TM Approved
9	USA	Aether, with logo and elementally innovative	International – 01	TM Approved
10	India	Wordmark "aether" - TM	2	Applied
11	India	Wordmark "aether" - TM	3	Applied
12	India	Wordmark "aether" - TM	4	Accepted
13	India	Wordmark "aether" - TM	6	Applied
14	India	Wordmark "aether" - TM	7	Applied
15	India	Wordmark "aether" - TM	8	Accepted
16	India	Wordmark "aether" - TM	9	Applied
17	India	Wordmark "aether" - TM	10	Applied
18	India	Wordmark "aether" - TM	11	Applied
19	India	Wordmark "aether" - TM	12	Applied
20	India	Wordmark "aether" - TM	13	Applied
21	India	Wordmark "aether" - TM	14	Applied
22	India	Wordmark "aether" - TM	15	Applied

No.	Country	Name of the IPR - TM / C	Class	Status
23	India	Wordmark "aether" - TM	16	Applied
24	India	Wordmark "aether" - TM	17	Applied
25	India	Wordmark "aether" - TM	18	Applied
26	India	Wordmark "aether" - TM	19	Applied
27	India	Wordmark "aether" - TM	20	Applied
28	India	Wordmark "aether" - TM	21	Applied
29	India	Wordmark "aether" - TM	22	Applied
30	India	Wordmark "aether" - TM	23	Applied
31	India	Wordmark "aether" - TM	24	Accepted
32	India	Wordmark "aether" - TM	25	Applied
33	India	Wordmark "aether" - TM	26	Applied
34	India	Wordmark "aether" - TM	27	Applied
35	India	Wordmark "aether" - TM	28	Accepted
36	India	Wordmark "aether" - TM	29	Applied
37	India	Wordmark "aether" - TM	30	Applied
38	India	Wordmark "aether" - TM	31	Applied
39	India	Wordmark "aether" - TM	32	Applied
40	India	Wordmark "aether" - TM	33	Accepted
41	India	Wordmark "aether" - TM	34	Applied
42	India	Wordmark "aether" - TM	35	Applied
43	India	Wordmark "aether" - TM	36	Applied
44	India	Wordmark "aether" - TM	1	Applied
45	India	Wordmark "aether" - TM	1	Accepted
46	India	Wordmark "aether" - TM	39	Applied
47	India	Wordmark "aether" - TM	40	Applied
48	India	Wordmark "aether" - TM	41	Applied
49	India	Wordmark "aether" - TM	42	Applied
50	India	Wordmark "aether" - TM	43	Applied
51	India	Wordmark "aether" - TM	44	Applied
52	India	Wordmark "aether" - TM	45	Applied
53	India	Device " એથર " - TM	1	Applied
54	India	Device " એથર " - TM	2	Applied
55	India	Device " એથર " - TM	4	Applied
56	India	Device " એથર " - TM	5	Applied
57	India	Device " એથર " - TM	6	Applied
58	India	Device " એથર " - TM	9	Applied
59	India	Device " એથર " - TM	32	Applied
60	India	Device " એથર " - TM	42	Applied
60	India	Device " aether " - TM	Artistic Work	Applied for TM-NOC
60	India	Device " aether " - TM	Artistic Work	Yet to Apply (Wait for NOC)

Social Capital

Corporate Social Responsibility

We have constituted a Corporate Social Responsibility ("CSR") Committee of our Board of Directors (the "CSR Committee") and have adopted and implemented a CSR Policy on June 20, 2018 and revised on November 18, 2021, pursuant to which we carry out our CSR activities. Our CSR initiatives are focused on education and skill development and healthcare for our staff and local community. For example, we make contributions towards educational fees for all our workers and staff. We engage in community welfare through our associated Aether Foundation, to assist with the needs of our staff and local community including education for kids, opening of schools in remote places medical assistance, blood donations and eye checking camps.

Firefighting and safety system

In addition, we have installed comprehensive safety equipment including firefighting and safety systems including 700 m^3 fire hydrant water storage, 271 m3 main electrical pump and diesel pump, automated foam monitors and water sprinklers, and Pulse Position Modulation (PPM) detection for gas and solvent leakage. Our plant wide DCS automation system allows us to control our safety systems and processes. We have also taken the initiative of combining the fire hydrant water resources of 3 other neighbouring chemical companies to create a combined fire hydrant water reserve of over 2,000 m3 capacity, available for the use of all participating companies.

ESG

In our pursuit of a more sustainable future that meets the needs of a greener planet and its people, Aether proactively published our first Environment Social Governance (ESG) report this year, articulating the Company's journey to sustainable development. Our report is in alignment with the GRI Standards, 2021 version and we have also mapped our sustainability performance against Sustainable Development Goals (SDGs).

In alignment to the requirements of GRI, we undertook a materiality analysis through a multi-stakeholder survey and 10 topics material to our business operations were identified and will be reported on in the sustainability report.

FY23

20	07
CSR Spent in INR MM	Activities undertaken

"We do not see, and in fact, we have never seen CSR as an obligation. It is our 'thanks-giving' to the society at large and it is one of our most critical responsibilities."

- Purnima

Aether has always been on front foot as we believe in clean and green environment, and by doing the best we can do to protect the environment and Mother Nature.

Growth Story

4

Success Biography

Revenue generation for Aether Industries, which was formed in 2013, started only from Fiscal Year 2017, when the Manufacturing Facility - 2 at GIDC Sachin came into operation. Till then from 2013 till 2017, the Company did only R&D by developing new and advanced speciality chemicals / intermediates, which were to be launched in India for the first time.

We are a **speciality chemical manufacturer** in India focused on producing advanced intermediates and speciality chemicals involving **complex** and **differentiated chemistry** and **technology core competencies.** Our business was started in 2013 with a vision to create a niche in the global chemical industry with a creative approach towards chemistry, technology and systems that would lead to sustainable growth.

For initial years, from **2013 to 2017, only R&D** and no source of revenue at all, but Aether was focused on its mission and vision statements to develop chemistries and technologies, based on which the products were to be evolved and developed.

Revenue for Aether started only in Fiscal Year **2017**, that too in the last quarter of that Fiscal Year, when the production of its Greenfield project started at its Manufacturing Site - 2, recording merely ₹ 250 MM odd revenues, but booking profits.

This embarked the beginning of the revenues for Aether, along with profits and from then, the Company has never looked back and the **growth in revenues** and **margins** has been on increasing trend and that the Company has been able to sustain till now and has future plans to grow its revenues and margin trajectories. We have **built our business organically** and have demonstrated consistent growth in terms of revenues and profitability.

In just 7 years of commercial production, we have reported a **revenue** of **₹ 6,676 MM** in Fiscal Year 2023 (₹ 5,970 MM in Fiscal Year 2022). The revenues are an outcome of our three robust business models, Large Scale Manufacturing (LSM), Contract Research and Manufacturing Services (CRAMS) and Contract / Exclusive Manufacturing (C/M E), which have been contributing to the total revenues year on year. The three business models, LSM, CRAMS and C/E M have contributes ₹ 3,357 MM (Fiscal Year 2022: ₹ 3,955 MM), ₹ 817MM (Fiscal Year 2022: ₹ 479 MM) and ₹ 2,234 MM (Fiscal Year 2022: ₹ 1,402 MM) respectively in Fiscal Year 2023. There has been growth in the CRAMS and C/E M business models which is considerably a good growth but there is a reduction in the LSM business model, which is attributed to the Pharma industry lull down in the first two quarters of the Fiscal Year 2023.

The Company continues to be the fastest growing specialty chemical companies in India, growing at a **CAGR** of nearly **43.64%** between **Fiscal Year 2018** and **Fiscal Year 2023**. Our revenue from operations have increased at a **CAGR** of **43.11%** from ₹ 1,085 MM in Fiscal Year 2018 to ₹ 6,511 MM in Fiscal Year 2023.

We **export** our products to more than **20 countries**. Some of the key geographies to which we export our products include **Italy, Spain, Germany, Netherlands, Japan, Singapore and the United States,** among others. Our revenue from **exports** (including deemed exports) have grown at **CAGR** of **84.17%** from ₹ 391 MM in Fiscal Year 2018 to ₹ 4,495 MM in Fiscal Year 2023.

The **Cost of Goods Sold** has also **reduced** from **48.82%** in Fiscal Year 2022 to 48.74% in Fiscal Year 2023, clearly indicating the de-bottlenecking being done in various products by the Company. This reduction is considered very less but taking into account the raw material pricing in the last quarter of Fiscal Year 2022 and the first two quarters of Fiscal Year 2023, we think that we have been able to control the Cost of Goods Sold considerably well.

The Company had in this Fiscal Year commissioned a **16MW Solar Power Plant**, which started to give out put from July 2022, for its Manufacturing Unit - 2 and then for Manufacturing Unit - 1 in March 2023. This has helped the Company to save a considerable amount towards **electricity expense**, which has **come down** to **2.87%** of the total revenues in Fiscal Year 2023 as compared to **3.60%** in Fiscal Year 2022.

The plant is expected to be fully utilised for Manufacturing Facility - 1, Manufacturing Facility - 2 and New Greenfield Manufacturing Facility - 3 (which is commissioned in January 2023) in Fiscal Year 2024, thereby helping the Company to save approximately 40% to 45% or its total electricity costs.

In the world of increasing prices of various utilities and o**ther expenses**, the Company has done a commendable work by reducing the over all other expenses as percentage of total revenue to **16.93%** in Fiscal Year 2023 as against **17.90%** in Fiscal Year 2022. Moreover, the total expenses, including the Cost of Goods Sold, Employee Costs, Finance Costs, Depreciation and Amortisation and Other Expenses, of the Company have been 73.87% of the total revenue in Fiscal Year 2023 as against 75.47% in Fiscal Year 2022. This is showing an overall financial control by the Company on various expenses.

The Company has reduced the Finance Cost as it has repaid all its Term Loans, which it had taken from the banks and also zeroed down the Working Capital Limits, from the **IPO funds**, which it has raised in June 2022. The loan repayment was part of the Object Clause for the IPO.

EBITDA and **PAT** margins have shown **consistent growth** year on year, thereby increasing the Net Worth of the Company. The EBITDA margins have shown an increase from 29.33% in Fiscal Year 2022 to considerably a good margin of 30.38% in Fiscal Year 2023. The increase in revenue growth, reduction in overall expenses and good EBITDA, has shown a considerable increase in the PAT margins from 18.25% in Fiscal Year 2022 to 19.53% in Fiscal Year 2023.

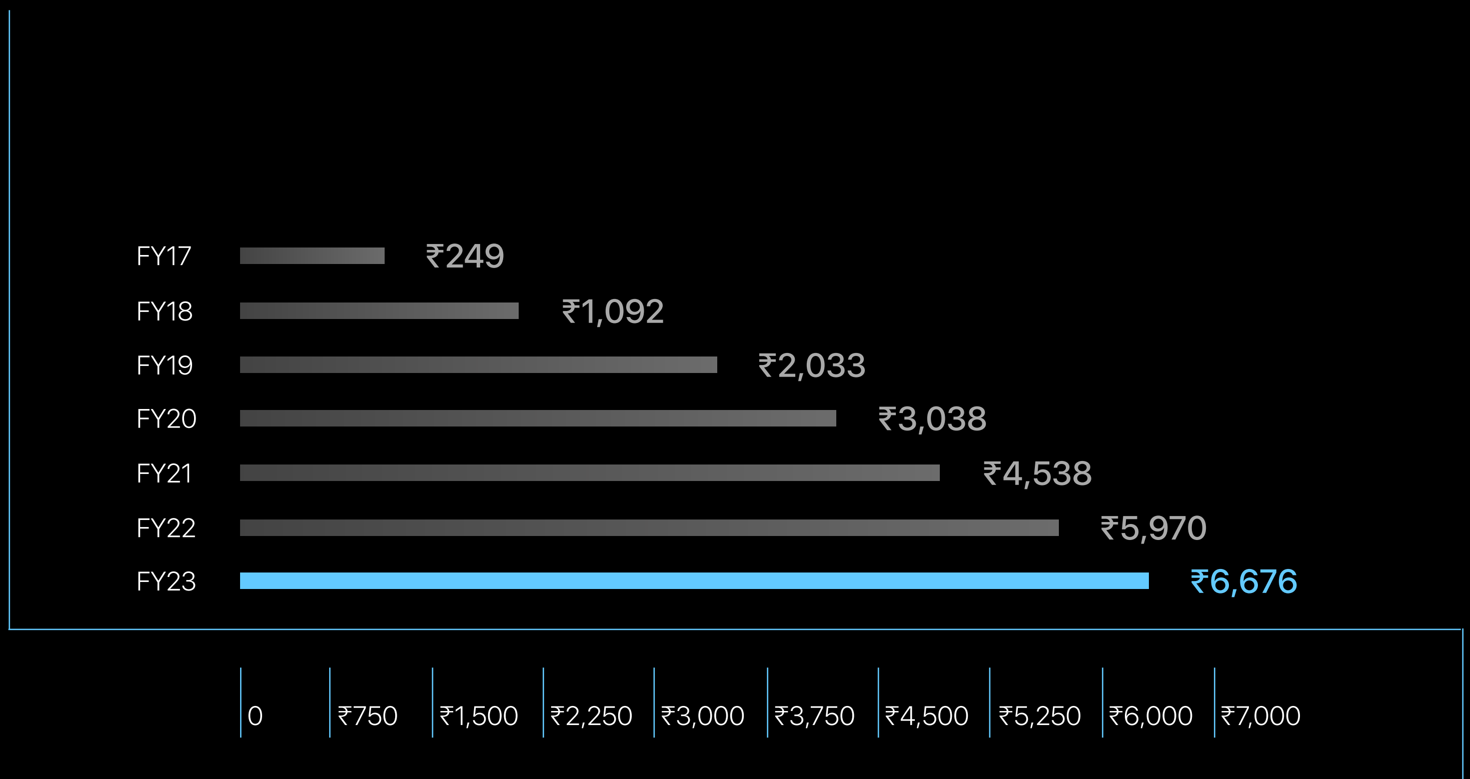
As a result of the above foregoings about revenues and margins, the Earnings Per Share **(EPS)** of the Company has **grown** year on year.

Revenue Growth

Aether has always been in to manufacturing and dealing with advanced intermediates and speciality chemicals that occupy a position in the chemical industry value chain between commodity chemicals and final actives and formulations with our products more closely aligned to the higher value range, further away from the commodities and closer towards the final active part of the value chain. We will continue to be a speciality chemicals company and will not want to go into formulations or APIs or commodity products. The Company is known to have strong market positioning in complex intermediates where global competition is intense. The products are being sold not only in India but exported to various geographies which to name a few are Spain, Italy, Germany, USA, Mexico and many more.

In addition to producing quality products and fulfilling orders and projects on-time, our approach, staff and corporate culture are attractive to customers, which have led to revenue growth for the Company, and which include:

- we offer our customers a one-stop-shop approach for the entire supply chain starting from paper research, contract research and lab process development (delivery of samples, gram scale, kg scale), pilot plant scale up and supply of customer sampling quantities, clinical and field trial quantities, and application testing quantities (100s kg scale to MT quantities), and finally commercial scale manufacturing and production quantities (100-1000s MT);
- we have skilled expertise and manpower in necessary scientific and engineering disciplines;
- we have "start-up" corporate culture that is ambitious and dynamic, and the average age of our staff is 31 years as of March 31, 2023;
- our core team and highest management is technical in nature, and experts in the areas of organic chemistry and chemical engineering;
- we focus on transparent communication and clean payment terms (LCs and PDCs); and
- we emphasize safe processes and inherently safe manufacturing, and sound QEHS principles



Geographical Presence

As we are increasing the products, we are also adding new geographies, where we are doing business. In the Fiscal Year 2023, we have started doing business in four new countries, namely Singapore, Malta, Norway and South Korea. This shows that we are growing geographically, to expand our business more.

We are focused on producing advanced intermediates and speciality chemicals involving complex and differentiated chemistry and technology core competencies. Our products have applications across a wide spectrum of uses in the pharmaceutical, agrochemicals, material science, coatings, high performance photography, additives and oil & gas industries. As of March 31, 2023, our product portfolio comprised over 28 products which were marketed to 50 plus global customers in 21 countries and to 230 plus domestic customers.

Our sales of our advanced intermediates and speciality chemicals products are predominantly conducted on a business-to-business basis both in India and internationally. In the Fiscal Year 2017, when we had launched our commercial manufacturing and sales, we were supplying our products to 7 countries (including India), which has grown to 22 countries (including India) by Fiscal Year 2023, wherein we have added new geographies, year on year, depicting our growth and penetration in various countries.

SPAIN 1.84%

USA 7.98%

GERMANY 4.09%

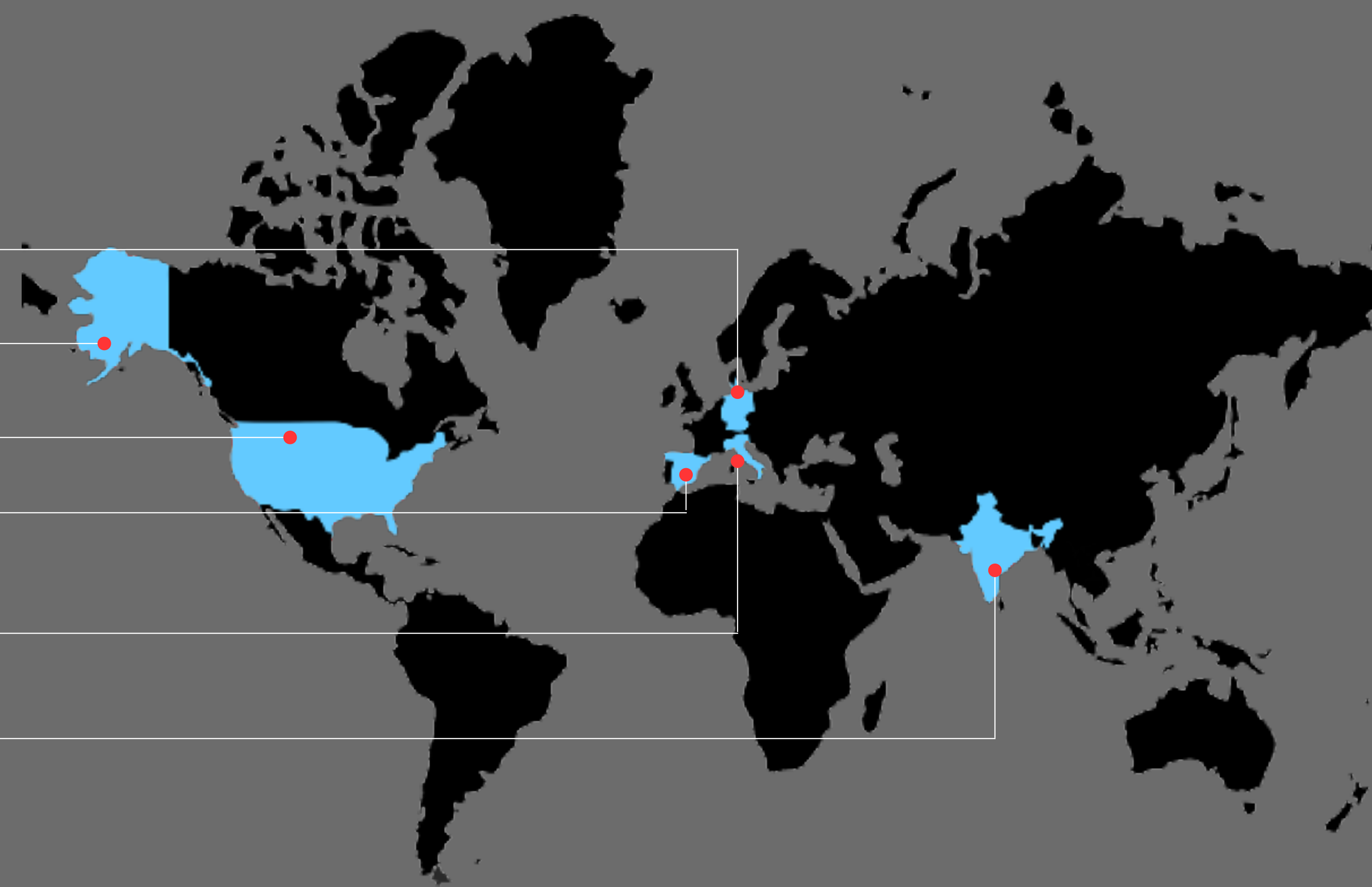
ITALY 15.00%

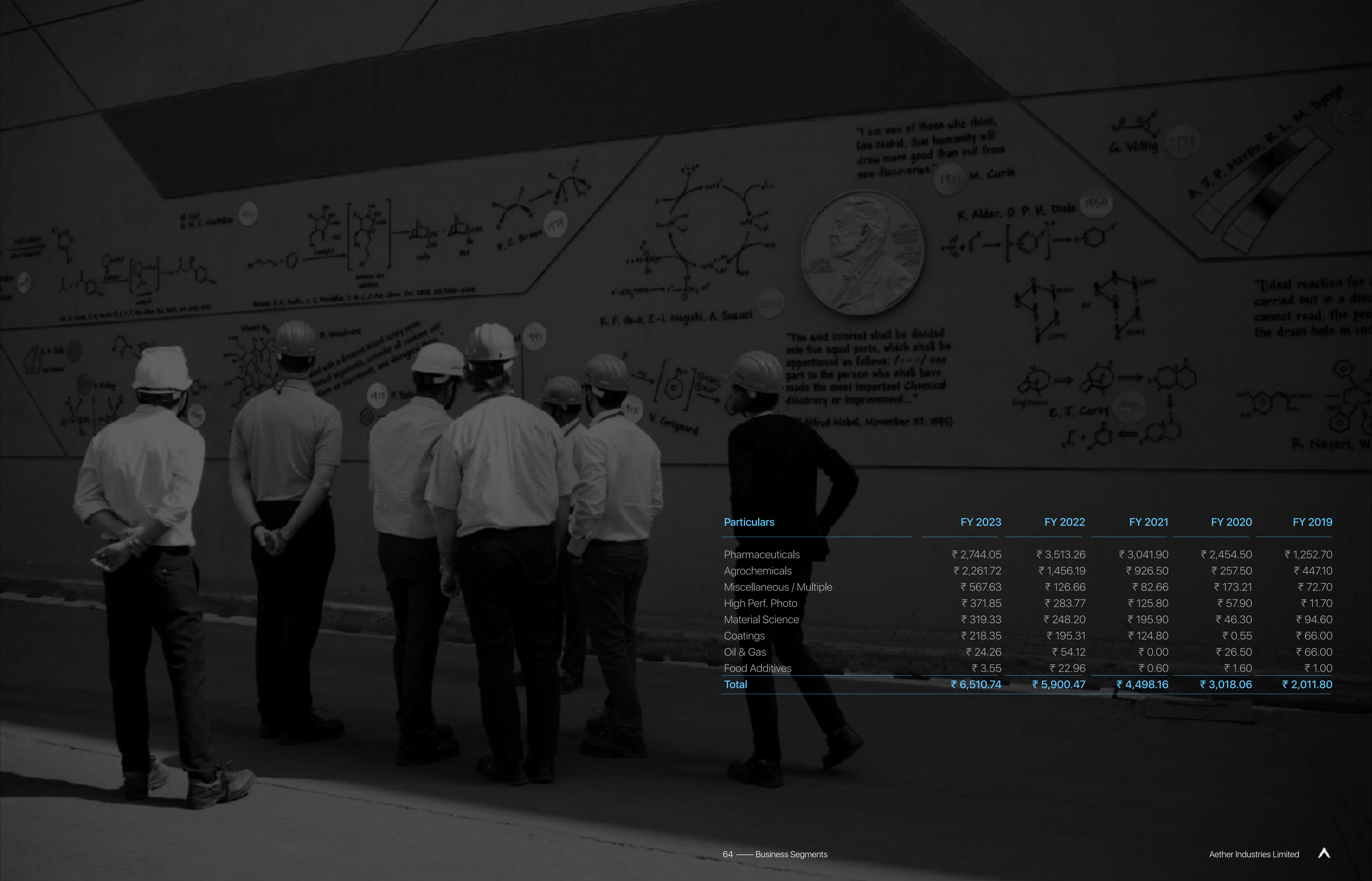
INDIA 59.46%

OTHERS 11.63%

FY23 6,511 (INR MM)

Sales Revenue





Particulars	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Pharmaceuticals	₹ 2,744.05	₹ 3,513.26	₹ 3,041.90	₹ 2,454.50	₹ 1,252.70
Agrochemicals	₹ 2,261.72	₹ 1,456.19	₹ 926.50	₹ 257.50	₹ 447.10
Miscellaneous / Multiple	₹ 567.63	₹ 126.66	₹ 82.66	₹ 173.21	₹ 72.70
High Perf. Photo	₹ 371.85	₹ 283.77	₹ 125.80	₹ 57.90	₹ 11.70
Material Science	₹ 319.33	₹ 248.20	₹ 195.90	₹ 46.30	₹ 94.60
Coatings	₹ 218.35	₹ 195.31	₹ 124.80	₹ 0.55	₹ 66.00
Oil & Gas	₹ 24.26	₹ 54.12	₹ 0.00	₹ 26.50	₹ 66.00
Food Additives	₹ 3.55	₹ 22.96	₹ 0.60	₹ 1.60	₹ 1.00
Total	**₹ 6,510.74**	**₹ 5,900.47**	**₹ 4,498.16**	**₹ 3,018.06**	**₹ 2,011.80**

Research and Development

The foundation of our Company is our in-house research and development capabilities. Our strategic investments in R&D have been critical to our success and a differentiating factor for us to attain leading market positions for certain products. Based on the technical expertise we have developed over the years, we are able to carry out innovative processes at global scale, which, according to Frost & Sullivan, is difficult to replicate, and creates significant barriers for new entrants.

Our chemistry and technology core competencies and all of our products have been developed by our own R&D team, scaled up in our Pilot Plant, and launched into production with in-house design and engineering. According to Frost & Sullivan, our in-house development (without the support from any clients for R&D) showcases our innovation and research strength, and our expertise in a large range of chemistries and technologies has allowed us to support a number of end use industries

The foundation of our Company is our in-house research and development capabilities. Our chemistry and technology core competencies and all of our products have been developed by our own R&D team, scaled up in our Pilot Plant, and launched into production employing in-house design and engineering. We have dedicated in-house R&D Facilities and Pilot Plant at our Manufacturing Facility 1 at Sachin in Surat, Gujarat..

Our R&D Facilities are dedicated to the development of our pipeline and next generation products as well as to our CRAMS customers As of March 31, 2023, we had a specialised R&D team of 233 (As of March 31, 2022: 164) scientists and engineers including 111 (As of March 31, 2022: 92) scientists (with PhDs or Master of Science degrees) and 122 (As of March 31, 2022: 72) chemical engineers. Our R&D Facilities are equipped with laboratories engaged in process development, process innovation and technology development, which assists us in pursuing efficiencies from the initial conceptualisation up to commercialisation of a product.

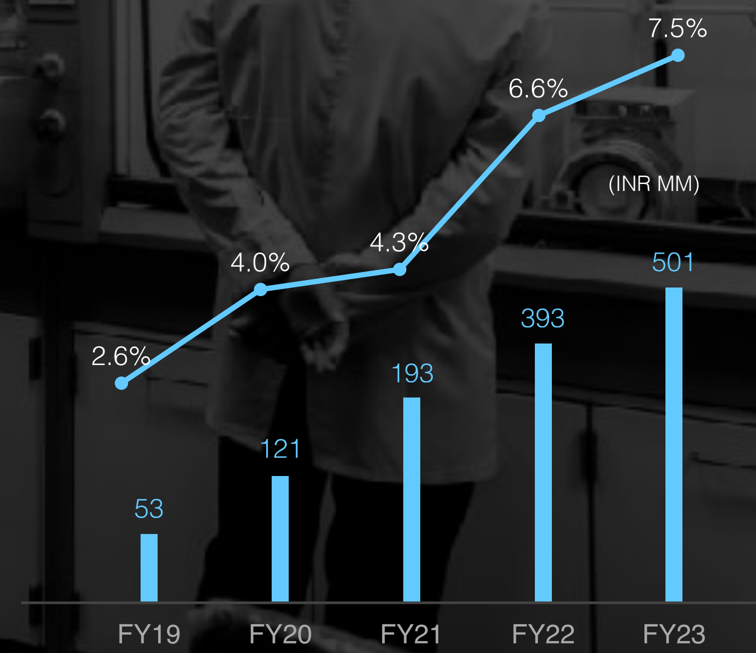
We have expanded our R&D facility three-fold in Fiscal Year 2023, by increasing the number of Fume Hoods from mere 17 to 55 and hence, we are capable of doing more than 110 reactions / experiments per day. The expanded R&D was inaugurated by Padma Vibhushan Professor M. M. Sharma.

R&D has been critical to success & a differentiating factor vis-à-vis competitors

Experts at helm of R&D / CRAMS

MARCH-22	MARCH-23
164 Highly qualified employees, including	**233** Highly qualified employees, including
92 Scientists with PhD / M.Sc. and B.Sc.	**111** Scientists with PhD / M.Sc. and B.Sc.
72 Engineers	**122** Engineers

Consistently rising R&D expenditure



Why Aether?

R&D Driven Approach

Deep-rooted R&D-led product development team comprising 233 highly qualified people including 111 scientists (with PhDs or M. Sc. / B. Sc. degrees) and 122 engineers (MARCH-23)

Unique Team

Techno-commercial excellence in promoter group, expert global technology and BD team, average age of 880+ staff is 31 years (MARCH-23)

The True Story

[8 x 8] Matrix of chemistry/technology competencies developed in-house, from scratch, which caters to various segments of chemical industry

Rich Infrastructure

Extensively expanded R&D, pilot plant, and manufacturing (2 new greenfield projects, 1 brownfield project all fully DCS automated) capabilities

Growth Engines

Successfully launched 3 business models in 5 years into commercialisation:

1. Large scale manufacturing
2. CRAMS
3. Contract / Exclusive manufacturing

Marquee Customers

275+ International and domestic customers, customer base includes top innovator MNC companies across industry spectrum

1st Time In India

Most of our advanced intermediates and specialty chemicals manufactured for the first time in India

Fastest Growing

We are one of the fastest growing specialty chemical companies in India, growing at a CAGR of nearly 44% between Fiscal 2018 and Fiscal 2023

Environmental Social Governance (ESG)

In our pursuit of a more sustainable future that meets the needs of a greener planet and its people, Aether proactively published our first Environment Social Governance (ESG) report this year, articulating the Company's journey to sustainable development. Our report is in alignment with the GRI Standards, 2021 version and we have also mapped our sustainability performance against Sustainable Development Goals (SDGs).

In alignment to the requirements of GRI, we undertook a materiality analysis through a multi-stakeholder survey and 10 topics material to our business operations were identified and reported on in the Sustainability Report.

Energy Management

Deep-rooted R&D-led product development team comprising 233 highly qualified people including 111 scientists (with PhDs or M. Sc. / B. Sc. degrees) and 122 engineers (MARCH-23)

Emissions

Company's solar plants in village in Bharuch Districts are operative at 85% utlisation and that has contributed in significant manner towards reduction in energy billings and also the conventional resource captivity is reduced to reasonable extent.

Water Management

We use the water supplied by Gujarat Industrial Development Corporation (GIDC) for our manufacturing plant at Surat and have an ETP within our facility with a capacity if 100KL per day. Effluent at ETP is regularly sampled and regular audits are conducted per year to assess the quality of the effluent. We have adopted a Zero-Liquid Discharge policy and hence we are not discharging any waste-water outside the Company.
This helps to eliminate the hazardous liquid discharge which may have any significant impact.

Waste Management

Our operations involve a range of activities which results in generation of waste belonging to both, hazardous and non-hazardous categories. We have a complete waste management SOP (SOP-ET-020 - Handling, Storage & Waste Disposal and SOP-HR-003 - Housekeeping) in place to address our waste management compliances.
Also, no hazardous waste is being disposed by the Company for disposal. With the help of community effluent treatment, waste is managed.

Diversity and Inclusion

We believe in the notion that diversity in the organization leads to pay-offs as people from diverse backgrounds bring unique abilities and talents which adds value to organisation. The intent is to ensure that there is no discrimination in compensation, training and employee benefits; based on caste, religion, disability, gender, sexual orientation, race, colour, ancestry, marital status or affiliation with any political, religious or union organization or majority/minority group.
We have also started hiring 'Divyang' employees from the reporting year

Employee Engagement

We are committed to instilling a culture of excellence, integrity, accountability and transparency among our employees. We believe in growing together. To bring the best in our people, we offer an array of benefits to our permanent employees that includes gratuity, bonuses, parental insurance, provident fund, leave encashment, term life plan, personal accident and health insurance coverage.

Human Rights

We are fully committed to abide by the principles of Human Rights across our operations and this reflects in our dealing with our different stakeholders All suppliers and contractors who undertake to provide services enter into a comprehensive formal agreement, which contains stipulations and conditions requiring them to abide by various applicable labour statutes in respect of their employees or workers A training on human rights have also been provided to all security personnel at Aether.

Occupational Health and Safety

Our safety culture is guided by a robust health and safety framework encompassing all activities across the organisation. Safety training is routinely imparted in all our units and we try to build a culture of safety through training and retraining of our workforce.
There were no instances of any mishap during the reporting year. Regular mock-drills were conducted at short intervals. Tie-ups with near hospitals and acquisition of two new ambulances are the prime initiatives towards improved OHS.

Product Quality and Safety

We have a Good Manufacturing Practices (GMP) manual which describes all the process of review and safety mandates for products. Our operations are certified with Indian GMP. There have been no incidents of non-compliance concerning product and service information and labelling as well as marketing communications in the reporting year.
Numerous customers did audit of the Company and no significant lapse was reported.

Community Development

We adopt a strategic approach while designing the community development programmes that are part of our Corporate Social Responsibility (CSR) approach. These programmes are designed to achieve long-term goals while contributing towards the achievement of UN Sustainable Development Goals. The programmes are developed to cater to strategic focus areas, such as education, relief under disaster management, facilities to senior citizens healthcare. These focus areas are carefully chosen to address the core developmental gaps in the society. Company has also availed the membership of UN Global Compact.

Quality, Environment, Health and Safety (QEHS)

Quality

We believe that maintaining a high standard of quality for our products is critical to our brand and continued growth. Across our manufacturing facilities, we have put in place quality systems that cover all areas of our business processes from manufacturing, supply chain to product delivery to ensure consistent quality, efficacy and safety of products. Our products adhere to global quality standards. Our products go through various quality checks at various stages including random sampling check and quality check internally. Many of our key customers have audited and approved our facilities and manufacturing processes in the past, which ensures that the regulator and our customers are able to confirm the continuance of quality of our facility and processes. In the past three fiscal years (Fiscal Year 2020, Fiscal Year 2021 and Fiscal Year 2022), our facilities were audited 57 times by 43 customers or their external auditors. In the Fiscal Year 2023, our facilities were audited 27 times by 24 customers or their external auditors. In addition, our facilities have received certificate of ISO 14001 for Environment and ISO 45001 for Occupational Safety and ISO 27000 certification. As of March 31, 2023, we had an environmental team of 46 (As of March 31, 2022: 43) employees [constituting 5.17% (As of March 31, 2022: 5.98%)] of our workforce] and a safety team of 38 (As of March 31, 2022: 30) employees [constituting 4.27% (As of March 31, 2022: 4.17%) of our workforce].

Quality, Environment, Health and Safety (QEHS)

Environment

We are mindful of the potential impact of our activities on the local environment and have set stringent environmental standards, which meet regulatory requirements, and often exceed them. Our manufacturing principles and technologies embody the core tenets of "green" chemistry or sustainable chemistry. Principles of energy saving and conservation, atom economy and the 4R strategy (reduce / recover / recycle / reuse) are fundamental in our manufacturing designs and engineering. In addition, by employing cleaner chemistries, semi-continuous or continuous reaction technologies, and automation in the process, we distinguish our processes from conventional processes and optimize use of non-toxic raw materials, resulting in lower effluent generation. Further, as part of environment and sustainability efforts, we have installed a 100 KLPD in-house zero liquid discharge (ZLD) plant, which includes primary and secondary chemical neutralization, triple stage multiple effect evaporator (MEE), multiple mechanical vapour recompression (MVR) plants, multiple agitated thin film evaporators, multiple reverse osmosis (RO) plants and a soil biotechnology platform with ozonation. To provide sustainable power for our operations, we have commissioned in July 2022, a 16 MW solar power generation plant at Sarod Village, Bharuch District, Gujarat to provide electricity to our current operational two manufacturing facilities and our Greenfield Project (which was commissioned in January 2023), which will be giving us the maximum output from June 2023 and we would be able to save 40% to 45% of our total electricity expenses.

Health and Safety

We prioritize the health and safety of our employees and undertake several initiatives to promote employee health and quality of life. We work to ensure a safe and healthy workplace and provide our employees with the benefits, resources and flexibility to maintain and improve their wellness. We undertake hazard and operability studies before commencing commercial production of new products. We have an in-house developed and engineered mobile application to assist coordination of our human resources, safety and emergencies. We also have a dedicated team of safety personnel including firemen, safety marshals and safety engineers In addition, we have installed comprehensive safety equipment including firefighting and safety systems including 700 m3 fire hydrant water storage, 271 m3 main electrical pump and diesel pump, automated foam monitors and water sprinklers, and Pulse Position Modulation (PPM) detection for gas and solvent leakage. Our plant wide DCS automation system allows us to control our safety systems and processes. We have also taken the initiative of combining the fire hydrant water resources of 3 other neighbouring chemical companies to create a combined fire hydrant water reserve of over 2,000 m3 capacity, available for the use of all participating companies.

We are very mindful of the health and safety of our human capital and hence, we have various insurance policies like Group Medical Insurance, Group Personal Accident Insurance, Group Term Insurance, ESIC and so on for our all employees. These are with the most easy use of such insurance policies at the time when needed.

We are also very much concerned with the safety of our neighbours and surrounding companies and people who come to visit us or audit us and we have Commercial General Liability Insurance which covers all the surrounding companies and people and also people visiting us for any kind of casualty to occur.

Social Capital

We believe in giving back to the society, and that the vast majority of problems in India can only be resolved through education.

Hello everyone and I am excited to be part of this first Annual Report, after the Company has been listed. We firmly believe that what Aether is today, it is only because of the huge contribution of the society at large through its incalculable and continuous support. As Aether grows, this society also has to grow and progress upward.

We do not see, and in fact, we have never seen CSR as an obligation. It is our 'thanks-giving' to the society at large. CSR is never an obligation, it is one of our most critical responsibilities.

At Aether, education in tribal areas and other allied educational concerns are at the core of our CSR strategy, especially for females in India. We see it as an opportunity to provide all the educational infrastructure, accommodation infrastructure and other requisites therein. At the end, we firmly believe that education is the only tool which has the power to change the life of needy tribal students; these are the future of the nation as the coming young generation. Their education does not only change their lives, it ultimately changes the society and the nation at large.

We are happy to see the growth of Aether, wherein it is helping us to spend more towards CSR activities and we wish for this upwards trend to continuously increase.

It would be wrong if at the end of my note, I do not thank the Society at large, which has given us a lot and we are fortunate enough to give it back to a limited extent. We thank all the stakeholders for being with us and making us succeed more in future days to come.

"CSR may not help you save taxes but it definitely helps you in getting blessings from the unknown"

- Purnima

"I always believe that whatever happens, happens for good and there is always something more positive waiting for us"

Purnima Desai
Promoter, Whole-time Director

Corporate Social Responsibility (CSR)

Aether has constituted a corporate social responsibility ("CSR") committee of our Board of Directors (the "CSR Committee") and have adopted and implemented a CSR policy on June 20, 2018 and revised on November 18, 2021, pursuant to which we carry out our CSR activities. Aether's belief towards the CSR is primarily about contribution towards the society as a 'thanks giving'. As Aether is also a part of the society, it becomes an implied obligation to contribute something qualitative to the marginalized area of society. A developed society becomes a developed nation, we also take CSR as contribution towards the nation-building and nothing can be the best 'thanks giving' than this.

During the Fiscal Year 2023, total ₹ 19.98 MM (Fiscal Year 2022: ₹ 12.19 MM) was the CSR spent of the Company. Alike all the previous years, this year's CSR was also education and allied area oriented. Life saving initiative was also a notable area for this year's CSR.

Education infrastructure

During the year under review, Company had provided educational support vide providing the infrastructural facility in District of Dang. This school building for primary studies will be beneficiary to needy tribal students. The infrastructure will cater approx.. 350 students.

Life saving contribution

Contribution towards the local area where the Company operates, the contribution made towards the research center for the deadly cancer. This contribution will be one of the worthy as the life saving initiative.

Contribution for Hostel

Also, separate hostel facilities and toilets blocks were constructed for male and female students in secondary school. These will help to eliminate commute of students in the remotely connected area so that they can have their better focus on their studies with improved hygiene conditions. The hostel facilities will help to accommodate good 140 students.

Azadi Ka Amrit Mahotsav

Taking into execution, our PM's initiative of celebrating 75th Independence Day vide flag hosting at large, Company contributed to host 800+ national flag through tribal students at their residence and school and also distributed school essentials to students.

VINAY MANDIR HIGH SCHOOL, KALAMKUI

21.1504814° N | 73.2954429° E

We at Aether Industries are committed to giving back to the Society, through the CSR. Via CSR, we are focusing towards the upliftment of students in the tribal areas by setting up school, hostel facilities for better infrastructure for the children. Here are some glimpses of the school and hostel facilities in tribal areas...


ASHRAM SHALA, BHENSKATRI
20.9451359° N | 73.5334460° E
એથર ફાઉન્ડેશન,સુરત

ASHRAM SHALA, BHENSKATRI

20.9451359° N | 73.5334460° E

VANRAJ HIGH SCHOOL, KALIBEL

20.9232068° N | 73.5836272° E

VANRAJ HIGH SCHOOL, KALIBEL

20.9232068° N | 73.5836272° E

DANG SWARAJ ASHARAM SCHOOL, KALIBEL

20.9242525° N | 73.5867585° E

PRIMARY SCHOOL, AMBABARI

20.7669420° N | 73.4342552° E

PRIMARY SCHOOL, AMBABARI

20.7669420° N | 73.4342552° E

Blood Donation Camp - Site 5

Inauguration of Manufacturing Site 5 (Panoli GIDC, Bharuch, Gujarat) was done by brick laying rituals and conducting a blood donation camp, where in various corporates in Panoli, Panoli Industries Association, Kumarpal Blood Bank and Rotary Club of Ankleshwar were part of it to make this a grand success.

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Units

Blood Collected

Statutory Reports

5

Board’s Report

Board's Report

To The Members of Aether Industries Limited,

The Board of Aether Industries Limited take pleasure in presenting the 11th Board Report of the Company, together with the Standalone and Consolidated Audited Statement of Accounts and the Auditors' Report of the Company for the Financial Year ended March 31, 2023.

Financial Summary and Highlights

In ₹ MM	Standalone		Consolidated	
Particulars	FY23	FY22	FY23	FY22
Income from Business Operations	₹ 6,510.74	₹ 5,900.47	₹ 6,510.74	₹ 5,900.47
Add : Other Income	₹ 165.65	₹ 69.74	₹ 165.65	₹ 69.74
Total Income	**₹ 6,676.39**	**₹ 5,970.21**	**₹ 6,676.39**	**₹ 5,970.21**
Profit / loss before Finance Cost, Tax, Depreciation and Amortisation	**₹ 2,028.16**	**₹ 1,750.81**	**₹ 2,028.14**	**₹ 1,750.81**
Less: Finance Cost	₹ 50.93	₹ 131.21	₹ 50.93	₹ 131.21
Less: Depreciation	₹ 232.45	₹ 154.87	₹ 232.45	₹ 154.87
Profit before Tax	**₹ 1,744.79**	**₹ 1,464.73**	**₹ 1,744.76**	**₹ 1,464.73**
Less: Tax	₹ 440.61	₹ 375.44	₹ 440.61	₹ 375.44
Profit after Tax	**₹ 1,304.17**	**₹ 1,089.29**	**₹ 1,304.15**	**₹ 1,089.29**
Earnings per Equity Share :				
Basic and Diluted (per Equity Share)	**₹ 10.47**	**₹ 9.67**	**₹ 10.47**	**₹ 9.67**

Business operations and affairs of the Company

The Fiscal Year 2023, begun in-line with the previous fiscal year. The Company was able to operate at efficient level and maintained the annual growth rate, this year as well. The Company added some new facilities and products, which helped the Company to grow even further.

The Management at the operational level, with the extensive support of the employees, made it possible to achieve the organizational activities at the desired levels / targets and the cumulative efforts turned the budgets into achievements.

The Revenue from Operations in current Fiscal Year were reported at ₹ 6,510.74 MM, compared to ₹5,900.47 MM in the previous Fiscal Year. EBITDA, in the current Fiscal Year reported at ₹ 2,028.16 MM, compared to ₹ 1,750.81 MM in the previous Fiscal Year. The Profit after Tax of the Company in the current Fiscal Year was ₹ 1,304.17 MM against the previous Fiscal Year's Profit after Tax of ₹ 1,089.29 MM.

Dividend

Considering various requirements for more CAPEX towards infrastructure and scale-up, along with other business expansions, the Board has not recommended any dividend this year

Environment, Social & Governance

Sustainability - the symbiotic essence between the nature and biodiversity and also amongst the past, present and the future - has been the core thought around everything that we do, individually and also collectively.

With the motive of keeping ESG in line with the business operations, the Company, during the period under review took the sustainability performance test conducted by EcoVadis and secured seventy-five percentile in it, with Silver Medal rating. There are only 25% companies in the world with this rating and membership of the UN Global Compact is also received. Also, numerous other aspects were also been considered to identify Company's positioning as per ESG standards.

Your Company is now member of Indian Chemical Council (ICC) and steps towards aligning operational practises in-line with 'Responsible Care' are taken.

Reserves

For the Fiscal Year 2023, the Company has transferred ₹ 1,302.93 MM to the General Reserves.

Insurance

The Company has taken adequate insurance to cover the risks to its employees, properties (land and buildings), plants, equipment, other assets and third parties. The Company has also in-place the Directors & Officers Insurance Policy.

Change in Nature of the Business

During the Fiscal Year under review, Company pursued the existing stream of business operations without introducing any new business venture. Business activity of the Company remained unchanged throughout the Fiscal Year.

Details of revision of Financial Statement or Annual Report

No revision of the Financial Statements or Annual Report has been made during Financial Year ended March 31, 2023 neither in any of the preceding three Fiscal Years.

Accounting treatment

Since the listing of the Company, Company resorted to adhering to the Indian Accounting Standards (Ind AS) since the previous financial year.

Subsidiary, Associate and Joint Venture entities

The Company does not have any Associate or Joint Venture entities. However, a Wholly Owned Subsidiary Company is incorporated, details are mentioned in Form AOC-1, as Annexure-A.

Sl. No.	Name of the Wholly Owned Subsidiary	CIN	Holding (%)
1	Aether Speciality Chemicals Limited	U24290GJ2022PLC135180	100.00%

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the Fiscal Year under review is included in the Annual Report.

Business Responsibility and Sustainability Report

As the Company falls under top 1,000 listed Companies of India as per the MCap as on March 31, 2023, the requirement to submit the Business Responsibility Report is no longer applicable. Instead, the Business Responsibility and Sustainability Report (BRSR) in terms of Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Fiscal Year onwards is now applicable, attached herewith.

Material changes and commitments during after the end of the Fiscal Year

There have been no material changes and commitments, which have occurred between the end of the Fiscal Year to which the Financial Statements relate and the date of this Report, which affect the financial position of the Company. applicable, attached herewith.

Share Capital Structure

During the year under review, the Authorised Share Capital of the Company remains unchanged.

Authorized Capital
₹ 1,40,00,00,000 (Rupees One Hundred Forty Crore only), comprised of 14,00,00,000 (Fourteen Crore) Equity Shares of ₹ 10 each.

The Company's issued share capital structure is as mentioned below:

Issued, Subscribed and Paid-up Capital
₹ 1,24,51,07,210 (Rupees One Hundred Twenty-four Crore Fifty-one Lakh Seven Thousand Two Hundred Ten only), comprised of 12,45,10,721 (Twelve Crore Forty-five Lakh Ninety-One Thousand Three Hundred Ninety-Seven) Equity Shares of ₹ 10 each.

All the shares of the Company are in dematerialisation form.

During the Fiscal Year under review, in two instances, the issued share capital of the Company was increased, as mentioned here:

- **Raising Capital through Private Placement**
  The Company raised ₹ 1,29,99,99,282 (Rupees One Hundred Twenty-nine Crore Ninety-nine Lakh Ninety-nine Thousand Two Hundred Eighty-two only), through private placement by allotting 20,24,921 (Twenty Lakh Twenty-four Thousand Nine Hundred Twenty-one) Equity Shares of face value of ₹ 10 each at a premium of ₹ 632 each. The above allotment was issued to IIFL Funds, SBI Mutual Funds, Ashoka India Equity Investment Trust PLC and The Regents of the University of California.

- **Initial Public Offer (IPO)**
  On May 31, 2022, Company issued 97,66,355 Equity Shares through IPO vide book building process. Shares were issued at ₹ 642, of which ₹ 632 was share premium. Post this, all the Equity Shares were listed on BSE Limited and National Stock Exchange of India Limited (NSE) on June 3, 2022. The Company raised total ₹ 626,99,99,910 through the IPO.

- **Allotment of Shares under ESOS**
  Through Aether Employee Stock Option Scheme 2021 (AIL ESOS 2021), the Company issued and allotted 28,048 Equity Shares at ₹ 321 each to 255 employees, upon exercising their option, total ₹ 90,03,408 was received through this allotment.

Credit rating of the Company

The Company with its continuous outstanding performance, has secured more better credit ratings. In the current Fiscal Year, once again, the Company has maintained an excellent upward trend and the credit rating of the Company is CRISIL A Stable for long-term ratings and CRISIL A1 for short-term ratings, appraised by M/s. CRISIL Ratings Limited.

The rating was opted on credit exposure of ₹ 275 Cr. (enhanced from previous exposure of ₹ 203.17 Cr.). Company's continuous outstanding performance at optimum level made this achievable consecutively in this Fiscal Year as well.

Transfer of amounts to Investor Education and Protection Fund

The Company does not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund.

Board and its Committees

The Board of the Company met at regular intervals as specified under the norms under the Companies Act, 2013 for discussing and reviewing various Board and other strategic matters. For more details, kindly refer the Corporate Governance Report. Total 9 (nine) Board Meetings were convened during the Fiscal Year under review.

Business transactions were well-arranged throughout the Fiscal Year under review and accordingly, Board Meetings were planned-out well with optimum participation.

Board of Directors and Key Managerial Personnel

The Board of the Company is duly constituted, comprising adequate number of Executive, Non-Executive, Women Directors and Independent Directors.

At present, the Board is comprised of total 12 (twelve) Board members, including 3 (women) members. There are 4 (four) Executive Directors, 2 Non-Executive Directors and 6 Independent Directors.

Mr. Arun Brijmohan Kanodiya (DIN: 03449000) and Mr. Jeevan Lal Nagori (DIN: 00017939), Independent Directors completed their first term of 5 (five) years and their second term of 5 (five) years begun from March 1, 2023. Special Resolutions were approved by Shareholders in the Annual General Meeting held on September 27, 2022.

Corporate Social Responsibility

During the Fiscal Year under review, the Company fulfilled its CSR obligation of ₹ 19.75 MM. Details of CSR activities in accordance with Section 135 read with Schedule VII of the Companies Act, 2013, is provided in Annexure along with details of the CSR Committee composition.

The Annual Report on CSR is annexed as Annexure-C to this Report.

The CSR Policy of the Company is available on the website of the Company at: https://aether.co.in/wp-content/uploads/2022/08/CSR-Policy.pdf

Directors' retirement by rotation

According to the provisions of Section 152(6) of the Companies Act, 2013 and as per terms framed under the Articles of Association of the Company, Ms. Purnima Ashwin Desai and Dr. Aman Ashwinbhai Desai will be retiring by rotation at the forthcoming Annual General Meeting and being eligible, to offer themselves for reappointment. The Board recommends their re-appointment.

Declaration by Independent Directors

The Board of Directors of the Company hereby confirm that all the Independent Directors have been duly appointed by the Company and they have given the declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and as per the SEBI (LODR) Regulations, 2015.

The Board's evaluation

The Board evaluated the effectiveness of its functioning and that of the Committees and of Individual Directors by seeking their inputs on various aspects of the Board / the Committee governance.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfilment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and the Committee meetings. The Chairman of the Board had one-on-one meeting with the Independent Directors and the Chairman of the Nomination and Remuneration Committee had one-on-one meeting with the Executive and Non-Executive Directors These meetings were intended to obtain Directors' inputs on effectiveness of the Board / the Committee processes. The Board considered and discussed the inputs received from the Directors Further, the Independent Directors at their meeting, reviewed the performance of the Board, Chairman of the Board and of Non-Executive Directors The Policy can be accessed at: https://aether.co.in/wp-content/uploads/2022/08/Board-Evaluation-Policy.pdf

Familiarization program for Independent Directors

In the reporting Fiscal Year, a familiarization program was hosted by the Company for its Independent Directors Detail of such program is hosted on the website of the Company, accessible at: https://aether.co.in/wp-content/uploads/2024/08/Summary%20of%20Familiarisation%20Program%20of%20Independent%20Directors.pdf

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirm that:

a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Fiscal Year and of the profit and loss of the Company for that period;
c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
d. The Directors had prepared the annual accounts on a going concern basis; and
e. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

Internal Financial Control System (IFCS) of the Company has been set out upon considering following measures:

1. That IFCS are commensurate with the size and nature of its operations.
2. All legal and statutory compliances are ensured on a monthly basis. Non-compliance, if any, is seriously taken by the management and corrective actions are taken immediately. Any amendment is regularly updated by internal as well as external agencies in the system.
3. Approval of all transactions is ensured through a pre-approved Delegation of Authority Schedule which is reviewed periodically by the Management.
4. The Company follows a robust internal audit process. Transaction audits are conducted regularly to ensure accuracy of financial reporting, safeguard and protection of all the assets. Verification of Fixed Asset is done on an annual basis. The audit reports for the above audits are compiled and submitted to the Board of Directors for review and necessary action.

Company has tried to put the best in class IFCS for the optimum output.

Deposits

The Company has not accepted any deposit from general public within the meaning of Section 73 of the Companies Act, 2013 and Rules framed thereunder.

Loans, Guarantees and Investments

During the year under review, the Company has made below Investments covered under Section 186 of the Companies Act, 2013: The Company invested ₹ 0.5 MM as subscriber to its Wholly Owned Subsidiary viz. Aether Speciality Chemicals Limited.

Related Party Transactions

All the Related Party Transactions that were entered into during the Fiscal Year were in the ordinary course of business and at arm's length price There are no materially significant Related Party Transactions made by the Company with Promoters (incl. Promoter Group individuals), Directors, Key Managerial Personnel, Group Companies.

Companies or any such designated persons, which are covered under purview of Material Related Party Transactions. Particulars of such transactions with related parties are duly noted on accounts forming part of the Financial Statements.

Further details of transaction entered with the related parties as defined under Section 2(76) and Section 188 of the Companies Act, 2013, taking into consideration the SEBI (LODR) Regulations, 2015, are attached herewith as Annexure-B for your kind perusal and information.

Energy conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

Information on conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are mentioned here under :

A. Conservation of Energy

- The steps taken or impact on conservation of energy:
  The Company is taking all the efforts to save electricity and other resources to conserve energy and utilise the same optimally.
  Strict adherence is cultivated in all the members in the Company to save electricity and other resources.
  The Company through the Purchase Power Agreement, using the capacity of 1.6 MW electricity generated through the solar, installed close to the end of the Fiscal Year, as a result of it, total 4.85 Lakh unit of electricity was saved out with that.
  Further, additional 100 TR Brine Chiller for the new utility, additional 75HP Cooling Tower and DP 60 air compressor were installed.
  The Company has installed Variable Frequency Devices (VFDs) along with Distributed Control System (DCS), dedicated automated dedicated energy meters in various high-power consuming equipment to optimize the usage.

- The steps taken by the company for utilizing alternate sources of energy:
  The Company has entered into a Purchase Power Agreement to avail the benefit in the form of rebate from the electricity consumed for the manufacturing facility. The service provider will produce the electricity through solar power plant installed and that will lead to redemption in the electricity bills.

- The capital investment in energy conservation equipment (Solar Power):
  The Company has, for the Solar Captive Power Agreement, invested ₹650 MM, up to March 31, 2023.

B. Conservation of Energy

- The efforts made towards technology absorption:
  The Company has developed its own technologies for the development of various products and services, which it is selling/imparting to its various customers, all over the world.

The Company has installed an in-house Solvent Recovery Plant ('SRP') for recovering the materials from mixed solvents generated and the recovered materials are again usable for the manufacturing process. That has led to eliminate dependency on the outside job work for recovery from solvents as a cost-effective measure through reduction in job work charges, which were exorbitant till the last Fiscal Year.

Earning: ₹ 2,800.99 MM
Outgo: ₹ 1,603.02 MM

C. Foreign Exchange Earnings and Outgo

- The Foreign Exchange earned and the Foreign Exchange outgo during the Fiscal Year 2023:

Annual Return

The web-link of Annual Return as in Form No. MGT-7 is https://aether.co.in/investor-relations/, for your kind perusal and information.

Risk Management

A formal, enterprise wide approach to Risk Management is being adopted by the Company and key risks are being managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines, and to make use of these in the decision making. Key business risks and their mitigation are considered in the annual / strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time have been embedded into the Company's business systems and processes, such that Company's response to risk remain current and dynamic as per conditions.

The Company has also formed a Risk Management Committee, details of which are mentioned in the Corporate Governance Report, as Annexure-G.

Vigil Mechanism

The Company has established a Vigil Mechanism cum Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy has a systematic mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or policy.

Once again in this Fiscal Year under review as well, no such instances have been reported under unethical and prohibited context. Vigil Mechanism cum Whistle Blower Policy is placed on the website of the Company, accessible at: https://aether.co.in/wp-content/uploads/2022/08/Whistle-Blower-Policy-Vigil-Mechanism.pdf.

Regulatory action

During the year under review, no regulatory actions were initiated by the Company or against the Company.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules framed thereunder, M/s. Dhirren R. Dave & Company, Company Secretary in practice was appointed as the Secretarial Auditor of the Company for the Fiscal Year 2023. They undertook the Secretarial Audit activity with utmost depth and integrity. All the conducts of the Company were found in line with the stipulated norms and the compliance system was found in line with the laws and no instance of any material misconduct was found in the audit.

The Secretarial Audit Report for the Fiscal Year ended March 31, 2023, is annexed herewith as Annexure-D. The Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

Cost Audit

Maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is maintained by the Company and accordingly such accounts and records are made and maintained. For the Fiscal Year under review, M/s. Ashvin Ambaliya & Associates, Cost Accountants undertook the Cost Audit of the Company and they have been re-appointed by the Board on the recommendation of the Audit Committee for the Fiscal Year 2023 their remuneration is included in the Notice of the forthcoming Annual General Meeting of the Company, seeking ratification by the Members.

The Cost Auditor has confirmed that their appointment is within the purview of Section 143 of the Companies Act, 2013 and they confirm that they are free from any disqualification.

Internal Audit

The Board appointed Ms. Ishita H. Rathod, Cost & Management Accountant as the Internal Auditor of the Company as per Section 138 of the Companies Act, 2013 to conduct the Internal Audit of the Company, for Fiscal Year under review.

Employee Stock Option Scheme

Pursuant to the Resolutions of the Board of Directors dated November 18, 2021, and Shareholders' Resolution dated November 18, 2021, Company has instituted Aether Industries Limited Employees Stock Option Plan Scheme 2021 (hereinafter "ESOS Scheme 2021"). The ESOS Scheme 2021 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Scheme was duly ratified by the Shareholders in the previous Annual General Meeting.

The Company has introduced the Aether Industries Limited Employees Stock Option Scheme 2021 (AIL ESOS 2021) primarily with a view to attract, retain, incentivise and motivate the existing employees of the Company. The AIL ESOS 2021 contemplates grant of options to eligible employees, as may be determined in due compliance of SEBI SBEB Regulations and provisions of the AIL ESOS 2021.

After vesting of options, the Eligible Employees earn a right (but not an obligation) to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon. On November 20, 2022, total of 28,048 Options were exercised by the Employees for the very first time, detailed in Annexure-E.

Reporting of frauds by Auditors

There is no qualification, reservation or adverse remarks made by M/s. Birju S. Shah & Associates, Statutory Auditors in their Audit Report, M/s. Dhirren R. Dave & Company, Secretarial Auditors in their Secretarial Audit Report, and Ms. Ishita H. Rathod, Internal Auditor in her Internal Audit Report.

Apart from it, no such instance of fraud committed to Company by its employees or officers has been reported to the Audit Committee under Section 143(12) of the Companies Act, 2013.

Remuneration detail of employees

Pursuant to Rule 5(1) of Companies (Appointment and Remuneration) Rules, 2014, a statement regarding top ten employees in terms of remuneration drawn and other details of the employees as prescribed has to be provided in the Board Report. Details regarding the same are attached as Annexure-F.

Anti-Sexual Harassment Policy

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The same is mentioned in the Corporate Governance Report.

Secretarial Standards

The Company has duly complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and the General Meetings of the Company (SS-1 and SS-2) from time to time.

Human Resources and Industrial Relations

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process at all locations and management development programs to upgrade skills of managers and other employees. Objective appraisal systems based on Key Result Areas (KRAs) are in place for various employees and the system is always being implemented towards an unbiased appraisal system.

The Company is committed to nurturing, enhancing and retaining its top talent through superior learning and organizational development. This is a part of our Corporate HR function and is a critical pillar to support the organization's growth.

The Company has aligned and collaborated R&D activities with many institutions and Universities in India. Company has associated with National Chemical Laboratory (NCL, Pune), Institute of Chemical Technology (ICT, erstwhile UDCT, Mumbai), Uka Tarsadia University (UTU, Bardoli) and Sardar Vallabhbhai National Institute of Technology (SVNIT, Surat).

The Company has its owned sponsored PhD programs which are ongoing for getting PhD research and degree done for its R&D team with above named Institutes.

Environment, Health and Safety Protection

Company's Health and Safety Policy commits to comply with applicable legal and other requirements concerned to Occupational Health, Safety and Environment matters The Company has due system for environmental issues, health and safety issues concerned with the employees and the same is reviewed at regular intervals.
The final report would be available in Fiscal Year 2023 and put up on the website of the Company.

Appreciation and Acknowledgement

The Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board places on record its appreciation for the support and cooperation, your company has been receiving from its Suppliers, Retailers, Dealers & Distributors and others associated with the Company. The Directors also take this opportunity to thank all Clients, Vendors, Banks, Regulatory Authorities, Government and every Stakeholder for their continuous support.

For and behalf of Board of Directors

Ashwin Desai - Managing Director DIN: 00038386

Rohan Desai - Whole Time Director DIN: 00038379

Place: Surat | Date: May 6, 2023

ANNEXURE-A
FORM NO. AOC1

Statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures

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

Part-A: Subsidiaries:

Details	Particulars (In ₹ MM)
Name of the Subsidiary	Aether Speciality Chemicals Limited
Date since when subsidiary was acquired / formed	02.09.2022
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2022 to 31.03.2023
Share capital	₹ 0.50
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees
Share capital	-₹ 0.03
Reserves & Surplus	₹ 0.49
Total Assets	₹ 0.02
Total Liabilities	₹ 0.00
Turnover	₹ 0.00
Profit /(Loss) Before Taxation	-₹ 0.03
Provision for Taxation	₹ 0.00
Profit / (Loss) After Taxation	-₹ 0.03
Proposed Dividend	₹ 0.00
% of Shareholding	100.00%
Subsidiary which is yet to commence operations	Yes

ANNEXURE-B
FORM NO. AOC2

Form for disclosure of Particulars of Contracts / Arrangements entered into by the Company with Related Parties during the Fiscal Year ended on March 31, 2023

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Details of Contracts / Arrangements or Transactions not at arm's length basis: None

Details of Contracts / Arrangements or Transactions at arm's length basis: Following Related Party Transactions were conducted at arm's length basis and in the ordinary course of business of the Company during the year under review.

Party with which contract is entered into	Nature of Relationship	Nature of Transaction	Duration	Value of Transaction (₹ in MM) p.a.	Date of approval of Board
Kamalvijay Ramchandra Tulsian (HUF)	Karta of Director's HUF	Rental Charges for rented Property	Every month	2.40	28.04.2022
Pramiladevi Kamalvijay Tulsian	Spouse of the Director	Rental Charges for rented Property	Every month	2.40	28.04.2022

For and behalf of Board of Directors

Ashwin Desai - Managing Director DIN: 00038386

Rohan Desai - Whole Time Director DIN: 00038379

Place: Surat | Date: May 6, 2023

ANNEXURE-C

ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2023

1. **Brief outline on CSR Policy of the Company**

   The Company throws the light and focus on the underprivileged and marginalized area of the society, economy and the environment. It is always in the back-drop of the philosophy of the Company that what the Company has achieved so far, the Company shall pay-back the same to the society or the environment, as all are inter-related to each other and one cannot exist without any of the above.

   Accordingly, Company through 'Aether Foundation' and / or with any other such Organisations, strives to reach to the needy for their betterment and upliftment.

   The Company has duly formed the Policy for identification of such area and other aspects where the Company can serve to the needy. Primarily, the Company is more driven towards educational supports to the rural students.

2. **Composition of the CSR Committee**

Name of the Director	Designation / Nature of Directorship	No. of Committee Meetings	
		Held during the year	Attended during the year
Ms. Purnima Ashwin Desai	Chairperson / Executive	1	1
Mr. Kamalvijay Ramchandra Tulsian	Member / Non-Executive	1	1
Mr. Jeevan Lal Nagori	Member / Independent	1	-
Ms. Leja Satish Hattiangadi	Member / Independent	1	-
Mr. Jitendra Popatlal Vakharia	Member / Independent	1	1

3. **Details of URL for disclosure of the composition of the CSR Committee, CSR Policy and CSR projects on the website of the Company:** www.aether.co.in

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:** 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 the amount required for set off for the financial year, if any:** None

6. **Average net profit of the Company as per Section 135(5):** ₹ 987.59 MM

7. **Two percent of average net profit of the Company as per Section 135(5):** ₹ 19.75 MM
   - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
   - The amount required to be set off for the financial year: Nil
   - Total CSR obligation for the financial year: ₹ 19.75 MM

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

Total Amount spent for the Fiscal Year (in ₹)	Amount Unspent (₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
1,99,80,900	-	-	-	-	-

   b. **Details of CSR amount spent against ongoing projects for the financial year :** None

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

Name of the Project	Item as per Schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount (₹ in MM)	Mode of implementation Through Implementing agency
			State	District		Name / CSR Reg.No.
1. Contribution to a school building construction in tribal area	Promoting education	No	Gujarat	Dang	02.10	Aether Foundation (CSR00002740)
2. Provision for educational infrastructure	Promoting education	No	Gujarat	Navsari	02.50	Shivam Education Trust (CSR00027977)
3. Contribution to school building construction	Promoting education	No	Gujarat	Dang	03.10	Vanvasi Vikas Mandal (CSR00029670)
4. Provision for educational infrastructure	Promoting education	No	Gujarat	Dang	01.50	Ambika Education Trust (CSR00035852)
5. Azadi Ka Amrit Mahotsav	Promoting education	No	Gujarat	Dang	0.18	Self
6. Contribution to medical and educational aid	Promoting education	No	Rajasthan	Pratapgarh	0.60	Kajorimal Basantilal Nagori Charitable Trust (CSR00010916)

Name of the Project	Item as per Schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount (₹ in lakhs)	Mode of implementation Through Implementing agency
			State	District		Name / CSR Reg.No.
7. Support to cancer research initiative	Promoting health care	Yes	Gujarat	Surat	10.00	Shree Mahavir Health and Medical Relief Society (CSR00006704)
Total					19.98	

d. Amount spent in Administrative Overheads: None

e. Amount spent on Impact Assessment, if applicable: None

g. Total amount spent for the Fiscal Year (8b+8c+8d+8e): ₹ 1,99,80,900

i. Total amount spent for the Fiscal Year (8b+8c+8d+8e): None

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

Preceding Fiscal Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting FY (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding FY (in ₹)
			Name of the Fund	Amount (in ₹)	Date of transfer	
1. FY 2021-22	None	None	N.A.	N.A.	N.A.	None
2. FY 2020-21	None	None	N.A.	N.A.	N.A.	None
3. FY 2019-20	None	None	N.A.	N.A.	N.A.	None

b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): None

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: None

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): None

For and behalf of Board of Directors

Ashwin Desai - Managing Director DIN: 00038386

Rohan Desai - Whole Time Director DIN: 00038379

Purnima Desai - Chairperson CSR Committee DIN: 00038399

Place: Surat | Date: May 6, 2023

ANNEXURE-D

FORM NO. MR3

Secretarial Audit Report for the Financial Year ended on March 31, 2023

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9(1) of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members of
Aether Industries Limited
Plot No. 8203,
GIDC Sachin, Surat-394230

CIN: **L24100GJ2013PLC073434**

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and representation provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, We hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:
   - The Companies Act, 2013 (the Act) and the rules made thereunder;
   - The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   - The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   - 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;

   The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
   e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2018 - Not Applicable
   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - There are no events occurred during the year which attracts provisions of these regulations hence not applicable and
   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; There are no events occurred during the year which attracts provisions of these regulations hence not applicable
   i. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015
   j. Other as mentioned below:
   - The Factories Act, 1948
   - The Industrial Disputes Act, 1947

- The payment of Wages Act, 1936
- The Minimum Wages Act, of 1948
- Employee State Insurance Act, 1948
- The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Contract Labour (Regulation and Abolition) Act, 1970
- The Maternity Benefit Act, 1961
- The Child Labour (Prohibition and Regulation) Act, 1986
- The Industrial Employment (Standing Orders) Act, 1946
- The Employees Compensation Act, 1923
- The Apprentices Act, 1961
- The Equal Remuneration Act, 1976
- The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- The Environment (Protection) Act, 1986 (read with The Environment (Protection) Rules, 1986
- The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
- The Water (Prevention and Control of Pollution) Act, 1974 (read with Water (Prevention and Control of Pollution) Rules, 1975
- The Air (Prevention and Control of Pollution) Act, 1981 (read with Air (Prevention and Control of Pollution) Rules, 1982

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

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

2. We further report that,
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate Notices were being given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

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

4. We further report that during the audit period the company has not taken any actions or enter into events having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

This Report is to be read with our letter dated May 6, 2023 which is annexed and forms an integral part of this Report.

For Dhirren R. Dave & Co.

Company Secretaries | PR No.: 2144/2022 | UIN: P1996GJ002900

Pinal Kandarp Shukla - Partner

Membership No.: 28554 | CP No.: 10265 | UDIN: A028554E000266220

Place: Surat | Date: May 6, 2023

To,
The Members of
Aether Industries Limited
Plot No. 8203,
GIDC Sachin, Surat-394230

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Dhirren R. Dave & Co.

Company Secretaries | PR No.: 2144/2022 | UIN: P1996GJ002900

Pinal Kandarp Shukla - Partner

Membership No.: 28554 | CP No.: 10265 | UDIN: A028554E000266220

Place: Surat | Date: May 6, 2023

ANNEXURE-E

DETAILS OF AIL ESOS 2021

1. **Any material changes in the Scheme and whether the scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:** There are no material changes in the scheme. The scheme was formulated in-line with the requirement and was issued prior to the listing of the Company and hence, the scheme was placed before the Members for their ratification in line with the Regulation and the maximum vesting tenure was also increase to 15 (fifteen) years from 7 (seven) years.

2. **Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.** Kindly refer 'Annexure - Statement of Changes in Equity' of the Standalone Financial Statements.

3. **Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time:** ₹10.47.

4. Details related to ESOS

A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including:	The Company proposes to introduce the AIL ESOS 2021 primarily with a view to attract, retain, incentivise and motivate the existing employees of the Company, new employees joining the Company, that would lead to higher corporate growth. The AIL ESOS 2021 contemplates grant of options to the eligible employees, as may be determined in due compliance of SEBI SBEB Regulations and provisions of the AIL ESOS 2021. After vesting of options, the Eligible Employees earn a right (but not an obligation) to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon. The Nomination and Remuneration Committee (Committee) of the Company shall administer AIL ESOS 2021. All questions of interpretation of the AIL ESOS 2021 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in AIL ESOS 2021.
Date of Shareholders' approval	November 18, 2021. The scheme was approved vide the Special Resolution passed on November 18, 2021 and further ratified and modified in Annual General Meeting held on September 27, 2022.
Total number of options approved under ESOS	11,00,000 Options
Vesting requirements	Options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 15 (fifteen) years from the date of grant of options as may be determined by the Committee.
Exercise price or pricing formula	The exercise price per option shall be at the price determined by the Board / Committee and in no case less than face value of the equity shares.
Maximum term of options granted	8 years for already granted options
Source of shares (primary, secondary or combination)	Primary, the shares exercised will be listed on the Stock Exchanges.
Variation in terms of options	N.A.
Method used to account for ESOS	Fair Value Method
Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	N.A.
Option movement during the year (for each ESOS)	
Number of options outstanding at the beginning of the period	1,74,831
Number of options granted during the year	40,564
Number of options forfeited/lapsed during the year	13,199
Number of options vested during the year	28,048
Number of options exercised during the year	28,048
Number of shares arising as a result of exercise of options	28,048
Money realized by exercise of options (₹), if scheme is implemented directly by the Company	₹ 90,03,408
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	1,74,148
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	₹ 324.32
Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -	
• Senior Managerial Personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ;	1. Mr. Raymond Paul Roach, Leader - Business Development, 12,461 Options at ₹321 each 2. Dr. James Ringer, Leader - Business Development, 12,461 Options at ₹321 each 3. Mr. Norbert Flueggen, Leader - Business Development, 12,461 Options at ₹321 each
• Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	Same as above
• Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None

A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	
• the weighted-average values of share price and exercise price,	₹ 985.35 per Share and ₹ 324.32 per Share respectively
• the expected volatility	41.64%, 40.62%, 41.21%, 40.77%, 41.31%, 41.35% and 41.89% each in on every exercise date in year 2022, 2023, 2024, 2025, 2026, 2027 and 2028.
• the expected dividends,	Considered 0%
• the risk-free interest rate and any other inputs to the model;	5.72%, 5.96%, 6.19%, 6.29% 6.36%, 6.37% and 6.48% each in on every exercise date in year 2022, 2023, 2024, 2025, 2026, 2027 and 2028
• the method used and the assumptions made to incorporate the effects of expected early exercise	Black-Scholes-Merton model are: 1. The price of underlying instrument follows geometric Brownian motion with constant drift and volatility, and price changes are log normally distributed. 2. It is possible to short sell the underlying stock. 3. There are no arbitrage opportunities. 4. Trading in stock is continuous. 5. There are no transaction costs or taxes. 6. It is possible to buy and sell any amount, even fractional, of the stock (securities are perfectly divisible). 7. It is possible to borrow and lend cash at a constant risk-free interest rate.
• the method used and the assumptions made to incorporate the effects of expected early exercise	The volatility input, measured in % per year, is how much you generally expect the underlying Security to move during option. The measure of volatility used in Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rate of return on the stock over a period of time.
• whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	The stock price of the Company is the price as on date of grant as per valuation report. (as the options were granted prior to the date of listing.) The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity approximately equal to the expected life of the options based on the zero-coupon yield curve for government securities. Expected dividend yield is dividend per share dividend by market price per share. For one Grantee, to whom Options were granted at ₹ 503, is based on 51% of the closing price of last trading of securities on BSE Limited i.e. ₹ 985.15 prior to grant made on November 20, 2022.

For and behalf of Board of Directors

Ashwin Desai - Managing Director DIN: 00038386

Rohan Desai - Whole Time Director DIN: 00038379

Place: Surat | Date: May 6, 2023

ANNEXUR-F

DISCLOSURE UNDER SECTION 197(12) OF COMPANIES ACT, 2013

1. The ratio of remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each director, for the financial year:

Name of the Director drawing remuneration	Total Remuneration (₹)	Ratio	% Increase in Remuneration
Mr. Ashwin Jayantilal Desai	₹ 13.65 MM	45.05:1	5%
Ms. Purnima Ashwin Desai	₹ 13.65 MM	45.05:1	5%
Mr. Rohan Ashwin Desai	₹ 19.47 MM	64.27:1	49.8%
Dr. Aman Ashwinbhai Desai	₹ 20.48 MM	67.51:1	5%

2. **The percentage increase in remuneration of CFO, CS in the Fiscal Year:** CFO : 33.96 % | CS : 37.73 %
3. **The percentage increase in the median remuneration of employees in the Fiscal Year:** 16 %
4. **The number of permanent employees on the rolls of Company as on March 31, 2023:** 889 Employees
5. **Details of top ten highest paid employees except above is accessible at web-site of the Company, at:** https://aether.co.in/wp-content/uploads/2023/05/Details%20of%20top%20ten%20highest%20paid%20employees%20FY%202022-23.pdf
6. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and explanation if there are any exceptional circumstances for increase in the managerial remuneration:** The average increase in salary of employees was 17%, There is no exceptional reason for increase in the managerial remuneration.It is affirmed that, the remuneration paid is in adherence with the remuneration Policy applicable to Directors, Key Managerial Personnel and other employees.

For and behalf of Board of Directors

Ashwin Desai - Managing Director DIN: 00038386

Rohan Desai - Whole Time Director DIN: 00038379

Place: Surat | Date: May 6, 2023

Corporate Governance Report

ANNEXURE-G

Corporate Governance refers to the set of systems, principles and processes by which a company is governed. They provide the guidelines as to how the company can be directed or controlled such that it can fulfil its goals and objectives in a manner that adds to the value of the company and is also beneficial for all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the Board of Directors, management, shareholders to customers, employees and society at large. The management of the Company hence assumes the role of a trustee for all the others.

The Equity Shares of the Company are listed and admitted to dealings on BSE Limited and the National Stock Exchange of India Limited with effect from June 3, 2022. Pursuant to the provisions of Regulation 34 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, a report on Corporate Governance for the financial year ended March 31, 2023 is furnished herewith.

1. Company's philosophy on Corporate Governance

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and the report contains the details of Corporate Governance systems and processes at Aether Industries Limited. Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders We consider stakeholders as partners in our success, and we remain committed to maximising stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We believe that any business conduct can be ethical only when it rests on the core values. The Company believes that all its actions must serve the underlying goal of enhancing the overall stakeholder value over a sustained period of time.

2. Board of Directors

Size and composition of the Board - The Company believes that an active, well informed and independent Board of Directors is vital to achieve the apex standard of Corporate Governance. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected.

The Board of Directors of the Company comprises of an optimal combination of Executive, Non-Executive and Independent Directors so as to preserve and maintain the independence of the Board. As of March 31, 2023, the Board of Directors comprises 12 Directors, of which 6 are Independent Directors, 2 are Non-Executive Women Directors and 4 Executive Directors including, 1 Managing Director and 1 Woman Whole-time Director.

The composition of the Board of Directors as on March 31, 2023, their attendance at Board Meetings held during the year and the last Annual General Meeting, the number of Directorships and Committee Chairmanship / Memberships held by them in other Companies is given below :

Name of the Director	Inter-se Relationship amongst Directors	Total attendance in the Board Meetings	Whether presented in the previous AGM
Mr. Ashwin Jayantilal Desai, Managing Director (Executive Promoter)	Spouse of Ms. Purnima Ashwin Desai Father of Mr. Rohan Ashwin Desai Father of Dr. Aman Ashwinbhai Desai Father-in-law of Ms. Ishita Surendra Manjrekar	9	Yes
Ms. Purnima Ashwin Desai, Whole-time Director (Executive Promoter)	Spouse of Mr. Ashwin Jayantilal Desai Mother of Mr. Rohan Ashwin Desai Mother of Dr. Aman Ashwinbhai Desai Mother-in-law of Ms. Ishita Surendra Manjrekar	8	Yes
Mr. Rohan Ashwin Desai, Whole-time Director (Executive Promoter)	Son of Mr. Ashwin Jayantilal Desai Son of Ms. Purnima Ashwin Desai Brother of Dr. Aman Ashwinbhai Desai Son-in-law of Mr. Kamalvijay Ramchandra Tulsian	9	Yes
Dr. Aman Ashwinbhai Desai, Whole-time Director (Executive Promoter)	Son of Mr. Ashwin Jayantilal Desai Son of Ms. Purnima Ashwin Desai Brother of Mr. Rohan Ashwin Desai Spouse of Ms. Ishita Surendra Manjrekar	8	Yes
Mr. Kamalvijay Tulsian, Chairman Non-Executive Non-Independent Director (Non-Executive Non-Independent) (Holding 11,690 Equity Shares of the Company)	Father-in-law of Mr. Rohan Ashwin Desai	9	Yes
Ms. Ishita Surendra Manjrekar, Non-Executive Non-Independent Director (Non-Executive Non-Independent)	Spouse of Dr. Aman Ashwinbhai Desai Daughter-in-law of Mr. Ashwin Jayantilal Desai Daughter-in-law of Ms. Purnima Ashwin Desai	6	Yes
Mr. Arun Brijmohan Kanodiya, Non-Executive Independent Director (Non-Executive Independent)	N.A.	9	Yes
Mr. Jeevan Lal Nagori, Non-Executive Independent Director (Non-Executive Independent)	N.A.	7	Yes
Dr. Amol Arvindrao Kulkarni, Non-Executive Independent Director (Non-Executive Independent)	N.A.	7	Yes
Mr. Rajkumar Mangilal Borana, Non-Executive Independent Director (Non-Executive Independent)	N.A.	4	Yes

Name of the Director	No. of Directorship (incl. AIL)	No. of membership in Committees (incl. AIL) as a		Name of the listed entity in which directorship is held including AIL and category of Director
		Chairperson	Member	
Mr. Ashwin Jayantilal Desai	4	0	1	Aether Industries Limited as Managing Director
Ms. Purnima Ashwin Desai	3	1	1	Aether Industries Limited as Whole-time Director
Mr. Rohan Ashwin Desai	3	1	2	Aether Industries Limited as Whole-time Director
Dr. Aman Ashwinbhai Desai	2	1	1	Aether Industries Limited as Whole-time Director
Mr. Kamalvijay Ramchandra Tulsian	6	1	3	Aether Industries Limited as Chairman Non-Executive Non-Independent Director
Ms. Ishita Surendra Manjrekar	5	0	1	Aether Industries Limited as Non-Executive Non-Independent Director
Mr. Arun Brijmohan Kanodiya	2	2	3	Aether Industries Limited as Non-Executive Independent Director
Mr. Jeevan Lal Nagori	6	0	2	Aether Industries Limited as Non-Executive Independent Director
Ms. Leja Satish Hattiangadi	3	4	6	Aether Industries Limited, Artson Engineering Limited and Alkyl Amines Chemicals Limited as Non-Executive Independent Director
Mr. Jitendra Popatlal Vakharia	4	0	1	Aether Industries Limited as Non-Executive Independent Director
Dr. Amol Arvindrao Kulkarni	1	0	2	Aether Industries Limited as Non-Executive Independent Director
Mr. Rajkumar Mangilal Borana	6	0	1	Aether Industries Limited as Non-Executive Independent Director R&B Denims Limited as Managing Director

Board Meetings

During the year under review, total 9 (nine) Board Meetings were conducted on

1. April 28, 2022
2. May 5, 2022
3. May 16, 2022
4. May 27, 2022
5. May 31, 2022
6. June 16, 2022
7. July 25, 2022
8. November 11, 2022
9. January 20, 2023

Familiarisation Program for Independent Directors

The Company has a familiarisation program for the Independent Directors with regard to their roles, rights and responsibilities in the Company and provides detail regarding the nature of the industry in which the Company operates, the business models of the Company etc. which aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities. The details of the familiarization program for Independent Directors are available on the Company's website at: https://aether.co.in/wp-content/uploads/2024/08/Summary%20of%20Familiarisation%20Program%20of%20Independent%20Directors.pdf

Skills / Expertise / Competence of the Board of Directors

The Board has identified certain skills/expertise/competence as required to be possessed by the Board of Directors to ensure the effective functioning of the business(es) and sectors of the Company. The mapping of these skills/expertise / competence among the Directors is as given herewith:

Skills / Expertise / Competence	Name of the Director
Science & Technology	Mr. Ashwin Jayantilal Desai Dr. Aman Ashwinbhai Desai Ms. Ishita Surendra Manjrekar Ms. Leja Satish Hattiangadi and Dr. Amol Arvindrao Kulkarni
Commercial	Mr. Ashwin Jayantilal Desai Ms. Purnima Ashwin Desai Mr. Rohan Ashwin Desai Dr. Aman Ashwinbhai Desai Mr. Jeevan Lal Nagori and Mr. Jitendra Popatlal Vakharia
Finance	Ms. Purnima Ashwin Desai Mr. Rohan Ashwin Desai and Mr. Jeevan Lal Nagori Mr. Arun Brijmohan Kanodiya
Sales, Marketing, Strategic Procurement and Human Resource	Mr. Rohan Ashwin Desai and Mr. Jeevan Lal Nagori
Management / Administration	Ms. Purnima Ashwin Desai Mr. Kamalvijay Ramchandra Tulsian and Mr. Rajkumar Mangilal Borana
Domain Industry	Mr. Ashwin Jayantilal Desai and Mr. Jeevan Lal Nagori
Legal / Corporate Governance	Mr. Jeevan Lal Nagori and Mr. Arun Brijmohan Kanodiya

The Board of Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations, 2015 and Section 149 of the Companies Act, 2013 and that they are independent of the management.

3. Audit Committee

Terms of Reference for the Audit Committee:
The Audit Committee shall be responsible for, among other things, as may be required by the Stock Exchange(s) from time to time, the following :

A. Powers of Audit Committee
- The Audit Committee shall have powers, including the following:
- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice;
- to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations

B. The role of the Audit Committee shall include the following:

1. oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
2. recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. formulation of a policy on related party transactions, which shall include materiality of related party transactions;
5. reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
6. examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   - 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 section 134 of the Companies Act, 2013;
   - Changes, if any, in accounting policies and practices and reasons for the same;
   - Major accounting entries involving estimates based on the exercise of judgment by management;
   - Significant adjustments made in the financial statements arising out of audit findings;
   - Compliance with listing and other legal requirements relating to financial statements;
   - Disclosure of any related party transactions;
   - Modified opinion(s) in the draft audit report;
7. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
8. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
9. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
10. approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed.
11. Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.;
12. scrutiny of inter-corporate loans and investments;
13. valuation of undertakings or assets of the Company, wherever it is necessary;
14. evaluation of internal financial controls and risk management systems;
15. scrutiny of inter-corporate loans and investments;
16. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
17. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
18. discussion with internal auditors of any significant findings and follow up there on;
19. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

18. 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;
19. recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
20. looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. reviewing the functioning of the whistle blower mechanism;
22. monitoring the end use of funds raised through public offers and related matters;
23. overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
24. approval of appointment of chief financial officer (i.e., the Whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
25. reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;
26. carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;
27. Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
28. Such roles as may be prescribed under the Companies Act, SEBI Listing Regulations and other applicable provisions and review :

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor;
- Statement of deviations in terms of the SEBI Listing Regulations:

    1. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
    2. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.

Name of the Director	Position held in the Committee	Category of the Director	Number of Meetings attended
Mr. Arun Brijmohan Kanodiya	Chairman	Independent Director	5
Mr. Jitendra Popatlal Vakharia	Member	Independent Director	3
Mr. Jeevan Lal Nagori	Member	Independent Director	5
Ms. Purnima Ashwin Desai	Member	Whole-time Director	2

Ms. Purnima Ashwin Desai was Member of Audit Committee till June 16, 2022 and had attended 2 Meetings of the Audit Committee.

During the year under review, total 5 Audit Committee Meeting were held, as mentioned below :

1. April 28, 2022
2. June 16, 2022
3. July 25, 2022
4. November 11, 2022
5. January 20, 2023

4. Nomination & Remuneration Committee

Terms of Reference for the Nomination & Remuneration Committee:
The Nomination & Remuneration Committee shall be responsible for, among other things, as may be required by the stock exchange(s) from time to time, the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors of the Company (the "Board" or "Board of Directors") a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees ("Remuneration Policy");
   The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
   - the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
   - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
2. Formulation of criteria for evaluation of independent directors and the Board;
3. Devising a Policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);
5. Analysing, monitoring and reviewing various human resource and compensation matters;
6. Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
8. Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
9. Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
10. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, if applicable;
11. Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
    - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
    - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
12. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    - use the services of an external agencies, if required;
    - consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - consider the time commitments of the candidates
13. Perform such other activities as may be delegated by the Board or specified / provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

The Company has the Nomination & Remuneration Committee, comprising below mentioned members:

Name of the Director	Position held in the Committee	Category of the Director	Number of Meetings attended
Mr. Arun Brijmohan Kanodiya	Chairman	Independent Director	3
Mr. Kamalvijay Ramchandra Tulsian	Member	Non-Executive Director	3
Dr. Amol Arvindrao Kulkarni	Member	Independent Director	2

During the year under review, total 3 Nomination & Remuneration Committee Meeting were held, as mentioned below:

1. July 25, 2022
2. November 20, 2022
3. January 19, 2023

Performance evaluation of the Board

A formal evaluation of the performance of the Board, its Committees and Individual Directors was carried out for Fiscal Year 2022-23. The evaluation was carried out using individual questionnaires covering, amongst others, contribution to areas impacting Company's performance, preparedness on the issues to be discussed, meaningful and constructive, contribution and inputs in Board and committee meetings. In addition to the above the Executive Directors were evaluated based on annual targets, financial and operational controls, risk management, business strategies succession planning, core governance and compliance management.

5. CSR Committee

Terms of Reference for the CSR Committee:

The CSR Committee shall be responsible for, among other things, as follows:

- formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
- identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;
- delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and
- exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act

Name of the Director	Position held in the Committee	Category of the Director	Number of Meetings attended
Ms. Purnima Ashwin Desai	Chairperson	Whole-time Director	1
Mr. Kamalvijay Ramchandra Tulsian	Member	Non-Executive Director	1
Mr. Jeevan Lal Nagori	Member	Independent Director	-
Ms. Leja Satish Hattiangadi	Member	Independent Director	-
Mr. Jitendra Popatlal Vakharia	Member	Independent Director	1

During the year under review, total 1 CSR Committee Meeting was held, as mentioned below:

1. June 16, 2022

6. Stakeholders' Relationship Committee

Terms of Reference for the Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required by the under applicable law, the following:

1. To specifically look into various aspects of interests of shareholders, debentures holders and other security holders;
2. Resolving the grievances of the security holders of the listed entity including complaints related to transfer of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report or balance sheet, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
3. Review of measures taken for effective exercise of voting rights by shareholders;
4. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
5. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
6. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
7. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
8. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

The Company has formed Stakeholder Relationship Committee on November 18, 2021, comprising of below mentioned members:

Name of the Director	Position held in the Committee	Category of the Director	Number of Meetings attended
Mr. Kamalvijay Ramchandra Tulsian	Chairperson	Non-Executive Director	1
Mr. Rohan Ashwin Desai	Member	Whole-time Director	1
Mr. Ishita Surendra Manjrekar	Member	Non-Executive Director	1
Ms. Leja Satish Hattiangadi	Member	Independent Director	1
Mr. Arun Brijmohan Kanodiya	Member	Independent Director	1

Mr. Chitrarth Rajan Parghi, Company Secretary is designated as Compliance Officer of the Company.
During the year under review, 32 complaints were received from Shareholders and all were resolved in due course.

During the year under review, a total 1 Stakeholders' Relationship Committee Meeting was held, as mentioned below:

1. January 20, 2023

7. Risk Management Committee

Terms of Reference for the Risk Management Committee

The Risk Management Committee shall be responsible for, among other things, as may be required by the under applicable law, the following:

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

The Company has formed Risk Management Committee on November 18, 2021, comprising of below mentioned members:

Name of the Director	Position held in the Committee	Category of the Director
Mr. Ashwin Jayantilal Desai	Member	Managing Director
Mr. Rohan Ashwin Desai	Member	Whole-time Director
Dr. Aman Ashwinbhai Desai	Chairperson	Whole-time Director
Mr. Kamalvijay Ramchandra Tulsian	Member	Non-Executive Director
Mr. Arun Brijmohan Kanodiya	Member	Independent Director

8. IPO Committee

The Company had proposed to raise the funds through the Initial Public Offer, in this regard the Company had constituted the IPO Committee on November 18, 2021 with several authorities and powers by the Board.

The IPO Committee shall be responsible for, among other things, as may be required by the under applicable law, the following:

1. to decide, negotiate and finalise the pricing, the terms of the issue of the Equity Shares and all other related matters regarding the Pre-IPO Placement, if any, including the execution of the relevant documents with the investors, in consultation with the book running lead managers appointed in relation to the Offer ("BRLMs");
2. to decide, negotiate and finalise the pricing, the terms of the issue of the Equity Shares and all other related matters regarding the Pre-IPO Placement, if any, including the execution of the relevant documents with the investors, in consultation with the book running lead managers appointed in relation to the Offer ("BRLMs");
3. to appoint, instruct and enter into agreements with the BRLMs, and in consultation with BRLMs appoint and enter into agreements with intermediaries, co-managers, underwriters, syndicate members, brokers, escrow collection bankers, auditors, independent chartered accountants, refund bankers, registrar, grading agency, monitoring agency, industry expert, legal counsels, depositories, custodians, credit rating agencies, printers, advertising agency(ies), and any other agencies or persons (including any successors or replacements thereof) whose appointment is required in relation to the Offer and to negotiate and finalize the terms of their appointment, including but not limited to execution of the mandate letters and offer agreement with the BRLMs, and the underwriting agreement with the underwriters, and to terminate agreements or arrangements with such intermediaries;
4. to make any alteration, addition or variation in relation to the Offer, in consultation with the BRLMs or SEBI or such other authorities as may be required, and without prejudice to the generality of the aforesaid, deciding the exact Offer structure and the exact component of issue of Equity Shares;
5. to finalise, settle, approve, adopt and arrange for submission of the draft red herring prospectus ("DRHP"), the red herring prospectus ("RHP"), the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, clarifications, reply to observations, addenda or corrigenda thereto, to appropriate government and regulatory authorities, respective stock exchanges where the Equity Shares are proposed to be listed ("Stock Exchanges"), the Registrar of Companies, Gujarat at Ahmedabad ("Registrar of Companies"), institutions or bodies;
6. to invite the existing shareholders of the Company to participate in the Offer to offer for sale the Equity Shares held by them at the same price as in the Offer;
7. To take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the selling shareholder(s) for offering their Equity Shares in the offer for sale and the transfer of Equity Shares in the offer for sale;
8. to issue advertisements in such newspapers and other media as it may deem fit and proper, in consultation with the relevant intermediaries appointed for the Offer in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), Companies Act, 2013, as amended and other applicable laws;
9. to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, and on permitting existing shareholders to sell any Equity Shares held by them;
10. to open separate escrow accounts as the escrow account to receive application monies from anchor investors/underwriters in respect of the bid amounts and a bank account as the refund account for handling refunds in relation to the Offer and in respect of which a refund, if any will be made;
11. to open account with the bankers to the Offer to receive application monies in relation to the Offer in terms of Section 40(3) of the Companies Act, 2013, as amended;
12. to do all such deeds and acts as may be required to dematerialise the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection, with power to authorise one or more officers of the Company to execute all or any such documents;
13. to negotiate, finalise, sign, execute and deliver or arrange the delivery of the offer agreement, syndicate agreement, cash escrow and sponsor bank agreement, underwriting agreement, agreements with the registrar to the Offer, monitoring agency and the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever with the registrar to the Offer, monitoring agency, legal counsel, auditors, Stock Exchanges, BRLMs and other agencies/ intermediaries in connection with Offer with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents;
14. to make any applications, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Stock Exchange, the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), Registrar of Companies and such other statutory and governmental authorities in connection with the Offer, as required by applicable law, and to accept, on behalf of the Board, such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required, and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, RHP and the Prospectus;
15. to make any applications, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Stock Exchange, the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), Registrar of Companies and such other statutory and governmental authorities in connection with the Offer, as required by applicable law, and to accept, on behalf of the Board, such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required, and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, RHP and the Prospectus;
16. to make any applications, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Stock Exchange, the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), Registrar of Companies and such other statutory and governmental authorities in connection with the Offer, as required by applicable law, and to accept, on behalf of the Board, such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required, and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, RHP and the Prospectus;

17. to issue receipts/allotment advice/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforementioned documents;
18. to approve the code of conduct, suitable insider trading policy, whistle blower/vigil mechanism policy, risk management policy and other corporate governance requirements considered necessary by the Board or the IPO Committee or as required under applicable law;
19. to seek, if required, the consent and waivers of the parties with whom the Company has entered into various commercial and other agreements such as Company's lenders, joint venture partners, all concerned governmental and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Offer in accordance with the applicable laws;
20. to determine the price at which the Equity Shares are offered, issued, allocated, transferred and/or allotted to investors in the Offer in accordance with applicable regulations in consultation with the BRLMs and/or any other advisors, and determine the discount, if any, proposed to be offered to eligible categories of investors;
21. to settle all questions, difficulties or doubts that may arise in relation to the Offer, as it may in its absolute discretion deem fit;
22. to do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Offer;
23. to authorize and approve the incurring of expenditure and payment of fees, commissions, brokerage and remuneration in connection with the Offer;
24. to withdraw the DRHP or RHP or to decide not to proceed with the Offer at any stage, in consultation with the BRLMs and in accordance with the SEBI ICDR Regulations and applicable laws;
25. to determine the utilization of proceeds of the fresh issue, if applicable and accept and appropriate proceeds of such fresh issue in accordance with the Applicable Laws;
26. to submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies and the relevant Stock Exchange(s) where the Equity Shares are to be listed; and to authorize and empower officers of the Company (each, an "Authorized Officer(s)"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer(s) consider necessary, appropriate or advisable, in connection with the Offer, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreement(s) with the Stock Exchange(s), the registrar's agreement and memorandum of understanding, the depositories' agreements, the offer agreement with the BRLMs (and other entities as appropriate), the underwriting agreement, the syndicate agreement with the BRLMs and syndicate members, the cash escrow and sponsor bank agreement, confirmation of allocation notes, allotment advice, placement agents, registrar to the Offer, bankers to the Company, managers, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, advertising agency(ies), syndicate members, brokers, escrow collection bankers, auditors, grading agency, monitoring agency and all such persons or agencies as may be involved in or concerned with the Offer, if any, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Offer by the BRLMs and to do or cause to be done any and all such acts or things that the Authorized Officer(s) may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Offer; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer(s) shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

The Company has formed IPO Committee on November 18, 2021, comprising of below mentioned members:

Name of the Director	Position held in the Committee	Category of the Director	Number of Meetings attended
Mr. Rohan Ashwin Desai	Chairperson	Whole-time Director	2
Dr. Aman Ashwinbhai Desai	Member	Whole-time Director	2
Mr. Arun Brijmohan Kanodiya	Member	Independent Director	1
Dr. Amol Arvindrao Kulkarni	Member	Independent Director	1

On November 11, 2022, the Committee was dissolved as the object of the Committee was fulfilled Two Committee Meetings on May 7, 2023 and May 23, 2023 were held during the year.

9. Remuneration of Directors

Pecuniary relationship or transactions:
During the year under review, there was no pecuniary relationship or transactions between the Company and any of its Non-Executive Directors apart from sitting fees and reimbursement of expenses incurred by them to attend Meetings of the Company.

Related Party Transactions are mentioned in Note 40 in the Financial Statements.

Criteria for making payments to Non-Executive Directors:
Due approval from the Audit Committee was obtained from the aforesaid transaction mentioned in Note 40, taking into consideration the requirement of availing the industrial premises on rental basis from related parties.

Remuneration:
Apart from the sitting fee, no other remuneration was paid to the Non-Executive Directors The Board in their Meeting held on September 4, 2021, approved the sitting fee as ₹ 50,000 for attending the Board Meeting and ₹ 15,000 for attending Committee Meetings.

Details of the sitting fees paid to the Non-Executive Directors and remuneration to Executive Directors are as below:

Name of the Director	Category of the Director	Sitting fee (₹ in MM)
Mr. Kamalvijay Ramchandra Tulsian	Chairman Non-Executive Director	₹ 0.53
Ms. Ishita Surendra Manjrekar	Non-Executive Non-Independent Director	₹ 0.32
Mr. Arun Brijmohan Kanodiya	Non-Executive Independent Director	₹ 0.60
Mr. Jeevan Lal Nagori	Non-Executive Independent Director	₹ 0.43
Ms. Leja Satish Hattiangadi	Non-Executive Independent Director	₹ 0.32
Mr. Jitendra Popatlal Vakharia	Non-Executive Independent Director	₹ 0.25
Mr. Rajkumar Mangilal Borana	Non-Executive Independent Director	₹ 0.22
Dr. Amol Arvindrao Kulkarni	Non-Executive Independent Director	₹ 0.40

Name of the Director	Category of the Director	Remuneration (₹ in MM)
Mr. Ashwin Jayantilal Desai	Managing Director	₹ 13.65
Ms. Purnima Ashwin Desai	Whole-time Director	₹ 13.65
Mr. Rohan Ashwin Desai	Whole-time Director	₹ 19.47
Dr. Aman Ashwinbhai Desai	Whole-time Director	₹ 20.48

The above Remuneration of Executive Directors is comprised only of basic pay (incl. annual Bonus in line with the Payment of the Bonus Act), and does comprise of any other benefit, bonuses, stock options, pension, performance linked incentives in aforesaid amount.

10. General Body Meeting

Particulars of the Annual General Meetings of the Company are as below:

Day, Date and Time and Venue	No. of Directors present	Special Resolution passed
Annual General Meeting held on Wednesday, September 30, 2020, at Plot No. 8203, GIDC Sachin, Surat-394230, GJ. at 15:00 Hrs.	5	None
Annual General Meeting held on Saturday, September 18, 2021 at Plot No. 8203, GIDC Sachin, Surat-394230, GJ. at 15:00 Hrs.	5	Approval for continuous tenure of appointment of Mr. Ashwin Jayantilal Desai, upon attaining the age of 70 years
		Re-appointment of Mr. Ashwin Jayantilal Desai for another term of 5 years as Managing Director of the Company
		Appointment of Ms. Purnima Ashwin Desai as Whole-time Director for a term of 5 years
		Appointment of Mr. Rohan Ashwin Desai as Whole-time Director for a term of 5 years
		Appointment of Dr. Aman Ashwinbhai Desai as Whole-time Director for a term of 5 years
		Enhancing the borrowing limit to ₹ 500 Cr.
		Approval for the cancellation of the unissued Authorised Preference Share Capital and to increase the Authorised Equity Share Capital Approval for the Bonus Issue
Annual General Meeting held on Tuesday, September 27, 2022 through VC / OAVM mode (deemed to be considered at the Registered Office) at 11:30 Hrs.	12	Re-appointment of Mr. Arun Brijmohan Kanodiya (DIN: 03449000) as Independent Director for the second term.
		Re-appointment of Mr. Jeevan Lal Nagori (DIN: 00017939) as Independent Director for the second term.
		Increase in limits under Section 186 of the Companies Act, 2013.
		Ratification of 'Aether Industries Limited Employee Stock Option Scheme 2021'
		Modification of 'Aether Industries Limited Employee Stock Option Scheme 2021'

No Resolution was passed through Postal Ballot.

11. Means of Communication

Quarterly results are published in 'Financial Express', an English newspaper having nationwide circulation and in 'Gujarat Mitra', a vernacular language newspaper within the prescribed time period. Also, the same is displayed on the website of the Company as well. Investor Presentations are also submitted to Stock Exchanges and displayed on the website, upon declaring the quarterly results. Statutory communications to Board Members / Shareholders were made through e-mail and/or physical hand-delivery.

12. General Shareholder information

General Information and address of correspondence
Aether Industries Limited
Corporate Identification Number: L24100GJ2013PLC073434
Reg. Office: Plot No. 8203, GIDC Sachin, Surat-394230, GJ.

Phone: 0261-6603000 / 3360
Fax: 0261-6603329
E-mail: compliance@aether.co.in

Hojiwala Site
Plot Nos. B-21/5 and B-21/7, Hojiwala Industrial Estate, Surat-394230, GJ. (R&D Units and Pilot-Plants)
Plot Nos. C-24/9, C-24/10 and C-24/23, Hojiwala Industrial Estate, Surat-394230, GJ. (Warehouses and Misc. Works)
Sachin GIDC Site
Plot Nos. 8202/1 and 8203, GIDC Sachin, Surat-394230, GJ. (Manufacturing Units)
Plot Nos. 8202/2/A, GIDC Sachin, Surat-394230, GJ. (Manufacturing Unit - under construction)
Plot Nos. 452-456, 822, 6714, 8206/A and 8208/1 & 2-P, GIDC Sachin, Surat-394230, GJ. (Warehouses)
Panoli GIDC Site
Plot Nos. 14 + 15, GIDC Panoli, Bharuch-394115, GJ. (Activities are yet to commence)

Annual General Meeting
Date: Friday, June 16, 2023
Time: 16:00 Hrs.
Mode: Video Conference ("VC") / Other Audio Visual Means ("OAVM")

Financial Calendar
The Company follows the financial calendar from April 1 to March 31.

Name and Address of the Stock-Exchanges where the securities are listed
Company is listed on two Stock Exchanges of India and the listing fee payable are duly paid.

BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001, MH.
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051, MH.

Stock code
BSE Scrip Code: 543534
NSE Scrip Symbol: AETHER
ISIN of the Security: INE0BWX01014

Registrar & Share Transfer Agent
M/s. LinkIntime India Private Limited
C-101, 247 Park, LBS Marg,
Vikhroli (W), Mumbai-400083, MH.
Phone: 022-49186000
Fax: 022-49186060
Email: demat@linkintime.co.in / rnt.helpdesk@linkintime.co.in

Share Transfer System
According to the SEBI Listing Regulations, 2015, no shares can be transferred unless they are held in dematerialized mode. All the shares of the Company are in dematerialised form only and no shares are held in physical form.

Distribution of shareholding

Shareholding of Nominal Value of

	Shareholders		Shareholders (Value)	
Shares	No. of shareholders	% of shareholders	₹	% of shareholding
1,000 and below	53617	99.48%	₹ 1,10,98,640	00.89%
1,001 - 10,000	204	00.38%	₹ 79,98,010	00.64%
10,001 - 1,00,000	36	00.07%	₹ 51,76,460.00	00.42%
1,00,001 - 10,00,000	25	00.05%	₹ 1,08,06,340	00.87%
Above 10,00,00,000	10	00.02%	₹ 1,21,00,27,760	97.18%

Dematerialisation of Shares and Liquidity
The company's entire shareholding is held in demat mode and fully liquid for transferability.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities
As on March 31, 2023, your company has not faced any foreign exchange loss and the risk management is done through various internal measures.

Market price data - high, low and number of shares traded during each month in the last financial year 2022-23

In ₹ MM	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
Month	High Price ₹	Low Price ₹	High Price ₹	Low Price ₹
June '22	834.80	699.85	833.80	701.00
July '22	1,006.60	763.80	1,006.85	762.00
August '22	874.70	790.20	874.70	802.10
September '22	1050.00	849.20	1,048.90	859.50
October '22	1,030.15	891.05	1,030.00	901.55
November '22	1,005.00	862.25	995.00	860.00
December '22	929.00	811.10	853.90	810.00
January '23	969.90	831.30	971.00	838.05
February '23	912.05	850.00	913.75	843.50
March '23	948.65	845.90	949.00	840.00

The market share price data of the Company in comparison to broad-based indices like BSE Sensex and Nifty50 are given below

In ₹ MM	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
Month	Closing Price ₹	SENSEX ₹	Closing Price ₹	Nifty50 ₹
June 30, 2022	780.15	53,018.94	780.45	15,780.25
July 29, 2022	848.00	57,570.25	847.55	17,158.25
August 30, 2022	863.75	59,537.07	863.90	17,759.30
September 30, 2202	913.35	57,426.92	913.00	17,094.35
October 31, 2022	964.10	60,746.59	966.25	18,012.20
November 30, 2022	902.50	63,099.65	902.05	18,758.35
December 30, 2022	838.40	60,840.74	839.15	18,105.30
January 31, 2023	890.30	59,549.90	890.55	17,662.15
February 28, 2023	875.15	58,962.12	874.70	17,303.95
March 31, 2023	937.65	58,991.52	936.55	17,359.75

Credit Rating
During the year under review, the Company obtained credit rating from M/s. CRISIL Ratings Limited, as below:

Long Term Rating	CRISIL A Stable (reaffirmed)
Short Term Rating	CRISIL A1

13. Other information

Related Party Transactions
None of the materially significant related party transactions were in conflict of interest with the Company.

Declaration of compliance by the Company
The Company has complied with the requirements of the Ministry of Corporate Affairs, Stock Exchanges, SEBI and other statutory authorities. No penalty or strictures were imposed on the Company by these authorities.

Establishment of Vigil Mechanism, Whistle Blower Policy
The Company has established a Vigil Mechanism cum Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy has a systematic mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Policy. None of the Directors nor any employees were denied access to the Chairman of the Audit Committee.

Once again in this year as well, no such instances have been reported under unethical and prohibited context. Vigil Mechanism Policy is placed on the website of the Company, accessible at: https://aether.co.in/wp-content/uploads/2022/08/Whistle-Blower-Policy-Vigil-Mechanism.pdf

Details of compliance with mandatory requirements and adoption of the non-mandatory Requirements
The Company is in-line with the mandatory requirements to the extent applicable for the year under review.

Web-links
Your Company has incorporated a Wholly Owned Subsidiary in the name of 'Aether Speciality Chemicals Limited', incorporated during the year under review and the 'Policy on Related Party Transactions and Material Subsidiary' was duly framed and approved by the Board. Web-link for Policy is accessible at: https://aether.co.in/wp-content/uploads/2022/08/RPT-Policy.pdf

Certificate from Practicing Company Secretary pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI Listing Regulations, 2015
The Company has obtained a certificate from M/s. Dhirren R. Dave & Company, Practicing Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority.

Fees to the Auditor
The same is mentioned in the Notes to the Accounts. During the year under review, ₹ 0.75 MM was paid to Statutory Auditors. Aether Speciality Chemicals Limited, a Wholly Owned Subsidiary has paid ₹ 0.02 MM to Statutory Auditors.

Utilization of funds
Company has utilized ₹ 5,935 MM during the review period from the proceeds of the IPO and no unutilised amount is pending.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.
Members to note that there were no such instances reported in the Company during the period under review. All the male and female workforce in the Company works with due respect to each other.
No Loans and advances are made to Firms / Companies by the Company or its Subsidiary in which Directors are interested.
The Dividend Distribution Policy is accessible at: https://aether.co.in/wp-content/uploads/2022/08/Dividend-Distribution-Policy.pdf
Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations, 2015 in best possible manner.

The Company has followed the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with relevant rules thereunder for the preparation of Financial Statements. The Significant Accounting Policies which are consistently applied have been set out in the notes to the financial statements.
In terms of the provisions of Regulation 17(8) of the SEBI Listing Regulations, 2015, Mr. Ashwin Jayantilal Desai, Managing Director and Mr. Faiz Arif Nagariya, Chief Financial Officer have issued a certificate, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs The said certificate is enclosed as Annexure to this report and forms part of this Report.
Certificate from M/s. Dhirren R. Dave & Company, Company Secretary in practice, regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of the Regulations, forms a part of this Report.
In accordance with Schedule V of the Regulations with the stock exchanges, all the Directors and Senior Management Personnel have, respectively, affirmed compliance with the Code of Conduct as approved and adopted by the Board.

For and behalf of Board of Directors

Ashwin Desai - Managing Director DIN: 00038386

Rohan Desai - Whole Time Director DIN: 00038379

Place: Surat | Date: May 6, 2023

Certificate of Company Secretary on Corporate Governance

To,
The Members of
Aether Industries Limited
Plot No. 8203,
GIDC Sachin, Surat-394230

CIN: **L24100GJ2013PLC073434**

We, have examined the compliance of conditions of Corporate Governance by M/s. Aether Industries Limited (the Company) for the year ended March 31, 2023, as per Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examinations were 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 mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievances Committee.

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 Dhiren R. Dave & Co.

Company Secretaries | PR No.: 2144/2022 | UIN: P1996GJ002900

Pinal Kandarp Shukla - Partner

Membership No.: 28554 | CP No.: 10265 | UDIN: A028554E000266231

Place: Surat | Date: May 6, 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 of
Aether Industries Limited
Plot No. 8203,
GIDC Sachin, Surat-394230

CIN: **L24100GJ2013PLC073434**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Aether Industries Limited, having CIN: L24100GJ2013PLC073434 and having its registered office at Plot No. 8203, GIDC Sachin, Surat-394230, Gujarat (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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Name of Director / DIN	Date of Appointment	Name of Director / DIN	Date of Appointment
Ashwin Jayantilal Desai (00038386)	23.01.2013	Jeevan Lal Nagori (00017939)	01.03.2018*
Purnima Ashwin Desai (00038399)	23.01.2013	Arun Brijmohan Kanodiya (0344900)	01.03.2018*
Rohan Ashwin Desai (00038379)	23.01.2013	Leja Satish Hattiangadi (00198720)	01.10.2021
Aman Ashwinbhai Desai (00043633)	25.08.2014	Jitendra Popatlal Vakharia (00191088)	17.11.2021
Kamalvijay Ramchandra Tulsian (00190840)	22.05.2018	Amol Arvindrao Kulkarni (09311097)	17.11.2021
Ishita Surendra Manjrekar (06731016)	20.06.2018	Rajkumar Mangilal Borana (01091166)	17.11.2021

* Re-appointed for second term w.e.f. 01.03.2023

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

For Dhiren R. Dave & Co.

Company Secretaries | PR No.: 2144/2022 | UIN: P1996GJ002900

Pinal Kandarp Shukla - Partner

Membership No.: 28554 | CP No.: 10265 | UDIN: A028554E000266242

Place: Surat | Date: May 6, 2023

Certificate of Managing Director and CFO

(Pursuant to Regulation 17(8) and Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Aether Industries Limited
Plot No. 8203,
GIDC Sachin, Surat-394230

CIN: **L24100GJ2013PLC073434**

We hereby certify to the best of our knowledge and belief that:

A. We have reviewed the financial statements including the cash flow statement (standalone and consolidated) for the financial year ended March 31, 2023 and that these statements:
   - do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
   - 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 no transactions entered into by the Company during the year, which are fraudulent, illegal or violate the Company's Code of Business Conduct.

C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.

D. We further certify that there have been no significant changes in internal control during the aforesaid period, the Company has complied with new accounting standard, Ind-AS, there have been no instance of significant fraud of which, we have become aware and the involvement therein, if any, of management or an employee having a significant role in the Company's internal control system over financial reporting.

For and behalf of Board of Directors

Ashwin Desai - Managing Director DIN: 00038386

Faiz Nagariya - Chief Financial Officer PAN: ADBPN8514G

Place: Surat | Date: May 6, 2023

Business Responsibility & Sustainability Report

Section A: General Disclosures

1. DETAILS OF THE LISTED ENTITY

1.	Corporate Identity Number (CIN) of the Listed Entity	L24100GJ2013PLC073434
2.	Name of the Listed Entity	Aether Industries Limited
3.	Year of incorporation	2013
4.	Registered office address	Aether Industries Limited, Plot No. 8203, GIDC Sachin, Surat-394230, GJ.
5.	Corporate address	Aether Industries Limited, Plot No. 8203, GIDC Sachin, Surat-394230, GJ.
6.	E-mail	compliance@aether.co.in
7.	Telephone	+91-261-6603360
8.	Website	www.aether.co.in
9.	Financial year for which reporting is being done	FY 2022-23
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India (NSE) BSE Limited (BSE)
11.	Paid-up Capital	₹ 1,245.11 MM
12.	Name and contact details (telephone, email address) of the person who Maybe contacted in case of any queries on the BRSR report Name Phone Email	 Chitrarth Rajan Parghi +91-261-6603360 compliance@aether.co.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Consolidated basis (As the Subsidiary of the Company has not started operations, so the details of the Parent Company i.e. Aether Industries Limited are only disclosed)
14.	Turnover in (INR Crores):	667.64 Crores

2. PRODUCTS/SERVICES

15. Details of business activities (accounting for 90% of the turnover):

Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
Manufacturing of chemicals (NIC: 2011)	The primary focus of the company is the production of advanced intermediates and specialty chemicals that require specialized chemistry and cutting-edge technology.	100%

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

Product/Service	NIC Code	% of total Turnover contributed
4-(2-Methoxyethyl) Phenol Thiophene-2-Ethanol Bifenthrin Alcohol, etc.	2011	100%

3. OPERATIONS

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

Location	Number of Plants	Number of Offices	Total
National	2*	0	2
International	None (Not Applicable)	None (Not Applicable)	None (Not Applicable)

* Offices and Plants are in same premises.

18. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	14
International (No. of Countries)	21

b. What is the contribution of exports as a percentage of total turnover of the entity? 69% (exports include deemed exports and SEZ sales within India)

c. A brief on types of customers

The products we offer are used in various segments of the chemical industry, including pharmaceuticals, agrochemicals, material science, coatings, high-performance photography, additives, oil and gas and many more.

4. EMPLOYEES

19. Details as at the end of Financial Year (FY2023):

a. Employees and workers (including differently abled):

Particulars		Male		Female	
EMPLOYEES	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Permanent (D)	546	518	94.87%	28	5.12%
Other than Permanent (E)			Nil		
Total employees (D + E)	546	518	94.87%	28	5.12%
Particulars		**Male**		**Female**	
WORKERS	**Total (A)**	**No. (B)**	**% (B/A)**	**No. (C)**	**% (C/A)**
Permanent (F)	343	343	100%	0	0
Other than Permanent (G)	266	263	98.87%	3	1.13%
Workers (F + G)	609	606	99.51%	3	0.49%

b. Differently abled employees and workers:

Particulars		Male		Female	
DIFFERENTLY ABLED EMPLOYEES	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Permanent (D)(till Dec FY2022)	1	1	100%	0	0
Other than Permanent (E)	1	1	100%	0	0
Total employees (D + E)	2	2	100%	0	0

Particulars		Male		Female	
DIFFERENTLY ABLED EMPLOYEES	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Permanent (F)(till Dec FY2022)	2	2	100%	0	0
Other than Permanent (G)			Nil		
Total Workers (F + G)	2	2	100%	0	0

20. Participation/Inclusion/Representation of women

Particulars		No. and percentage of Females	
	Total (A)	No. (B)	% (B/A)
Board of Directors	12	3	25%
Key Management Personnel*	6	1	17%

*Key Management Personnel, as specified in Section 203(1) of the Companies Act 2013, includes the Managing Director, Whole-time Directors, Chief Financial Officer, and Company Secretary.

21. Turnover rate for permanent employees and workers

	FY2023		
	Male	Female	Total
Permanent Employees	100%	0.00%	1.8%
Permanent Workers	100%	0.00%	

5. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. Names of holding/subsidiary/associate companies/joint ventures

Name of the holding/ subsidiary/associate companies/joint ventures (A)	Indicate whether holding/subsidiary / associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
Aether Speciality Chemicals Limited	Subsidiary	100%	Yes

6. CSR DETAILS

a. Whether CSR is applicable as per section 135 of the Companies Act, 2013: Yes

b. Turnover (in ₹): 664.64 Cr. for the FY 2022-23

c. Net worth (in ₹): 1,244.61 Cr. for the FY 2022-23

7. TRANSPARENCY AND DISCLOSURE COMPLIANCES

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

		FY2023		
Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	None
Investors (other than shareholders)	Yes	0	0	None
Shareholders	Yes	32	0	None
Employees	Yes	0	0	None
Customers	Yes	0	0	None
Value Chain Partners	Yes	0	0	None
Other (please specify)	None	None	None	None

Note : Aether has an internal mechanism available for grievance redressal for all of its stakeholders.

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

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

Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Promoting Health and Well-being	Opportunity	Revamping the existing products to meet the evolving customer needs in terms of wider coverage at competitive pricing while promoting the importance of environment care which improves the impact through behavioural changes. This is substantiated by market research for improving demand related products.	Aether will endeavour to provide innovative products and solutions for addressing the opportunities in chemical market us for promoting the well-being of customers/ employees and workers	Positive

Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Innovation and Digitisation	Opportunity	Innovation and digital transformation creates value for both the organisation as well as for the customers and other stakeholders in offering services by improving the operational efficiency while responding to evolving consumer needs and grievances.	Aether looks forward to continuously increase digital presence with innovative by exploring opportunities in unexplored markets segments	Positive
Diversity and Inclusion	Opportunity	Diversity is about the representation of workforce in the entity. Inclusion is about contributions, presence and perspectives of different groups of people are valued and integrated into the internal environment. This issue refers to the diversity and inclusion practices of Aether and its value chain partners.	Our DEI strategy, is built around three pillars: employees; customers; and brand and reputation. We aim to embed the values of diversity across our business by providing equal opportunity and promoting an inclusive workforce.	Positive
Human Capital Development	Opportunity	Human Capital Development intends to develop agile and productive workforce leading to overall business objectives promoting growth.	For Aether, learning and development is a key differentiator for adapting to evolving external context promoting learning throughout the employee lifecycle for enabling the workforce to up-skill themselves and develop their core competencies.	Positive
Economic Performance	Opportunity	Economic performance refers to the contribution of Aether's business to the local, regional, national and global economy and creating wealth for the stakeholders viz., community, employees, investors.	Aether believes that strong economic performance ensures continuous and positive returns to our shareholders while generating value for all other stakeholders and making a positive impact on nation-building.	Positive

Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Responsible Investment	Opportunity	Responsible investment is an approach to explicitly acknowledge the relevance of environmental, social and governance factors, in investment practices for responsible wealth generation and healthy portfolio in the long run countering the new challenges posed by climate change and regulatory requirements.	Aether's ESG policy and strategies aims to improve the shareof high ESG compliant companies in the portfolio for mitigating ESG risks such as climate change, human rights related risks etc.	Positive
ESG Products and Services	Opportunity	ESG-themed products are for the decarbonised economy and promote the products which benefits the society indirectly as well directly	Aether endeavours to stay compliant with the products (ESG/responsible products) for promoting sustainable development for communities.	Positive
Climate Change Mitigation	Risk	Climate change related risks require the use and regular review of comprehensive framework to ensure it is properly addressed and applied. Adopting practices to mitigate, leading to increased risk capital requirements for responding to the financial losses incurred in case of such events.	Climate change risks and adaptation to the resulting impacts have been integral to our risk management process for many years and our approach continues to grow with time. We will continue to align our underwriting and investment policies to adapt to the changing climate risk scenario and promote sustainable products.	Negative
Community Development	Risk	Supporting community development programmes shall uphold the Company's brand image while promoting better quality of life for the beneficiaries.	Aether's community development programmes creating a better value proposition for the stakeholders.	Positive
Customer Relationship Management	Risk	Customer Relationship is core for business for innovating products as per consumer and market needs while resolving grievances with low turnaround time, maintaining trust, continuity and relationship.	Aether's customer relations, product mis- selling and grievance handling mechanisms leading to customer attrition/ dissatisfaction.	Negative

Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Talent Attraction and Retention	Risk	An organisational environment to attract and retain talent through improved mental physical well-being, equal opportunities, skill enhancement and employee benefits providing competitive edge.	Our diverse mechanisms to acquire and manage human talent across our business operations based on the requirements of the organisation with high retention rates.	Negative
Data Privacy and Security	Risk	Data Privacy and Security is the process of implementing measures and systems designed to securely protect and safeguard information and also implies that businesses should use private data only for the intended purposes.	Aether's practices will continue to prevent cyber-attacks or failure of systems leading to loss of customer data and maintaining trust in our processes are high priorities.	Negative
Fair Workplace	Risk	An inclusive workplace which promotes equal pay for equal work, protection from all kinds of discriminations and abiding by human rights practices.	Aether ensures strict adherence to policies and regulations to ensure equal pay for equal work, mitigating and preventing adverse human rights impacts linked to our business activities and operations including our supply chain.	Negative
Operational Eco-Efficiency	Risk	Reducing environmental footprint of the Company in terms of carbon and waste intensity is essential for lowering the environmental footprint of business and ultimately reach Net-Zero levels in line with India's commitments reducing the consequences on society.	Aether 's business will focus on transitioning the operations to low environmental footprint in terms of carbon and waste intensity.	Negative
Risk Management	Risk	Enterprise Risk Management is a process of identifying and managing potential risks including ESG risks within its risk appetite for providing reasonable assurance regarding the achievement of entity objectives.	Our enterprise-wide approach to risk management, approved by our Board of Directors helps us to identify potential material risks in a structured, systematic manner and actions to mitigate them.	Negative

Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Business Ethics	Risk	Business ethics are necessary to ensure ethical business practices abiding by local and sectoral regulations while managing the interests of all the stakeholders aligning with global best practices based on human, cultural, economic, political and social rights and conducting business on accountable and transparent lines.	Our corporate policies and codes form a key component of the governance framework guiding our employees and other stakeholders across the value chain to uphold our commitment to ethics, transparency, and sustainability.	Negative

Section B: Management and Process Disclosures

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

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your Company's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
c. Web-Link of the Policies, if available***	Statutory Policies: https://aether.co.in/investor-relations/#corporate-governance								
2. Whether the Company has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	The above-mentioned policies are integrated to all value chain partners.								
4. Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fair-trade, Rainforest Alliance, and Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your Company and mapped to each principle.	The Company has adopted various international frameworks such as: 1. ISO 27001:2013 Information Security Management System 2. ISO 45001:2018 3. ISO 9001:2015 4. GMP 5. EcoVadis 6. Un Global Compact Membership 7. GRI Reporting Framework for ESG Disclosure 8. Membership of Indian Chemical Council								
5. Specific commitments, goals and targets set by the Company with defined timelines, if any.	The Company has taken internal targets for various functions and monitors the progress periodically. The target spans around diversity and inclusion, embedding ESG into core business segments, community development, operational -efficiency.								
6. Performance of the Company against the specific commitments, goals and targets along with reasons in case the same are not met.	As a company, we recognize the importance of environmental, social, and governance (ESG) factors in building a sustainable and responsible business. We understand that our actions can have a significant impact on the world around us, and we are committed to making a positive difference. To begin our ESG journey, we started by defining our core values and how they align with ESG principles. We then conducted a materiality assessment to identify the ESG issues that are most relevant and material to our company and stakeholders. Based on this assessment, we are developing a sustainability strategy that outlines our goals, targets, and actions related to ESG. We involved all relevant stakeholders in this process to ensure that our strategy reflects the needs and expectations of our employees, customers, investors, and communities.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	At our organization, we are committed to being planet positive in all of our operations and initiatives. We recognize that the health of the planet is intricately linked to the well-being of people and communities, and we strive to take actions that prioritize the sustainability of our planet and its resources. To this end, we have implemented a number of initiatives to reduce our environmental impact, such as using renewable energy sources, reducing waste and carbon emissions, and promoting sustainable practices in our supply chain. We also believe in the power of education and awareness to drive positive change, and we work to promote environmental education and advocacy in our communities. We understand that the challenges facing our planet are complex and multifaceted, but we believe that by working together and taking proactive steps to protect the environment, we can create a brighter, more sustainable future for all.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Dr. Aman Ashvin Desai (Whole-time Director) 0261-6603360 compliance@aether.co.in								
9. Does the Company have a specified Committee of the Board/Director responsible for decision-making on Sustainability-related issues? (Yes/No). If yes, provide details.	Aether has long viewed corporate social responsibility (CSR) as a commitment to making meaningful contributions to the community. The company has consistently aimed to provide added value to stakeholders by going beyond business goals and ensuring that CSR initiatives deliver tangible benefits over the long term. The Board committee serves as the governing body that defines the scope of CSR activities and ensures that the company's CSR & ESG Policy is adhered to.								

***The following policies are available on the Company website www.aether.co.in

- Archival Policy
- Board Evaluation Policy
- CSR Policy
- Determination of Materiality of Event Policy
- Dividend Distribution Policy
- Familiarisation Program for Independent Directors
- Materiality Policy
- Policy on appointment of Directors, KMPs and Employee
- Policy on succession of the Board
- Risk Assessment and Management Policy
- Related Party Transaction and Material Subsidiary Policy
- Terms of Appointment of Independent Directors
- Whistle Blower Policy (Vigil Mechanism)
- Code of Conduct for the Company
- Code of Conduct of Board and SMP
- Code of fair practices under the SEBI (PIT) Regulations 2015

And following are available on Intranet.

- Employee Code of Conduct
- Grievance Policy
- Policy on sexual harassment
- Recruitment Policy
- Policy on Ethics and anti-bribery
- Policy on IT Security
- Policy on Asset Allocation to employee
- Policy on Separation
- Policy on QEHS
- Infrastructure Policy
- Policy for Access Card
- Policy on Physical Media & Disposal of sensitive data
- Policy on Workstation
- Cryptographic Policy
- LAN Policy
- Training Policy

10. Most of the policies being Details of review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by the Director/Committee of the Board/Any other Committee									Frequency (Annually/Half-yearly/Quarterly/Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow-up action	All the applicable polices are reviewed critically by the Management of the Company. Furthermore, timely reviews and audits are conducted to align the policies to the changing business dynamics and regulatory requirements, if any.																	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliance	Aether ensures compliance with all the statutory requirements in a timely manner. This compliance reviewed are done on annual basis to understand new requirements and be compliant to them.																	

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

P1	P2	P3	P4	P5	P6	P7	P8	P9
No. However, audits and reviews are periodically conducted internally on all policies and procedures by the Company. Policies are reviewed and revised on a regular basis by different business heads and are then authorized by management or the Board from both - best practices and risk viewpoint. The Board, the Board Committee, and Senior Management of the Company have all approved policies wherever they are mentioned.								

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

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

Internal documents/policies are available to the employees through the Company's intranet

Section C: Principle-wise Performance Disclosures

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	No : 2 Board Strategy Meeting: During the strategy retreat organised by the Company for its Board, the senior leadership deliberated on important topics such as Corporate Business Strategy including Impact of Regulatory Reforms. The Strategy meet allows the Board members to bring their expertise to the subjects/ topics presented and also provide an opportunity to familiarise themselves on the detailed aspects of execution and challenges relating to the topics presented. Periodic meetings were undertaken at the Board level to familiarise the top leadership on matters relating to the industry, business models, risk mitigation and management, governing regulations, ESG, CSR, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company, etc.	The Board of Directors were periodically familiarised on an array of issues pertaining to industry, business, regulations, economy, ESG, their roles, rights and responsibilities etc. through various awareness sessions. In addition, as a part of quarterly Board and Committee Meetings, all the Board Members were also apprised. on developments in the Company, key regulatory changes on the governance front i.e. Guidelines/Regulations/ Circulars by, SEBI and MCA etc. The Key Managerial Personnel of the Company are also part of the Board and Committee Meetings wherein the above referred presentations are made. The details of the Familiarisation programmes for Independent Directors for FY2023 are also hosted on the Company's Website.	100%
Key Managerial Personnel Employees other than BoD and KMPs	No : 19 Key managerial staff were trained on the Business Responsibility and Sustainability Reporting (BRSR) framework is an important step towards building a culture of sustainability within a company.	9 NGRBC principles & the BRSR Framework	100%
Workers	All : Health and safety training should not be a one-time event. Company provided ongoing training to workers to ensure that they are up-to-date on the latest health and safety procedures and protocols.		100%

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

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty / Fine	-	None	NIL	-	NA
Settlement	-	None	NIL	-	NA
Compounding Fee	-	None	NIL	-	NA

Non-Monetary

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

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

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
None – There have been no cases accorded to the Entity or Directors/KMPs.	

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

Yes, the company has an anti-corruption/anti-bribery policy in place. This policy strictly prohibits the company, its employees, and intermediaries from engaging in bribery, making prohibited payments, or accepting bribes from government officials or other individuals to gain a business advantage or retain business. As the company engages in collaborations and relationships with third parties, it acknowledges that it could potentially be held liable under local anti-corruption laws. While the company's code of conduct mandates compliance with all relevant laws, it continually improves its policies and procedures to ensure compliance with anti-corruption regulations.

The Whistle Blower Policy validates the conditions outlined in the Companies Act of 2013 and the rules adopted thereunder.

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

Case Details	2023	2022
Directors	None	None
KMPs	None	None
Employees	None	None
Workers	None	None

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

Case Details	2023	2022
Directors	None	None
KMPs	None	None
Employees	None	None
Workers	None	None

	2023		2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	None	-	None	-

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

Not Applicable. During the reporting period, there have been zero instances of conflicts of interest involving the Directors and KMPs.

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
2	Sustainable procurement and Planet positive awareness	5%

Channel partners play a vital role in Aether's operations. The Company takes continued efforts to raise value chain partners' (including customers) awareness on topics like Sustainable procurement and being Planet positive. The Company carefully considers value chain related chain risks and protects interests, both of which are essential for successfully conducting business. In order to evaluate their interests and communicate Aether's long-term objectives, the Company has worked closely with its value chain partners through different channels.

Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same

Yes. The Company has a robust code of conduct policy in place. All the Board members and senior officials of the Company endeavour to abide by the code of conduct to avoid situations wherein their personal interest may create a conflict with the Company's interest. All members of the Board of directors are expected to conduct themselves in a professional, ethical, and honest manner at all times. Additionally, the Code lays out the rules that must be followed by all staff members and Board members in order to prevent and manage conflicts of interest. Every employee must adhere to the policy and refrain from any actions that could result in a real or perceived conflict of interest, as outlined in the Company's "Framework for Managing Conflict of Interest." Aether has an investigation team who have received formal training on evaluation of any violations to the code of conduct. The team has the responsibility of reporting those violations to the Fraud Control Unit Portal.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

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

	2023	2022	Details of improvements in environmental and social impacts
R&D *	-	-	Non-quantifiable
Capex	0.10	0.01	Renewal Energy led to lesser consumption of the conventional energy sources

the quantum of R&D Expenditure in specific technologies to improve the environment and social impacts to total R&D is not quantifiable. Though, the R&D Expenditure is meant for the R&D side of the Company, it does not contribute to environmental and social criteria to material level.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) Yes
   b. If yes, what percentage of inputs were sourced sustainably? Approximately 15%

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging), (b) E-waste, (c) Hazardous waste, and (d) other waste.As a company operating in the chemical sector, we recognize the importance of reducing waste and minimizing our environmental impact. That is why we have implemented a robust waste recycling program that focuses on reducing the amount of waste we generate and finding innovative ways to reuse or recycle it. Our waste recycling program involves a range of initiatives, including:

- Waste Reduction: We have implemented measures to reduce the amount of waste generated by our operations. This includes using more efficient production methods, reducing the amount of raw materials we use, and optimizing our supply chain to minimize waste.
- Waste Segregation: We segregate the waste generated by our operations to ensure that recyclable materials are separated from non-recyclable materials. This helps us to maximize the amount of waste that can be reused or recycled.
- Recycling Partnerships: We work with local recycling facilities and partners to ensure that our waste is recycled or reused in the most effective way possible. This includes collaborating with companies that specialize in recycling specific materials, such as plastic, metal, or paper. We have our own set-up of Solvent Recovery Plant ('SRP').
- Education and Training: We provide education and training to our employees on waste reduction and recycling best practices. This helps to ensure that everyone in our organization is aware of the importance of recycling and understands the role they play in reducing our environmental impact.
- Innovation: We invest in research and development to find new and innovative ways to reuse or recycle waste materials. This includes exploring new technologies and processes that can convert waste into new products or materials.

Our waste recycling program has not only helped us to reduce our environmental impact but has also created new business opportunities and cost savings. By implementing a circular economy approach, we are able to reduce waste, conserve resources, and create value for our customers and stakeholders.

Overall, we believe that our waste recycling program is an essential part of our commitment to sustainability and responsible business practices. We remain dedicated to finding new and innovative ways to reduce our environmental impact and create a more sustainable future for all.

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

The chemical industry has its own set of initiatives and programs focused on sustainable manufacturing practices, responsible waste management, and product stewardship. These industry-specific efforts aim to minimize environmental impacts and ensure the safe handling and disposal of chemicals throughout their lifecycle, often in collaboration with regulatory authorities and other stakeholders.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link

No, moving forward, we have made the decision to conduct Life Cycle Assessments (LCA) for all of our products. This means that we will be analyzing the environmental impact of our products from their initial creation all the way through their use and eventual disposal.

By conducting LCAs, we hope to gain a deeper understanding of the environmental impact of our products and identify areas where we can make improvements to reduce our carbon footprint and promote sustainability. This information will also allow us to make more informed decisions about our production processes and materials sourcing.

We are committed to being responsible stewards of the environment and believe that conducting LCAs for our products is a critical step in achieving this goal. We recognize that our actions have a direct impact on the health of the planet, and we are committed to taking proactive steps to reduce our environmental footprint and promote sustainability.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.

Name of Product/Service	Description of the Risk/Concern	Action
	Not Applicable	

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material
Recoveries	5.45%

Note: Recycled materials have become an increasingly important topic in today's society. People are becoming more conscious of their environmental impact and are seeking ways to reduce their carbon footprint. Recycled materials are a great way to do this, as they allow us to use resources that have already been extracted and processed, reducing the amount of new resources we need to extract from the earth.

One of the challenges of using recycled materials is that it can be difficult to quantify the input required to produce a certain amount of recycled material. For example, it may be easy to measure the amount of energy required to extract and process a certain amount of raw material, but it can be much harder to measure the amount of energy required to collect, sort, and process recycled materials. This can make it difficult to compare the environmental impact of using recycled materials versus using new materials.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled and safely disposed, as per the following format:

Type of products and packaging	FY2023		
	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	47.8		
E-waste		Nil	
Hazardous Waste			1246.34
Other Waste			1501.36

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category

Indicate product category	Safely Disposed
-	-

Note : We use of reclaimed products and packaging materials to reduce their environmental impact. However, it can be challenging to quantify the percentage of products sold in a particular category that contain reclaimed materials and packaging.

One reason for this is that we do not have a consistent or standardized methods for tracking the use of reclaimed materials in their products. Additionally, the availability and cost of reclaimed materials can vary depending on factors such as location and industry.
By using materials that would otherwise be discarded, companies can reduce the amount of waste sent to landfills and conserve natural resources. Additionally, as our consumers are becoming increasingly aware of the environmental impact of their purchasing decisions and we have seen likeness to choose products made with reclaimed materials.

To promote the use of reclaimed materials and packaging, companies can work to develop standardized methods for tracking their use and sharing this information with consumers. This can help to increase transparency and encourage other companies to follow suit. Additionally, governments can offer incentives or regulations to encourage the use of reclaimed materials in certain industries or products.

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

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

% of employees covered: Permanent employees

Category		Health Insurance		Accident Insurance		Maternity benefits		Day-care facilities		Paternity benefits	
	Total (A)	No. (B)	% (B/ A)	No. (C)	% (C/ A)	No. (D)	% (D/ A)	No. (E)	% (E/ A)	No. (F)	% (F/ A)
Male	518	518	100%	518	100%	NA	NA	518	94.87%	Applicable for eligible male and female employees. Aether has tie-ups with day-care facilities, hospitals across the locations	
Female	28	28	100%	28	100%	28	100	NA	NA		
Total	546	546	100%	546	100%	28	100%	518	94.87%		

% of employees covered: Other than permanent employees

Category		Health Insurance		Accident Insurance		Maternity benefits		Day-care facilities		Paternity benefits	
	Total (A)	No. (B)	% (B/ A)	No. (C)	% (C/ A)	No. (D)	% (D/ A)	No. (E)	% (E/ A)	No. (F)	% (F/ A)
Male						NA					
Female											
Total	-	-	-	-	-	-	-	-	-	-	

b. Details of measures for the well-being of employees:

% of Workers covered by: Permanent workers

Category		Health Insurance		Accident Insurance		Maternity benefits		Day-care facilities		Paternity benefits	
	Total (A)	No. (B)	% (B/ A)	No. (C)	% (C/ A)	No. (D)	% (D/ A)	No. (E)	% (E/ A)	No. (F)	% (F/ A)
Male	343	343	100	NA	NA	NA	NA	NA	NA	Applicable for eligible male and female employees. Aether has tie-ups with day-care facilities, hospitals across the locations	
Female	0	0	0	NA	NA	NA	NA	NA	NA		
Total	343	343	100	NA	NA	NA	NA	NA	NA		

% of Other than Permanent Workers covered by : Other than permanent workers

Category	Total (A)	Health Insurance No. (B)	Health Insurance % (B/ A)	Accident Insurance No. (C)	Accident Insurance % (C/ A)	Maternity benefits No. (D)	Maternity benefits % (D/ A)	Day-care facilities No. (E)	Day-care facilities % (E/ A)	Paternity benefits No. (F)	Paternity benefits % (F/ A)
Male	118	118	100%	NA	NA	NA	NA	NA	NA	Applicable for eligible male and female employees. Aether has tie-ups with day-care facilities, hospitals across the locations	
Female	0	0	0	NA	NA	NA	NA	NA	NA		
Total	118	118	100%	NA	NA	NA	NA	NA	NA		

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

	FY2023		
Benefits	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y
Gratuity	100%	100%	Y
ESI	100%	100%	Y
Others – (Professional Tax)	100%	100%	Y

3. Accessibility of workplace

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

Aether offices are outfitted with accessibility for differently abled employees in accordance with the Rights of Persons with Disabilities Act, 2016.

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

The Company prides itself on being an equal opportunity employer that values diversity and agility in its workforce. We believe that by providing a safe and secure work environment, our employees can deliver their best work without any inhibitions. We are committed to creating a workplace where all employees feel valued, respected, and supported. Our policies reflect this commitment and are available on our employee portal for all to access. We strive to ensure that our policies are clear, transparent, and consistently applied to all employees.

In addition to our policies, we have implemented a range of measures to support our employees. This includes regular training and development programs, employee wellness initiatives, and a culture of open communication and collaboration. We believe that a diverse and agile workforce is essential to the success of our company. By embracing different perspectives, ideas, and approaches, we can drive innovation, creativity, and growth. We are committed to fostering a workplace culture that promotes diversity and agility and provides equal opportunities for all.

At The Company, we are dedicated to providing a safe and secure work environment for all our employees. We believe that this is essential to ensuring that our employees can deliver their best work and achieve their full potential. The policy is available on employee portal and company's intranet.

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

Gender	Permanent employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

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

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	Yes, the Company has implemented a comprehensive procedure to address the grievances of its employees. If an employee has a grievance, they can reach out to their immediate or skip manager as the first point of contact. If the issue remains unresolved, the respective business HR will be the next point of contact, responsible for investigating the matter and providing a resolution based on fair and transparent dealings. For POSH (Prevention of Sexual Harassment) related matters, the employee is expected to raise the issue with the local HR team or the dedicated email ID for the IC (Internal Complaints) Committee. If necessary, the matter can be escalated to the Chairperson of the IC Committee. The final level of escalation for POSH matters will be to the Head HR of the Organisation. Overall, the Company is committed to ensuring that its employees feel heard and supported in addressing their grievances. This grievance redressal procedure is a critical component of the Company's commitment to creating a positive and respectful workplace culture.

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

None. Aether recognizes the right to freedom of association and believes that all employees have the right to join or form associations encouraging collective bargaining agreements.

8. Details of training given to employees and workers:

Workers					FY2023
Category		On health and safety measures		On skill upgradation	
	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Male	343	343	100%	343	100%
Female	0	0	0	0	100%
Total	343	343	100%	343	100%

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

Employees			FY2023
Category	Total (A)	No. (B)	% (B/A)
Male	518	518	100%
Female	28	28	100%
Total	546	546	100%

Workers			FY2023
Category	Total (A)	No. (B)	% (B/A)
Male	343	343	100%
Female	0	0	0
Total	343	343	100%

Number of employees eligible for appraisal.

10. Health and safety management system:

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

Yes. The Company conducts periodic fire drills and other safety drills with strict adherence to statutory norms. The Company also conducts periodic third-party audits of the safety systems. The Company is making every effort to support the employees' continued physical health and mental well-being.

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

Employees are encouraged to report their grievances relating to work-related hazards to their HR Managers. The Company takes immediate actions to adopt/improve the safety-related measures. Further, employees receive internal communications and notifications on a regular basis for adopting precautionary measures in case of safety risks. Safety- related awareness sessions are also conducted. Employees across all offices receive recurring training in basic and advanced fire safety, including drills for escape.

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

There aren't any significant risks to occupational health and safety owing to the nature of the firm. However, the Company recognizes risk as a component of workplace safety connected to utilities, fire, construction, etc. These are periodically identified, and various corrective steps are undertaken. For any safety-related grievances, employees shall escalate to their H&S Managers.

d) Do the employees/worker of the entity have access to non-occupational medical and healthcare services?(Yes/No) Aether provides extensive benefits, resources, and crisis support to all employees and their families. This also covers assistance with medical costs:

- Employee assistance helpline;
- Mediclaim insurance (family floater cover and corporate buffer);
- Reimbursement of medical infrastructure support expenses arising from home quarantine in case ofCOVID-19 infection for employee, spouse, two children, and dependent parents;

11. Details of safety-related incidents

a) Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) None
b) Total recordable work-related injuries. None
c) No. of fatalities. None
d) High consequence work-related injury or ill-health(excluding fatalities) None

Currently, the Company has not registered any amount of lost time due to work-related incidents or accidents. However, the Company recognizes the importance of tracking and analyzing lost time as a key performance indicator (KPI) for identifying areas of improvement and reducing workplace incidents.

Therefore, the Company has decided to implement a system for calculating lost time moving forward. This system will allow the Company to track and monitor lost time incidents, identify trends, and take proactive measures to prevent future incidents from occurring.

By implementing this system, the Company is demonstrating its commitment to creating a safe and healthy work environment for all employees, and ensuring that appropriate measures are taken to mitigate risks and prevent incidents.

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

At our company, the health, safety, and well-being of our employees is a top priority. We continuously review and update our systems, policies, and processes to adapt to the changing work environment. We strictly adhere to all applicable laws and regulations, and take the utmost precautionary and preventive measures at all our operating locations. We offer a range of employee wellness initiatives to promote physical and mental health, including annual health check-ups, health risk assessments, and advisory services, medical insurance, personal accident and life covers, an employee assistance helpline, and access to doctors, emergency services, and ambulance services. To ensure that our programs meet the needs of our employees, we seek regular feedback on various aspects of their physical health and mental well-being, and use this feedback to identify gaps and devise new programs. We believe that these initiatives not only promote the health and well-being of our employees but also create a positive and supportive work environment that contributes to the overall success of our company. In summary, we are committed to providing our employees with the resources and support they need to stay healthy, safe, and productive, both on and off the job. We seek feedback from employees on a regular basis with respect to various aspects – physical health and mental well-being – to identify gaps and devise new programs. The following employee benefits are provided to employees:

- Health and accident insurance
- Mediclaim insurance (family floater cover and corporate buffer) with option of availing Top-up
- Parental leaves - Maternity, Paternity and Adoption
- Retirement benefits like PF, Gratuity, ESI

This is in addition to Earned (Privilege) Leave and Casual-cum-Sick Leave which all employees.

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

a) Working Conditions None
b) Health & Safety None

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety Practices	There were no formal assessments of our offices carried out during FY2023 by any
Working Conditions	statutory body.

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

Aether offers a secure work environment and complies with all applicable laws and rules. The Company takes immediate actions to mitigate the safety related risks identified from internal assessments or employee grievances.In FY2023, there were zero safety-related incidents and no grievances were received from the employees.

ESSENTIAL INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N), (B) Workers (Y/N).
Yes. Aether provides group-life and group personal accident insurance to all its employees along with provident fund and gratuity. In case of death of an employee, the Company extends the proceeds under each of these benefits to family/nominee.

2. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N), (B) Workers (Y/N).
The Company through its extended due-diligence undertakes appropriate steps to ensure that the value chain partners have properly withheld and deposited statutory dues.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:
d) Employees None
e) Workers None

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)
No, Aether does not currently offer such transition support services to its workforce. However, Aether constantly up-skills its employees through ongoing training and capability building programmes in addition to support for certification programmes. Further, awareness sessions are conducted periodically to apprise the employees on sector-leading best practices for enhancing the overall core competencies of the employees, The Company is confident that these efforts assist its employees in acquiring the required skills to remain employable in the sector.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	The Company requires all of its value chain partners to abide by the applicable laws and regulations, including those governing the working conditions and health and safety procedures.
Working Conditions	These requirements are expressly stated in the procurement contracts. Therefore, the Company has not made any detailed assessments regarding the working conditions and health and safety procedures used by value chain partners.

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No corrective action plan has been necessitated on the above-mentioned parameters.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

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

Aether's business operations are intertwined with the social and ecological surroundings that affect various stakeholder groups such as employees, customers, investors, and the community. To create value for all these stakeholder groups, the company strives to maintain their trust and continuously engages with them through various channels to promote sustainability initiatives and achieve economic and ecological sustainability goals. Aether conducts thorough stakeholder analysis research to rank risks according to their impact on business operations and influence on the company.

The company maintains strong relationships with investors who contribute to its capital and support its commitment to value creation. A customer-centric approach reflects the company's dedication to serving its customers, while sustained value creation for all stakeholders demonstrates its commitment to shareholders. In addition, Aether engages with industry experts, regulatory bodies, and academic institutions, among others, to stay informed of evolving market trends.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	• Town hall meetings • HR portal and intranet • Performance update • Workshops, learning and training interventions • Wellnessinitiatives • Internal publications, circulars, posters, videosand e-mails • Surveys • Live interactive sessions by the HR, Vertical Heads, Managers.	• Quarterly • On-Going • Regular • Regular • Regular • As & when required • Annually • Regular	• Purpose & Scope of Engagement • Assessment of effectiveness of learning and development • Job security • Fair remuneration practices; equal employment opportunities

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees				• Effective performance management and recognition • Career growth • Diverse, inclusive and enabling work culture • Work-life balance • Topics/concerns raised • Fair Workplace • Occupational Health, Safety and Well- Being • FairPay • TalentAttraction and Retention • Diversity and Inclusion
Investors	No	• Quarterly financial statements • Investor presentations • Annual report • Annual General Meeting • Investor/Analyst meet (to discuss Financial performance and ESG initiatives) • Press conferences and media releases • ESG report • Announcement through stock exchanges	• Quarterly • Need-basis • Annually • Annually • Frequent and • Need-basis • Need-basis • Annually • Need-basis	• Responsible Investment • Economic Performance • EnterpriseRisk Management • Disaster Resilience and Adaptation to Climate Change • Operational Eco-efficiency • Climate Change Mitigation
Customer	Yes, if they qualify based on specified criteria such as income, gender etc. Aether do not identify any marginalised segment as the customer base	• Engagement at all stages of product life cycle • Multi-channel engagement mechanism - phone, digital channel, trained customer relationship managers • Sales, service and claims processes on digital platform • Regular measurement of customer satisfaction	• Frequent and need-based	• Product pricing • ESG Products and Services • Health and Well-Being • Innovation and Digitisation • Data Privacy and Security • Customer Relationship Management • Transparency

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Channel partners and distributor / Vendors	No	• Meets, workshops, conferences and forums • One-to-one meetings • Telephonic and e-mail communication • Channel partner management portals • Periodic visits	• Frequent and need-based	• Product Pricing • Data Privacy and Security • Innovation and Digitisation
Communities	Yes	• Community projects • Employee volunteerism • Interaction through branch network	• Frequent and need-based	• Community Development • FinancialInclusion
Government and regulator	No	• Directives and circulars • Meetings/discussions • Pressreleases • Written communication • Presentations • Workshops • Submission of reports and returns • Workshop by regulators	• Frequent and need-based	• Human Rights • Public Policy Advocacy • Climate Change Mitigation • Board Composition and Processes • Compliance

ESSENTIAL INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   The Company engages with different stakeholder groups through various channels throughout the year to ensure effective two-way communication. Employee-level committees report stakeholder feedback to the ESG Committee at the management level. The Board Committee on CSR & Sustainability oversees the effective implementation of consultation channels to facilitate active stakeholder engagement on material topics related to economic, environmental, and social aspects.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/ No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Aether, guided by its principles has established channels for active engagement with all stakeholder groups, which gives the company a competitive edge and builds brand trust. We regularly interact with critical stakeholders to ensure that our business operations are aligned with their interests in a sustainable manner while also remaining profitable. Based on our discussions with the investment community, we have aligned our environmental management goals with the global transition to a low-carbon economy and have updated our policies and internal systems accordingly to reflect our commitment as a responsible business brand.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

At Aether, we have established an active engagement channel with the community to address any grievances related to our operations and community development programs. During the fiscal year 2022-23, No grievances were reported by various stakeholder groups, which we promptly addressed through our grievance redressal mechanism.

PRINCIPLE 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

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

Employees	FY2023			FY2022		
Category	Total (A)	No. of Employees covered	% (B/A)	Total (C)	No. Of Employees Covered	% (D/C)
Permanent	546	546	100%	423	423	100%
Other than permanent	0	0	0	0	0	0
Total	**546**	**546**	**100%**	**423**	**423**	**100%**

Workers	FY2023			FY2022		
Category	Total (A)	No. of workers covered	% (B/A)	Total (C)	No. of workersCovered	% (D/C)
Permanent	546	546	100%	423	423	100%
Other than permanent	0	0	0	0		0
Total	**546**	**546**	**100%**	**423**	**423**	**100%**

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

Employees	FY2023					FY2022				
Category		Equal to Minimum Wage		More than Minimum Wage			Equal to Minimum Wage		More than Minimum Wage	
	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/ A)	Total (D)	No. (E)	% (E/ D)	No. (F)	% (F/D)
Permanent and Non-Permanent	546	0	0	546	100%	423	423	0	423	100%
Male	518	0	0	518	100%	400	400	0	400	100%
Female	28	0	0	28	100%	23	23	0	23	100%

Workers	FY2023					FY2022				
Category		Equal to Minimum Wage		More than Minimum Wage			Equal to Minimum Wage		More than Minimum Wage	
	Total (A)	No. (B)	% (B/ A)	No. (C)	% (C/ A)	Total (D)	No. (E)	% (E/ D)	No. (F)	% (F/ D)
Permanent and Non-Permanent	609	0	0	609	100%	510	510	0	510	100%
Male	606	0	0	606	100%	510	510	0	510	100%
Female	3	0	0	3	100%	0	0	0	0	0%

Note: The Company does not employ or engage with 'worker', as defined in the guidance note on BRSR, issued by SEBI.

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

	Male		Female	
Category	Number	Median remuneration/ salary/wages of respective category*	Number	Median remuneration/ salary/wages of respective category*
Board of Directors (BoD)	3	1.02	1	1
Key Managerial Personnel	2	0.50	0	0
Employees other than BoD and KMP	513	1.22	27	1.34
Workers	343	1.06	0	0

Remuneration refers to annualised fixed remuneration, which includes basic, allowances and retrials.

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

Yes. The Company has Whistle Blower policy in place to encourage employees to report issues without fear of retaliation, discrimination, or disadvantage. Through designated channels, the employees may report their concerns to the Chairman, the Company's Audit Committee, or the Chief Compliance Officer. The employees may further report their grievances to the local HR team and in case of non-satisfactory resolution, may reach out to regional and also the national HR team. Additionally, POSH Members serve as the focal point for resolving issues related to discrimination and its effects.

The Company's Whistle Blower policy is available on the website, accessible at: https://aether.co.in/wp-content/uploads/2022/08/Whistle-Blower-Policy-Vigil-Mechanism.pdf.

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

The Organisation has multiple policies and platforms to address the employee grievances related to human rights.These are as under:

a. Whistle Blower (WB) Policy: The organisation has a WB policy in place which provides all employees to an option and opportunity to raise any issues/grievances anonymously, where the identity of the whistle blower is kept confidential. A dedicated email ID has been created at an Organisational level, writing to which the employees can express their concerns. A dedicated SPOC is assigned to look into all matters independently and fairly.

b. Prevention of Sexual Harassment Guidelines (POSH): With an aim to provide a safe and equal opportunity to both the genders, the organisation has in place the guidelines for POSH. The Organisation aims to create awareness from time to time so that any untoward situation of harassment is witnessed, one can reach out to the IC Committee of the Organisation by writing to the dedicated email ID. Employees can also reach out to theHR team alternatively to report the matter. An IC committee is formed for each reported instance as prescribed by POSH Act to conduct investigation and take necessary action, as and when required.

c. Fair Appeal: The Organisation provides this unique platform to all employees to raise their grievances related to fairness of performance management process. This platform provides every employee to appeal for any unfair or unjust evaluation of year end appraisals with relevant facts and evidences. All such grievances are reviewed and assessed to provide fair and transparent findings and resolutions to such employees.

d. Appellate Authority: In case the employee having grievance is not satisfied with the outcome of any of the investigation conducted or resolution provided, then one has the option of appealing against the same to theAppellate Authority of the Organisation.

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

a. Sexual Harassment None
b. Discrimination at workplace None
c. Child Labour None
d. Forced Labour/ Involuntary Labour None
e. Wages None
f. Other human rights related issues None

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

To safeguard the complainant against any adverse consequences, Company maintains utmost confidentiality of the Complainant. All related parties against whom the Complaint has been reported are sensitised of any retaliatory action against the complainant. In case any incident of retaliation is observed or brought to notice of the management, Company takes appropriate action on the reported matter and ensures that the complainant does not undergo adverse consequences.

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

Yes, various human rights principles form a part of the Company's business agreements and contracts as and where relevant.

9. Assessments for the year:

	% of your plants and offices that were assessed(by entity or statutory authorities or third parties)
Child labour	The business does not employ child labour, forced labour, involuntary labour, or any other sort of discriminatory hiring practices. Aether complies with all relevant legal requirements. However, during the reporting period, no external audits were carried out.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

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

Not Applicable. During the reporting period, the Company was not involved in any instances of any such risks/ concerns. Consequently, no corrective action was required.

LEADERSHIP INDICATORS

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/ complaints.

To foster a culture of transparency and accountability, the Company has implemented a Whistleblower Policy that encourages employees to report any concerns without fear of retaliation, discrimination, or disadvantage. The employees can utilise designated channels to report their grievances to the Chairman, the Audit Committee, or the Chief Compliance Officer. In case the employees are dissatisfied with the resolution provided by the local HR team, they can escalate their concerns to the regional or national HR team. The POSH Members are responsible for addressing issues related to discrimination and its effects.

2. Details of the scope and coverage of any Human rights due diligence conducted.

All the Company's policies and processes are pre-approved by the Board/the Board Committee/the Senior Management of the Company. Internal audits and evaluations of the Company's policies and procedures are periodically conducted. The organisation ensures compliance with all relevant regulations at regular intervals through audits and due-diligence mechanism.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The offices are fully compliant with the guidelines of the Rights of Persons with Disabilities Act. The Company is also revamping many of its other offices to make them accessible to differently abled employees in accordance with the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The value chain partners of Aether are expected to adhere to all applicable rules and regulations. No particular evaluation of value chain partners has been done for this reporting period.
Discrimination at Workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

The offices are fully compliant with the guidelines of the Rights of Persons with Disabilities Act. The Company is also revamping many of its other offices to make them accessible to differently abled employees in accordance with the requirements of the Rights of Persons with Disabilities Act, 2016.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

LEADERSHIP INDICATORS

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

Parameter	Unit	FY2023	FY2022
Total electricity consumption (A)	TJ	107.82	186
Total fuel consumption (B)	TJ	329	329
Energy consumption through other sources (C)	TJ	NA	NA
Total energy consumption (A+B+C)	TJ	515	437
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	Total energy consumption in TJ /turnover in rupees in Crores	0.77	0.73
Energy intensity per employee (Total energy consumption/ Nb of employees)	Total energy consumption in TJ / Nb of employees	0.943	0.800

- Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
  No, the Company did not carry out any independent assurance for above disclosures in FY2023.

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

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

Water withdrawal by source (in kilolitres)

Parameter	FY2023	FY2022
(i) Surface Water	-	-
(ii) Ground Water	-	-
(iii) ThirdPartyWater	43,757	36,464
(iv) Seawater/Desalinated Water	-	-
(v) Others	1,64,866	1,26,820
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**2,08,623**	**1,63,284**
Total volume of water consumption (in kilolitres)	**2,08,623**	**1,63,284**
Water intensity per rupee of turnover (Water consumed/turnover)	**₹ 0.03 / Ltr.**	**₹ 0.02 / Ltr.**
Water intensity (optional) – the relevant metric may be selected by the entity	**-**	**-**

*Aether, has recognized the critical role of water in sustainable development and is actively working to expand its capabilities in this area. One of Aether's key initiatives is to collaborate with water utilities, governments, and other stakeholders to collect and analyze water data. By doing so, they aim to develop a better understanding of water resource availability, quality, and usage patterns, and identify opportunities for improving water management and conservation practices. Overall, Aether's water initiatives demonstrate their commitment to sustainable development and environmental stewardship. With their focus on data-driven decision-making and innovation, they are well-positioned to support the water sector and drive progress towards a more sustainable future.

- Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
  No, the Company did not carry out any independent assurance for above disclosures in FY2023.

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

Aether's commitment to ZLD reflects its broader commitment to sustainability and environmental stewardship. By adopting innovative approaches to water management, they are setting an example for other companies and demonstrating the potential for businesses to play a positive role in addressing environmental challenges.
Overall, Aether's achievement of zero liquid discharge is a significant accomplishment that reflects their commitment to sustainable development and responsible business practices.

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

Parameter	Unit	FY2023	FY2022
NOx	mg/Nm3	Not Monitored	Not Monitored
SOx	mg/Nm3		
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others - please specify			

Aether, has recognized the importance of air quality and its impact on public health and the environment. To ensure that their operations are environmentally responsible, they have decided to monitor their air emissions going forward.
By monitoring their air emissions, Aether can identify areas for improvement and take proactive steps to reduce their impact on the environment. This could involve implementing measures to reduce emissions from their operations, investing in renewable energy, or developing innovative solutions to address air pollution. Aether's decision to monitor their air emissions demonstrates their commitment to sustainable development and environmental stewardship. By taking responsibility for their environmental impact, they are setting an example for other companies and contributing to a more sustainable future for all. Overall, Aether's decision to monitor their air emissions is a positive step towards reducing their environmental impact and promoting sustainable development.

- Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
  No, the Company did not carry out any independent assurance for above disclosures in FY2023.

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

Parameter	Unit	FY2023	FY2022
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	44,839.58	Not accounted
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6,NF3, if available)	Metric tonnes of CO2 equivalent	16,402.58	40,806.50
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO2 equivalent per rupees in Crores	92.14	69.16
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity	Metric tonnes of CO2 equivalent per employee	112,16	74.74

- Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
  No, the Company did not carry out any independent assurance for above disclosures in FY2023.

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

   The Company is progressing towards adopting sustainable business practices and transitioning to low environmental footprint.The Company has implemented organisational-wide initiatives to cut energy use by utilising videoconferencing, energy- efficient lighting and workstations, and educating employees about energy conservation. The Company conducts energy audits to identify potential energy saving initiatives.

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

Total Waste generated (in metric tonnes)

Parameter	FY 22-23
Plastic waste (A)	-
E-waste (B)	-
Bio-medical waste (C)	-
Construction and demolition waste (D)	-
Battery waste (E)	-
Radioactive waste (F)	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the (sector) (G)	3,101
Total (A+B + C + D + E + F + G + H)	3,101

For each category of waste generated, total waste recovered through recycling, re-using or others recovery operations (in metric tonnes)

Category of Waste	FY 22-23
(i) Recycled	-
(ii) Re-used	353
(iii) Other recovery operations	0
Total	353

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of Waste	FY 22-23
(i) Incineration	1,501.36
(ii) Landfilling	1,246.34
(iii) Other disposal operations	
Total	2,747.70

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

   By adopting certain best waste management practices, we are able to reduce our environmental impact, conserve valuable resources, and promote sustainability in our operations. We are committed to continuing to improve our waste management practices and exploring new opportunities to reduce our environmental footprint.

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

    No, the Company does not have any offices/sites near or in ecologically sensitive areas. All offices/sites, however, are have the necessary building legal permits and are in compliance with local municipal regulations.

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

    Not Applicable owing to the nature of the business.

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

    Yes. Aether complies with all applicable environmental laws, rules, and guidelines in India, including the Environment Protection Act and Rules, the Air (Prevention and Control of Pollution) Act, and the Water (Prevention and Control of Pollution) Act. The Company did not encounter any instances of non-compliances to the above-mentioned laws and regulations.

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2023	FY 2022
From renewable sources (TJ)	0	0
Total electricity consumption (A)	33.08	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	33.08	0
From non-renewable sources (TJ)	0	0
Total electricity consumption (D)	74.75	186
Total fuel consumption (E)	329	Not Monitored
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	403	186

2. Provide details related to water discharged:

Aether, has recognized the critical role of water in sustainable development and is actively working to expand its capabilities in this area. One of Aether's key initiatives is to collaborate with water utilities, governments, and other stakeholders to collect and analyze water data.

By doing so, they aim to develop a better understanding of water resource availability, quality, and usage patterns, and identify opportunities for improving water management and conservation practices. Overall, Aether's water initiatives demonstrate their commitment to sustainable development and environmental stewardship. With their focus on data-driven decision-making and innovation, they are well-positioned to support the water sector and drive progress towards a more sustainable future.

- Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
  No, the Company has not undertaken any evaluation for the above disclosures in FY2023.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

- Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency
  No, the Company has not undertaken any assessment for the above disclosures in FY2023.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY2023	FY2022
Total Scope 3 emissions* (Break-up of the GHG into CO2,CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	70,429.52
Total Scope 3 emissions per rupee of turnover in Crores	Metric tonnes of CO2 equivalent	-	105.1
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	128.0

- Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency
  No, the Company has not undertaken any assessment for the above disclosures in FY2023.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not Applicable, as the Company does not have any offices/sites near or in ecologically sensitive areas.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide

Initiative undertaken	Details of the initiative	Outcome of the initiative
Procurement of Renewable Energy	Aether is procuring renewable energy for operation	Total Renewable Electricity Consumption = 9,188.01 MWh Total emissions avoided = 7,258.52 tCO2

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web-link.

Yes, Aether has a comprehensive Business Continuity Management (BCM) policy and a strong BCM plan to mitigate the impact of unforeseen events or uncertainties. The Board-approved policy outlines the general guidelines for recovering and restoring information, resuming operations, and maintaining business continuity during various incidents caused by natural disasters, technological issues, human error, and pandemics. As disruptions can happen at any moment, the Company has developed a BCM plan to mitigate the adverse effects of operational risks, including business disruption and system failures.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Given the nature of business, there were no reported negative impacts from the Company's activities on the environmental resources.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

The Company actively engages with the value-chain partners for communicating the sustainability goals. In addition, the Company has also aligned its sustainability objectives in line with the interest of the critical stakeholder groups. The Company did not take up any assessments for evaluating the environmental impacts of the value chain partners. However, Aether has expressly stated the compliance to the statutory laws and regulations in business contracts/agreements.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/associations.
   Aether is a member of 3 trade and industry chamber/association.

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

Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
Chemexil	National
Indian Chemical Council	National
The South Gujarat chamber of Commerce	State / Local

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

During the reporting period, the Company was not involved in any instances of anti-competitive behaviour. Consequently, no corrective action was required.

LEADERSHIP INDICATORS

1. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities. None, in this Year.

Aether actively engages in the public policy advocacy to strengthen the policy and governance framework in the sector. The Company also offers its knowledge and insights to help address social and regulatory issues. Through trade organisations and associations, the Company offers expertise to shape public policy in various areas of governance, finance, social development among many others.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. Not Conducted

   In the context of Corporate Social Responsibility (CSR) projects, we understand that SIA plays a critical role in ensuring that the intended benefits are delivered to the targeted communities and that any potential negative impacts are identified and addressed. We shall conduct the same in the current year.

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

   Not Applicable, owing to the nature of business.

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

   Aether has a well-defined grievance mechanism in place to understand and resolve complaints from all its stakeholders. The Company encourages the community members to report their grievances or concerns to the NGO partners. The Company works closely with the NGO partners for addressing the grievances and initiating appropriate actions.

4. Describe the mechanisms to receive and redress grievances of the community.

   Not Applicable, owing to the nature of business.

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

   No social impacts were identified from SIA studies.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

   Aether did not undertake any CSR initiatives in aspirational districts identified by the governing bodies.
   a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/ vulnerable groups? (Yes/No): Yes, the Company has a preferential procurement policy.

   b. From which marginalised/vulnerable groups do you procure? Not Applicable

   c. What percentage of total procurement (by value) does it constitute? Not Applicable.

3. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge. Not Applicable.

4. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. Not Applicable.

5. Details of beneficiaries of CSR Projects:
   a. Education infrastructure construction of hostel and school buildings in tribal and remote area.
   - No. of persons benefited from CSR Projects? +600 students.
   - % of beneficiaries from vulnerable and marginalised groups. 100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

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

   To ensure timely and effective settlement of complaints, Aether has devised a thorough escalation process for its customers which is also disclosed in the Company's website for better accessibility. The clients can use a 3-step process to voice their concerns:

   - The customer can file their grievances via a variety of channels, including emails, toll-free phones, complaint letters, etc.
   - The customer can send an email to the Deputy Vice President of Customer Support directly if they are dissatisfied with the resolution offered.
   - The customer may send an email directly to the head of customer support if he or she is still unsatisfied with the solution offered.

   Customer experience and satisfaction have significantly improved as a result of the Company's ongoing efforts to streamline operations, introduce pertinent products and digital technologies, and progress digital technology to decentralise solutions.

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

   Not Applicable, owing to the nature of business.

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

Data privacy	None
Advertising	None
Cyber-security	None
Delivery of essential services	None
Restrictive Trade Practices	None
Unfair Trade Practices	None
Other	None

For FY 2022-23, Aether has not reported any grievances with respect to Unfair Trade Practices.

4. Details of instances of product recalls on account of safety issues:
   - Voluntary recalls No Instances
   - Forced recalls No Instances

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

   Yes, Aether has a structured information and cyber security framework which ensures security and data privacy by establishing thorough management processes throughout the organisation. The Company has a strongInformation and Cyber-Security (ICS) policy that has been authorised by the Board and is in accordance with the IRDAI cyber-security requirements and international ISO standards.

   These systems and procedures and the security standard for cloud computing adhere to ISO 27001:2013, the information security management system. This assists the business in identifying and quickly eliminating any threats to its network, application, and infrastructure.

   Technological and process controls are implemented to ensure protection from and response to potential cyber risks in line with the leading cyber security guidelines and IRDAI mandate. Aether evaluates and implements various security technologies and solutions to help address cyber risks through a risk-based approach.

   The administration, application, and efficacy of the cyber-security policy are all monitored by a team of independent internal auditors. Additionally, a competent third-party performs an Independent Assurance Audit each year to assess if these policies are adequate in light of regulatory bodies' requirements.

   The policy is maintained on the organisation's intranet and is accessible to all the internal stakeholders.

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

   Aether being a responsible brand has all the systems and processes in place to adhere to the fair trade practices. The IT infrastructure is extremely strong and is continuously updated to ensure highest level of data security. No complaints regarding advertising, the provision of essential services, cyber security and customer data privacy, the recurrence of product recalls, or penalties or actions taken by regulatory authorities over the safety of goods or services were received during the reporting period.

LEADERSHIP INDICATORS

1. Channels/platforms where information on products and services of the entity can be accessed (provide web-link, if available).

   We, at Aether, strive to provide a holistic & uniform service experience across all touch points/life cycle stages to our customers. While we are transforming our business to paperless operations, we have also introduced innovative channels for our customers to reach out to us through website.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   Aether takes huge steps to engage with its customers to appropriately inform them regarding the product. The awareness policy that the Company has implemented outlines the customer rights.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   Owing to our robust business continuity plans, we, at Aether, strive to avoid any major disruption in our business. Also, the Company notifies consumers of any potential interruption or discontinuance of critical services in writing, along with any connected justification. When a product or service is discontinued, the Company makes sure that its customers are informed through a variety of channels.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes, we, at Aether, have always believed in being transparent with our stakeholders by providing all the relevant details and necessary information. We also display important Circulars and GRO contact details in each office. Also all product related details, features, FAQs along with Grievance mechanism is displayed on our website. Customers can get help from the Company on how to take advantage of specific risk-minimisation measures.

   Yes, we also continuously conduct satisfaction surveys to seek feedback from our customers at various stages starting from the time of purchasing product. This feedback is used to improve systems, processes and enable us to better focus on training and development and also enhance customer experience.

5. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along with impact: NIL
   b. Percentage of data breaches involving personally identifiable information of customers: NIL

Management Discussion & Analysis Report

Management Discussions / Analysis Report

Summary of the primary business of the Company

We are a speciality chemical manufacturer in India producing advanced intermediates and speciality chemicals involving complex and differentiated chemistry and technology core competencies. Our business started in 2013, with a vision to create a niche in the global chemical industry. In our first phase through Fiscal Year 2017, we focused on building our team and infrastructure and on our R&D centred around building our core competencies. Revenue generation commenced with our second phase in Fiscal Year 2018. The Company has been growing year on year since Fiscal 2018, whereby the CAGR growth in revenues is 43.6% between Fiscal Year 2018 to Fiscal Year 2023.

Summary of Industry

From CY2020 to CY2025, the speciality chemical market is expected to grow globally by CAGR of 6.2% and in India by CAGR of 5.2% (Source: F&S Report, Prospectus of Aether Industries Limited). This growth is expected to be led by sustained demand in end-use customer segments for our intermediate and speciality chemical products, which are experiencing consumption-led growth in India and key global markets. For example, from CY2020 to CY2025, agrochemicals and fertilisers speciality chemical segment in India is forecasted to grow from $ 32.9 billion to $53.3 billion, and the pharmaceuticals speciality chemical segment from $ 16.6 billion to $ 28.5 billion respectively (Source: F&S Report, May 2022, Prospectus of Aether Industries Limited).

The Indian chemical industry plays a pivotal role in contributing to the economy of the country, accounting for approximately 7 per cent of GDP and is expected to reach USD304 billion by 2025, up from USD178 billion in 2021 (Source: Chemical Sector in India rows by leaps and bounds, Livemint, June, 2022) .The industry continues to remain an attractive hub for opportunities for both domestic and multinational manufacturers. Specialty chemicals segment comprises a significant portion of India's chemical industry. With rising demand for value-added products by both domestic consumption and exports, the industry has experienced a significant increase from end-user segments such as the food industry, automobile industry, real estate, clothes and cosmetics, among other industries. Additionally, the Indian specialty chemicals industry is also expected to outpace China, Japan and the rest of the world.

The Indian specialty chemicals industry has expanded exponentially in recent years. It represents 22 per cent of India's overall chemicals and petrochemicals market and is valued at $ 32 billion. The industry is anticipated to reach USD64 billion by 2025 at a CAGR of 12.4 per cent (Source: Indian Specialty Chemicals, Yes Securities, January 2022).

Overview

We are a speciality chemical manufacturer in India focused on producing advanced intermediates and speciality chemicals involving complex and differentiated chemistry and technology core competencies. Our business was started in 2013 with a vision to create a niche in the global chemical industry with a creative approach towards chemistry, technology and systems that would lead to sustainable growth. In the first phase of our development through Fiscal Year 2017, we focused on building our team and infrastructure and on our R&D centred around building our core competencies. Our revenue generation operations commenced with our second phase in Fiscal Year 2018. The Company has been growing year on year since Fiscal Year 2018, whereby the CAGR growth in revenues is 43.64% between Fiscal Year 2018 to Fiscal Year 2023.

We are focused on the core competencies model of chemistry and technology. Most of the chemical companies usually have a single or a couple of chemistry competencies for their entire product portfolio; however, we have eight chemistry competencies to use for our wide array of products, which enables us to cater to niche and advanced intermediate requirements of a wider range of end-products and applications. All these competencies have been developed in-house, which is one of the core strengths of our R&D team.

We have three business models under which we operate: (i) Large Scale Manufacturing ("LSM") of our own intermediates and speciality chemicals; (ii) Contract Research and Manufacturing Services ("CRAMS") and (iii) Contract / Exclusive Manufacturing ("C/E M"). We are among the few Indian specialty chemical companies to have successfully launched these three separate business models in just 5 years into commercial manufacturing. We have a nuanced criteria for choosing our products based on their chemical complexity, niche applications, limited competition, scalability and commercial potential.

Using these criteria, we developed, and continue to develop, advanced intermediates and speciality chemicals products having applications in the pharmaceutical, agrochemicals, material science, coatings, high performance photography, additives and oil & gas segments of the chemicals industry.

As of March 31, 2023, our product portfolio comprised over 28 products. According to Frost & Sullivan, in CY2020, we were the sole manufacturer in India of 4MEP, MMBC, T2E, OTBN, NODG, DVL and Bifenthrin Alcohol. (Source: F&S Report, May 2022, Prospectus of Aether Industries Limited). According to the F&S Report based on Frost & Sullivan Primary Research & Analysis, in 2020, we were (i) the biggest manufacturer of 4MEP globally in terms of production volume and the only manufacturer of this product in India, (ii) the largest manufacturer of HEEP in India and globally in terms of production volume, (iii) the largest manufacturer of NODG globally in terms of production volume and the only manufacturer of this product in India and (iv) the biggest manufacturer of T2E globally in terms of production volume and the only manufacturer of this product in India. (Source: F&S Report, May 2022, Prospectus of Aether Industries Limited).

We specialize in products based on an intricate marriage of complex chemistries and technology core competencies. Examples of our chemistry core competencies include Grignards, organolithium and other organometallic chemistry, ethylene oxide and isobutylene chemistry, hydrogenation, catalysis (homogeneous /heterogeneous), cross coupling chemistry and metathesis/polymerization chemistry. Examples of our technology core competencies include continuous reaction technology, high pressure reaction technology, fixed bed reaction technology, distributed control system ("DCS") process automation and high vacuum distillation technology (wiped film/short path). By our focus on core competencies, we have developed a chemistry and technology oriented sales vision, as compared to a product and industry oriented sales vision.

Our products are advanced intermediates and speciality chemicals that occupy a position in the chemical industry value chain between commodity chemicals and final actives and formulations with our products more closely aligned to the higher value range, further away from the commodities and closer towards the final active part of the value chain. According to Frost & Sullivan, the Company is known to have strong market positioning in complex intermediates where global competition is intense. (Source: F&S Report, May 2022). The average selling price of all our products in Fiscal Year 2023 was ₹1,766.25 per kg. We have been focused on developing high value products. Our products find application in a number of therapeutic segments in the pharmaceuticals industry including hypertension, anti-platelet, anti-psychotic, anti-histamine, non-steroidal anti-inflammatory drugs ("NSAIDs"), antiretroviral to treat HIV/AID, anti-epileptic, anti-convulsant and many more.

Our products also find application in various other industries like pharmaceuticals, agrochemicals, material science, coatings, high performance photography, additives, oil & gas and many more. Most of our advanced intermediates and speciality chemicals product portfolio was developed for the first time in India and constitute 100% import substitution, thus furthering the "Make in India" or "Atma-Nirbharta" campaigns of the Government of India. For example, 4MEP, T2E, MMBC, NODG, BFA, OTBN and DVL were 100% imported into India from China four years ago and now we are selling these products to Chinese customers.

Our sales of our advanced intermediates and speciality chemicals products are predominantly conducted on a business-to-business basis both in India and internationally. A majority of our products are exported internationally, and we sell our products in 22 countries, including Italy, Spain, Germany, the United State, India, Netherlands and other parts of the world. Our revenue from exports (including deemed exports and SEZ Sales) have grown at CAGR of 84.2% from ₹ 390 MM in Fiscal Year 2018 to ₹ 4,495 MM in Fiscal Year 2023.

The foundation of our Company is our in-house research and development capabilities. Our chemistry and technology core competencies and all of our products have been developed by our own R&D team, scaled up in our Pilot Plant, and launched into production employing in-house design and engineering. We have dedicated in-house R&D Facilities and Pilot Plant at our Manufacturing Facility 1 at Sachin in Surat, Gujarat. Our R&D Facilities are dedicated to the development of our pipeline and next generation products as well as to our CRAMS customers As of March 31, 2023, we had a specialized R&D team of 233 (March 31, 2022: 164) scientists and engineers including 111 (March 31, 2022: 92) scientists (with PhDs or Master of Science degrees) and 122 (March 31, 2022: 72) chemical engineers. Our R&D Facilities are equipped with laboratories engaged in process development, process innovation and technology development, which assists us in pursuing efficiencies from the initial conceptualization up to commercialization of a product. According to Frost & Sullivan, our strategic investments in R&D have been critical to our success and a differentiating factor for us to attain leading market positions for certain products. In the Fiscal Year 2023, we have expanded our R&D facilities by three times, taking the fume hoods used (for various experiments / reactions) from mere 17 till March 31, 2022 to 55 fume hoods and hence, increasing the number of experiments / reactions we can do to 110 plus per day.

We have a state-of-art Pilot Plant, which is a vital link between R&D and large scale production. We have one of the largest pilot plants in the world with more than 100 reactors installed, for both batch as well as continuous reaction technology.

Our Pilot Plant has a dual functionality; it functions to generate critical scale-up data in the transition from R&D to production to help eliminate issues at full production scale; and it also functions as a stand-alone manufacturing facility for low volume, high value products for our CRAMS customers Our Pilot Plant encompasses a wide range of reactor and downstream equipment, in both continuous and batch regimes, across the entire range of scale-up volumes, metallurgy, and process parameters and is automated through DCS process automation. A unique section in our Pilot Plant is the continuous reaction and flow technology plant, housing pilot scale equipment for continuous and flow reactors and continuous downstream equipment. Just like the R&D expansion, we have also expanded our Pilot Plant capacities also three times in Fiscal Year 2023.

We have three sites at Sachin in Surat (Gujarat, India). Our Manufacturing Facility 1 is an approximately 3,500 square meters facility including our R&D Facilities, our analytical sciences laboratories, our Pilot Plant, our CRAMS facility and our hydrogenation facility. Our Manufacturing Facility 2 spans approximately 10,500 square meters and acts as a large scale manufacturing facility with an installed capacity of 6,096 MT per annum (for our solvent recovery plant ("SRP Plant"): 13,140 MT) distributed among three buildings that host 16 production streams (and one SRP Plant Stream). Our capacity utilization was 70.98% (March 31, 2022: 77.5%) [for our SRP Plant: 69.44% (March 31, 2022: 77.6%)] in Fiscal Year 2023. Our Manufacturing Facility 3 spans approximately 5,250 square meters, which has been commissioned in January 2023, funded from the IPO (done in June 2022) funds, which has an installed capacity of 3,500 MT per annum. All three facilities are automated with DCS process automation, and built to the high standards of technology, engineering and automation. All the facilities are in close proximity to the Hazira Port and JNPT Port, which helps us save freight costs for our exports.

Our operations at Manufacturing Facility 2 have ISO 9001: 2015, ISO 14001:2015, ISO 45001:2018, ISMS 27001:2013 and Indian GMP certification. In August 2021, we had commenced construction of a new manufacturing facility (Manufacturing Facility 3) at Sachin, which has become operational in January 2023, with the launch of three out of the five products to be launched there. We have already procured lands for Site 4, the size of which has increased from 8,000 square meters (as mentioned in our Prospectus for IPO) to 18,000 square meters and currently the merger formalities are being done for the same. Both these new Manufacturing Facilities (3 and 4) are within a short distance from our Manufacturing Facility 2. We have also in Fiscal Year 2022, procured plot of land at Panoli GIDC, Bharuch District, Gujarat, which is approximately 1,25,000 plus Sq. Mtrs. and will be utilised for future expansion by the Company.

In addition to R&D and manufacturing of own products (our first business model), we engage in contract research and manufacturing services (CRAMS, our second business model), which are the research and technology services that customers outsource to us and include contract research, pilot scale-up services, contract manufacturing, FTE services, technology development and process development and optimisation. Our CRAMS customers work jointly with our scientists and engineers, and we execute their projects in our R&D Facilities, analytical sciences laboratories, and our Pilot Plant. Molecules developed in our CRAMS business for our customers have the potential to convert into regular commercial supplies and become large scale manufacturing products for our Company. The CRAMS business model also enables our dialogue and discussions with the top technical teams and leadership (CTOs), technical directors and technical vice presidents) of our customers, opening up future contract manufacturing opportunities.

Summary of Contingent Liabilities

In ₹ MM	As of March 31, 2023
Bank Guarantees Issued for:	
Customs	₹ 8.89
Gujarat Gas Ltd.	₹ 20.71
DGVCL	₹ 47.40
Total Margin for above items	**₹ 14.37**
Raw Material LC	-
Raw Material FLC (in US $ MM)	$ 1.10
Total Margin for above items	**₹ 8.94**
Income Tax Demands:	
AY 2017-18 (PY 2016-17)	₹ 0.15
AY 2018-19 (PY 2017-18)	₹ 0.94
AY 2020-21 (PY 2019-20)	₹ 1.00

Note :

1. All the contingent liabilities, except Income Tax Demands, are not 100% secured through cash margins placed with banks. The banks require 15% margin money on bank guarantees and 15% margin money on LC facilities.
2. The Income Tax Demands are under appeal by the Company and the outcome of the same is not known and hence the demand amount has been considered as contingent liability.

Summary of Related Party Transactions

Nature of Transactions	FY 2023	FY 2022
Rent Paid	₹ 6.00	₹ 9.60
Loans Accepted	-₹ 149.20	₹ 23.50
Managerial Remuneration	₹ 67.25	₹ 58.50
Purchase of Consumables	₹ 0.06	₹ 0.08
Purchase of Material for Building & Structure	₹ 14.81	₹ 9.88
ETP Expenses	₹ 47.23	₹ 49.01
Salary	₹ 5.41	₹ 10.52
CSR Activities	₹ 2.10	₹ 7.85
Sitting Fees	₹ 3.04	₹ 2.52
Charity	₹ 0.60	₹ 0.00
Investments	₹ 0.50	₹ 0.00

Note :

1. For details of the related party transactions and as reported in the Financial Statements, please see the section entitled "Financial Reports".

Issue of Equity Shares for consideration other than cash

Except for the bonus allotment made on November 17, 2021, our Company has not issued any Equity Shares, for consideration other than cash.

Split / Consolidation of Equity Shares

Our Company has not undertaken a split or consolidation of the Equity Shares.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not made any application under Regulation 300(1)(c) of the SEBI ICDR Regulations for seeking exemption from complying with any provisions of securities laws.

Our Market Opportunity

Growth in Speciality Chemical Market

From CY 2020 to CY 2025, the global chemicals market is expected to grow at a CAGR of 6.2% and the India Speciality chemical market at a CAGR of 11.2%, according to Frost & Sullivan. The following table sets forth the size in CY 2020 of the global chemical market, global speciality chemical market and the Indian speciality chemical market and the expected growth in these markets forecast for CY 2025.

Market	CY 2020	CY 2025	CAGR (2020-25)
Global Chemical Market	$5,027 billion	$6,780 billion	6.2%
Global Speciality chemical Market	$847 billion	$1,090 billion	5.2%
India Speciality Chemical Market	$87 billion	$148 billion	11.2%

(Source: F&S Report, May 2022, Prospectus of Aether Industries Limited).

Factors driving the growth in the Indian Speciality Chemicals market

The following factors are driving growth in the India Speciality Chemicals market

1. Growth in End Use Segments
According to Frost & Sullivan, the speciality chemicals industry in India is driven by both domestic consumption and exports. The following table sets forth the size in CY2020 of the segments of the Indian speciality chemical market and the expected growth in these segments forecast for CY 2025.

India Speciality Chemical Segments	CY 2020	CY 2025 (forecast)
		IN US $ BILLIONS
Agrochemicals & Fertilizers	32.9	53.3
Pharmaceuticals (API)	16.6	28.5
DGVCL	8.7	14.9
Paints & Coatings Additives	6.4	10.7
Home Care Ingredients	3.8	6.5
Personal Care Ingredients	1.3	2.2
Textile Chemicals	2.2	3.5
Water Treatment Chemicals	2.1	3.1
Flavours & Fragrances Ingredients	2.0	3.7
Construction/Infratech Chemicals	1.2	1.9
Others	9.9	19.5
Total	87.0	148.0

(Source: F&S Report, May 2022, Prospectus of Aether Industries Limited).

2. Supply chain de-risking driven by China downturn
China's chemicals market has seen a downturn in recent years due to various factors:

- Stringent environmental norms: The tightening of environmental protection norms in China since January 2015 resulting in increase in operating costs, closure and relocation of manufacturing facilities. (Source: F&S Report, May 2022, Prospectus of Aether Industries Limited).
- Rising cost of labour: The labour cost (hourly cost of compensation) in China was lower than that of India till 2007. However, over 2005-2015, the average labour cost in China increased nearly 19-20% CAGR, against 4-5% CAGR in India. (Source: F&S Report, May 2022, Prospectus of Aether Industries Limited).
- While these may not be permanent trends, these will involve significant costs of production for Chinese companies, enabling India to significantly strengthen its position in the global supply chain and position itself as a viable alternative for global players seeking a de-risked supply chain while containing sourcing costs. (Source: F&S Report, May 2022, Prospectus of Aether Industries Limited). The downturn observed in China's speciality chemicals industry is serving as an opportunity for Indian manufacturers, who have now gained a cost advantage over their Chinese counterparts. (Source: F&S Report, May 2022, Prospectus of Aether Industries Limited).

3. Accelerated R&D and capital expenditure
According to Frost & Sullivan, India's R&D capabilities and the long-term relationships that the domestic Indian chemical companies have forged with their customers are key to the growth of Indian chemical companies. (Source: F&S Report, May 2022, Prospectus of Aether Industries Limited). The sector is witnessing accelerated capital expenditure and investment in R&D to build product development capabilities. Growth in the Specialty Chemical segment is driven by strong domestic demand and increased demand from overseas markets, which has been reinforced by major global economies adopting the China +1 policy. Many companies are seeing high growth, but due to margin pressure results have been poor and as a consequence stocks are taking a beating (Source: Smallcase Technologies Private Limited 23 Mar, 2023).

4. GoI support and "Make in India" campaign
The GoI is providing support through production linked incentive ("PLI") scheme and other schemes and competitive tax rates. Further, the "Make in India" campaign is also expected to add impetus to the emergence of India as a manufacturing hub for the chemicals industry in the medium term. Through incentives, subsidies and grants under this campaign, Indian companies could gain further ground as companies would want to reduce dependence on China after the COVID-19 pandemic and shift their supply chains.

5. Availability of feedstock
The GoI has encouraged companies to set up capacities in petroleum, chemicals, and petroleum investment regions (PCPIR) by demarcating special zones to aggregate feedstock demand. PCPIRs are expected to boost chemicals manufacturing, to the extent that it is sufficient to meet domestic as well as export demand.

6. Improved safety, health and environment compliance and "Green chemistry"
India like China also faces threat from environmental concerns and tighter norms. Over the years, Indian chemicals players have invested in safety health & environment (SH&E) to ensure plant sustainability. Further, the concept of Green Chemistry in India is evolving. The rising pollution and harm caused to water bodies owing to emission of harmful chemical effluents into water is leading to rise in concern of sustainability. The pharmaceutical industry was among the first to embrace Green Chemistry for its significant potential to reduce costs and risks.

Our Strengths

We believe that we possess a number of competitive strengths, which enable us to successfully execute our business strategies, including the following:

Differentiated portfolio of market-leading products

The table below sets forth 8 of our products, their application, our market position globally and in India, product launch year:

Product	Industry Application	Company India Market Position	Launch Month / Year
4-(2-Methoxyethyl) Phenol (4MEP)	Metoprolol Succinate / Metoprolol Tatrate	Only manufacturer in India	December 2016
3-Methoxy-2-Methylbenzoyl Chloride (MMBC) (2)	Methoxyfenozide	Only manufacturer in India	September 2019
Thiophene-2-Ethanol (T2E)	Clopidogrel, Ticlopidine APIs	Only manufacturer in India	May 2017
Ortho Tolyl Benzo Nitrile / 4′-Methyl-2-Cyanobiphynyl (OTBN)	Valsartan, Telmisartan, Olmesartan, Losartan, Candisartan APIs	Only manufacturer in India	December 2018
N-Octyl-D-Glucamine / 1-Deoxy-1-(Octylamino)-D-Glucitol (NODG)	Naproxen, Dexketoprofen APIs	Only manufacturer in India	July 2015
1-2-(2Hydroxyethoxy) Ethyl Piperazine (HEEP)	Quetiapine, Hydroxyzine APIs	One of three major manufacturers, only manufacturer in India to be back-integrated into key raw material	May 2018
Delta-Valerolactone (DVL)	Coating additive, speciality monomer, electronic chemical	Only manufacturer in India	September 2016
Bifenthrin Alcohol (BFA)	Bifenthrin	Only manufacturer in India	August 2021

Focus on R&D to leverage our core competencies of chemistry and technology

The foundation of our Company is our in-house research and development capabilities. Our strategic investments in R&D have been critical to our success and a differentiating factor for us to attain leading market positions for certain products. Based on the technical expertise we have developed over the years, we are able to carry out innovative processes at global scale, which, is difficult to replicate, and creates significant barriers for new entrants.

Our chemistry and technology core competencies and all of our products have been developed by our own R&D team, scaled up in our Pilot Plant, and launched into production with in-house design and engineering. Our in-house development (without the support from any clients for R&D) showcases our innovation and research strength, and our expertise in a large range of chemistries and technologies has allowed us to support a number of end use industries. Examples of our chemistry core competencies include Grignards, organolithium and other organometallic chemistry, ethylene oxide and isobutylene chemistry, hydrogenation, catalysis (homogeneous /heterogeneous), cross coupling chemistry and metathesis/polymerization chemistry. For the competency of tandem Grignard and ethylene oxide chemistry, we have been a pioneer in Indian specialty chemicals markets, given that there are currently only four Indian companies in tandem Grignard and six Indian companies in ethylene oxide. We have in Fiscal Year 2023, expanded our R&D Facility by three times by increasing the fume hoods to 55 and also adding new manpower to undertake the various R&D work. The increased fume hoods will allow us to undertake more than 110 reactions / experiments per day and hence we can do more development of products, based on our chemistry and technology competency. The increase in number of R&D people is also significant as the same has increased from 164 as on March 31, 2022 to 233 as on March 31, 2023, which is a very good increase in number of manpower at R&D. Total capex was approximately ₹ 320 MM for the said R&D revamp, along with Pilot Plant.

Long standing relationships with a diversified customer base

Our customers include over 280 multinational, global, regional and local companies. As of March 31, 2023, our product portfolio was sold to 50 plus global customers in 21 countries and to 230 plus domestic customers.

Our customer engagements are dependent on us delivering quality products consistently. Our potential customers may require considerable amounts of time to approve us as suppliers to ensure that all their quality controls are met and that we meet all their requirements across a variety of jurisdictions and multiple regulators Due to the resources involved in engaging with new suppliers, customers are less inclined to pursue alternate supply sources. This provides us with an advantage over new entrants that would need to make significant investments and endure a long gestation period with potential customers in order to effectively compete.

In fact, in the Fiscal Year 2023, our facilities were audited 27 times by 24 customers or their external auditors. Additionally, our CRAMS business model also enables our dialogue and discussions with the top technical teams and leadership (Chief Technology Officers ("CTOs"), technical directors and technical vice presidents) of our customers, leading to additional projects and products across our three business models.

In addition to producing quality products and fulfilling orders and projects on-time, our approach, staff and corporate culture are attractive to customers For example,

- we offer our customers a one-stop-shop approach for the entire supply chain starting from paper research, contract research and lab process development (delivery of samples, gram scale, kg scale), pilot plant scale up and supply of customer sampling quantities, clinical and field trial quantities, and application testing quantities (100s kg scale to MT quantities), and finally commercial scale manufacturing and production quantities (100-1000s MT);
- we have skilled expertise and manpower in necessary scientific and engineering disciplines;
- we have "start-up" corporate culture that is ambitious and dynamic, and the average age of our staff is 31 years as of March 31, 2022;
- our core team and highest management is technical in nature, and experts in the areas of organic chemistry and chemical engineering;
- we focus on transparent communication and clean payment terms (LCs and PDCs); and
- we emphasize safe processes and inherently safe manufacturing, and sound QEHS principles.

Synergistic Business Models focused on Large Scale Manufacturing, CRAMS and Contract Manufacturing

We have three business models under which we operate: (i) large scale manufacturing of our own intermediates and speciality chemicals; (ii) CRAMS (contract research and manufacturing services) and (iii) contract / exclusive manufacturing. According to F&S, we are among the few Indian specialty chemical companies to have successfully launched these three separate business models in just 5 years into commercial manufacturing.(Source: F&S Report, May 2022, Prospectus of Aether Industries Limited).

These business models benefit from, and have synergies with, each other. For example, our customers to which we sell our own intermediates and speciality chemicals are also target customers for our CRAMS and contract manufacturing business models. Our CRAMS business allows us to work with innovative companies on cutting-edge new products with enhances our own R&D skill sets to develop our own products. Further, increasing our production through our contract manufacturing business allows us to benefit from larger scale production and negotiating better prices with our suppliers.

Automated manufacturing facilities utilizing advanced technologies and systems

Our manufacturing infrastructure, advanced technologies and automation are key growth drivers for our intermediates and speciality chemicals business. According to Frost & Sullivan, we have innovated the manufacturing process or product recipe for most of our products, thus making us leaders in many of our products. (Source: F&S Report, May 2022, Prospectus of Aether Industries Limited). We have two sites at Sachin in Surat. Our Manufacturing Facility 1 is an approximately 3,500 square meters facility including our R&D Facilities, our analytical sciences laboratories, our Pilot Plant, our CRAMS facility and our hydrogenation facility. Our Manufacturing Facility 2 spans approximately 10,500 square meters and acts as a large scale manufacturing facility with an installed capacity of 6,096 MT per annum (SRP Plant: 13,140 MT) distributed among three buildings that host 16 production streams (and one SRP Plant Stream), as of March 31, 2022. Each of our facilities is equipped to function independently, with its own quality department, effluent treatment plant and warehouse. In addition, both the facilities are in close proximity to the Hazira Port and JNPT Port, which helps us save freight costs for our exports.

In January 2023, we commenced the production operations at the new manufacturing facility (Manufacturing Facility 3) at Sachin, which is diagonally opposite to Manufacturing Facility 2.

Our facilities employ advanced technologies and systems such as:

- Continuous Reaction Technology;
- Advanced Batch Reaction Technology;
- High Pressure Reaction Technology;
- Fixed Bed Reaction Technology (Liquid / Gas Phase);
- Cryogenic Reaction Technology;
- Distillation Technology (wiped film and short path); and
- Distillation Technology (high vacuum and fractional).

Additionally, our manufacturing facilities utilize DCS (distributed control system) for process automation. Our Pilot Plant and CRAMS operations use a Siemens PCS7 DCS and our manufacturing facilities use a Yokogawa Centum VP DCS. The automation brings reliability, reproducibility of product quality, reduces overhead costs, and brings inherent safety by mitigating exposure to human error and industrial accidents. We have procured various certifications for our operations such as ISO 9001: 2015, ISO 14001:2015, ISO 45001:2018, ISMS 27001:2013 and Indian GMP.

Contract Research and Manufacturing Services (CRAMS)

Our CRAMS business are the services that our customers outsource to us and include:

- Contract research;
- Pilot scale-up services;
- Contract manufacturing;
- Full time equivalent (FTE) services;
- Technology development; and
- Process development and optimisation

We have a state-of-art Pilot Plant, which gives us a competitive advantage in attracting CRAMS customers. Our Pilot Plant has a dual functionality; it functions to generate critical scale-up data in the transition from R&D to production to help eliminate issues at full production scale; and it also functions as a stand-alone manufacturing facility for low volume, high value products for our CRAMS customers Our Pilot Plant encompasses a wide range of reactors and downstream equipment, in both continuous and batch regimes, across the entire range of scale-up volumes, metallurgy, and process parameters and is automated through DCS process automation.

Our CRAMS customers work jointly with our scientists and engineers, and we execute their projects in our R&D Facilities, analytical sciences laboratories, and our Pilot Plant. Molecules developed in our CRAMS business for our customers have the potential to convert into regular commercial supplies and become large scale manufacturing products for our Company. In addition, our CRAMS business model also enables our dialogue and discussions with the top technical teams and leadership (Chief Technology Officers ("CTOs"), technical directors and technical vice presidents) of our customers, opening up future contract manufacturing opportunities.

We have in the Fiscal Year 2023, expanded our R&D and Pilot Plant to three times of what they were as on March 31, 2022, by increasing the Fume Hoods from mere 17 to 55 in R&D for more reactions / experiments per day and increasing the number of reactors in the Pilot Plant.

Contract Manufacturing / Exclusive Manufacturing

We also manufacture our customers' products under a contractual supply agreement based model. These customer contracts are both short-term and long-term and involve both exclusive and non-exclusive arrangements.

Focus on Quality, Environment, Health and Safety (QEHS)

Our business is focused on sustainability by emphasizing on quality, environment, health and safety.
We believe that maintaining a high standard of quality for our products is critical to our brand and continued growth. Across our manufacturing facilities, we have put in place quality systems that cover all areas of our business processes from manufacturing, supply chain to product delivery to ensure consistent quality, efficacy and safety of products. Our products adhere to global quality standards. Our products go through various quality checks at various stages including random sampling check and quality check internally. Many of our key customers have audited and approved our facilities and manufacturing processes in the past, which ensures that the regulator and our customers are able to confirm the continuance of quality of our facility and processes. In the Fiscal Year 2023, our facilities were audited 27 times by 24 customers or their external auditors. In addition, our facilities have received certificate of ISO 14001 for Environment and ISO 45001 for Occupational Safety and ISO 27000 certification. As of March 31, 2023, we had an environmental team of 46 (March 31, 2022: 43) employees [constituting 5.20% (March 31, 2022: 5.98%) of our workforce) and a safety team of 38 (March 31, 2022: 30) employees (constituting 4.30% (March 31, 2022: 4.17%) of our workforce).

We are mindful of the potential impact of our activities on the local environment and have set stringent environmental standards, which meet regulatory requirements, and often exceed them. Our manufacturing principles and technologies embody the core tenets of "green" chemistry or sustainable chemistry. Principles of energy saving and conservation, atom economy and the 4R strategy (reduce / recover / recycle / reuse) are fundamental in our manufacturing designs and engineering. In addition, by employing cleaner chemistries, semi-continuous or continuous reaction technologies, and automation in the process, we distinguish our processes from conventional processes and optimize use of non-toxic raw materials, resulting in lower effluent generation. Further, as part of environment and sustainability efforts, we have installed a 100 KLPD in-house zero liquid discharge (ZLD) plant, which includes primary and secondary chemical neutralization, triple stage multiple effect evaporator (MEE), multiple mechanical vapour recompression (MVR) plants, multiple agitated thin film evaporators, multiple reverse osmosis (RO) plants and a soil biotechnology platform with ozonation.

To provide sustainable power for our operations, in July 2022, we have commissioned 16 MW solar power generation plant at Sarod Village, Bharuch District, Gujarat to provide electricity to our current operational two manufacturing facilities and our Greenfield project (Site 3). We have incurred ₹ 675.64 MM (including taxes) towards capital expenditure for this solar power project which was financed from our internal accruals.

We prioritize the health and safety of our employees and undertake several initiatives to promote employee health and quality of life. We work to ensure a safe and healthy workplace and provide our employees with the benefits, resources and flexibility to maintain and improve their wellness. We undertake hazard and operability studies before commencing commercial production of new products. We have an in-house developed and engineered mobile application to assist coordination of our human resources, safety and emergencies. We also have a dedicated team of safety personnel including firemen, safety marshals and safety engineers In addition, we have installed comprehensive safety equipment including firefighting and safety systems including 700 m3 fire hydrant water storage, 271 m3 main electrical pump and diesel pump, automated foam monitors and water sprinklers, and Pulse Position Modulation (PPM) detection for gas and solvent leakage. Our plant wide DCS automation system allows us to control our safety systems and processes. We have also taken the initiative of combining the fire hydrant water resources of 3 other neighbouring chemical companies to create a combined fire hydrant water reserve of over 2,000 m3 capacity, available for the use of all participating companies.

Strong and consistent financial performance

In the short period of 10 years of incorporation and 6 years into commercial manufacturing, we have reached revenue of over ₹ 6,676 MM in Fiscal Year 2023. We have built our business organically and have demonstrated consistent growth in terms of revenues and profitability.

We are one of the fastest growing specialty chemical companies in India, growing at a CAGR of nearly 43.6% between Fiscal Year 2018 and Fiscal Year 2023. Our revenue from operations have increased at a CAGR of 43.1% from ₹ 1,085 MM in Fiscal Year 2018 to ₹ 6,511 MM in Fiscal Year 2023. Our revenue from exports (including deemed exports) have grown at CAGR of 84.2% from ₹391 MM in Fiscal Year 2018 to ₹ 4,495 MM in Fiscal Year 2023.

In the Fiscal Year 2023, our EBITDA was ₹ 2,028 MM (Fiscal Year 2022: ₹1,751 MM), while our EBITDA margins in the Fiscal Year 2023 were 30.438% (Fiscal Year 2022: 29.33%). In Fiscal Year 2023, our profit after tax was ₹ 1,304 MM (Fiscal Year 2022: ₹ 1,089 MM), while our profit after tax margins were 19.53% (Fiscal Year 2022: 18.25%).

During the year ended of March 31, 2023, our ROCE was 14.3% (March 31, 2022: 24.0%), and our ROE was 10.5% (March 31, 2022: 28.2%). The main reason of reduction in the ROCE and ROE levels is the IPO done in June 2022, wherein the capital base has increased and corresponding revenues to come in for the expansions of the business.

Experienced Promoters and Senior Management with extensive domain knowledge

We are led by our Promoters comprising our Managing Director, Ashwin Jayantilal Desai, and our Executive Directors Purnima Ashwin Desai, Rohan Ashwin Desai and Dr. Aman Ashvin Desai, who have a combined experience of over 125 years in the chemical industry. Each of our Promoters is a career-technocrat and is actively involved in the critical aspects of our business, including R&D, process and plant engineering, finance and marketing. All four Promoters are involved in the day-to-day management of the Company.

Additionally benefit from the industry experience of Kamalvijay Ramchandra Tulsian, Non-Executive Director, Chairman of our Board, bringing experience in the chemicals business; Jeevan Lal Nagori, Non-Executive Independent Director, bringing experience in the pharmaceutical business; Arun Brijmohan Kanodiya (qualified Chartered Accountant), Non-Executive Independent Director; Leja Satish Hattiangadi, Non-Executive Independent Director, bringing experience in project implementation; Ishita Surendra Manjrekar, Non-Executive Director bringing extensive knowledge about construction and related chemical industries; Dr. Amol Arvindrao Kulkarni, Non-Executive Independent Director, bringing extensive knowledge about continuous reaction technologies; Rajkumar Mangilal Borana, Non-Executive Independent Director; and Jitendra Popatlal Vakharia, Non-Executive Independent Director, bringing their experience in textile industry and chemical industry, respectively.

Our senior management team is also experienced in the chemicals industry. The majority of our management team have spent more than 5 years each with our Company. Our senior management personnel include career-technocrats such as Dr. James Ringer, Raymond Paul Roach and Dr. Norbert Flüggen.

We believe that the experience, depth and diversity of our directors, management team and our Promoters have enabled our Company to be recognized as a leading speciality chemical manufacturer in India. Their industry experience enables us to anticipate and address market trends, manage and grow our operations, maintain and leverage customer relationships and respond to changes in customer preferences.

Our Strategies

Our key business strategies are set forth below.

Leverage our strong position in the speciality chemicals industry to capitalize on industry opportunities

From CY 2020 to CY 2025, the global chemicals market is expected to grow at a CAGR of 6.2% and the India Speciality chemical market at a CAGR of 11.2 %, according to Frost & Sullivan. This growth is expected to be led by sustained demand in the end-use customer segments for our intermediate and speciality chemical products or business, which are experiencing consumption-led growth in India and key global markets. For example, according to Frost & Sullivan, the agrochemicals and fertilizers speciality chemical segment in India is forecasted to grow from $32.9 billion in CY 2020 to $ 53.3 billion in CY 2025 and the pharmaceuticals speciality chemical segment in India is forecasted to grow from $ 16.6 billion to $ 28.5 billion in CY 2025. (Source: F&S Report, May 2022, Prospectus of Aether Industries Limited).

China's speciality chemicals market has seen a downturn in recent years due to various factors Most prominent amongst these are the recent environmental norms introduced by the Chinese Government, which have led to shutdown of a number of chemical plants. (Source: F&S Report, May 2022, Prospectus of Aether Industries Limited).

The tightening of the environmental norms has resulted in increase in operating costs, closure and relocation of manufacturing facilities along with rising labor costs. While these may not be permanent trends, these will involve significant costs of production for Chinese companies, enabling India to significantly strengthen its position in the global supply chain and position itself as a viable alternative for global players seeking a de-risked supply chain while retaining sourcing costs. In the view of Frost & Sullivan, the recent downturn observed in China's speciality chemicals industry is serving as an opportunity for Indian manufacturers, who have now gained a cost advantage over their Chinese counterparts.

Due to our market leadership position in a number of speciality chemical product areas, we are well positioned to capitalize on these market opportunities. According to Frost & Sullivan, our revenue for our key products has grown much faster than the industry highlighting that we are able to take away market share from our competitors, which are mostly in China.We benefit from our established relationships with multinational, regional and local customers In particular, we propose to introduce new products with varied applications across industries. We aim to achieve this by leveraging our existing R&D capabilities, as well as by evaluating strategic acquisition opportunities. We also intend to capitalize on the growing demand for our products by expanding our manufacturing capacities and strengthening our sales and distribution network in existing markets and gaining access to newer markets. For example, we are committed to recruitment of advisers and consultants with a global pedigree, we have speaking engagements at international events & exhibitions, and we are increasing our local representative presence in major markets. Further, we aim to focus on high growth sectors and emerging trends in the speciality chemicals and our customers' end user industries. In this regard, we are witnessing significant opportunities to work with our customers to support them with new emerging trends in their industries. We also are looking to connect with existing and potential customers where we can support them with our CRAMS and contract / exclusive business models.

Expand Manufacturing, R&D and Pilot Plant Capacities

To cater to the growing demand from our existing customers and to meet requirements of new customers, we intend to, and are in the process of, expanding our manufacturing capacities for various new products in various business segments like Pharma, Agro, Oil & Gas, Material Sciences and so on. We also intend to add manufacturing capacities for our new product line (discussed above) that we are in the process of developing and commercializing.

To achieve these expanded capacities, in January 2023, we commenced manufacturing at the new manufacturing facility at the third site near our existing manufacturing facilities in Sachin. This new facility hosts four streams for production of new speciality chemicals and intermediates, which have applications in pharmaceutical, agrochemicals and material sciences. Further, for future expansion of our business, in March 2022, we secured additional leasehold lands admeasuring approximately 125,000 square meters at the Panoli GIDC Estate of Ankleshwar region of Gujarat state, which is approximately 54 kms from our current manufacturing facilities in Sachin. Inauguration of Manufacturing Site 5 (Panoli GIDC, Bharuch, Gujarat) was done on February 8, 2023, by brick laying rituals and conducting a blood donation camp (wherein 706 units of blood were collected), where in various corporates in Panoli, Panoli Industries Association, Kumarpal Blood Bank and Rotary Club of Ankleshwar were part of it to make this a grand success.

In addition, we look to build strategic alliances with innovator companies across end-user industries. We expect that projects that may begin as CRAMS projects will lead to strategic associations for commercial large-scale manufacturing of products and possibly introducing additional manufacturing capacity.

We also expanded the capacity of our R&D laboratories by increasing the fume hoods to 55. These additional fume hoods are divided into four organic synthesis labs in a separate floor in our R&D Facilities. The new labs are fully equipped including laboratory furniture and air-conditioned HVAC systems. In addition, our R&D Facilities have undergone a complete architectural and interior design overhaul and have been transformed into a world-class R&D center with library, scientist lounges, cafeteria, coffee house for scientists, modern offices and conference rooms, gymnasium, and outdoor meeting areas. As part of our R&D expansion, we recruited an additional 55-70 R&D scientists (with a focus on staff with a PhD or Master's degree).

In addition, we expanded our Pilot Plant by installing additional trains of pilot scale equipment which has tripled our current capacity.

The expanded pilot plant is equipped with state-of-art reaction technology both in batch and continuous regimes, world-class instrumentation, engineering, and safety systems, and is automated on DCS process automation. In the pilot plant expansion, we have installed new equipment including 26 reactors ranging from 250 L reactor volume to 4000 L reactor volume. Best-in-class utility (total 16 equipment) have been installed to support the pilot plant reaction processes. True DCS platform of Siemens PCS7 (German make) is deployed in a "hot" redundant configuration. The entire new pilot plant is protected by a comprehensive fire hydrant system, replete with fire curtains, water sprinklers, and foam monitors, and supported by a 271 m3 main electrical / diesel pump system and water reservoir of 700 m3 capacity.

Continue to strengthen our presence in India and expand our sales and distribution network in international markets

As of March 31, 2023, our product portfolio catered to over 50 global customers in 21 countries and to over 230 domestic customers. We enjoy relationships in excess of 5 years with eight out of our top ten customers in the twelve months ended March 31, 2023. We believe that the long-standing relationships that we have enjoyed with our customers over the years and the repeat and increased orders received from them are an indicator of our position as a preferred source as compared to our competition which is mostly located in China. In addition, we have an international sales and marketing team and business development team that is dedicated to taking new orders, quoting rates and aids in understanding the requirements of our customers Our team consists of veterans of chemical industry, namely Raymond Paul Roach (Business Development Leader – Americas); Dr. James Ringer (Business Development Leader – Americas); and Dr. Norbert Flüggen (Business Development Leader – Europe). Our new business development and marketing / sales is conducted with physical presence in 3 different continents (Asia / India by HQ, Europe / Germany by Dr. Norbert Flüggen, North America / USA by Dr. James Ringer and Raymond Paul Roach).

We intend to focus on increasing our wallet share with existing customers. We have built long-standing relationship with our customers through various strategic endeavors, which we intend to leverage by selling baskets of products to the same customers In addition, we intend to continue to leverage our existing sales and marketing network, diversified product portfolio and our industry standing to establish relationships with new multinational, regional and local customers

We are expanding globally to serve our existing direct end-use customers as well as to secure new direct end-use customers and expand the reach of our products in new markets. We intend to achieve this by having dedicated sales and marketing teams whose primary focus will be on business development in international markets and in certain focus geographies, such as North America, South America and Europe. Our focus also will be to increase the number of stock points that we have globally and strengthen our sales team in India, North America, South America and Europe to ensure that we are able to deliver products to our customers in a timely manner.

Continue to focus on contract manufacturing / exclusive manufacturing by developing innovative processes and value engineering

We look to convert R&D (CRAMS) opportunities provided by our clients into large-scale contract manufacturing projects. We believe that by offering value engineering, developing innovative processes and undertaking our core competency chemistries in our contract manufacturing / exclusive manufacturing operations allows us to enter into long-term contracts with customers that provide assured product off-take and better margins, thereby helping improve our profitability. We aim at differentiating our operations from other CRAMS companies by developing in-house innovative processes, which we believe provides us with a better leverage in terms of pricing with the customers Accordingly, we intend to continue developing in-house innovative processes for new complex chemistries, such as, glove box chemistries, Nobel prize winning metathesis chemistry and organo-silicon chemistry. We also continuously explore which of our existing products or processes are best suited for further innovation.

Further, we seek to continue to explore opportunities to enhance our existing customer relationships by undertaking CRAMS for new molecules. We believe our focus on value engineering by extending our process and chemistry expertise to enter into new value chains and replace the lower value products with higher value products in the same chemistry will enable us to service more of our customers' needs and increase our revenues from existing customers By leveraging the long-standing relationships and repeat orders from our customers, we intend to capitalize on the significant cross-selling opportunities that higher value products offer. Further, we intend to focus on early-stage process innovation and development that we believe will enable us to capitalize on the complete lifecycle of these products and give us the opportunity to be the initial suppliers for such customized speciality chemicals and

Growth through strategic acquisitions and alliances

We will look for strategic acquisition targets in the United States and the EU for R&D and manufacturing assets that are in line with our existing or desired competencies. We also will look for opportunities to acquire businesses to add additional chemistry or technology competencies (for example, photochemistry) or to add business segments where we are currently not present (for example, cytotoxic compounds, advanced silicone products or active pharmaceutical ingredients and formulations). We are focused on identifying acquisition targets that will benefit from our management expertise, our core competencies and the scale of our operations.

Our Products and Services

We organize our business based on three business models: (i) Large Scale Manufacturing ("LSM")of our own speciality chemicals and intermediates, (ii) Contract Research and Manufacturing Services ("CRAMS") and (iii) Contract / Exclusive Manufacturing ("C/E M").

Speciality Chemicals and Intermediates

We specialize in speciality chemicals and advanced intermediates products based on an intricate marriage of complex chemistry and technology core competencies. Examples of our chemistry core competencies include Grignards, organolithium and other organometallic chemistry, ethylene oxide and isobutylene chemistry, hydrogenation, catalysis (homogeneous /heterogeneous), cross coupling chemistry and metathesis/polymerization chemistry. Examples of our technology core competencies include continuous reaction technology, high pressure reaction technology, fixed bed reaction technology, DCS process automation and high vacuum distillation technology (wiped film/short path). By our focus on core competencies, we have developed a chemistry and technology oriented sales vision, as compared to a product and industry oriented sales vision. Our focus on core competencies also helps us mitigate risk because our business strategy and R&D are not targeted to any specific product, customer, region, or industry.

Our product selection process is very simple and straightforward. We look for products which fall into our core competencies of chemistry, technology and systems, and select the product which falls into our sweet spot. We then apply certain refinements to narrow down our product selection process, which are: (i) the product should be infrastructure oriented product, falling into a speciality chemical field with minimum of 4-synthetic step sequence, (ii) the product should not be actively manufactured by any company in India, (iii) the product should generate adequate revenue at maturity and (iv) we should be able to attain market leading position at product maturity. If product passes all these parameters, then we select that product for R&D, scale it up in our Pilot Plant, validate it and then produce it for commercialization.

As of March 31, 2023, our product portfolio comprised over 28 products, which have been developed and commercialized using these criteria in the 10 years period since we started our Company. Our products are advanced intermediates and speciality chemicals, which occupy a position in the chemical industry value chain between commodity chemicals and final actives and formulations. They find application in a number of therapeutic segments in the pharmaceuticals industry including hypertension, anti-platelet, anti-psychotic, anti-histamine and non-steroidal anti-inflammatory drugs ('NSAIDs"). Our products also find application in various other industries like agrochemicals, material science, coatings, high performance photography, additives and oil & gas.

Customer Segments

The table set forth below provides customer segment split of revenue from operations and as a percentage of revenue from operations in Fiscal Year 2023 and Fiscal Year 2022:

Business Segment

Segment	FY 2023 ₹ MM	FY 2023 % of revenue	FY 2022 ₹ MM	FY 2022 % of revenue
Pharmaceuticals	₹ 2,744.05	42.15%	₹ 3,513.26	59.54%
Agrochemicals	₹ 2,261.72	34.74%	₹ 1,456.19	24.68%
High Performance Photo	₹ 371.85	5.71%	₹ 283.77	4.81%
Material Science	₹ 319.33	4.90%	₹ 248.20	4.21%
Coatings	₹ 218.35	3.35%	₹ 195.31	3.31%
Oil & Gas	₹ 24.26	35.00%	₹ 54.12	0.92%
Food Additives	₹ 3.55	0.05%	₹ 22.96	0.39%
Other / Multiple Use	₹ 567.62	8.72%	₹ 126.66	2.14%
Total	₹ 6,510.74	100.00%	₹ 5,900.47	100.00%

Contract Research and Manufacturing Services (CRAMS)

Our facilities employ advanced technologies and systems such as:

- Contract research;
- Pilot scale-up services;
- Contract manufacturing;
- Full time equivalent (FTE) services, where one or more of our employees work full time on the project;
- Technology development; and
- Process development and optimisation.

Our CRAMS customers work jointly with our scientists and engineers, and we execute their projects in our R&D Facilities, analytical sciences laboratories, and our Pilot Plant. Molecules developed in our CRAMS business for our customers have the potential to convert into regular commercial supplies and become large scale manufacturing products for our Company.

Contract Manufacturing / Exclusive Manufacturing

We also manufacture our customers products under a contractual supply agreement based model. These customer contracts are both short-term and long-term and involve both exclusive and non-exclusive arrangements. In the Fiscal Year 2023 and Fiscal Year 2022, revenues from our contract manufacturing business constituted 34.31% and 23.77%, respectively, of our revenues from operations.

Our Customers

Our customers include more than 280 multinational, global, regional and local companies. As of March 31, 2023, we sold our products to more than 50 global customers in 21 countries and to more than 230 domestic customers. Our customers include a rich collection of leading domestic and international multinational companies.

We have a number of supply contracts with customers of three to five year duration which are linked to a formula based pricing structure. Our supply contracts with customers entered into by the Company may be terminated at the end of their terms or on the basis of the notice provided by the customer to us. Such terminations, however, are done on mutual discussion between the Company and the Customers Notwithstanding, the termination of supply contracts could adversely affect our business, financial condition and results of operations.

For other customers, we instead rely on purchase orders to govern the volume and other terms of our sales of products. Many of the purchase orders we receive from our customers specify a price per unit and delivery schedule. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our production schedules and inventories.

Exports

We export our products to 21 countries. Some of the key geographies to which we export our products include Italy, Spain, Germany, the United States, Netherlands and many more. During the Fiscal Year 2023 and Fiscal Year 2022, our sales from exports (excluding deemed exports), as a percentage of our revenue from operations were 44.85% and 47.11%, respectively.

Our sales from exports are denominated in foreign currencies, mostly the U.S. Dollars. Therefore, changes in the relevant exchange rates could also affect our sales as reported in Indian Rupees as part of our financial statements. While we hedge a very less portion of the resulting net foreign exchange position, we are still affected by fluctuations in exchange rates among the U.S. dollar and the Indian Rupee.

Geographic Split of Revenue from Operations

The table set forth below provides geographic split of revenue from operations and as a percentage of revenue from operations in the Fiscal Year 2023 and Fiscal Year 2022:

Geography

Country	Fiscal Year 2023 ₹ MM	Fiscal Year 2023 % of revenue	Fiscal Year 2022 ₹ MM	Fiscal Year 2022 % of revenue
India (domestic sales)	₹ 2,015.70	30.96%	₹ 2,084.84	35.30%
India (deemed exports)	₹ 1,574.66	24.19%	₹ 1,031.36	17.50%
India (SEZ sales)	₹ 281.07	4.32%	₹ 351.72	6.00%
Italy	₹ 976.57	15.00%	₹ 533.57	9.00%
Spain	₹ 120.00	1.84%	₹ 504.96	8.60%
Germany	₹ 266.57	4.09%	₹ 377.45	6.40%
Rest of Europe	₹ 458.95	7.05%	₹ 371.71	6.30%
United States	₹ 519.38	7.98%	₹ 227.81	3.90%
Taiwan	₹ 0.66	0.01%	₹ 90.37	1.50%
Mexico	₹ 51.42	0.79%	₹ 140.70	2.40%
China	₹ 105.16	1.62%	₹ 90.17	1.50%
Japan	₹ 67.70	1.04%	₹ 71.26	1.20%
Rest of the world	₹ 72.90	1.11%	₹ 24.56	0.40%
Total	₹ 6510.74	100.00%	₹ 5900.47	100.00%

Note :

1. "Deemed Exports" refer to those transactions in which the goods supplied do not leave the country, and the payment for such supplies is received either in Indian rupees or in free foreign exchange. We have started business in four new countries in Fiscal Year 2023, which include Singapore, Malta, Norway and South Korea, which depicts the growth of Company's business geographically.

Automation

Our manufacturing facilities utilize DCS that use geographically distributed control loops throughout our facilities to control our systems and processes to increase their safety, cost-effectiveness and reliability. Our Pilot Plant and CRAMS operations use a Siemens PCS7 DCS and our manufacturing facilities use a Yokogawa Centum VP DCS.

Manufacturing Process

We have designed and developed our facilities based on a chemistry and technology model, and each product is assigned to a particular stream. This design gives us flexibility to move from one product to another without any gestation period and with the least amount of cost. The plant design is flexible to run multiple streams across our intermediate product buildings for our key products to limit contagion risk, and consistently meet the demand of these products. All our manufacturing units are multipurpose plants with multiple streams catering to the wide range of products that we have. There are no dedicated plants or streams, and the same stream can be utilized for multiple products providing the flexibility to adjust the production mix quickly as demand changes. Each product is a result of various chemistries and processes applied as per the desired results.

Our products can be broadly classified under six different chemistry bifurcations:

- Tandem Grignard / ethylene oxide chemistry;
- Other Grignard / coupling chemistry;
- Hydrogenation / catalysis chemistry;
- Continuous reaction technology based chemistries;
- Fixed bed technology based chemistries; and
- Hazardous gas chemistry.

The raw materials are charged continuously/ batch-wise in reactors of suitable capacity and design based on the type of reaction. Other technical parameters such as temperature, pressure and reaction time are maintained based on the type of reaction to be carried out.

When the reaction is complete, the product is analyzed and subjected to further processing, which includes filtration, continuous/ batch distillations, purification processes to get the required quality product. The product is ultimately tested to ensure it meets the applicable specifications before it is supplied to the customer.

Research & Development (R&D)

The foundation of our Company is our in-house research and development. Our strategic investments in R&D have been critical to our success and a differentiating factor for us to attain leading market positions for certain products. Based on the technical expertise that we have developed over the years, we are able to carry out innovative processes at global scale, which is difficult to replicate, and creates significant barriers for new entrants.

We have dedicated in-house R&D Facilities and a Pilot Plant located at our Manufacturing Facility 1 in Sachin. Our chemistry and technology core competencies and all of our products have been developed by our own R&D team, scaled up in our Pilot Plant, and launched into production with in-house design and engineering. Our in-house development (without the support from any clients for R&D) showcases our innovation and research strength. Examples of our chemistry core competencies include Grignards, organolithium and other organometallic chemistry, ethylene oxide and isobutylene chemistry, hydrogenation, catalysis (homogeneous /heterogeneous), cross-coupling chemistry and metathesis/polymerization chemistry. Examples of our technology core competencies include continuous reaction technology, high pressure reaction technology, fixed bed reaction technology, DCS process automation and high vacuum distillation technology (wiped film/short path).

Our R&D Facilities are dedicated to the development of our pipeline and next generation products as well as to our CRAMS customers. As of March 31, 2023, we had a specialized R&D team of 233 (March 31, 2022: 164) scientists and engineers, including 111 (March 31, 2022: 92) scientists (with PhDs or Master of Science degrees) and 122 (March 31, 2022: 72) chemical engineers. With a view to further strengthen our R&D capabilities, we continuously recruit and appoint scientists of varied experience and expertise at our R&D laboratory with an objective to successfully implement our strategy of early identification of development and manufacturing opportunities.

Our R&D laboratories are fitted with modern synthesis equipment including fume hoods, lab scale continuous and flow reactors and advanced separation equipment. In addition, our R&D labs are supplemented with modern analytical method development (ADL) and quality control (QC) laboratories equipped with the entire suite of equipment necessary for modern organic chemistry research (including Liquid Chromatography Mass Spectrometry, Gas Chromatography Mass Spectrometry, Gas Chromatography, High Pressure Liquid Chromatography, Differential Scanning Calorimetry/Thermal Stability Unit, and others).

Our R&D Facilities are equipped with laboratories engaged in process development, process innovation, new chemical screening and engineering, which assists us in pursuing efficiencies from the initial conceptualization up to commercialization of a product. Our R&D team has successfully carried out multi-step synthesis and scale-up for several new molecules in the area of speciality chemicals and intermediates, and as a result, expanded our commercialized product portfolio. We have tripled our R&D facility in the Fiscal Year 2023, by increasing the fume hoods to 55.

Another aspect of our R&D activities is our association and collaboration with many universities and institutions of India. We have been associated with National Chemical Laboratory (NCL, Pune), Institute of Chemical Technology (ICT, erstwhile UDCT, Mumbai), Uka Tarsadia University (UTU, Bardoli), and Sardar Vallabhbhai National Institute of Technology (SVNIT, Surat).

We have our own sponsored PhD programs which are ongoing for getting PhD research and degree done for our R&D team with Institute of Chemical Technology (ICT, erstwhile UDCT, Mumbai), National Chemical Laboratory (NCL, Pune), Uka Tarsadia University (Bardoli), and Sardar Vallabhbhai National Institute of Technology (SVNIT, Surat).

Our R&D Facilities are recognized by DSIR (Department of Scientific & Industrial Research), New Delhi for in-house R&D work.

We also expanded the capacity of our R&D laboratories by adding additional fume hoods. These additional fume hoods are divided into four organic synthesis labs in a separate floor in our current R&D Facilities. These new labs are fully equipped including laboratory furniture and air-conditioned HVAC systems. In addition, our R&D Facilities have also undergone a complete architectural and interior design overhaul and are transformed into a world-class R&D center with library, scientist lounges, cafeteria, coffee house for scientists, modern offices and conference rooms, gymnasium, and outdoor meeting areas. As part of our R&D expansion plans, we have recruited additional R&D scientists (with a focus on staff with a PhD or Master's degree) and engineers.

In addition, we expanded our Pilot Plant by installing additional trains of pilot scale equipment which has tripled our current capacity. The expanded pilot plant is equipped with state-of-art reaction technology both in batch and continuous regimes, world-class instrumentation, engineering, and safety systems, and is automated on DCS process automation.

Pilot Plant

We have a state-of-art Pilot Plant, which is a vital link between R&D and large scale production. Our Pilot Plant has a dual functionality; it functions to generate critical scale-up data in the transition from R&D to production to help eliminate issues at full production scale; and it also functions as a stand-alone manufacturing facility for low volume, high value products for our CRAMS customers Our Pilot Plant encompasses a wide range of reactor and downstream equipment, in both continuous and batch regimes, across the entire range of scale-up volumes, metallurgy, and process parameters and is automated through DCS process automation. We have tripled our Pilot Plant facility in the Fiscal Year 2023, by increasing the number of reactors.

Upcoming projects

We acquired a fourth site of 18,000 Sq. Mtrs. (approximately) near our existing manufacturing facilities in Sachin, where in the documentation and merger formalities are being done as there are two plots of land adjacent to each other. We will be hosting various streams for the manufacturing of chemicals and intermediates, which have applications in pharmaceuticals, agrochemicals and material science.

We have also acquired the fifth site ad-measuring 1,25,000 Sq. Mtrs. (31 acres approximately) at Panoli GIDC, Bharuch District, Gujarat. We have already done brick laying (Bhoomi-Poojan) at this site along with a blood donation camp, where we collected 706 units of blood. The said premise will be developed phase wise spread over few years, which will encompass world-class manufacturing facility with advanced facilities.

Raw Materials

The raw materials we use in our manufacturing process are primarily sourced from third party suppliers globally and in India.

During the Fiscal Year 2023, our cost of good sold (cost of materials consumed and changes in inventories of finished goods and work-in-progress) amounted to ₹ 3,173.39 MM (Fiscal Year 2022: ₹2,880.33 MM), and our cost of materials consumed as a percentage of our revenue from operations was 48.74% (Fiscal Year 2022: 48.82%). Our raw materials include crude oil derivatives such as phenol and other commodities such as hydrogen, ethylene oxide and Isobutylene gas. Other important raw materials include chlorobenzonitrile, methanol, toluene, methylene dichloride tetrahydrofuran, dichlorotoluene and thiophene, amongst others.

The prices of our raw materials are based on, or linked to, the international prices of such raw material and the variations are typically passed on to the customer. We usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers under contracts of shorter period or the open market. The prices of our key raw materials globally have been volatile and increases in the prices of these materials have an impact on our cost of production.

Inventory Management

Our finished products are stored on-site at our manufacturing facilities. The raw materials are stored at our warehouses located at the nearby warehousing sites procured by the Company on leased premises and the ready to use raw material for use in production are stored at on-site warehouses. We typically keep at least five months of inventory of raw materials, work in progress and recoveries at our facilities to mitigate the risk of raw material price movements; we typically maintain 15 days to 30 days of inventory in Work-in-Progress (Semi Finished Goods); and we maintain a low level of inventory of Finished Goods due to the demand from various customers based on which the products are manufactured. We usually manufacture Finished Goods as per the orders received, and hence our Finished Goods are not in inventory for more than a week.. We maintain a lead-time material requirement planning system and utilize our ERP software to manage our levels of inventory on a real-time basis.

Sales and Marketing

Our business is predominantly conducted on a business-to-business basis and our focus is on maintaining constant contact with customers and to ensure timely delivery. We also have an exclusive distributor in the Telangana region of India. We have a sales and marketing team and business development team that is dedicated to taking new orders, quoting rates and aids in understanding the requirements of the customers Our team consists of veterans of chemical industry, namely Raymond Paul Roach (Business Development Leader – Americas); Dr. James Ringer (Business Development Leader – Americas); and Dr. Norbert Flüggen (Business Development Leader – Europe).

We also regularly take part in trade shows and exhibitions, such as CPHI in India, Europe, Japan, China and USA; Chemical Outsourcing in USA and Chemspec in India and Europe. Moreover, members of our sales team have been invited as speakers at various industry forums.

In order to serve our existing direct end-use customers as well as to secure new direct end-use customers and expand the reach of our products to new markets, we are expanding globally. We intend to achieve this by having dedicated teams whose primary focus will be on business development in international markets and in certain focus geographies, such as Europe and the Americas.

Our focus will be to increase the number of stock points we have globally and strengthen our sales team in India, the Americas and Europe to ensure that we are able to deliver products to our customers in a timely manner.

Information Technology

Our IT systems are vital to our business, and we have adopted IT policies to assist us in our operations. The key functions of our IT team include establishing and maintaining enterprise information systems, infrastructure services to support our business requirements and maintaining secure enterprise operations.

We utilize an enterprise resource planning solution, SAP, which assists us with various business functions including sales distribution, materials management, warehouse management, production planning, quality management, plant maintenance, finance and controlling environment health and safety, and human resources across all our offices, R&D facilities and manufacturing plants.

We have recently been certified as an ISO 27001:2013 which has a key focus on Information Security Management Systems.

Our information security objective is to safeguard the data and give our customer confidences on their intellectual property (IP), for which we have implemented a data facility for managing data and its security, access restriction systems and other sophisticated systems.

We are committed to safeguarding confidentiality. We ensure that integrity and availability of all physical and electronic information assets of facilities where we operate to ensure that legal, regulatory, and operational requirements are fulfilled.

We believe we have a robust disaster recovery, business continuation and backup policy. We use a VMware Virtualisation System in redundant mode with centralised storage and thin client systems . We have employed a firewall in redundant mode. All users connect to our systems only through VPN access. For data security, we use a RDP System (Remote Desktop) with thin client.

Risk Management

We believe that risk management is an integral part of our operations. We believe that it is essential to identify and manage risks in order to reduce uncertainties and ensure continuity of business. We have a risk management framework and risk management team that implements the processes specified in the framework.

We aim to provide a high degree of safety to our employees, especially at our factories where chemical processes are executed. We undertake regular inspection of our machineries and also undertake periodic maintenance checks on other equipment in order to ensure they meet safety requirements.

Insurance

We maintain insurance coverage that we consider is necessary for our business. We maintain an insurance policy that insures against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, and machinery breakdown. We also maintain a cargo insurance policy that insures consignments of goods by sea, air and by courier until delivery to the customer's warehouse and inland movement of bulk cargo in road tanker In addition, we maintain a commercial general liability insurance that covers liability in claims for bodily injury (and medical payments), property damage, personal and advertising injury. Further, we have a cyber insurance policy to cover against certain IT and system risks. We have also obtained a COVID-19 insurance policy for our employees to cover pre- and post-hospitalization expenses and emergency road ambulance expenses. We also have a Directors' and Officers' policy for our Directors and Senior Management.

Competition

The speciality chemicals industry presents significant entry barriers, including customer validation and approvals, expectation from customers for process innovation and cost reduction, high quality standards and stringent specifications. Our competition varies by market, geographic areas and type of product. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. We face competition primarily from international manufacturers especially Chinese companies. We compete primarily on the basis of product quality, technology, cost, delivery and service, as well as quality and depth of senior level relationships.

Human Resources

We place importance on developing our human resources. As of March 31, 2023, we had 889 (March 31, 2022: 719) employees (excluding trainees) and 266 contract workers and trainees. A combination of full-time employees and contract personnel gives us flexibility to run our business efficiently. In Fiscal Year 2023 and Fiscal Year 2022, our attrition rates were 1.83% and 1.54%, respectively. As of March 31, 2023, the average age of our workforce was 31 years.

As of March 31, 2023, we employed 111 (March 31, 2022: 92) scientists with either a PhD or Master of Science degree (which constituted 12.48% of our workforce) and 122 (March 31, 2022: 72) chemical engineers (which constituted 13.72% of our workforce). The following table sets forth the number of our employees as of March 31, 2023:

Departments / Teams	No. of Employees March 31, 2023
Management and administration	4
Human Resource (HR) & Admin	29
Computer Information System (CIS)	13
Finance & Accounts	14
Logistics & EXIM	2
Procurement	3
Sales	3
Stores / Warehouse	62
Quality Control / Analytical Lab / Quality Assurance (CQ/ADL/QA)	48
Research & Development (R&D)	92
Control & Instrumentation (C&I)	32
Environment Health & Safety (EHS)	38
Effluent Treatment (ETP)	46
Maintenance	130
Electrical	31
Production	320
Process & Project	19
Creative Team	3
Total	889

889

Aetherians

Our employees are not part of any union. We have not experienced any material work stoppages due to labour disputes or cessation of work in the last three Years

Our work force is a critical factor in maintaining quality, productivity and safety, which strengthens our competitive position. We aim to develop a culture that is based on fairness and respect. This includes following our Code of Conduct and protecting employees from discrimination, harassment and retaliation. We continuously review our existing human resource initiatives to make them more inclusive, employee engaging and skill-development oriented. We continue to lay emphasis on building and sustaining an excellent organization climate based on human performance. In addition, we offer wide-ranging training opportunities to our employees and have set up and learning and development policy to foster our training initiatives.

Intellectual Property

We have applied for a trademark registration for our corporate logo under class 1 and Class 5 of the Trademark Act, 1999, and Trade Rules, 2002, before the Registrar of Trademarks. The application has been made in the name of the Company. The table below sets forth our trademarks applications as of the date of this Prospectus. 8264696082

Inventory Management — Status of TradeMark Application

Country	Name of the IPR - TM / C	Class	Status
India	aether	1	TM Approved
India	aether	5	TM Approved
India	elementally innovative	1	TM Approved
India	elementally innovative	5	TM Approved
India	Aether, with logo and elementally innovative	1	® Approved

Country	Name of the IPR - TM / C	Class	Status
India	Aether, with logo and elementally innovative	5	® Approved
India	Logo of Aether	1	TM Approved
India	Logo of Aether	5	TM Approved
USA	Aether, with logo and elementally innovative	International – 01	TM Approved
India	Wordmark "aether" - TM	2	Applied
India	Wordmark "aether" - TM	3	Applied
India	Wordmark "aether" - TM	4	Accepted
India	Wordmark "aether" - TM	6	Applied
India	Wordmark "aether" - TM	7	Applied
India	Wordmark "aether" - TM	8	Accepted
India	Wordmark "aether" - TM	9	Applied
India	Wordmark "aether" - TM	10	Applied
India	Wordmark "aether" - TM	11	Applied
India	Wordmark "aether" - TM	12	Applied
India	Wordmark "aether" - TM	13	Applied
India	Wordmark "aether" - TM	14	Applied
India	Wordmark "aether" - TM	15	Applied
India	Wordmark "aether" - TM	16	Applied
India	Wordmark "aether" - TM	17	Applied
India	Wordmark "aether" - TM	18	Applied
India	Wordmark "aether" - TM	19	Applied
India	Wordmark "aether" - TM	20	Applied
India	Wordmark "aether" - TM	21	Applied
India	Wordmark "aether" - TM	22	Applied
India	Wordmark "aether" - TM	23	Applied
India	Wordmark "aether" - TM	24	Accepted
India	Wordmark "aether" - TM	25	Applied
India	Wordmark "aether" - TM	26	Applied
India	Wordmark "aether" - TM	27	Applied
India	Wordmark "aether" - TM	28	Accepted
India	Wordmark "aether" - TM	29	Applied
India	Wordmark "aether" - TM	30	Applied
India	Wordmark "aether" - TM	31	Applied
India	Wordmark "aether" - TM	32	Applied
India	Wordmark "aether" - TM	33	Accepted
India	Wordmark "aether" - TM	34	Applied
India	Wordmark "aether" - TM	35	Applied
India	Wordmark "aether" - TM	36	Applied
India	Wordmark "aether" - TM	37	Applied
India	Wordmark "aether" - TM	38	Accepted

Country	Name of the IPR - TM / C	Class	Status
India	Wordmark "aether" - TM	39	Applied
India	Wordmark "aether" - TM	40	Applied
India	Wordmark "aether" - TM	41	Applied
India	Wordmark "aether" - TM	42	Applied
India	Wordmark "aether" - TM	43	Applied
India	Wordmark "aether" - TM	44	Applied
India	Wordmark "aether" - TM	45	Applied
India	Device " એથર " - TM	1	Applied
India	Device " એથર " - TM	2	Applied
India	Device " એથર " - TM	4	Applied
India	Device " એથર " - TM	5	Applied
India	Device " એથર " - TM	6	Applied
India	Device " એથર " - TM	9	Applied
India	Device " એથર " - TM	32	Applied
India	Device " એથર " - TM	41	Applied
India	Device " એથર " - TM	42	Applied
India	Device " aether " - TM	Artistic Work	Applied for TM-NOC
India	Device " aether " - TM	Artistic Work	Yet to Apply (NOC awaited)

We also have registered the domain names aether.co.in, which is renewable periodically.

We also rely on a combination of trade secret, and copyright law and contractual restrictions to protect our intellectual property. We do not own any patents. We have agreements with our employees and consultants which include confidentiality provisions and provisions on ownership of intellectual property developed during employment or specific assignments, as applicable.

Our Company has received the following key awards, accreditation and recognition:

Year	Certification / Accreditation
2015	Awarded with ISO 9001:2015 (Manufacturing Facility 1 – Hojiwala Unit)
2017	Awarded with ISO 9001:2015
2017	Awarded with GMP – (ICH Q7 Revision 1)
2018	Awarded with ISO 14001:2015
2021	Awarded with ISO 27001:2013
2021	Awarded with ISO 45001:2018
2022	Silver rating from EcoVadis (Sustainability Rating)
2022	Membership to UN Global Compact (Network India)
2023	Membership of Indian Chemical Council (ICC)

Principal Factors affecting our Results of Operations

Our financial performance and results of operations are influenced by a variety of factors, including without limitation, global and domestic competition, conditions in the markets of our end-user products, general economic conditions, changes in costs of raw materials and government regulations and policies.

Raw materials price fluctuations and availability - Our cost of goods sold (which is the aggregate of our cost of materials consumed and changes in inventories of finished goods and work-in-progress) makes up a large portion of our operating expenses. During the Fiscal Year 2023, our cost of goods sold (cost of materials consumed and changes in inventories of finished goods and work-in-progress) amounted to ₹3,173.39 MM (Fiscal Year 2022: ₹2,880.33 MM), which represented 48.74%, (Fiscal Year 2022: 48.82%) of our revenue from operations. We source raw materials primarily from third-party suppliers, including through imports. Our raw materials include crude oil derivatives, such as phenol, and other commodities, such as hydrogen, ethylene oxide and Isobutylene gas. Other important raw materials include chlorobenzonitrile methanol, toluene, methylene dichloride tetrahydrofuran, dichlorotoluene and thiophene, amongst others We usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers under contracts of shorter periods or in the open market. The prices of our key raw materials globally have been volatile and any increases in the prices of these materials have an impact on our costs of production.

The prices of our raw materials are generally based on, or linked to, the international prices of such raw materials and the variations are typically passed on to the customer. As a result, while our revenues may fluctuate as a result of volatility in crude oil prices, our profitability is less significantly affected. In Fiscal 2023, our cost of materials as a percentage of total revenue decreased, primarily due to (i) our improved utilization of raw materials resulting in better yields on finished products and (ii) benefits from economies of scale due to our ability to source raw materials at better per unit pricing given our larger volume of purchases. However, we cannot assure you that the prices of our raw materials would not increase in the future or that our pricing model will enable us to avoid all effects from fluctuations in crude oil prices.

Foreign exchange rate risk - Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies, mostly the U.S. Dollar. Accordingly, we have currency exposures relating to buying, selling and financing in currencies other than in Indian Rupees, particularly the U.S. Dollar. For the Fiscal Year 2023, 44.85% (Fiscal Year 2022: 47.11%), of our revenue from operations were attributed to exports (excluding Deemed Exports). In the Fiscal Year 2022, our net foreign currency denominated sales (sales in foreign currency less expenses related to sales in foreign currency, excluding Deemed Exports) amounted to ₹ 2,920.37 MM (Fiscal Year 2022: ₹ 2,779.53 MM). For the Fiscal Year 2022, 38.6%, (Fiscal Year 2022: 31.4%), of our raw materials were imported. The increase in raw material imports in the Fiscal Year 2023 can be primarily attributed to a stocking of various Raw Materials, for which the prices reduced in the international markets.

Exchange rate fluctuations also affect our ability to service our debt obligations denominated in foreign currencies, such as our Packing Credit Loans in Foreign Currencies. We do not enter into any hedging activities for our foreign currency positions. Accordingly, we are affected by fluctuations in exchange rates among the U.S. Dollar, Indian Rupee and other currencies. In the Fiscal Year 2023, we recorded gain of ₹ 36.65 MM (Fiscal Year 2022: ₹ 18.37 MM), due to these fluctuations in foreign currency.

Capital expenditure - We require substantial capital to maintain our existing facilities, as well as to acquire new sites, to expand our existing facilities and to construct new facilities. In the Fiscal Year 2023, we incurred capital expenditure of ₹ 3,915.11 MM (Fiscal Year 2022: ₹ 1,010.13 MM). A significant amount of our capital expenditure was aimed at constructing manufacturing and other facilities, increasing our manufacturing capacities and diversifying our product base.

As of March 31, 2023, we are operating at three sites in India. Our Manufacturing Facility 1 is a 3,500 Sq. Mtrs. facility for our R&D activities, our analytical sciences, our Pilot Plant, our CRAMS facility and our hydrogenation facility. Our Manufacturing Facility 2, admeasuring 10,500 Sq. Mtrs., acts as a large-scale manufacturing facility with installed production capacity of 6,096 MTPA and includes a solvent recovery plant with installed capacity of 13,140 MTPA, distributed among three advanced intermediates/specialty chemicals production buildings that host 16 production streams as of March 31, 2023. During Fiscal Year 2023, we commissioned and started the manufacturing process at new site (Site – 3), admeasuring 5,250 Sq. Mtrs., which has a potential production capacity of 3,500 MTPA and we have launched three out of five products to be launched at this Site 3. We have also purchased a fourth site (Site – 4) of approximately more than 18,000 Sq. Mtrs. which is near to our Site 2 and we will soon begin construction of a Proposed Greenfield Project on this new site (Site – 4) in Fiscal Year 2024. We also tripled our R&D and Pilot Plant capacities which became operational in October 2022, and was inaugurated by Padmabhushan Professor M. M. Sharma.

Dependence of demand from pharmaceutical and agrochemical industries - As of March 31, 2023, we had over twenty-eight (28) commercial products including twenty (24) pharmaceutical, one (1) coating and three (3) agrochemical intermediates and specialty chemicals. Our products find applications across a number of therapeutic segments in the pharmaceuticals industry, including hypertension, anti-platelet, anti-psychotic, anti-histamine and non-steroidal anti-inflammatory drugs ("NSAIDs"). We also have products across other customer segments, such as agrochemicals, material science, coatings, multiple-use, high performance photography, food additives and oil and gas. In the Fiscal Year 2023, revenues from our pharmaceutical products were ₹ 2,744.05 MM (Fiscal Year 2022: ₹ 3,513.26 MM), which represented 42.15% (Fiscal Year 2022: 59.54%) of our operating revenue; and revenues from agrochemical products were ₹2,261.72 MM (Fiscal Year 2022: ₹1,456.19 MM), which represented 34.74% (Fiscal Year 2022: 24687%), of our revenue from operations.. Consequently, our revenues are dependent on the pharmaceutical and agrochemical industries that use our products as an input. We have other segments, which have shown an upward trend in Fiscal Year 2023, which include High Performance Photography, Material Science, Coatings and Multiple Applications.

Reliance on major customers and relatively few products - Our customer base currently comprises a host of multinational and domestic companies. Of our revenue from operations in the Fiscal Year 2023, our largest customer contributed approximately 14.01% (Fiscal Year 2022: 15.28%); our top 10 customers contributed to approximately 54.94% (Fiscal Year 2022: 71.20%); and our top 20 customers contributed 69.92% (Fiscal Year 2022: 92.54%). We have long-term relationships and ongoing active engagements with many of our customers This clearly shows that our reliance on our major customer has reduced and we are able to cater to large number of customers.

In the Fiscal Year 2023, our top five specialty chemical products (4MEP, MMBC, T2E, OTBN and NODG) represented 56.20% (Fiscal Year 2022: 67.15%) of our gross revenues from operations, respectively. This shows a positive trend, wherein our reliance on few products is reducing year on year.

We have a number of supply contracts with customers of one-to-five-year duration, mostly with multinational clients and mainly for our CRAMS and contract manufacturing businesses.

Competition - Our products are used in end-user industries, such as pharmaceuticals, agrochemicals, amongst other industries. The broad-spectrum application of our products in the chemical industry is for advanced intermediates and significantly higher value specialty chemicals, which we believe is a unique position in the Indian chemical industry.

Moreover, whatever new products that we are developing in our R&D Facility are also such products which will be the first of its kind in India and we would be dominating the Indian market with the new products as well.

Costs of power and fuel - Power and fuel are critical for the continued operations of our manufacturing facilities. For the Fiscal Year 2023, our electricity charges accounted for 2.94% (Fiscal Year 2022: 3.64%) of our revenue from operations, and our power and fuel costs (comprised of gas expenses, steam charges and diesel expenses) accounted for 5.59% (Fiscal Year 2022: 5.15%) of our revenue from operations. From Fiscal Year 2022 to Fiscal 2023, (i) our steam charges had increased from ₹164.73 MM in Fiscal Year 2022 to ₹230.23 MM in Fiscal Year 2023 primarily due to increases in coal prices and crude oil prices, along with an overall increase in our production activities and (ii) electricity expenses had reduced from ₹ 214.84 MM in Fiscal Year 2022 to ₹ 191.45 MM in Fiscal Year 2023, primarily due to commissioning of 16MW Solar Power Plant in July 2022, which has helped us reduce our overall electricity charges. Our power and fuel costs, as a percentage of revenue from operations, were higher in the Fiscal Year 2023, when compared to the last Fiscal Year 2022, primarily due to (i) an overall increase in our production activities and (iii) a general increase in coal, oil and gas prices.

Non-GAAP Financial Measures - In addition to our results determined in accordance with Ind AS, we believe the following non-GAAP measures are useful to our Company and our investors as a means of assessing and evaluating our performance in comparison to prior periods. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes: EBITDA, EBITDA Margin, PAT Margin, ROE, Capital Employed, ROCE, Debt, Net Debt, Debt-Equity Ratio, Net Debt-EBITDA Ratio, Net Worth, Return on Net Worth, Net Asset Value per Equity Share, Pre-Tax Operating Profit, Net Tangible Assets, Monetary Assets and % of Monetary Assets to Net Tangible Assets. We believe that non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information are not recognized under Ind AS and do not have standardized meanings prescribed by Ind AS. In addition, non-GAAP financial measures used by us may differ from similarly titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

	As at, or for the year ended, March 31,	
In ₹ MM	2023	2022
EBITDA(1)	₹ 1,862.51	₹ 1,681.07
EBITDA Margin(2)	28.61%	28.49%
PAT Margin(3)	19.53%	18.25%
ROE(4)	10.48%	28.16%
Capital Employed(5)	₹ 11,414.69	₹ 6,369.36
ROCE(6)	14.28%	23.96%
Debt(7)	₹ 1.06	₹ 2,850.75
Net Debt(8)	₹ 2,730.48	₹ 2,730.48
Debt-Equity Ratio(9)	0.00	0.74
Net Debt-EBITDA Ratio(10)	0.18	2.17
Net Tangible Assets(11)	₹ 11,317.69	₹ 3,653.17
Monetary Assets(12)	₹ 708.64	₹ 33.39
% of Monetary Assets to Net Tangible Assets(13)	6.26%	0.91%
Net Worth(14)	₹ 12,446.09	₹ 3,868.88
Return on Net Worth(15)	10.50%	28.16%
Pre-Tax Operating Profit(16)	₹ 1,630.06	₹ 1,526.20
Net Asset Value per Equity Share(17)	₹ 99.96	₹ 34.33

Note :

1. EBITDA is calculated as the sum of (i) profit before tax and prior period items for the period/year, (ii) depreciation and amortization expenses, and (iii) finance costs less (iv) other income.
2. EBITDA Margin is calculated as EBITDA divided by revenue from operations.
3. PAT Margin is calculated as profit for the period/year divided by total income.
4. ROE is calculated as profit for the period/year divided by total equity.
5. Capital Employed is calculated as total equity, plus non-current borrowings, plus current borrowings, less current investments, less cash & cash equivalents, less bank balances other than cash & cash equivalents.
6. ROCE is calculated as earnings before interest and taxes divided by Capital Employed.
7. Debt is calculated as the sum of current borrowings and non-current borrowings.
8. Net Debt is calculated as total liabilities less cash & cash equivalents and bank balances.

9. Debt-Equity Ratio is calculated as Debt divided by total equity.
10. Net Debt-EBITDA Ratio is calculated as Net Debt divided by EBITDA.
11. Net Tangible Assets is calculated as the sum of all the assets of our Company excluding, right of use assets and other intangible assets as reduced by total liabilities of our Company.
12. Monetary Assets is calculated as cash and cash equivalents and bank balances and excluding bank deposits with remaining maturity of more than twelve months and fixed deposits held as margin money.
13. Percentage of Monetary Assets to Net Tangible Assets is calculated as Monetary Assets divided by Net Tangible Assets, expressed as a percentage.
14. Net Worth is calculated as the aggregate value of the paid-up share capital and all reserves created out of the profits (inclusive of net gain consequent to fair valuation of certain assets on transition to Ind AS) and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
15. Return on Net Worth is calculated as profit for the period/year divided by Net Worth.
16. Pre-Tax Operating Profit is calculated as profit before tax and prior period items for the period/year, excluding other income, finance costs and other comprehensive income.
17. Net Asset Value per Equity Share is calculated as Net Worth divided by the weighted average number of equity shares for the period/year as adjusted for bonus issue. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year/period adjusted by the number of equity shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/period.

EBITDA, EBITDA Margin, PAT Margin and ROE

The following table sets forth our EBITDA, EBITDA Margin, PAT Margin and ROE, in each of the Fiscal Year 2023 and Fiscal Year 2022:

	For the Fiscal Year ended March,	
In ₹ MM	2023	2022
Total income (A)	₹ 6,676.39	₹ 5,970.21
Revenue from operations (B)	₹ 6,510.74	₹ 5,900.47
Profit before tax and prior period items (C)	₹ 1,744.79	₹ 1,464.73
Add: Finance costs (D)	₹ 50.93	₹ 131.21
Add: Depreciation and amortization expenses (E)	₹ 232.45	₹ 154.87
Less: Other income (F)	₹ 165.65	₹ 69.74
EBITDA (G=C+D+E-F)	**₹ 1,862.51**	**₹ 1,681.07**
EBITDA Margin (H=G/B)	**28.61%**	**28.49%**
Profit for the period (I)	₹ 1,304.17	₹ 1,089.29
Total equity (J)	₹ 12,446.09	₹ 3,868.88
PAT Margin (I/A)	**19.53%**	**18.25%**
Return on Equity - ROE (I/J)	**10.48%**	**28.16%**

Capital Employed and Return on Capital Employed (ROCE) - The following table sets forth our Capital Employed and Return on Capital Employed (ROCE), including a reconciliation of ROCE to our profits/losses before tax and prior period items in each of the Fiscal Year 2023 and Fiscal Year 2022.

Capital Employed and Return on Capital Employed (ROCE) - The following table sets forth our Capital Employed and Return on Capital Employed (ROCE), including a reconciliation of ROCE to our profits/losses before tax and prior period items in each of the Fiscal Year 2023 and Fiscal Year 2022.

	As at, or for the year ended, March 31,	
In ₹ MM	2023	2022
Profit before tax and prior period items (A)	₹ 1,744.79	₹ 1,464.73
Add: Finance costs (B)	₹ 50.93	₹ 131.21
Less: Other income (C)	₹ 165.65	₹ 69.74
EBIT (D=A+B-C)	₹ 1,630.06	₹ 1,526.20
Total equity (E)	₹ 12,446.09	₹ 3,868.88
Non-current borrowings (F)	₹ 0.00	₹ 1,218.13
Current borrowings (G)	₹ 1.06	₹ 1,632.62
Current investments (H)	₹ 10.01	₹ 170.11
Cash & cash equivalents (I)	₹ 708.64	₹ 33.39
Bank balance other than cash & cash equivalents (J)	₹ 313.81	₹ 146.77
Capital Employed (K=E+F+G-H-I-J)	₹ 11,414.69	₹ 6,369.36
ROCE (L=D/K)	14.28%	23.96%

Debt, Net Debt, Debt-Equity Ratio and Net Debt-EBITDA Ratio - The following table sets forth our Debt, Net Debt, Debt-Equity Ratio and Net Debt-EBITDA Ratio as at March 31, 2023 and March 31, 2022.

	As at March 31,	
In ₹ MM	2023	2022
Non-current borrowings (A)	₹ 0.00	₹ 1,218.13
Current borrowings (B)	₹ 1.06	₹ 1,632.62
Debt (C=A+B)	₹ 1.06	₹ 2,850.75
Total equity (D)	₹ 12,446.09	₹ 3,868.89
Debt-Equity Ratio (E=C/D)	₹ 0.00	₹ 0.74
Total liabilities (G)	₹ 1,353.08	₹ 3,829.37
Less: cash and cash equivalents and bank balances (H)	₹ 1,022.45	₹ 180.16
Net Debt (I=G-H)	₹ 330.63	₹ 3,649.21
EBITDA (J)	₹ 1,862.51	₹ 1,681.07
Net Debt-EBITDA Ratio (K=I/J)	0.18	2.17

Capital Employed and Return on Capital Employed (ROCE) - The following table sets forth our Capital Employed and Return on Capital Employed (ROCE), including a reconciliation of ROCE to our profits/losses before tax and prior period items in each of the Fiscal Year 2023 and Fiscal Year 2022.

	As at March 31,	
In ₹ MM	2023	2022
Total assets (A)	₹ 13,799.16	₹ 7,698.25
Less: Other intangible assets (B)	₹ 5.83	₹ 4.49
Less: Right of use assets (C)	₹ 1,122.55	₹ 211.21
Less: Total liabilities (D)	₹ 1,353.08	₹ 3,829.37
Net Tangible Assets (F=A-B-C-D)	**₹ 11,317.69**	**₹ 3,653.19**
Cash and cash equivalents and bank balances (G)	₹ 1,022.45	₹ 180.16
Less: Bank deposits with remaining maturity of more than 12 months (H)	**₹ 0.00**	**₹ 0.00**
Less: Fixed deposits held as margin money (I)	**₹ 313.81**	**₹ 146.77**
Monetary Assets (J=G-H-I)	₹ 708.64	₹ 33.39
% of Monetary Assets to Net Tangible Assets (K=(J/F)*100)) (in %)	60.00%	1.00%
Net Worth (L=(1+2+3+4+5))	**₹ 12,446.09**	**₹ 3,868.89**
Issued subscribed and fully paid-up equity share capital (1)	**₹ 1,245.11**	**₹ 1,126.91**
General reserve (2)	₹ 0.00	₹ 0.00
Securities premium reserve (3)	₹ 8,162.55	₹ 1,015.73
Retained earnings (4)	₹ 3,022.88	₹ 1,720.29
Employees share options reserve (5)	₹ 15.55	₹ 5.96
Profit for the year/period (M)	₹ 1,304.17	₹ 1,089.29
Return on Net Worth (N=M/L) (in %)	0.10	0.28
Profit before tax and prior period items (O)	₹ 1,744.79	₹ 1,464.73
Less: Other income (P)	₹ 165.65	₹ 69.74
Add: Finance costs (Q)	₹ 50.93	₹ 131.21
Pre-Tax Operating Profit (R=O-P+Q)	₹ 1,630.07	₹ 1,526.20
Number of equity shares outstanding at the end of the period / year, after adjustment of bonus issue (S) (number in MM)	124.51	112.69
Effect of dilutive potential equity shares	-	-
Number of equity shares outstanding at the end of the period / year, after adjustment of bonus issue (T) (number in MM)	124.51	112.69
Net Asset Value per Equity Share (basic) (U=L/S) (in ₹)	₹ 99.96	34.33
Net Asset Value per Equity Share (diluted) (V=L/T) (in ₹)	99.96	34.33

Overview of Revenue and Expenditure - The following descriptions set forth information with respect to key components of our income statement.

a. Sale of products manufactured are done under our three business models, namely (i) Large-Scale Manufacturing of Specialty Chemicals, (ii) Contract Manufacturing, and (iii) Contract Research and Manufacturing Services ("CRAMS"). Such sales of products can be divided into (i) local sales, (ii) export sales (including sales to SEZ units within India), (iii) deemed exports (representing sales to Indian companies under an advance authorization license) and (iv) export sales under our CRAMS business model.

c. Sale of services are done under our CRAMS business model. Such sales can be divided into services provided to (i) overseas customers and (ii) customers in India.

Other income - Other income primarily comprises interest income, income from foreign exchange fluctuation, MEIS Duty Credit, SEIS Duty Credit, exports duty drawback, interest accrued on loans to employees, interest on income tax refund, interest subsidy amongst others.

Expenditure - Our expenditure comprises the following:

a. Cost of materials consumed: Cost of materials consumed comprises (i) the cost of raw materials used in the manufacture of our products; (ii) the cost of packing materials; (iii) the cost of stores and spares; and (iv) the cost of other materials. Our raw materials include crude oil derivatives such as phenol and other commodities such as hydrogen, ethylene oxide and Isobutylene gas. Other important raw materials include chlorobenzonitrile methanol, toluene, methylene dichloride tetrahydrofuran, dichlorotoluene and thiophene, amongst others

b. Changes in inventories of finished goods and work-in-progress: Expenses accounted for pursuant to an (increase)/decrease in inventories of work-in-progress.

c. Employee benefit expenses: Employee benefit expenses comprises salaries, wages and bonus, contribution to provident and other funds, gratuity, staff welfare expenses, leave encashment expenses, employee medical insurance expenses, value of discount in ESOPs and other employee related expenses.

d. Finance costs: Finance costs comprises interest expenses on term loan, cash credit, Packing Credit Loan in Foreign Currency (PCFC), bill discounting, Stand by Letter of Credit (SLC), car loans and other unsecured loans.

e. Depreciation and amortization expenses: Depreciation and amortization expenses comprises depreciation of tangible assets including our plant and machinery, building, factory equipment, computer equipment, office and other equipment, furniture and fixture, amongst others; and amortization of intangible assets including computer software and others; and amortization of leasehold land.

f. Other expenses: Other expenses comprise primarily of (a) manufacturing expenses, such as gas expenses, steam charges, diesel expenses, water, fees paid to third party workers for solvent recovery services (classified as 'job work charges' in our Financial Statements), effluent disposal, and fees paid to contract works (classified as 'manpower supply expenses' in our Financial Statements), amongst others; (b) administrative and general expenses, such as rents, salaries to directors, repairs and maintenance expenses, electricity expenses, legal and professional charges, amongst others; (c) selling and distribution expenses, such as freight and selling expenses and commissions paid to selling agents, amongst others; and (d) other expenses, such as loan processing fees and other documentation charges and bank charges, amongst others

h. Other expenses: Other expenses comprise primarily of (a) manufacturing expenses, such as gas expenses, steam charges, diesel expenses, water, fees paid to third party workers for solvent recovery services (classified as 'job work charges' in our Financial Statements), effluent disposal, and fees paid to contract works (classified as 'manpower supply expenses' in our Financial Statements), amongst others; (b) administrative and general expenses, such as rents, salaries to directors, repairs and maintenance expenses, electricity expenses, legal and professional charges, amongst others; (c) selling and distribution expenses, such as freight and selling expenses and commissions paid to selling agents, amongst others; and (d) other expenses, such as loan processing fees and other documentation charges and bank charges, amongst others

Operating Segment and Business Models - Our Company is exclusively engaged in the business of manufacturing of organic chemicals. As such, in accordance with Ind AS, our Company's business is considered to constitute one single primary segment.

Geographic information - The geographic information analyses our revenues by our country of domicile and other countries for the periods/years indicated. In presenting geographic information, revenue has been based on the location of the customers

Sales Value	2023	2022
India (including deemed exports)	₹ 3,871.43	₹ 3,467.93
Rest of the World (including exports to SEZ)	₹ 2,639.31	₹ 2,432.54
Total	₹ 6,510.74	₹ 5,900.47

The following table sets out the total carrying amount of assets as at March 31, 2023 and March 31, 2022, broken down by location of the assets.

Non-current assets*	As at March 31, 2023	As at March 31, 2022
India	₹ 1,066.06	₹ 962.10
Rest of the World	₹ 1,523.75	₹ 672.71
Total	₹ 2,589.82	₹ 1,634.80

Business models - We have three broad business models within our primary operating segment, which are (a) Large-Scale Manufacturing of Specialty Chemicals, (b) Contract Manufacturing, and (c) Contract Research and Manufacturing Services ("CRAMS"), and our geographical segments: The following table sets out our revenue for each of the periods/fiscal years mentioned, broken down by our three (3) business models.

Particulars	2023	2022
Large-Scale Manufacturing of Specialty Chemicals	₹ 3,356.91	₹ 3,955.02
Contract Manufacturing	₹ 2,233.79	₹ 1,402.39
CRAMS	₹ 816.59	₹ 479.05
Others1	₹ 103.45	₹ 64.00
Total Revenue from Operations	₹ 6,510.74	₹ 5,900.47

"Others" represents sale of wastage material, as well as packing material and certain raw material no longer required in our production activities.

Results of Operations - The following table sets forth our income statement data, the components of which are expressed as a percentage of total income for the periods indicated, for our operations for Fiscal Year 2023 and Fiscal Year 2022.

For the year ended March 31,

	2023		2022	
In ₹ MM	₹ in MM	% of Total Income	₹ in MM	% of Total Income
Income				
Revenue from operations	₹ 6,510.74	97.52%	5,900.47	98.83%
Other income	₹ 165.65	2.48%	69.74	1.17%
Total income	**₹ 6,676.39**	**100.00%**	**5,970.21**	**100.00%**
Expenses				
Cost of materials consumed	₹ 3,796.14	58.31%	3,585.21	60.76%
Changes in inventories of finished goods and work-in-progress	-₹ 622.76	-9.57%	-704.88	-11.95%
Employee benefits expense	₹ 344.57	5.16%	270.44	4.53%
Finance costs	₹ 50.93	0.76%	131.21	2.20%
Depreciation and amortization expenses	₹ 232.45	3.48%	154.87	2.59%
Other expenses	₹ 1,130.27	16.93%	1,068.63	17.90%
Total expenses	**₹ 4,931.60**	**20.41%**	**4,505.48**	**75.47%**
Profit before tax	**₹ 1,744.79**	**26.13%**	**1,464.73**	**24.53%**
Tax Expenses				
Current tax	311.22	4.66%	338.73	5.07%
Deferred tax	129.39	1.94%	36.72	0.55%
Total tax expenses	**440.61**	**6.60%**	**375.45**	**6.29%**
Profit for the year	**1,304.17**	**19.53%**	**1,089.29**	**18.25%**

Results of operations for the Fiscal 2023 compared with Fiscal 2022

In ₹ MM	2023 FY ended March 31,	2022 FY ended March 31,	Change (%)
Income			
Revenue from operations	₹ 6,510.74	₹ 5,900.47	10.34%
Other income	₹ 165.65	₹ 69.74	137.53%
Total revenue	**₹ 6,676.39**	**₹ 5,970.21**	**11.83%**
Expenses			
Cost of materials consumed	₹ 3,796.14	₹ 3,585.21	5.88%
Changes in inventories of finished goods and work-in-progress	-₹ 622.76	-₹ 704.88	-11.65%
Employee benefits expenses	₹ 344.57	₹ 270.44	27.41%
Finance costs	₹ 50.93	₹ 131.21	-61.18%
Depreciation and amortization expenses	₹ 232.45	₹ 154.87	50.09%
Other expenses	₹ 1,130.27	₹ 1,068.63	5.77%
Total expenses	**₹ 4,931.60**	**₹ 4,505.48**	**9.46%**
Profit before tax	**₹ 1,744.79**	**₹ 1,464.73**	**19.12%**
Tax expenses:			
Current tax	₹ 311.22	₹ 338.73	-8.12%
Deferred tax	₹ 129.39	₹ 36.72	252.37%
Total tax expenses	**₹ 440.61**	**₹ 375.45**	**17.36%**
Profit for the year	**₹ 1,304.17**	**₹ 1,089.29**	**19.73%**

Revenue from operations - Set forth below is a table showing our revenue from operations, sales volume (in MT) and average selling price (in ₹ per KG) for Fiscal Year 2023 and Fiscal Year 2022, broken down by product line :

For the year ended March 31, 2023

In ₹ MM

Product	Revenue (₹ MM)*	% of revenue from operations	Qty. (KG in MM)	Average selling price (₹ per KG)
4MEP	₹ 926.88	14.24%	0.56	₹ 1,640.76
MMBC	₹ 976.42	15.00%	0.33	₹ 2,948.13
T2E	₹ 498.47	7.66%	0.42	₹ 1,178.72
BFA	₹ 925.45	14.21%	0.34	₹ 2,704.57
CRAMS	₹ 816.59	12.55%		
Others	₹ 2,263.48	36.34%	1.97	₹ 1,220.51
Total	₹ 6,407.29	100.00%	3.63	₹ 1,766.26

* Revenue from others, is not considered in the above table

For the year ended March 31, 2022

In ₹ MM

Product	Revenue (₹ MM)*	% of revenue from operations	Qty. (KG in MM)	Average selling price (₹ per KG)
4MEP	₹ 1,650.33	27.97%	1.05	₹ 1,566.02
MMBC	₹ 588.49	9.97%	0.21	₹ 2,786.42
T2E	₹ 668.10	11.32%	0.38	₹ 1,759.05
BFA	₹ 623.15	10.56%	0.22	₹ 2,873.66
CRAMS	₹ 479.05	8.12%		
Others	₹ 1,827.35	32.05%	2.12	₹ 887.95
Total	₹ 5,836.47	100.00%	3.98	₹ 1,466.41

* Revenue from others, is not considered in the above table

Our revenue from operations increased by 10.34% from ₹ 5,900.47 MM in Fiscal Year 2022 to ₹ 6,510.74 MM in Fiscal Year 2023. This increase can be primarily attributed to revenue generated from our sales of products under our Contract / Exclusive Manufacturing business, which increased by ₹ 831.40 MM, or 59.28%, from ₹ 1,402.39 MM in Fiscal Year 2022 to ₹ 2,233.79 MM in Fiscal Year 2023, primarily due to an increase in total volume of products sold. Revenue generated from sales of products under our CRAMS business increased significantly by ₹ 337.54 MM, or 70.46%, from ₹479.05 MM in Fiscal Year 2022 to ₹ 816.59 MM in Fiscal Year 2023.

In terms of our top products, the increase in revenue generated from sales of products is principally due to (i) a 65.92% increase in revenue from the sales of MMBC, our top product, from ₹ 588.49 MM in Fiscal Year 2022 to ₹ 976.42 MM in Fiscal Year 2023, which was the result of a 57.14% increase in sales volume and a 5.80% increase in the average selling price of such product, and (ii) a 70.46% increase in revenue from CRAMS from ₹ 479.05 MM in Fiscal Year 2022 to ₹ 816.59 MM in Fiscal Year 2023.

These increases were partially offset by (i) a 43.84% decrease in revenue from the sales of 4MEP from ₹ 1,650.33 MM in Fiscal Year 2022 to ₹ 926.88 MM in Fiscal Year 2023, which was the result of 46.67% reduction in the volume for such product, (ii) a 25.39% decrease in revenue from the sales of T2E from ₹ 668.10 MM in Fiscal Year 2022 to ₹ 498.47 MM in Fiscal Year 2023, which was the result of 32.99% reduction in average selling price of the product. Moreover, the other products have shown an decreasing trend in volume and increase in average selling price in Fiscal Year 2023, compared to Fiscal Year 2022, which has also helped us achieve growth in revenue from operations.

Other Income

Our other income increased by 137.53% from ₹ 69.74 MM in Fiscal Year 2022 to ₹ 165.65 MM in Fiscal Year 2023. Such increase was primarily due to (i) an increase in income resulted from foreign exchange fluctuations from ₹ 18.37 MM in Fiscal Year 2022 to ₹ 36.65 MM in Fiscal Year 2023, which was mainly the result of an appreciation of the foreign currencies against Indian Rupee and foreign exchange management by the Company;(ii) an increase in Service / Merchandise Exports from India Scheme (SEIS / MEIS) duty credit given us by the Government from ₹ 21.65 MM in Fiscal Year 2022 to ₹ 24.54 MM in Fiscal Year 2023 as a result of our increased exports, (iii) interest on FDs created out of Idle IPO funds, which helped us earn ₹ 74.23 MM in Fiscal Year 2023, which was ₹ 4.64 MM only in Fiscal Year 2022 on normal FDs created for margin monies and (iii) income from mutual funds which increased from ₹ 3.22 MM in Fiscal Year 2022 to ₹ 8.55 MM in Fiscal Year 2023, mainly because of investment by the Company of idle funds from internal accruals in Mutual Funds of short duration.

Cost of Materials Consumed

Our cost of materials consumed increased by 5.88% from ₹ 3,585.21 MM in Fiscal Year 2022 to ₹ 3,796.14 MM in Fiscal Year 2023, primarily due to an increase in the volume of products manufactured.

Change in inventories of finished goods and work-in-progress

Our opening stock of (i) finished goods was ₹ 549.57 MM as at April 1, 2022, while it was ₹ 115.06 MM as at April 1, 2021 and (ii) work-in-progress was ₹ 426.68 MM as at April 1, 2022, while it was ₹ 156.31 MM as at April 1, 2021.
Our closing stock of (i) finished goods was ₹ 536.19 MM as at March 31, 2023, while it was ₹ 549.57 MM as at March 31, 2022 and (ii) work-in-progress was ₹1,062.81 MM as at March 31, 2023, while it was ₹ 426.68 MM as at March 31, 2022.
The reduction in our change in inventories of finished goods and work-in-progress to ₹ 622.76 MM in Fiscal Year 2023 from ₹ 704.88 MM in Fiscal Year 2022 was primarily as result of a increase in closing stock of work-in-progress by ₹ 636.13 MM and reduction in closing inventory of finished goods by ₹ 13.37 MM as at March 31, 2023, respectively.

Finance Costs

Our finance costs reduced by 61.18% from ₹ 131.21 MM in Fiscal Year 2022 to ₹ 50.93 MM in Fiscal Year 2023, primarily because the Company paid off all its Term Loans (taken from State Bank of India and HDFC Bank Ltd.) from the IPO proceeds, which it raised in June 2022. The Company at that time, had also zero down all the Working Capital Limits as well from the IPO proceeds. This has majorly helped the Company improve its PAT and PAT margin in Fiscal Year 2022.

Depreciation and Amortization Expense

Our depreciation and amortization expense increased by 50.09% from ₹ 154.87 MM in Fiscal Year 2022 to ₹ 232.45 MM in Fiscal Year 2023, primarily due to an increase in depreciation on plant and machinery installed in our new manufacturing unit/plant constructed on our second manufacturing facility (Manufacturing Facility-2), which is in line with the increased operations. The increase is also attributable to the 16MW Solar Power Plant, which was commissioned in July 2022 and the Greenfield Manufacturing Unit (Site 3), which was operational from Q4 of F23.

Other expenses

Our other expenses increased by 4.02% from ₹ 1,086.63 MM in Fiscal 2022 to ₹ 1,130.27 MM in Fiscal Year 2023. The increase, was though not as much as increase in operations, mainly because of (i) reduction in electricity charges, which was due to the 16MW Solar Power Plant, which was commissioned in July 2022 and which helped the Company lower this cost, (ii) reduction in job work charges, as the Company is having dedicated SRP plant for the same.

Profit before tax

As a result of the foregoing, we recorded an increase of 19.12% in our profit before tax, which amounted to ₹ 1,744.79 MM in Fiscal Year 2023, as compared to ₹ 1,464.73 MM in Fiscal Year 2022.

Tax expenses

Our tax expenses (current and deferred) increased by 17.36% from ₹ 375.45 MM in Fiscal Year 2022 to ₹ 440.61 MM in Fiscal Year 2023. Our effective tax rate in Fiscal Year 2023 and Fiscal Year 2022 was 25.25% and 25.63%, respectively.

Profit for the period

As a result of the foregoing, we recorded an increase of 19.73% in our profit for the year from ₹ 1,089.29 MM in Fiscal Year 2022 to ₹ 1,304.17 MM in Fiscal Year 2023.

Liquidity and Capital Resources

Capital Requirements – Our principal capital requirements are for payment of principal and interest on our borrowings, capital expenditure and working capital. Our principal source of funding has been and is expected to continue to be, cash generated from our operations, supplemented by borrowings from banks and financial institutions and optimization of operating working capital. In Fiscal Year 2023, Initial Public Offering (IPO) done in June 2022, has also been a source of funding for the Company. For the Fiscal Year 2023 and Fiscal Year 2022, we met our funding requirements, including satisfaction of debt obligations, capital expenditure, investments, other working capital requirements, payouts to shareholders and other cash outlays, principally with funds generated from operations, optimization of operating working capital with the balance met from external borrowings, borrowings from Promoters and a fundraising by way of issuance of equity shares by way of Preferential Allotment of Shares and also Initial Public Offering (IPO).

For the expansion projects that we intend to undertake, we will be utilizing a portion of the funds generated from this Issue along with a mix of debt, fund raising from the public by means permitted by the regulators and internal accruals.

Liquidity – Our liquidity requirements arise principally from our operating activities, capital expenditures for construction of new facilities and undertaking of new projects, the repayment of borrowings and debt service obligations. Historically, our principal sources of funding have included cash from operations, short-term and long-term borrowings from banks, overdraft facilities that are repayable on demand, cash and cash equivalents and equity and financing provided by our shareholders We have also entered into various revolving credit and other working capital facilities, which provides sufficient liquidity for our requirements. In Fiscal Year 2023, Initial Public Offering (IPO) done in June 2022, has also been a source of funding for the Company.

Cash Flows

In ₹ MM	2023	2022
Particulars	As on March 31, 2023	As on March 31, 2023
Net Cash generated from Operating Activities	-₹ 65.52	-₹ 54.42
Net Cash (Used in) Investing Activities	-₹ 3,484.13	-₹ 1,509.41
Net Cash from/(Used in) Financing Activities	₹ 4,391.94	₹ 1,688.37
Net Increase / (Decrease) in Cash and Cash Equivalents	**₹ 842.29**	**₹ 124.54**
Cash and Cash Equivalents at the beginning of the year	₹ 180.16	₹ 55.63
Cash and Cash Equivalents at the end of the year	**₹ 1,022.45**	**₹ 180.16**

Cash flows generated from operating activities

We had negative ₹ 65.52 MM net cash from operating activities during the Fiscal Year 2023. While our net profit before tax was ₹ 1,744.79 MM, we had an operating profit before working capital changes of ₹ 1,949.15 MM, primarily due to adjustments for depreciation and amortization expenses of ₹232.45 MM and finance costs of ₹ 50.93 MM, which were partially offset by net unrealized foreign exchange loss, interest income and income from mutual funds amounting to ₹ 3.85 MM, ₹ 74.31 MM and ₹ 8.55 MM, respectively. Our adjustments for working capital changes for the Fiscal Year 2022 primarily consisted of increases in trade receivables by ₹ 955.02 MM, inventories by ₹ 860.22 MM and other current assets by ₹ 152.35 MM, which were partially offset by a decrease in current investments by ₹ 160.10 MM and an increase in trade payables by ₹ 116.64 MM. Our cash generated from operating activities was ₹ 252.31 MM, adjusted by tax paid (net of refund) of ₹ 317.84 MM.

We had negative ₹ 54.42 MM net cash from operating activities during the Fiscal Year 2022. While our net profit before tax was ₹ 1,464.73 MM, we had an operating profit before working capital changes of ₹ 1,735.62 MM, primarily due to adjustments for depreciation and amortization expenses of ₹ 154.87 MM and finance costs of ₹ 131.21 MM, which were partially offset by net unrealized foreign exchange gain, interest income and income from mutual funds amounting to ₹ 7.28 MM, ₹ 4.68 MM and ₹ 3.23 MM, respectively. Our adjustments for working capital changes for the Fiscal Year 2022 primarily consisted of increases in trade receivables of ₹ 552.40 MM, inventories of ₹ 780.16 MM and other current assets of ₹ 358.90 MM, which were partially offset by a decrease in current investments of ₹ 50.79 MM and an increase in trade payables of ₹ 220.81 MM. Our cash generated from operating activities was ₹ 284.03 MM, adjusted by tax paid (net of refund) of ₹ 338.45 MM.

Cash flows used in investing activities

Net cash used in investing activities was ₹ 3,484.13 MM in Fiscal Year 2023, primarily on account of ₹ 4,014.20 MM used for purchase of fixed assets principally for Manufacturing Facility - 1 (R&D and Pilot Plant expansion to three times), Manufacturing Facility – 2 (normal CAPEX), Manufacturing Facility – 3 (New Greenfield Production unit commissioned in January 2023) and for the 16MW Solar Power Plant installed and commissioned rom July 2022, offset by ₹ 447.72 reduced from Capital Work in Progress, which were capitalised in Fiscal Year 2023 and ₹ 82.86 due to income from Mutual Fund investments.

Net cash used in investing activities was ₹ 1,509.41 MM in Fiscal Year 2022, primarily on account of ₹ 527.66 MM used for purchase of fixed assets principally for Manufacturing Facility – 1 and Manufacturing Facility – 2 for various requirements of capital expenditure to be done for the plant at Manufacturing Facility – 2, expansion of R&D and Pilot Plant at Manufacturing Facility – 1, and ₹ 989.66 MM used for capital work in progress and capital advance.

Cash flows generated from / (used in) financing activities

Net cash used in financing activities in the Fiscal Year 2023 amounted to ₹ 4,391.94 MM, which primarily consisted of proceeds from Preferential allotment of shares in Pre-IPO phase amounting to ₹ 1,300.00 MM, proceeds from Initial Public Offering (IPO) amounting to ₹ 6,270.00 MM, proceeds from allotments or vesting of ESOPs to employees amounting to ₹ 9.00 MM, which were offset by interest paid in the amount of ₹ 50.93 MM, repayment of term loans to the banks amounting to ₹ 1,510.33 MM, zero down of working capital facilities amounting to ₹ 890.16 MM, repayment of unsecured loans from the promoters amounting to ₹ 449.20 MM.

Net cash used in financing activities in the Fiscal Year 2022 amounted to ₹ 1,688.37 MM, which primarily consisted of proceeds from long-term borrowings in the amount of ₹ 267.63 MM and interest paid in the amount of ₹ 131.21 MM, proceeds from working capital facilities in the amount of ₹ 177.62 MM, proceeds of other financial liabilities in the amount ₹ 1 9.03 MM and proceeds from the preferential allotment of Equity Shares of ₹ 1,031.80 MM.

Capital and Other Commitments

As of March 31, 2023 and March 31, 2022, the estimated amount of contracts remaining to be executed on capital account not provided for was ₹ 184.68 MM and ₹ 426.64 MM, respectively.

Capital Expenditure

Capital expenditures consist primarily of investments in new manufacturing facilities and equipment. We also make investments at our manufacturing facilities to add new technologies, modernise facilities and expand our product lines. Capital expenditure will vary from year to year depending upon a number of factors, including the need to replace equipment and the timing of certain projects, such as investment in new technologies. In the Fiscal Year 2023, we incurred capital expenditure of ₹ 3,915.11 MM (Fiscal Year 2022: ₹ 1,010.13 MM). A significant amount of our capital expenditure was aimed at constructing manufacturing and other facilities, increasing our manufacturing capacities and diversifying our product base, along with the construction of the Greenfield Project at site 3, triple expansions of R&D and Pilot Plant facilities and commissioning of 16MW Solar Power Plant.

Contingent Liabilities

Contingent liabilities, to the extent not provided for, as of March 31, 2023 and March 31, 2022, as determined in accordance with Ind AS 37, are described below.

Contingent liabilities	Currency	As of March 31, 2023		As of March 31, 2022	
		Amount in MM	Margin ₹ in MM	Amount in MM	Margin ₹ in MM
Bank guarantees issued for customs, Gujarat Gas Ltd. and DGVCL	₹ (in MM)	₹ 76.99	₹ 11.45	₹ 47.93	₹ 11.45
Bank guarantees issued for raw material FLC	US$ (in MM)	$ 1.10	₹ 8.94	$ 2.94	₹ 13.10
Income Tax Demands*	₹ (in MM)	₹ 2.08	-	₹ 20.96	-

*The Income Tax Demands are under appeal by the Company and the outcome of the same is not known and hence the demand amount has been considered as contingent liability.

Note :

All the contingent liabilities, except the Income Tax Demands, are not 100% secured through cash margins placed with banks. The banks require 15% margin money on bank guarantees and 15% margin money on LC facilities.

Financial Indebtedness

In ₹ MM	2023	2022
Indebtedness	As of March 31	As of March 31
Short Term		
Secured Borrowings, comprising of	**₹ 1.06**	**₹ 1,183.42**
Loans repayable on demand	₹ 0.00	₹ 890.16
Bank term loans	**₹ 0.00**	**₹ 292.30**
Bank vehicle loans	**₹ 1.06**	**₹ 0.96**
Unsecured Borrowing	**₹ 0.00**	**₹ 449.20**
Loans from Banks	**₹ 0.00**	**₹ 300.00**
Loans from Promoters	₹ 0.00	₹ 149.20
Long Term		
Secured Borrowings, comprising of	**₹ 0.00**	**₹ 1,218.13**
Bank term loans	₹ 0.00	₹ 1,217.07
Bank vehicle loans	₹ 0.00	₹ 1.06
Total Indebtedness	**₹ 1.06**	**₹ 2,850.75**

Credit Risk

Credit risk is the risk of financial loss to our Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations.

Our credit risk on cash and cash equivalents is limited, since we maintain deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies. Our credit risk, therefore, principally arises from our Company's trade receivables from customers Such credit risk is mainly influenced by the individual characteristics of each customer of our Company. However, our management also considers factors that may influence the credit risk of our customer base, including the risk of default associated with the industry and country in which our customers operate in.

During the Fiscal 2023 and Fiscal 2022, based on our management's estimates, we did not make any provision on expected credit loss on our trade receivables and other financial assets.

Liquidity Risk

Liquidity risk is the risk that our Company will be unable or encounter difficulty to meet financial liabilities obligations through cash settlement or by delivering other financial assets.

Our treasury department is responsible for liquidation and funding requirements and liquidity policies and procedures are also overseen by our management. Our Company's approach in managing liquidity is to ensure that we have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, and without incurring unacceptable losses or putting our Company's reputation at risk. Our principal sources of liquidity are cash and cash equivalents and cash flow generated from our operations.

The table below sets out an analysis of working capital and current ratio as at March 31, 2023 and March 31, 2022:

In ₹ MM	As of March 31, 2023	As of March 31, 2022
Total Current Assets (A)	₹ 6,751.28	₹ 4,097.90
Total Current Liabilities (B)	₹ 940.00	₹ 2,421.75
Working Capital (A-B)	**₹ 5,811.28**	**₹ 1,676.15**
Current Ratio	7.18	1.69

The table below sets out exposure to financial liabilities based on the contractual maturity as at the reporting date:

In ₹ MM	Carrying value	Less than 1 Year	More than 1 Year	Total
As at March 31, 2023				
Borrowings	₹ 1.06	₹ 1.06	₹ 0.00	₹ 1.06
Trade payables	₹ 815.18	₹ 814.52	₹ 0.66	₹ 815.18
Lease Liabilities	₹ 156.07	₹ 10.76	₹ 145.32	₹ 156.08
Other liabilities	₹ 96.92	₹ 96.92	-	₹ 96.92
As at March 31, 2022				
Borrowings	₹ 2,850.75	₹ 1,632.62	₹ 1,218.13	₹ 2,850.75
Trade payables	₹ 698.54	₹ 697.58	₹ 0.96	₹ 698.54
Lease Liabilities	₹ 56.54	₹ 5.85	₹ 50.69	₹ 56.54
Other liabilities	₹ 63.46	₹ 63.46	-	₹ 63.46

Foreign Exchange Rate Risk

Changes in currency exchange rates influence our results of operations. A portion of our revenues, particularly relating to our export sales, is denominated in currencies other than Indian Rupees. Similarly, a portion of our expenses, including cost of raw materials or imported equipment, are denominated in currencies other than Indian Rupees. We do not enter into any hedging activities for our foreign currency positions.

The table below sets out an analysis of unhedged foreign currency exposure:

In ₹ MM	For the year ended March 31, 2023		For the year ended March 31, 2022	
Particulars	Foreign currency (in MM)	Equivalent amount in rupees (₹ in MM)	Foreign currency (in MM)	Equivalent amount in rupees (₹ in MM)
a. Financial Assets				
Trade Receivables	$ 18.54	₹ 1,523.75	$ 8.88	₹ 672.71
Balance with banks – in EEFC accounts	$ 1.80	₹ 148.30	$ 0.43	₹ 32.40
b. Financial Liabilities				
Trade Payables	$ 3.09	₹ 254.16	$ 0.53	₹ 40.16
c. Currency wise net exposure				
Financial Assets – Financial Liabilities	$ 17.25	$ 1,417.90	$ 8.77	$ 664.94

	Impact on profit before tax / pre- tax equity	
In ₹ MM	As at March 31, 2023	As at March 31, 2022
Increase by 50 basis points	-₹ 14.18	-₹ 6.65
Decrease by 50 basis points	₹ 14.18	₹ 6.65

Reservations, Qualifications and Adverse Remarks Included in Financial Statements

There have been no reservations or qualifications or adverse remarks of our Statutory Auditors in the last three fiscal Years

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rates by selecting appropriate type of borrowings and by negotiation with the bankers.

The exposure of the borrowings (long-term and short-term) to interest rate changes at the end of the reporting period are as follows:

Sensitivity analysis

In ₹ MM	As at March 31, 2023	As at March 31, 2022
Total liabilities	₹ 1,353.08	₹ 3,829.37
Less: cash and cash equivalents and bank balances	₹ 1,022.45	₹ 180.16
Net debt	₹ 330.63	₹ 3,649.21
Total Equity	₹ 12,446.09	₹ 3,868.88
Debt-equity ratio	**₹ 0.03**	**₹ 0.94**

Related Party Transactions

We enter into various transactions with related parties. For further information see Financial Statements - Note 40.

Significant Economic Changes

Other than as described above, to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Unusual or Infrequent Events of Transactions

None

Financial Statements

6

Audited Standalone Financial Statements

Independent Auditor's Report - Standalone

To,
The Members of
Aether Industries Limited
Surat

I. Audit Report on the Standalone Financial Statements

1. Opinion

A. We have audited the accompanying Standalone Ind AS Financial Statements of AETHER INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and 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 of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). 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 from the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

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.

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

4. Information Other than the Standalone Financial Statements and Auditor's Report thereon

A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

5. Management's Responsibility for the Financial Statements

A. The Company's management is responsible for preparation of these Financial Statements that give a true and fair view of the state of affairs, profit, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

B. 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.

C. The Board of Directors are responsible for overseeing the Company's financial reporting process.

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

A. 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 Standards of Auditing issued by the Institute of Chartered Accountants of India ("ICAI"), 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.

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

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

C. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

- planning the scope of our audit work and in evaluating the results of our work; and
- to evaluate the effect of any identified misstatements in the Financial Statements.

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

E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
C. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
D. In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
F. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
G. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
H. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- The companies forming part of the Group do not have any pending litigations which would impact the financial position of the Group as at 31 March 2023
- The companies forming part of the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the companies forming part of the Group
- (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, outside the Group, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise,
- that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- The company has not declared or paid any dividend during the year in accordance with section 123 of the Companies Act 2013", Hence clause not applicable.
- Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company included in the standalone financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

III. Other Matters

1. Opening balance with respect to the financial information for the year ended March 31, 2023, included in these Financial Statements, are based on audited Financial Statements for the year ended March 31, 2022, which has been approved by the Company's Board of Directors on June 16, 2022.

Our opinion is not modified in respect of this matter.

For Birju S. Shah & Associates
Chartered Accountants | ICAI Firm Reg. No.: 131554W

Birju S. Shah - Proprietor
Membership No.: 107086 | UDIN: 23107086BGVKZK5632

Place: Surat | Date: May 6, 2023

ANNEXURE A
TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of AETHER INDUSTRIES LIMITED for the year ended March 31, 2023.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. A. (a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment; Yes, all the Capital Assets have been properly recorded containing details of quantity, situation and all other relevant particulars from which particular Asset can be identified.

   A. (b) Whether the company is maintaining proper records showing full particulars of intangible assets; Yes, the company is following proper harmonized system to record its Fixed Assets which demonstrate full particulars of the Assets.

   B. Whether these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt within the books of account; Yes, all the capitalized Assets are physically verified by the management.

   C. Whether 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) disclosed in the financial statements are held in the name of the company, if not, provide the details thereof in the format below; Yes, the Company has leasehold titles of below mentioned in its name:
   1. Plot No. 8203, GIDC Sachin, Surat - 394230, Gujarat, India
   2. Plot No. 8202/1, GIDC Sachin, Surat - 394230, Gujarat, India
   3. Plot No. 14 + 15, GIDC, Panoli, Bharuch - 394115 Gujarat, India

   D. Whether the Company has revalued its Property, Plant and Equipment (including Right of Use Assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets; No, there is no revaluation in respect of Property, Plant and Equipment (including Right of Use assets) or intangible assets or both has been made during the year.

   E. Whether any 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; No, there is no proceedings under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made there under, if so, have been initiated or are pending against the company till the audit period .

2. A. Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account; Yes, Inventory (Including but not limited to Raw Material, Semi-Finished and Finished Goods) has been properly verified by the management at reasonable intervals. No material discrepancies have been noticed during the course of audit. The physical verification for March 31, 2023 was also attended by the auditors.

   B. Whether during any point of time of the year, the Company has 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; whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, if not, give details; Yes, the company has been sanctioned working capital limit exceeding five crores and quarterly returns and statements are in conformity with the books of accounts of the Company.

3. Whether during the year, the Company has made investments in, 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, if so. During the audit period, the Company has floated a 100% Wholly Owned Subsidiary (Aether Speciality Chemicals Limited) and invested in Equity of that subsidiary. The Company has a policy to give short term loans to the employees and proper documentation as well as policy of the Company has been followed.

   A. Whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans], if so, indicate-

   (a) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates; This particular clause is not applicable to the Company for the audit period.

   (b) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates; This particular clause is not applicable to the Company for the audit period.

   B. Whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest; No, the investment made in WOS is not prejudicial to the interest of the Company.

   C. In respect of loans and advances in the nature of loans whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular; In respect of loans provided to the employees of the Company, a proper schedule of the repayment of loans has been stipulated and and repayment or receipts are regular.

   D. If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest; This particular clause is not applicable to the Company for the audit period.

   E. Whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties, if so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year [not applicable to companies whose principal business is to give loans]; This particular clause is not applicable to the Company for the audit period.

   F. Whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of Section 2 of the Companies Act, 2013; This particular clause is not applicable to the Company for the audit period.

4. In respect of loans, investments, guarantees, and security, whether provisions of Sections 185 and 186 of the Companies Act have been complied with, if not, provide the details thereof; Yes, the provisions of Section 185 and 186 have been duly complied with.

5. In respect of deposits accepted by the company or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made there under, where applicable, have been complied with, if not, the nature of such contraventions be stated; if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not; This particular clause is not applicable to the Company for the audit period.

6. Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act and whether such accounts and records have been so made and maintained; Yes, the Company has maintained proper cost records within the premises.

7. A. Whether the company is regular in depositing undisputed dues included 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; Yes, all the statutory dues including GST, PF, ESI, Income Tax, custom duty, etc. have been deposited at regular intervals well within the due dates, during the audit period.

   B. Where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned (a mere representation to the concerned Department shall not be treated as a dispute); There are appeals pending in income tax for the Fiscal Years 2019-20. The disputed demand of ₹ 1,49,004 for A.Y. 2017-18, ₹ 9,36,080 for A.Y. 2018-19 and ₹ 9,97,156 for AY 2020-21 are outstanding.

8. Whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, whether the previously unrecorded income has been properly recorded in the books of account during the year; No such instances have been found.

9. A. Whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, if yes, the period and the amount of default to be reported as per the format below:

Nature of borrowing, including debt securities	Name of lender*	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
NA	NA	-	-	-	-

*lender wise details to be provided in case of defaults to banks, financial institutions and Government

   B. Whether the company is a declared wilful defaulter by any bank or financial institution or other lender; No

   C. Whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported; Yes, disbursed amount of sanction for term loans have been utilized for the purpose for which the same has been sanctioned and obtained. Further, during the year under audit, the Company has paid off all the Term Loans from the IPO proceeds and then not availed any further term loans.

   D. Whether funds raised on short term basis have been utilised for long term purposes, if yes, the nature and amount to be indicated; No.

   E. Whether the Company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of such transactions and the amount in each case; No, the Company has not taken any fund for the stated purpose.

   F. Whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised; No, the Company has not taken any fund for the stated purpose.

10. A. Whether moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised, if not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported; Yes, the Company has raised monies by way

of Initial Public Offering (IPO) during the year and the monies so raised have been properly utilized towards the object clause of the offer document filed by the Company with SEBI and ROC .

   B. Whether the company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised, if not, provide details in respect of amount involved and nature of non-compliance; The company has made preferential allotment or private placement of shares but not of convertible debentures (fully, partially or optionally convertible) during the year. The provision of Section 42 and Section 62 of the Companies Act, 2013 has been duly complied with.

11. A. Whether any fraud by the company or any fraud on the company has been noticed or reported during the year, if yes, the nature and the amount involved is to be indicated; No such kind of instances have been noticed during the course of audit.

   B. Whether any 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; No.

   C. Whether the auditor has considered whistle-blower complaints, if any, received during the year by the company; No such kind of instances have been noticed during the course of audit.

12. A. Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability; This particular clause is not applicable to the Company for the audit period.

   B. Whether the Nidhi Company is maintaining ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability; This particular clause is not applicable to the Company for the audit period.

   C. Whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof; This particular clause is not applicable to the Company for the audit period.

13. Whether 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 in the financial statements, etc., as required by the applicable accounting standards; Yes, the provisions of Section 177 and 188 of the Companies Act, 2013 has been duly complied by the Company and has also been duly disclosed in the financial statements as required by Ind AS 24.

14. A. Whether the company has an internal audit system commensurate with the size and nature of its business; Yes, the Company has adequate internal audit system which commensurate with the size and nature of its business.

   B. Whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor; Yes, the internal auditor's report has been duly considered by the statutory auditors.

15. Whether the company has entered into any non-cash transactions with Directors or persons connected with him and if so, whether the provisions of Section 192 of Companies Act have been complied with; The Company has not entered into any non-cash transactions with any Directors or persons connected with them.

16. A. Whether the company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and if so, whether the registration has been obtained; This particular clause is not applicable to the Company for the audit period.

   B. Whether the company has 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; This particular clause is not applicable to the Company for the audit period.

   C. Whether the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to fulfil the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria; This particular clause is not applicable to the Company for the audit period.

D. Whether the Group has more than one CIC as part of the Group, if yes, indicate the number of CICs which are part of the Group; This particular clause is not applicable to the Company for the audit period.

17. Whether the company has incurred cash losses in the financial year and in the immediately preceding financial year, if so, state the amount of cash losses; No, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

18. Whether there has been any resignation of the statutory auditors during the year, if so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors; No, there is no resignation of statutory auditors during the year.

19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether 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; Yes, as per the substantive analytical procedures, the Company is in position to meet its liabilities, which exist on the date of balance sheet and when they fall due within a period of one year from the date of balance sheet.

20.A. Whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of Section 135 of the said Act; Yes, the company has duly complied with the provisions of Section 135 of the companies act, 2013.

B. Whether any amount remaining unspent under sub-section (5) of Section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of Section 135 of the said Act; This particular clause is not applicable to the Company for the audit period.

21. Whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, if yes, indicate the details of the companies and the paragraph numbers of the CARO Report containing the qualifications or adverse remarks. This particular clause is not applicable to the Company for the audit period.

For Birju S. Shah & Associates
Chartered Accountants | ICAI Firm Reg. No.: 131554W

Birju S. Shah - Proprietor
Membership No.: 107086 | UDIN: 23107086BGVKZK5632

Place: Surat | Date: May 6, 2023

ANNEXURE B
TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of AETHER INDUSTRIES LIMITED ("The Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an 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 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 Birju S. Shah & Associates
Chartered Accountants | ICAI Firm Reg. No.: 131554W

Birju S. Shah - Proprietor
Membership No.: 107086 | UDIN: 23107086BGVKZK5632

Place: Surat | Date: May 6, 2023

ANNEXURE I

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(All amounts in Indian Rupees millions, unless otherwise stated)

Assets

In ₹ MM	Notes	2023 As at March 31,	2022 As at March 31,
Non-current assets			
Property, plant and equipment	3	₹ 5,333.54	₹ 2,355.28
Capital work-in-progress	4	₹ 371.66	₹ 577.42
Right-of-use assets	5	₹ 1,122.55	₹ 211.21
Other intangible assets	6	₹ 5.83	₹ 4.49
Financial assets			
I. Investments	7	₹ 2.60	₹ 2.09
II. Other financial assets	8	₹ 27.01	₹ 23.20
Other non-current assets	9	₹ 184.68	₹ 426.64
Total non-current assets		**₹ 7,047.88**	**₹ 3,600.34**
Current assets			
Inventories	10	₹ 2,487.66	₹ 1,627.44
Financial assets			
1. Investments	11	₹ 10.01	₹ 170.11
2. Trade receivables	12	₹ 2,589.82	₹ 1,634.80
3. Cash and cash equivalents	13	₹ 708.64	₹ 33.39
4. Bank balances other than (iii) above	14	₹ 313.81	₹ 146.77
5. Loans	15	₹ 11.38	₹ 8.36
6. Other financial assets	16	₹ 3.27	₹ 2.70
Other current assets	17	₹ 626.69	₹ 474.34
Total current assets		**₹ 6,751.28**	**₹ 4,097.90**
Total assets		**₹ 13,799.16**	**₹ 7,698.25**

Equity and Liabilities	Notes	As at March 31, 2023	As at March 31, 2022
Equity			
Equity share capital	18	₹ 1,245.11	₹ 1,126.91
Other equity	19	₹ 11,200.98	₹ 2,741.97
Total equity		₹ 12,446.09	₹ 3,868.89
Liabilities			
Non-current liabilities			
Financial liabilities			
1. Borrowings	20	-	₹ 1,218.13
2. Lease Liabilities	21	₹ 145.32	₹ 50.69
Deferred tax liabilities (net)	36 (d)	₹ 267.76	₹ 138.79
Total non-current liabilities		₹ 413.08	₹ 1,407.61
Current liabilities			
Financial liabilities			
1. Borrowings	22	₹ 1.06	₹ 1,632.62
2. Lease Liabilities	23	₹ 10.76	₹ 5.85
3. Trade Payables	24		
A. total outstanding dues of micro enterprises and small enterprises		₹ 191.09	₹ 211.19
B. total outstanding dues of creditors other than micro enterprises and small enterprises		₹ 624.09	₹ 487.35
4. Other financial liabilities	25	₹ 96.92	₹ 63.46
Other current liabilities	26	₹ 16.08	₹ 14.67
Provisions	27	-	-
Current tax liabilities (net)	36 (c)	-	₹ 6.61
Total current liabilities		₹ 940.00	₹ 2,421.75
Total liabilities		₹ 1,353.08	₹ 3,829.37
Total equity and liabilities		₹ 13,799.16	₹ 7,698.25

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

For Birju S. Shah & Associates
Chartered Accountants | ICAI Firm Reg. No.: 131554W

Birju S. Shah - Proprietor
Membership No.: 107086 | UDIN: 23107086BGVKZK5632

Place: Surat | Date: May 6, 2023

For and behalf of Board of Directors

Aether Industries Limited CIN: L24100GJ2013PLC073434

Ashwin Desai - Managing Director DIN: 00038386

Rohan Desai - Whole Time Director DIN: 00038379

Faiz Nagariya - Chief Financial Officer PAN: ADBPN8514G

Chitrarth Parghi - Company Secretary Mem. No.: F12563

Place: Surat | Date: May 6, 2023

ANNEXURE II

STANDALONE STATEMENT OF PROFIT AND LOSS

(All amounts in Indian Rupees millions, unless otherwise stated)

Statement of Profit and Loss

In ₹ MM	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	28	₹ 6,510.74	₹ 5,900.47
Other Income	29	₹ 165.65	₹ 69.74
Total Income		₹ 6,676.39	₹ 5,970.21
Expenses			
Cost of materials consumed	30	₹ 3,796.14	₹ 3,585.21
Changes in inventories of finished goods and work-in-progress	31	-₹ 622.76	-₹ 704.88
Employee benefits expense	32	₹ 344.57	₹ 270.44
Finance costs	33	₹ 50.93	₹ 131.21
Depreciation and amortisation expense	34	₹ 232.45	₹ 154.87
Other expenses	35	₹ 1,130.27	₹ 1,068.63
Total expenses		₹ 4,931.60	₹ 4,505.48
Profit before tax		₹ 1,744.79	₹ 1,464.73
Tax expense	36		
Current tax		₹ 311.22	₹ 338.73
Deferred tax		₹ 129.39	₹ 36.72
Total Tax Expenses		₹ 440.61	₹ 375.45
Profit for the period (A)		₹ 1,304.17	₹ 1,089.29
Other comprehensive (loss) / income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit liability / (asset)		-₹ 1.67	-₹ 1.98
Income tax relating to remeasurements of defined benefit liability / (asset)		₹ 0.42	₹ 0.50
Other comprehensive (loss) / income (B)		-₹ 1.25	-₹ 1.48
Total comprehensive income for the period (A+B)		₹ 1,302.93	₹ 1,087.81
Earnings per equity share	37		
[nominal value of ₹10]			
Basic		₹ 10.47	₹ 9.67
Diluted		₹ 10.47	₹ 9.67

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

For Birju S. Shah & Associates
Chartered Accountants | ICAI Firm Reg. No.: 131554W

Birju S. Shah - Proprietor
Membership No.: 107086 | UDIN: 23107086BGVKZK5632

Place: Surat | Date: May 6, 2023

For and behalf of Board of Directors

Aether Industries Limited CIN: L24100GJ2013PLC073434

Ashwin Desai - Managing Director DIN: 00038386

Rohan Desai - Whole Time Director DIN: 00038379

Faiz Nagariya - Chief Financial Officer PAN: ADBPN8514G

Chitrarth Parghi - Company Secretary Mem. No.: F12563

Place: Surat | Date: May 6, 2023

ANNEXURE III

STANDALONE STATEMENT OF CHANGES IN EQUITY

(All amounts in Indian Rupees millions, unless otherwise stated)

Equity Share Capital

In ₹ MM	As at March 31, 2023		As at March 31, 2022	
Particulars	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the reporting period	11,26,91,397	₹ 1,126.91	1,00,98,567	₹ 100.99
Changes in equity share capital during the period	1,18,19,324	₹ 118.19	10,25,92,830	₹ 1,025.93
Balance at the end of the reporting period	12,45,10,721	₹ 1,245.11	11,26,91,397	₹ 1,126.91

For any subsequent event changes relating to the share capital, refer note number 51(a)

Other Equity

In ₹ MM	Reserves and surplus			Total other equity
Particulars	Employee Share Option Reserve	Securities premium	Retained earnings	Amount
Balance at April 1, 2021	-	₹ 234.62	₹ 1,407.72	₹ 1,642.34
Total comprehensive income for the year ended March 31, 2022				
Profit for the period	-	-	₹ 1,089.29	₹ 1,089.29
Other comprehensive income (net of tax)				
- Remeasurements of defined benefit liability / (asset)	-	-	-₹ 1.48	-₹ 1.48
Total comprehensive income	-	-	₹ 1,087.81	₹ 1,087.81
Other movements for the year ended March 31, 2022				
Utilized for the issue of Bonus Shares (Bonus Equity Shares issued in the Ratio 1:10)		-₹ 234.62	-₹ 775.24	-₹ 1,009.86
Preferential Allotment of Shares (1607160 Equity Shares of ₹ 10 each at a Premium of ₹ 632 per share)		₹ 1,015.73		₹ 1,015.73
Shares based payment options outstanding (ESOPs valuation)	₹ 5.96			₹ 5.96
Balance at March 31, 2022	₹ 5.96	₹ 1,015.73	₹ 1,720.29	₹ 2,741.97
Balance at April 1, 2022	₹ 5.96	₹ 1,015.73	₹ 1,720.29	₹ 2,741.97
Total comprehensive income for the year ended March 31, 2023			₹ 1,304.17	₹ 1,304.17
Profit for the period				
Other comprehensive income (net of tax)				
- Remeasurements of defined benefit liability / (asset)			-₹ 1.25	-₹ 1.25
Other movements for the period March 31, 2023				
Preferential Allotment of Shares (2024921 Equity Shares of ₹ 10 each at a Premium of ₹ 632 per share)		₹ 1,279.75		₹ 1,279.75
Allotment of Shares in IPO (9766355 Equity Shares of ₹ 10 each at a Premium of ₹ 632 per share)		₹ 6,172.34		₹ 6,172.34
Shares based payment options outstanding (ESOPs exercised)	-₹ 5.92	₹ 5.92		₹ 0.00
Shares based payment options outstanding (ESOPs valuation)	₹ 15.51			₹ 15.51
IPO Expenses		-₹ 319.91		-₹ 319.91
Allotment of Shares under exercise of ESOPs (28048 Equity Shares of ₹ 10 each at a Premium of ₹ 311 per share)		₹ 8.72		₹ 8.72
Changes in the Lease Liabilities			-₹ 0.33	-₹ 0.33
Total movements	₹ 9.60	₹ 7,146.82	₹ 1,302.59	₹ 8,459.00
Balance at March 31, 2023	₹ 15.55	₹ 8,162.55	₹ 3,022.88	₹ 11,200.98

Nature and purpose of reserves

i) Retained earnings
Retained earnings comprises of undistributed earnings after taxes

ii) Securities premium
Securities premium account is used to record the premium on issue of shares and the IPO expenses have been netted off from the same

iii) Employee share option
Employee share options pending to be exercised are recorded here

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

As per our report of even date attached.

For Birju S. Shah & Associates
Chartered Accountants | ICAI Firm Reg. No.: 131554W

Birju S. Shah - Proprietor
Membership No.: 107086 | UDIN: 23107086BGVKZK5632

Place: Surat | Date: May 6, 2023

For and behalf of Board of Directors

Aether Industries Limited CIN: L24100GJ2013PLC073434

Ashwin Desai - Managing Director DIN: 00038386

Rohan Desai - Whole Time Director DIN: 00038379

Faiz Nagariya - Chief Financial Officer PAN: ADBPN8514G

Chitrarth Parghi - Company Secretary Mem. No.: F12563

Place: Surat | Date: May 6, 2023

ANNEXURE IV

STANDALONE STATEMENT OF CASH FLOWS

(All amounts in Indian Rupees millions, unless otherwise stated)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
A. Cash flow from operating activities		
Profit before tax	₹ 1,744.79	₹ 1,464.73
Adjustments to reconcile profit before tax to net cash flows:		
Net unrealised foreign exchange (gain)/loss	₹ 3.85	-₹ 7.28
Finance costs	₹ 50.93	₹ 131.21
Interest income	-₹ 74.31	-₹ 4.68
Income from Mutual Funds	-₹ 8.55	-₹ 3.23
Depreciation and amortisation expenses	₹ 232.45	₹ 154.87
Operating profit before working capital changes	₹ 1,949.15	₹ 1,735.62
Movement in working capital		
(Increase) / Decrease in trade receivables	-₹ 955.02	-₹ 552.40
(Increase) / Decrease in current investments	₹ 160.10	₹ 50.79
(Increase) / Decrease in inventories	-₹ 860.22	-₹ 780.16
(Increase) / Decrease in other current assets	-₹ 152.35	-₹ 358.90
(Increase) / Decrease in other financial assets	-₹ 7.40	-₹ 5.29
Increase / (Decrease) in trade payables	₹ 116.64	₹ 220.81
Increase / (Decrease) in other current liabilities	₹ 1.41	-₹ 26.45
Cash generated from operations	₹ 252.31	₹ 284.03
Net income tax (paid)	-₹ 317.84	-₹ 338.45
Net cash from operating activities (A)	-₹ 65.52	-₹ 54.42
B. Cash flows from investing activities		
Purchase of property, plant and equipment	-₹ 4,014.20	-₹ 527.66
Capital work in progress and capital advance	447.72	-₹ 989.66
Dividend from current investments	₹ 82.86	₹ 7.90
Long term investments	-₹ 0.50	₹ 0.00
Net cash used in investing activities (B)	-₹ 3,484.13	-₹ 1,509.41

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
C. Cash flows from financing activities		
Proceeds / (Repayment) from long-term borrowings	-₹ 1,510.33	₹ 267.63
Proceeds / (Repayment) of borrowings (Unsecured)	-₹ 449.20	₹ 323.50
Proceeds / (Repayment) from working capital facilities (net)	-₹ 890.16	₹ 177.62
Preferential allotment of Shares	₹ 1,300.00	₹ 1,031.80
IPO - allotment of Shares	₹ 6,270.00	-
ESOPs - allotment of Shares	₹ 9.00	-
IPO Expenses	-₹ 319.91	-
Proceeds / (Repayment) of Other Financial liabilities	₹ 33.46	₹ 19.03
Interest paid	-₹ 50.93	-₹ 131.21
Net cash used in financing activities (C)	₹ 4,391.94	₹ 1,688.37
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	₹ 842.29	₹ 124.54
Effect of exchange differences on account of foreign currency Cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period / year	₹ 180.16	₹ 55.63
Cash and cash equivalents at the end of the period / year	₹ 1,022.45	₹ 180.16
Notes : 1. Cash and cash equivalents include		
Cash on hand	₹ 1.07	₹ 0.98
Balances with bank		
– Current accounts	₹ 1.61	₹ 0.01
– EEFC accounts	₹ 148.30	₹ 32.40
– Cash Credit accounts	₹ 557.66	-
Other bank balances	₹ 313.81	₹ 146.77
Total	₹ 1,022.45	₹ 180.16

The above cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

Significant non-cash movement in investing and financing activities

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Foreign exchange fluctuations	-₹ 4.81	₹ 0.08
Acquisition of Right-of-use assets with corresponding impact to lease liabilities	₹ 932.85	₹ 130.02

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

As per our report of even date attached:

For Birju S. Shah & Associates
Chartered Accountants | ICAI Firm Reg. No.: 131554W

Birju S. Shah - Proprietor
Membership No.: 107086 | UDIN: 23107086BGVKZK5632

Place: Surat | Date: May 6, 2023

For and behalf of Board of Directors

Aether Industries Limited CIN: L24100GJ2013PLC073434

Ashwin Desai - Managing Director DIN: 00038386

Rohan Desai - Whole Time Director DIN: 00038379

Faiz Nagariya - Chief Financial Officer PAN: ADBPN8514G

Chitrarth Parghi - Company Secretary Mem. No.: F12563

Place: Surat | Date: May 6, 2023

ANNEXURE V

SIGNIFICANT ACCOUNT POLICIES

(All amounts in Indian Rupees millions, unless otherwise stated)

1. Reporting Entity

Aether Industries Ltd (Aether) was incorporated on January 23, 2013 as a Public Limited Company under the Companies Act, 1956. It is engaged in the business of Specialty Chemicals and Intermediates. The products of the Company find application in various sectors like Pharmaceuticals, Agrochemicals, Specialty, Electronic Chemicals, Material Sciences, High Performance Photography etc. The CIN of the Company is L24100GJ2013PLC073434.

Between the year 2013 and early year 2015, the Promoters acquired a leased premise at GIDC Industrial Estate, Hojiwala, Sachin, Surat and established their Laboratory, Research & Development and Pilot Plant facilities. The Promoters realized at the conceptual stage itself that Specialty Chemicals is essentially a "Research & Knowledge" driven Industry, and identification of the 'Chemistries' and 'Technologies' before constructing the main plant, through Laboratory/R&D/Pilot facilities was a necessary pre-requisite. The period up to 2015 was hence utilized for installing Lab/R&D/Pilot Plants, developing several products/processes (up to Pilot stage), showcasing the Company's capabilities through various International Exhibitions/ Conferences etc., effecting trial samples/supplies, facing rigorous audits from prospective International Buyers etc.

After meeting with a fair degree of success and acceptance from the targeted buyers, the Company acquired about 10,500 Sq. Mtrs. of land at the GIDC Industrial Estate, Sachin, Surat in February 2015 for setting up its main plant. The plant stood commissioned as per schedule, and the first stream went into operations in October 2016 / November 2016. Meanwhile, certain modifications/up-gradations/automations were carried out during implementation.
The Company was able to carry on with the success with which they started of with the first Project which was ready by November 2016, by way of achieving total revenues of ₹248.60 MM in Fiscal Year 2017, ₹1,091.90 MM in Fiscal Year 2018, ₹2,032.77 MM in Fiscal Year 2019, ₹3,037.81 MM in Fiscal Year 2020, ₹4,537.89 MM in Fiscal Year 2021 and ₹5,970.21 MM in Fiscal Year 2022.

The Company, because of its continuous growth and increasing demands for the products, along with the necessity to launch new products for various applications, once again planned for yet another expansion. The said new expansion, was done by the Company at Plot of Land in GIDC Industrial Estate, admeasuring 5250 Sq. Mtrs., which is located diagonally opposite to the current location of the Company. The new plot acquired by the Company is 8202/1 and the current one is 8203. The plant at Plot 8202/1 has also been commissioned and started from January 16, 2023.

The Company achieved Sales Turnover of ₹6,510.74 MM and Total Revenue of ₹6,676.39 MM in Fiscal Year 2023 with an EBITDA Margin of 30.38%.

Production capacity of 9596 MTPA (March 31, 2022: 6096 MTPA) is available in our state-of-art and DCS automated manufacturing facilities. Aether is also a leading CRAMS (Contract Research and Manufacturing Services) provider, built upon technology intensive and state-of-art R&D and Pilot Plant facilities. All of our R&D, Pilot, CRAMS, and Large Scale Manufacturing facilities are capable of switching between batch and continuous process technology.

Aether is based on a core competency model of cutting-edge chemistry and technology competencies.
Aether's business models include Large Scale Manufacturing of Speciality Chemicals, Contract Manufacturing and Contract Research And Manufacturing Services (CRAMS).

2. Summary of Significant Accounting Policies

The Standalone Ind AS Financial Statements comprise of the Audited Statement of Assets and Liabilities as at March 31, 2023 and as at March 31, 2022, the related Audited Standalone Ind AS Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity, and the Standalone Statement of Cash Flows for the year ended March 31, 2023 and March 31, 2022 respectively and the Significant Accounting Policies and Other Financial Information.These Standalone Financial Statements have been prepared as required under the SEBI ICDR Regulations prepared in terms of the requirements of: (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act"); (b) relevant provisions of the SEBI ICDR Regulations; and (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

2.1 Basis of preparation and presentation of financial statements

Compliance with Ind AS

The Standalone Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Effective April 1, 2018, the Company has adopted all the Ind AS and the adoption has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards, with April 1, 2018 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, which was the previous GAAP.

A. Basis of Preparation

(i) The Audited Standalone Ind AS Statement of Assets and Liabilities of the Company as at March 31, 2023 and March 31, 2022 respectively and the Audited Standalone Ind AS Statement of Profit and Loss, Audited Standalone Ind AS Statement of Changes in Equity and Audited Standalone Ind AS Statement of Cash Flows for the year ended March 31, 2023 and March 31, 2022 respectively (hereinafter collectively referred to as "Ind AS Financial Information") have been prepared as per the Ind AS as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act as amended from time to time.

(ii) The audited standalone financial statements of the Company as at and for the year ended March 31, 2023 prepared in accordance with recognition and measurement principles under Indian Accounting Standard ('Ind AS') 34 "Interim Financial Reporting", specified under Section 133 of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 6, 2023.

(iii) The Board of Directors approved the Standalone Financial Statements as per the Ind AS, for the year ended on March 31, 2023 along with Standalone Financial Statements for the year ended March 31, 2022 and authorised to issue the same vide resolution passed in the Board Meeting held on May 6, 2023.

B. Basis of measurement

The Standalone Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013. The exceptions to the same are :

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of define benefit obligations.

C. Current and non-current classification of assets and liabilities

The Standalone Assets and Liabilities and the Standalone Statement of Profit and Loss, including related notes, are prepared and presented as per the requirements of Schedule III (Division II) to the Companies Act, 2013. All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III. Based on the nature of products and the time between the acquisition of assets for processing and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

D. Functional and presentation currency

The functional and presentation currency in these Standalone Financial Statements is ₹ (INR) and all amounts are rounded to nearest MM, up to 2 decimal places, unless otherwise stated.

E. Use of judgements, estimates and assumptions

The preparation of Standalone Financial Statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and the disclosure of the contingent liabilities on the date of the preparation of Standalone Financial Statements. Such estimates are on a reasonable and prudent basis considering all available information, however due to uncertainties about these judgements, estimates and assumptions, the actual results could differ from those estimates. Information about each of these estimates and judgements is included in relevant notes. Any revision to accounting estimates is recognised prospectively in current and future periods.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Standalone Financial Statements is included in the following notes:

Note Nos. 42 & 43-classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment, assumptions and estimation uncertainties are provided here, whereas the quantitative break-ups for the same are provided in the notes mentioned below:
- Note 3 and Note 6: Useful life of depreciable assets, Property, Plant and Equipment and Other Intangible Assets.
- Note 12: Impairment of trade receivables.
- Note 10: Valuation of Inventories.
- Note 36: Recognition of tax expenses including deferred tax.
- Note 38: Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 45: Defined benefit obligation, key actuarial assumptions.

Going concern assumptions

These Standalone Financial Statements have been prepared on a going concern basis. The management has, given the significant uncertainties arising out of the various situations, assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of this Standalone Financial Statements. Based on this evaluation, management believes that the Company will be able to continue as a "going concern" in the foreseeable future and for a period of at least twelve months from the date of these Financial Statements based on the following :

- Expected future operating cash flows based on business projections, and
- Available credit facilities with its bankers

Based on the above factors, the management has concluded that the "going concern" assumption is appropriate. Accordingly, the Standalone Financial Statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a going concern.

Reclassification

The Company reclassifies comparative amounts, unless impracticable and whenever the Company changes the presentation or classification of items in its standalone financial statements materially. No such material reclassification has been made during the year.

2.2 Property, Plant And Equipment

Recognition and measurement

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of transition date measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price (after deducting trade discount / rebate), non-refundable import duties and taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Spare parts procured along with the Plant and Equipment or subsequently having value of ₹50,000 or more individually which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are de-recognized when no future economic benefits are expected from their use or upon disposal. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is de-recognised on disposal or when no future economic benefits are expected from use. Any profit or loss arising on the de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Standalone Statement of Profit and Loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The cost of the day-to-day servicing the property, plant and equipment are recognised in the Standalone Statement of Profit and Loss as incurred.

Disposal

An item of property, plant and equipment is de-recognised upon the disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income / expenses in the Standalone Statement of Profit and Loss.

Depreciation

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with Ind AS 105 and the date that the asset is de-recognised.

The management has estimated the useful life of the Tangible Assets as mentioned below

ASSET CLASS	Years
Factory Building	30
Other Building	10
Plant & Machinery	20
Plant & Machinery (Pipelines)	15
Office Equipment	5
Factory Equipment	10
Computer Equipment (Servers & Networks)	6
Computer Equipment (Others)	3
Other Equipment	10
Furniture & Fixtures	10
Vehicle Equipment	8

Impairments of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount, Impairment losses are recognised in the Standalone Statement of Profit and Loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.3 Intangible Assets

Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Expenditure on Research activities is recognised in the statement of Standalone Profit and Loss, as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price.

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

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

Intangible assets i. e., computer software is amortized on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

The management has estimated the useful life of the Intangible Assets as mentioned below:

ASSET CLASS	Years
Software & Licenses	6
Trade Marks	4
Other Assets	4

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Disposal

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Standalone Statement of Profit and Loss when the asset is de-recognized.

2.4 Financial Assets

A. Fair Value assessment

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, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Standalone Financial Statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All financial assets and financial liabilities for which fair value is measured or disclosed in the Standalone Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

B. Subsequent Measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

C. Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Standalone Statement of Profit and Loss. The losses arising from impairment are recognized in the Standalone Statement of Profit and Loss.

D. Financial assets at fair value through OCI ('FVTOCI')

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). Standalone Statement of Profit and Loss. However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Standalone Statement of Profit and Loss. On de-recognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Standalone Statement of Profit and Loss. However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Standalone Statement of Profit and Loss. On de-recognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Standalone Statement of Profit and Loss.

E. Financial assets at fair value through profit or loss ('FVTPL')

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Standalone Statement of Profit and Loss.

F. De-recognition

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

G. Impairment of Financial Assets

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI

ECL is measured through a loss allowance on a following basis:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)

- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

2.5 Financial Liabilities

The Company's financial liabilities include trade payable.

A. Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Standalone Statement of Profit and Loss.

B. Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:

a. Financial Liabilities classified at Amortised Cost

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Standalone Statement of Profit and Loss.

b. Financial Liabilities classified at Fair value through Profit and Loss (FVTPL)

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

Export benefits are accounted for in the year of exports based on the eligibility and when there is certainty of receiving the same.

C. De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged / cancelled / expired. 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 recognized in the Standalone Statement of Profit and Loss.

D. Offsetting of financial instruments

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

Other incomes, other than interest and dividend are recognized when the same are due to be received and right to receive such other income is established.

2.6 Share Capital and Share Premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

2.7 Dividend Distribution to equity shareholders

The Company recognizes a liability to make cash distributions to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

2.8 Cash Flows and Cash and Cash Equivalents

Standalone Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant Ind AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are to be shown within borrowings in current liabilities in the Standalone Statement of Assets and Liabilities for the purpose of presentation.

2.9 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as an asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance costs. Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in Standalone Financial Statement when inflow of economic benefits is probable.

2.10 Revenue Recognition and Other Income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from sale of goods is recognized, when the control is transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Interest income or expense is recognised using the effective interest rate method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

2.11 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

the Company has the right to operate the asset; or
the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use 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 re determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements 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 the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rates as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- 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, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the 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 the Standalone Statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease being 79 years remaining as on the date of purchase.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liability for the short-term leases that have lease term of 12 months of less and leases of low-value assets. The Company recognises the lease payments associated with such leases as an expense on a straight-line basis over the lease term.

2.12 Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Standalone Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.13 Current versus Non-Current classification

The Company presents assets and liabilities in the Standalone Statement of Assets and Liabilities based on current/non-current classification.

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

All other assets are classified as non-current.

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

All other assets are classified as non-current.

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

d. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

2.14 Employee benefits

(i) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Un-discounted value of benefits such as salaries, incentives, allowances and bonus are recognized in the period in which the employee renders the related service.

(ii) Long term benefits

(iii) Defined Contribution Plans

The Company contributes to the employee's approved provident fund scheme. The Company's contribution paid/payable under the scheme is recognized as an expense in the Standalone Statement of Profit and Loss during the period in which the employee renders the related services.

Defined Benefit Plans

Gratuity Liability is a defined benefit obligation and is provided on the basis of an actuarial valuation model made at the end of the Financial Year. The Gratuity Liability is funded by the Company by maintaining the funds with a separate Asset Management Company, i. e., LIC of India. Contributions to such fund is charged to Standalone Profit and Loss Account. Actuarial Valuation of the Gratuity is done at the end of the Financial Year and accounted for accordingly.

2.15 Trade Receivables

Trade Receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered as doubtful.

2.16 Inventories

(i) Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.

(ii) In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of Inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(iii) Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.

(iv) Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.

2.17 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset, that necessarily takes substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowings of the funds.

2.18 Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS is adjustment to the figures used in the determination of basic EPS to consider:

- 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.

2.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company have been identified as being the Chief Operating Decision Maker by the management of the Company.

2.20 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monitory assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monitory items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Standalone Statement of Profit and Loss.

2.21 Government grants and subsidies

Grants / subsidies that compensate the Company for expenses incurred are recognised in the Standalone Statement of Profit and Loss as other operating income on a systematic basis in the periods in which such expenses are recognised.

Export Incentives

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

2.22 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Standalone Financial Statements is required to be disclosed.

ANNEXURE VI

NOTES STANDALONE FINANCIAL INFORMATION

(All amounts in Indian Rupees millions, unless otherwise stated)

3. Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2022	Additions	Disposals during the period	As at March 31, 2023	As at April 1, 2022	Charge for the period	Disposals during the period	As at March 31, 2023	As at April 1, 2022	As at March 31, 2023
Factory building	₹ 332.39	₹ 345.44	-	₹ 677.83	₹ 37.93	₹ 12.13	-	₹ 50.06	₹ 294.47	₹ 627.77
Other building	₹ 21.11	-	-	₹ 21.11	₹ 10.53	₹ 2.01	-	₹ 12.53	₹ 10.58	₹ 8.58
Plant and machinery	₹ 2,068.28	₹ 2,439.09	-	₹ 4,507.37	₹ 267.56	₹ 142.44	-	₹ 410.00	₹ 1,800.72	₹ 4,097.36
Office equipment	₹ 23.94	₹ 21.42	-	₹ 45.35	₹ 10.73	₹ 5.65	-	₹ 16.38	₹ 13.21	₹ 28.98
Factory equipment (electric)	₹ 208.03	₹ 255.49	-	₹ 463.51	₹ 47.24	₹ 23.72	-	₹ 70.96	₹ 160.79	₹ 392.56
Computer equipment	₹ 38.70	₹ 20.87	-	₹ 59.57	₹ 28.25	₹ 8.26	-	₹ 36.51	₹ 10.45	₹ 23.06
Other equipment	₹ 71.00	₹ 77.15	-	₹ 148.14	₹ 28.27	₹ 9.82	-	₹ 38.09	₹ 42.73	₹ 110.05
Furniture and fixtures	₹ 25.20	₹ 24.03	-	₹ 49.22	₹ 8.67	₹ 3.70	-	₹ 12.38	₹ 16.52	₹ 36.85
Vehicle equipment	₹ 7.95	₹ 3.55	-	₹ 11.50	₹ 2.14	₹ 1.02	-	₹ 3.16	₹ 5.81	₹ 8.34
Total	₹ 2,796.59	₹ 3,187.02	-	₹ 5,983.61	₹ 441.31	₹ 208.76	-	₹ 650.07	₹ 2,355.28	₹ 5,333.54

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2021	Additions	Disposals during the period	As at March 31, 2022	As at April 1, 2021	Charge for the period	Disposals during the period	As at March 31, 2022	As at April 1, 2021	As at March 31, 2022
Factory building	₹ 281.78	₹ 50.61	-	₹ 332.39	₹ 28.29	₹ 9.64	-	₹ 37.93	₹ 253.49	₹ 294.47
Other building	₹ 21.11	-	-	₹ 21.11	₹ 8.53	₹ 2.00	-	₹ 10.53	₹ 12.58	₹ 10.58
Plant and machinery	₹ 1,744.06	₹ 324.22	-	₹ 2,068.28	₹ 173.01	₹ 94.55	-	₹ 267.56	₹ 1,571.05	₹ 1,800.72
Office equipment	₹ 17.41	₹ 6.53	-	₹ 23.94	₹ 7.06	₹ 3.67	-	₹ 10.73	₹ 10.35	₹ 13.21
Factory equipment (electric)	₹ 174.62	₹ 33.41	-	₹ 208.03	₹ 28.97	₹ 18.27	-	₹ 47.24	₹ 145.65	₹ 160.79
Computer equipment	₹ 34.03	₹ 4.67	-	₹ 38.70	₹ 23.38	₹ 4.87	-	₹ 28.25	₹ 10.65	₹ 10.45
Other equipment	₹ 62.94	₹ 8.06	-	₹ 71.00	₹ 21.93	₹ 6.34	-	₹ 28.27	₹ 41.01	₹ 42.73
Furniture and fixtures	₹ 21.68	₹ 3.52	-	₹ 25.20	₹ 6.42	₹ 2.25	-	₹ 8.67	₹ 15.26	₹ 16.52
Vehicle equipment	₹ 6.23	₹ 1.72	-	₹ 7.95	₹ 1.29	₹ 0.85	-	₹ 2.14	₹ 4.94	₹ 5.81
Total	₹ 2,363.86	₹ 432.73	-	₹ 2,796.59	₹ 298.88	₹ 142.43	-	₹ 441.31	₹ 2,064.98	₹ 2,355.28

Descriptions	As at March 31, 2023 & 2022
Title deeds held in the name of	Aether Industries Limited
Whether title deed holder is a Promoter, Director or relative of Promoter / Director or employee of Promoter / Director.	N.A.

Refer Note No. 20 and Note No. 22 for information on property, plant and equipment pledged as securities by the Company.

4. Capital work-in-progress

Particulars	As at April 1, 2022	Additions	Capitalised during the period	As at March 31, 2023
Capital work-in-progress	₹ 577.42	₹ 3,915.11	-₹ 4,120.86	₹ 371.66
Total	₹ 577.42	₹ 3,915.11	-₹ 4,120.86	₹ 371.66

Particulars	As at April 1, 2021	Additions	Capitalised during the period	As at March 31, 2022
Capital work-in-progress	₹ 1.98	₹ 1,010.13	-₹ 434.69	₹ 577.42
Total	₹ 1.98	₹ 1,010.13	-₹ 434.69	₹ 577.42

Additional disclosures as per Schedule - III requirement

	Projects in Progress		Projects temporarily suspended	
Amount in CWIP for a period of	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Less than 1 Year	₹ 182.85	₹ 575.44	-	-
1-2 Years	₹ 188.81	₹ 1.98	-	-
2-3 Years	-	-	-	-
More than 3 Years	-	-	-	-
Total	₹ 371.66	₹ 577.42	-	-

There are no projects as at reporting date which has exceeded cost as compare to its original approved plan.

5. Right-of-use assets

Particulars	Gross Block				Amortisation				Net Block	
	As at April 1, 2022	Additions	Disposals during the period	As at March 31, 2023	As at April 1, 2022	Charge for the period	Disposals during the period	As at March 31, 2023	As at April 1, 2022	As at March 31, 2023
Leasehold land	₹ 162.34	₹ 823.66	-	₹ 986.00	₹ 6.68	₹ 4.78	-	₹ 11.46	₹ 155.66	₹ 974.54
Properties (Land & Building)	₹ 74.34	₹ 109.19	-	₹ 183.53	₹ 18.79	₹ 16.72	-	₹ 35.51	₹ 55.55	₹ 148.02
Total	₹ 236.68	₹ 932.85	-	₹ 1,169.53	₹ 25.47	₹ 21.50	-	₹ 46.97	₹ 211.21	₹ 1,122.55

Particulars	Gross Block				Amortisation				Net Block	
	As at April 1, 2021	Additions	Disposals during the period	As at March 31, 2022	As at April 1, 2021	Charge for the period	Disposals during the period	As at March 31, 2022	As at April 1, 2021	As at March 31, 2022
Leasehold land	₹ 68.19	₹ 94.15	-	₹ 162.34	₹ 5.17	₹ 1.51	-	₹ 6.68	₹ 63.02	₹ 155.66
Properties (Land & Building)	₹ 38.47	₹ 35.87	-	₹ 74.34	₹ 9.75	₹ 9.04	-	₹ 18.79	₹ 28.72	₹ 55.55
Total	₹ 106.66	₹ 130.02	-	₹ 236.68	₹ 14.92	₹ 10.55	-	₹ 25.47	₹ 91.74	₹ 211.21

6. Other intangibles assets

Particulars	Gross Block				Amortisation				Net Block	
	As at April 1, 2022	Additions	Deletions during the period	As at March 31, 2023	As at April 1, 2022	Charge for the period	Disposals during the period	As at March 31, 2023	As at April 1, 2022	As at March 31, 2023
Computer Software	₹ 11.94	₹ 2.77	-	₹ 14.71	₹ 7.72	₹ 1.98	-	₹ 9.70	₹ 4.21	₹ 5.01
Others	₹ 1.64	₹ 0.75	-	₹ 2.40	₹ 1.36	₹ 0.21	-	₹ 1.58	₹ 0.28	₹ 0.82
Total	₹ 13.58	₹ 3.53	-	₹ 17.11	₹ 9.09	₹ 2.19	-	₹ 11.27	₹ 4.49	₹ 5.83

Particulars	Gross Block				Amortisation				Net Block	
	As at April 1, 2021	Additions	Deletions during the period	As at March 31, 2022	As at April 1, 2021	Charge for the period	Deletions during the period	As at March 31, 2022	As at April 1, 2021	As at March 31, 2022
Computer Software	₹ 11.35	₹ 0.59	-	₹ 11.94	₹ 5.89	₹ 1.83	-	₹ 7.72	₹ 5.46	₹ 4.21
Others	₹ 1.45	₹ 0.19	-	₹ 1.64	₹ 1.30	₹ 0.06	-	₹ 1.36	₹ 0.15	₹ 0.28
Total	₹ 12.80	₹ 0.78	-	₹ 13.58	₹ 7.19	₹ 1.90	-	₹ 9.09	₹ 5.61	₹ 4.49

7. Investments

Unquoted equity shares	As at March 31, 2023	As at March 31, 2022
9 (31 March 2022: 9) equity shares of Sachin Industrial Co. Op. Society Limited, of ₹ 500 each fully paid-up	₹ 0.00	₹ 0.00
1,16,851 (31 March 2022: 1,16,851) equity shares of Globe Enviro Care Limited, of ₹ 10 each fully paid-up	₹ 2.09	₹ 2.09
50,000 (31 March 2022: 0) equity shares of Aether Speciality Chemicals Limited, of ₹ 10 each fully paid-up	₹ 0.50	-
Total	₹ 2.60	₹ 2.09
Aggregate value of unquoted investments	₹ 2.60	₹ 2.09
Aggregate amount of impairment in value of investments	-	-

8. Others financial assets

Unsecured, considered good	As at March 31, 2023	As at March 31, 2022
Security deposits	₹ 27.01	₹ 23.20
Total	₹ 27.01	₹ 23.20

9. Other non-current assets

Unsecured, considered good	As at March 31, 2023	As at March 31, 2022
Capital advances	₹ 184.68	₹ 426.64
Total	₹ 184.68	₹ 426.64

10.Inventories

Unsecured, considered good	As at March 31, 2023	As at March 31, 2022
Raw material	₹ 607.88	₹ 450.01
Work in progress	₹ 1,062.81	₹ 426.68
Finished goods	₹ 536.19	₹ 549.57
Stores and spares	₹ 46.28	₹ 52.77
Others :		
Packing materials	₹ 14.70	₹ 15.41
Research and development materials	₹ 219.80	₹ 133.01
Total	₹ 2,487.66	₹ 1,627.44

Notes
1. Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.
2. In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of Inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
3. Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.
4. Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.
5. Inventories are pledge / hypothecated as primary security with the bankers (lenders) against the Working Capital Facilities availed by the Company.

11. Investments

Investment in mutual funds - Quoted	As at March 31, 2023	As at March 31, 2022
2839.999 (March 31, 2022: 28) SBI Liquid Fund Direct Growth	₹ 10.01	₹ 0.14
0 (March 31, 2022: 50,731.956) Nippon India Money Market Fund	₹ 0.00	₹ 169.97
Total	₹ 10.01	₹ 170.11
(a) Aggregate book value of quoted investments	₹ 10.01	₹ 170.11
(b) Aggregate market value of quoted investments	₹ 10.01	₹ 170.11

12. Trade receivables

Investment in mutual funds - Quoted	As at March 31, 2023	As at March 31, 2022
Trade Receivables considered good - Secured	₹ 48.46	₹ 116.19
Trade Receivables considered good - Unsecured	₹ 2,541.35	₹ 1,518.62
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	₹ 2,589.82	₹ 1,634.80
Less: Allowance for doubtful receivables	-	-
Total trade receivables	₹ 2,589.82	₹ 1,634.80
The above amount includes :		
Receivable from related parties	-	-
Receivable from other than related parties	₹ 2,589.82	₹ 1,634.80

The average credit period on sales of goods is 90 days. Payment terms vary from Advance Payments, LC for 60 to 90 Days, DA for 60 to 90 Days and open credits for 60 to 90 Days. No interest is charged on outstanding trade receivables.

As at March 31, 2023	Outstanding for following periods from due date of Payment					
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
• Undisputed Trade Receivables - considered good	₹ 2,516.04	₹ 67.08	₹ 6.69	-	-	₹ 2,589.82
• Undisputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
• Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
• Disputed Trade Receivables - considered good	-	-	-	-	-	-
• Disputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
• Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
• Undisputed Trade Receivables - considered good	-	-	-	-	-	-
Total	₹ 2,516.04	₹ 67.08	₹ 6.69	-	-	₹ 2,589.82

As at March 31, 2022	Outstanding for following periods from due date of Payment					
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
• Undisputed Trade Receivables - considered good	₹ 1,628.99	₹ 3.61	₹ 2.20	-	-	₹ 1,634.80
• Undisputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
• Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
• Disputed Trade Receivables - considered good	-	-	-	-	-	-
• Disputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
• Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
• Undisputed Trade Receivables - considered good	-	-	-	-	-	-
Total	₹ 1,628.99	₹ 3.61	₹ 2.20	-	-	₹ 1,634.80

13. Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash in hand	₹ 1.07	₹ 0.98
Balances with banks:		
Current accounts	₹ 1.61	₹ 0.01
EEFC accounts	₹ 148.30	₹ 32.40
Cash Credit accounts	₹ 557.66	-
Total	₹ 708.64	₹ 33.39

14. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Other bank balances:		
Margin Money - Fixed Deposits	₹ 23.81	₹ 25.05
Others - Fixed Deposits	₹ 290.00	₹ 121.72
(with maturity of more than 3 months but less than 12 months)		
Other bank balances	₹ 313.81	₹ 146.77

15. Loans

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to employees*	₹ 11.38	₹ 8.36
	₹ 11.38	₹ 8.36
Breakup of security details:		
Loans, considered good - secured	-	-
Loans, considered good - unsecured	₹ 11.38	₹ 8.36
Loans, considered doubtful / credit impaired	-	-
Total	₹ 11.38	₹ 8.36
Less: Loss allowance	-	-
Total loans receivables	₹ 11.38	₹ 8.36

*Loans to employees do not include any loan given to promoters, directors, KMPs and any other related parties.

16. Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Interest receivable (from fixed deposits with banks)	₹ 0.36	₹ 0.36
Gratuity asset (Refer note 45 for further disclosures)	₹ 2.91	₹ 2.34
Total	₹ 3.27	₹ 2.70

17. Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advances recoverable in cash	₹ 89.96	₹ 231.72
Balances with government authorities	₹ 495.08	₹ 172.43
Prepaid expenses	₹ 31.98	₹ 18.79
Other advances	-	₹ 51.39
Solar benefit	₹ 9.67	-
Total	₹ 626.69	₹ 474.34

18. Share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
14,00,00,000 (31 March 2022: 14,00,00,000) equity shares of ₹ 10 each.	₹ 1,400.00	₹ 1,400.00
Total	₹ 1,400.00	₹ 1,400.00
Issued, subscribed and paid up:		
Equity share capital		
12,45,10,721 (31 March 2022: 11,26,91,397) equity shares of ₹ 10 each fully paid-up	₹ 1,245.11	₹ 1,126.91
Total	₹ 1,245.11	₹ 1,126.91

Equity share	As at March 31, 2023	As at March 31, 2022
Particulars	Number of shares	Number of shares
Outstanding at the beginning of the year / period	11,26,91,397	1,00,98,567
Add: Issued during the year	1,18,19,324	10,25,92,830
Outstanding at the end of the year	12,45,10,721	11,26,91,397

* Number of shares is presented as absolute number.

Terms / Rights attached to each classes of shares

Rights, preferences and restrictions attached to equity shares

Equity shares

As to dividend	The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The Company has not declared any dividend during the year.
As to repayment of capital	In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining asset of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.
As to voting	The Company has one class of shares referred to as equity shares having par value of ₹10. Each holder of the equity share is entitled to one vote per share.

Shareholders holding more than 5% shares in the Company is set out below

Equity shares of ₹10 each fully paid	As at March 31, 2023		As at March 31, 2022	
Particulars	Number of shares	Number of shares %	Number of shares	Number of shares %
Purnima Ashwin Desai	3,20,57,403	25.75%	3,48,77,403	30.95%
Ashwin Jayantilal Desai	67,20,417	5.40%	67,20,417	5.96%
Rohan Ashwin Desai	22,21,681	1.78%	22,21,681	1.97%
Aman Ashwin Desai	1,10,000	0.09%	1,10,000	0.10%
AJD Family Trust	1,35,60,206	10.89%	1,35,60,206	12.03%
PAD Family Trust	1,35,60,206	10.89%	1,35,60,206	12.03%
RAD Family Trust	2,00,17,162	16.08%	2,00,17,162	17.76%
AAD Business Trust	2,00,17,162	16.08%	2,00,17,162	17.76%

Promotors Shareholding in the Company is set out below :

Equity shares of ₹10 each fully paid	As at March 31, 2023		As at March 31, 2022	
Particulars	Number of shares	Number of shares %	Number of shares	Number of shares %
Purnima Ashwin Desai	3,20,57,403	25.75%	3,48,77,403	30.95%
Ashwin Jayantilal Desai	67,20,417	5.40%	67,20,417	5.96%
Rohan Ashwin Desai	22,21,681	1.78%	22,21,681	1.97%
Aman Ashwin Desai	1,10,000	0.09%	1,10,000	0.10%
AJD Family Trust	1,35,60,206	10.89%	1,35,60,206	12.03%
PAD Family Trust	1,35,60,206	10.89%	1,35,60,206	12.03%
RAD Family Trust	2,00,17,162	16.08%	2,00,17,162	17.76%
AAD Business Trust	2,00,17,162	16.08%	2,00,17,162	17.76%

19. Other equity

Reserves and surplus	As at March 31, 2023	As at March 31, 2022
A. Retained earnings	₹ 3,022.88	₹ 1,720.29
B. Securities Premium	₹ 8,162.55	₹ 1,015.73
C. Employee Share Option Reserve	₹ 15.55	₹ 5.96
Total	₹ 11,200.98	₹ 2,741.97

A. Retained earnings		
Opening balance	₹ 1,720.29	₹ 1,407.72
Profit for the period / year	₹ 1,304.17	₹ 1,089.29
Less: Utilized for the issue of Bonus Shares (Bonus Equity Shares issued in the Ratio 1:10)	-	-₹ 775.24
Changes in lease liabilities	-₹ 0.33	-
Other comprehensive (loss) / income		
Remeasurement of defined benefit liabilities / (asset), (net of tax)	-₹ 1.25	-₹ 1.48
Closing balance	₹ 3,022.88	₹ 1,720.29
B. Securities Premium		
As at beginning and end of the period / year	₹ 1,015.73	₹ 234.62
Less: Utilized for the issue of Bonus Shares (Bonus Equity Shares issued in the Ratio 1:10)	-	-₹ 234.62
Add: Preferential Allotment of Shares [202492 (FY 2021-22 1607160 Equity Shares Equity Shares of ₹ 10 each at a Premium of ₹ 632 per share]	₹ 1,279.75	₹ 1,015.73
Allotment of Shares in IPO (9766355 Equity Shares of ₹ 10 each at a Premium of ₹ 632 per share)	₹ 6,172.34	-
Shares based payment options outstanding (ESOPs exercised)	₹ 5.92	-
IPO Expenses	-₹ 319.91	-
Allotment of Shares under exercise of ESOPs (28048 Equity Shares of ₹ 10 each at a Premium of ₹ 311 per share)	₹ 8.72	-
Closing balance	₹ 8,162.55	₹ 1,015.73
C. Employee Share Option Reserve		
Opening balance	₹ 5.96	-
Add: Additions during the year	₹ 15.51	₹ 5.96
Less: Transferred to Securities Premium on exercise of stock options	-₹ 5.92	-
Closing balance	₹ 15.55	₹ 5.96
Grant Total	₹ 11,200.98	₹ 2,741.97

20. Borrowings

Unsecured – measured at fair value through profit or loss account (FVTPL)	As at March 31, 2023	As at March 31, 2022
Secured		
Rupee Term Loans from Banks		
HDFC Bank Term Loan - Old	-	₹ 388.19
HDFC Bank Term Loan - New	-	₹ 472.79
HDFC Bank Term Loan - ECGLS	-	₹ 182.29
SBI Term Loan	-	₹ 137.05
SBI Term Loan - New	-	₹ 36.74
Rupee Vehicle Loans from Banks		
HDFC Bank Car Loan	-	₹ 1.06
Others (Unsecured)		
From related parties (Directors & Promoters)	-	-
Total	₹ 0.00	₹ 1,218.13

1. Terms of Repayment, Nature of Security in case of Secured Loans :

Nature of Security	Rate of Interest as on March 31, 2023	Terms of Repayment	Principal outstanding as at March 31, 2023	March 31, 2022
• HDFC Car Loan (Hypothecation of Car)	9.55% p. a.	60 instalments from April 05, 2019	₹ 1.06	₹ 2.02
• SBI Term Loan	NA	28 Quarterly Instalments of ₹22.85 MM each	-	₹ 228.45
• SBI Term Loan New	NA	25 Quarterly Instalments of ₹4.60 MM each	-	₹ 55.14
• HDFC Bank Term Loan	NA	20 Quarterly Instalments of ₹30.00 MM each	-	₹ 508.19
• HDFC Bank Term Loan - ECGLS	NA	48 Monthly Instalments of ₹5.21 MM each	-	₹ 244.79
• HDFC Bank Term Loan - New	NA	20 Quarterly Instalments of ₹23.64 MM each	-	₹ 472.79

2. Borrowings mentioned in the above note 20, along with note 22, amounting to ₹ 2,699.52 MM (pertaining to FY '22) were paid off subsequent to the Balance Sheet date out of the IPO Proceeds.
3. The company has used the loans towards the specific purposes for which it had borrowed the funds from the bank and there is no deviation in that regards.
4. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

21. Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities	₹ 145.32	₹ 50.69
Total	₹ 145.32	₹ 50.69

22. Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Working capital loan (Refer note 1)		
Secured	-	₹ 890.16
Current maturities of long term debt		
Secured		
Term loans from banks	-	₹ 292.30
Vehicle loans from banks	₹ 1.06	₹ 0.96
Unsecured		
Working Capital Limits with HDFC Bank	-	₹ 300.00
From related parties (Directors & Promoters)	-	₹ 149.20
Total	₹ 1.06	₹ 1,632.62

1. The primary security for working capital loan is outstanding receivables and inventories. The collateral security provided is residential property of directors cum promotors located at 40, Jaldarshan Society, Umra, Surat of along with factory premise at 8203, Road No-8, GIDC, Sachin, Surat - 394 230 and premises at 8202/1, Road No-8, GIDC, Sachin, Surat - 394230. There is also charge created against two (40, Jaldarshan and 8203, GIDC) of these properties at ROC with SBI and HDFC banks. These collaterals have been removed after the payments of all Term Loans was done by use of IPO Proceeds.
2. For details of terms of repayment and security for current maturities, refer note of non-current borrowings.
3. The company has used the loans towards the specific purposes for which it had borrowed the funds from the bank and there is no deviation in that regards.
4. The company has used the loans towards the specific purposes for which it had borrowed the funds from the bank and there is no deviation in that regards.
5. Break-up of the Working capital loan :

Particulars	As at March 31, 2023	As at March 31, 2022
Working Capital Limits with SBI	-	₹ 142.64
Working Capital Limits with HDFC	-	₹ 742.71
Closing balance	-	₹ 885.35
Foreign exchange valuation impact on PCFC loans	-	₹ 4.81
Net outstanding	-	₹ 890.16

6. Borrowings mentioned in the above note 20, along with note 22, amounting to ₹ 2,699.52 MM (pertaining to FY '22) were paid off subsequent to the Balance Sheet date out of the IPO Proceeds.

23. Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities	₹ 10.76	₹ 5.85
Total	₹ 10.76	₹ 5.85

24. Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 39)	₹ 191.09	₹ 211.19
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	₹ 624.09	₹ 487.35
Trade payables	₹ 815.18	₹ 698.54

Notes
1. Refer Note 40 for related party disclosure.
2. Trade payables principally comprise amounts outstanding for trade purchases. The average credit period taken for trade purchases is 90 days.

Particulars	Outstanding for following periods from due date of Payment					
As at March 31, 2023	Unbilled Dues	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	₹ 191.09	-	-	-	₹ 191.09
Others	-	₹ 623.43	₹ 0.57	₹ 0.09	-	₹ 624.09
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	-	₹ 814.52	₹ 0.57	₹ 0.09	-	₹ 815.18

Particulars	Outstanding for following periods from due date of Payment					
As at March 31, 2022	Unbilled Dues	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	₹ 211.19	-	-	-	₹ 211.19
Others	-	₹ 486.39	₹ 0.89	₹ 0.07	-	₹ 487.35
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	-	₹ 697.58	₹ 0.89	₹ 0.07	-	₹ 698.54

25. Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Employee related payable		
Salary and other benefits	₹ 23.72	₹ 19.41
Bonus payable	₹ 12.45	₹ 9.94
Other payables	₹ 1.52	₹ 1.65
Bills payable	₹ 0.01	₹ 0.22
Creditor for expenses	₹ 59.23	₹ 32.25
Total	₹ 96.92	₹ 63.46

26. Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Advance received from customers	₹ 2.05	₹ 4.28
Statutory dues payables	₹ 14.03	₹ 10.39
Total	₹ 16.08	₹ 14.67

27. Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Gratuity (Refer note 45 for further disclosures)	-	-
Total	-	-

28. Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products		
Manufactured goods:		
Local sales	₹ 1,952.23	₹ 2,087.12
Export sales	₹ 2,169.84	₹ 2,305.27
Deemed exports	₹ 1,571.29	₹ 1,031.36
Export sales - CRAMS	₹ 448.11	₹ 289.53
Domestic sales - CRAMS	₹ 63.47	₹ 4.73
Deemed exports - CRAMS	₹ 3.38	-
Sale of services:		
Export services	₹ 302.43	₹ 184.73
Domestic services	-	-
Total revenue from operations	₹ 6,510.74	₹ 5,902.73
Less : Rebate and discount	-	-₹ 2.26
Total	₹ 6,510.74	₹ 5,900.47

Refer note no. 46 for further disclosures

29. Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest		
Interest on fixed deposits	₹ 74.23	₹ 4.64
Interest accrued on loans to employees	₹ 1.11	₹ 1.29
Interest on deposits	₹ 0.09	₹ 0.03
Others:		
Foreign exchange fluctuation	₹ 36.65	₹ 18.37
Duty drawback - exports	₹ 8.84	₹ 5.14
MEIS duty credit	₹ 1.31	₹ 21.65
SEIS Duty Credit	₹ 23.22	-
Income from mutual funds	₹ 8.34	₹ 3.22
Income accrued from mutual funds	₹ 0.20	-
Income From Bonds NCD CP	₹ 0.00	-
Interest subsidy (term loan)	₹ 9.96	₹ 15.00
Income Tax Refund	₹ 1.18	-
Misc. income	₹ 0.50	₹ 0.38
Total	₹ 165.65	₹ 69.74

Subsidies from the Government

Subsidies from the Government are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the subsidies will be received or when actually will be received by the Company. Subsidies from the Government are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the subsidies are intended to compensate.
Subsidies from the Government that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they are received.

30. Cost of materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw Materials		
Opening	₹ 450.01	₹ 392.82
Add: Purchase	₹ 3,728.30	₹ 3,407.18
Add: Custom duty and clearing forwarding charges	₹ 75.85	₹ 71.80
Less: Discount on Purchase of Raw Material	-₹ 5.98	-₹ 29.36
Total	₹ 4,248.18	₹ 3,842.44
Closing	₹ 607.88	₹ 450.01
Raw Material Consumption	₹ 3,640.30	₹ 3,392.43
Packing Materials		
Opening	₹ 15.41	₹ 10.80
Purchase	₹ 63.46	₹ 63.48
Total	₹ 78.87	₹ 74.28
Closing	₹ 14.70	₹ 15.41
Packing Material Consumption	₹ 64.17	₹ 58.87
Stores & Spares		
Opening	₹ 52.77	₹ 48.54
Purchase	₹ 141.25	₹ 126.01
Less: Discount on Purchase of Others	-₹ 0.96	-
Total	₹ 193.06	₹ 174.55
Closing	₹ 46.28	₹ 52.77
Stores & Spares Consumption	₹ 146.78	₹ 121.78
Other Material		
Opening	₹ 133.01	₹ 123.75
Purchase	₹ 31.69	₹ 21.39
Total	₹ 164.70	₹ 145.14
Closing	₹ 219.80	₹ 133.01
Other Material Consumption	-₹ 55.10	₹ 12.13
Total cost of materials consumed	₹ 3,796.14	₹ 3,585.21

31.Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening inventories:		
Finished goods	₹ 549.57	₹ 115.06
Work-in-progress	₹ 426.68	₹ 156.31
Total (A)	₹ 976.25	₹ 271.37
Closing inventories:		
Finished goods	₹ 536.19	₹ 549.57
Work-in-progress	₹ 1,062.81	₹ 426.68
Total (B)	₹ 1,599.00	₹ 976.25
Total (A-B)	-₹ 622.76	-₹ 704.88

32. Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	₹ 251.89	₹ 212.52
Contribution to gratuity	₹ 6.67	₹ 5.08
Contribution to provident fund	₹ 12.72	₹ 10.30
Contribution to provident fund - Admin Charges	₹ 0.55	₹ 0.46
Staff welfare expenses	₹ 22.45	₹ 23.73
Leave encashment expenses	₹ 5.22	₹ 5.14
Employee medical insurance expenses	₹ 2.68	₹ 2.37
ESOPs (Employee Benefit)	₹ 15.51	₹ 5.96
Other employee related expenses	₹ 26.88	₹ 4.89
Total	₹ 344.57	₹ 270.44

33. Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on term loan	₹ 11.18	₹ 76.13
Interest on term loan - ECGLS	₹ 3.06	₹ 16.05
Interest on cash credit	₹ 6.92	₹ 6.16
Interest on PCFC	₹ 5.08	₹ 11.03
Interest on bill discounting	₹ 3.76	₹ 4.79
Interest on SLC	₹ 0.11	₹ 0.32
Interest on car loan	₹ 0.15	₹ 0.24
Interest on unsecured loans	-	-
Bank charges	₹ 8.57	₹ 11.83
Interest on financial liabilities at amortized cost	₹ 12.09	₹ 4.67
Total	₹ 50.93	₹ 131.21

34. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3)	₹ 208.76	₹ 142.43
Amortisation of right-of-use asset (refer note 5)	₹ 21.50	₹ 10.55
Amortisation of intangible assets (refer note 6)	₹ 2.19	₹ 1.90
Total	₹ 232.45	₹ 154.87

35. Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Manufacturing service cost expenses		
Power and fuel	₹ 364.18	₹ 303.82
Water charges	₹ 8.31	₹ 7.85
Other manufacturing costs	₹ 197.85	₹ 224.34
Administrative and general expenses		
Telephone and postage	₹ 2.79	₹ 2.34
Printing and stationery	₹ 1.53	₹ 1.20
Rent	₹ 6.88	₹ 1.23
Rates and taxes	₹ 6.77	₹ 5.93
Payment to statutory auditors (Refer note below)	₹ 0.75	₹ 0.60
Directors' sitting fees	₹ 3.04	₹ 2.52
Managerial remuneration	₹ 34.74	₹ 58.50
Repairs and maintenance expenses	₹ 31.49	₹ 38.86
Electricity expenses	₹ 191.45	₹ 214.84
Travelling expenses	₹ 10.56	₹ 2.63
Legal and professional expenses	₹ 64.38	₹ 28.78
Insurance expenses	₹ 31.97	₹ 21.32
Vehicle running expenses	₹ 4.66	₹ 5.94
Other administrative and general expenses	₹ 22.62	₹ 16.48
Selling and distribution expenses	₹ 113.08	₹ 108.47
Research and development expenses	₹ 3.18	₹ 1.33
Other expenses	₹ 30.04	₹ 21.66
Total	₹ 1,130.27	₹ 1,068.63

(a) Payment to auditors

Statutory audit fee	₹ 0.75	₹ 0.60
Total	**₹ 0.75**	**₹ 0.60**

36. Taxes

a. Statement of profit or loss	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax		
Current income tax charge	₹ 311.22	₹ 338.73
Deferred tax	₹ 128.97	₹ 36.72
Income tax expense reported in the statement of profit or loss	₹ 440.19	₹ 375.44

b. Other comprehensive income (OCI)
Taxes related to items recognised in OCI during in the period

Deferred tax	For the year ended March 31, 2023	For the year ended March 31, 2022
Remeasurements gains and losses on post employment benefits	-₹ 0.42	-₹ 0.50
Income tax recognised in OCI	-₹ 0.42	-₹ 0.50

c. Balance sheet Current tax assets	For the year ended March 31, 2023	For the year ended March 31, 2022
Non- current tax assets	-	-
Current tax assets	-	-
Total tax assets	-	-

Current tax liabilities	As at March 31, 2023	As at March 31, 2022
Income tax (net of advance tax)	-	₹ 6.61
Total current tax liabilities	-	₹ 6.61

d. Deferred tax liabilities / (assets) Particulars	As at March 31, 2023	As at March 31, 2022
Excess of depreciation/amortisation on property plant and equipment under income tax act	₹ 269.91	₹ 139.50
Fair valuation of Mutual funds	-₹ 0.05	-
Fair valuation of Security deposits	₹ 0.00	₹ 0.01
Amortization of processing fees on loan	-	-₹ 0.18
Provision for employee benefits	₹ 0.42	-₹ 0.78
Leases	-₹ 2.51	₹ 0.25
Net deferred tax liability / (asset)	₹ 267.76	₹ 138.79

e. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax	₹ 1,744.79	₹ 1,464.73
Tax rate	25.17%	25.17%
Tax as per IT Act on above	₹ 439.13	₹ 368.64
Tax expenses (P&L)		
Current tax	₹ 311.22	₹ 338.73
Deferred tax	₹ 128.97	₹ 36.72
Taxation in respect of earlier years	-	-
	₹ 440.19	₹ 375.44
Tax expenses (OCI)	-₹ 0.42	-₹ 0.50
Difference	-₹ 0.65	-₹ 6.30
Tax reconciliation		
Adjustments :		
Effect of permanent adjustments	-	-
Impact as a result of Tax Rate Change	-	-
Impact as a result of Capital Gains	-₹ 0.05	₹ 0.15
Others	₹ 0.70	₹ 6.15
	₹ 0.00	₹ 0.00

f. Movement in temporary differences : Particulars	April 1, 2022	Recognised in profit or loss during the period / year	Recognised in OCI during the period/ year	March 31, 2023
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax	₹ 139.50	₹ 130.41	-	₹ 269.91
Fair valuation of Mutual funds	₹ 0.00	-₹ 0.05	-	-₹ 0.05
Fair valuation of Security deposits	₹ 0.01	-₹ 0.01	-	₹ 0.00
Amortization of processing fees on loan	-₹ 0.18	₹ 0.18		₹ 0.00
Provision for employee benefits	-₹ 0.78	₹ 1.62	-₹ 0.42	₹ 0.42
Leases	₹ 0.25	-₹ 2.76	-	-₹ 2.51
Net deferred tax liability / (asset)	₹ 138.79	₹ 129.39	-₹ 0.42	₹ 267.76

f. Movement in temporary differences : Particulars	April 1, 2021	Recognised in profit or loss during the period / year	Recognised in OCI during the period/ year	March 31, 2022
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax	₹ 102.58	₹ 36.92	-	₹ 139.50
Fair valuation of Mutual funds	-₹ 0.20	₹ 0.20	-	-
Fair valuation of Security deposits	-₹ 0.01	₹ 0.02	-	₹ 0.01
Amortization of processing fees on loan	-₹ 0.18	-		-₹ 0.18
Provision for employee benefits	₹ 0.45	-₹ 0.73	-₹ 0.50	-₹ 0.78
Leases	-₹ 0.57	₹ 0.82	-	₹ 0.25
Net deferred tax liability / (asset)	₹ 102.07	₹ 37.22	-₹ 0.50	₹ 138.79

37. Earnings Per Share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profits attributable to equity shareholders	₹ 1,304.17	₹ 1,089.29
Basic Earnings Per Share		
Profit for basic earning per share of ₹10 each		
Profit for the period / year (in ₹)	₹ 1,304.17	₹ 1,089.29
Weighted average number of equity shares outstanding during the period / year	12,45,10,721	11,26,91,397
Basic EPS (₹)	₹ 10.47	₹ 9.67
Diluted Earnings Per Share		
Profit for diluted earning per share of ₹10 each		
Profit for the period / year (in ₹)	₹ 1,304.17	₹ 1,089.29
Weighted average number of equity shares outstanding during the period / year	12,45,10,721	11,26,91,397
Diluted EPS (₹)	₹ 10.47	₹ 9.67
Weighted average number of equity shares for basic earning per share		
Balance at the beginning and at the end of the period	11,26,91,397	1,00,98,567
Issued during the period	1,18,19,324	10,25,92,830
Weighted average number of equity shares outstanding during the period / year for Earnings Per Share	12,45,10,721	11,26,91,397
Weighted average number of equity shares for diluted earning per share		
Balance at the beginning and at the end of the period*	11,26,91,397	1,00,98,567
Issued during the period	1,18,19,324	10,25,92,830
Weighted average number of equity shares outstanding during the period / year for Diluted Earnings Per Share	12,45,10,721	11,26,91,397

38. Contingent liabilities, contingent assets and commitments

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
Bank Guarantees Issued for :			
Customs	₹ (in MM)	₹ 8.89	₹ 8.89
Gujarat Gas Ltd.	₹ (in MM)	₹ 20.71	₹ 15.35
DGVCL	₹ (in MM)	₹ 47.40	₹ 23.70
Total Margin for above items	₹ (in MM)	₹ 14.37	₹ 11.45
Raw Material LC	₹(in MM)	-	-
Raw Material FLC	US$(in MM)	$ 1.10	$ 2.94
Total Margin for above items	₹(in MM)	₹ 8.94	₹ 13.10
Income Tax Demand :			
AY 2017-18 (PY: 2016-17)	₹(in MM)	₹ 0.15	₹ 0.22
AY 2018-19 (PY: 2017-18)	₹(in MM)	₹ 0.94	₹ 0.93
AY 2020-21 (PY: 2019-20)	₹(in MM)	₹ 1.00	₹ 19.82

- All the Contingent Liabilities, except Income Tax Demands, listed above, which are outstanding as on current Balance Sheet date are not 100% secured through cash margins placed with the banks. Company is enjoying Bank Guarantee and LC Limit facilities from the banks, which require 15% Margin Money on Bank Guarantees and 15% Margin Money on LC Facilities.
- The Income Tax Demands are under appeal by the Company and the outcome of the same is not known and hence the demand amount has been considered as contingent liability.

39. Disclosures required under Section 22 of the MSME Development Act, 2006

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount remaining unpaid to any supplier as at the end of the period/year	-	-
Trade Payables	191.09	211.19
Capital creditors	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the period/year	-	-
Trade Payables	-	-
Capital creditors	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	-	-
The amount of payment made to Micro and Small supplier beyond the appointed day during each accounting year.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

40. Related Party Disclosures

A. List of Related Parties and description of relationship

1. Subsidiary Companies:

Aether Speciality Chemicals Limited

2. Entities where directors are interested

Ashwin Jayantilal Desai (Managing Director)
Aether Foundation
Aether Speciality Chemicals Limited
Globe Enviro Care Limited

Purnima Ashwin Desai (Whole Time Director)
Aether Foundation
Aether Speciality Chemicals Limited

Rohan Ashwin Desai (Whole Time Director)
Aether Foundation
Aether Speciality Chemicals Limited

Aman Ashvin Desai (Whole Time Director)
Aether Speciality Chemicals Limited

Kamalvijay Ramchandra Tulsian (Director)
J R Dyeing and Printing Mills Ltd.
Gujarat Enviro-Protection and Infrastructure Pvt. Ltd.
Navbharat Silk Mills Pvt. Ltd.
Pandesara Infrastructure Ltd.
Surat Mega Textiles Processing Park Association

Jeevanlal Nagori (Director)
Tonira Pharma Ltd.
Avik Pharmaceuticals Ltd.
Ajanma Holdings Pvt. Ltd.
IPCA Traditional Remedies Pvt. Ltd.
Transrail Lighting Ltd.
Kajorimal Basantilal Nagori Charitable Trust

Ishita Surendra Manjrekar (Director)
Sunanda Speciality Coatings Pvt. Ltd.
Sunworks Chemicals Pvt. Ltd.
Sunanda Global Outreach Foundation
Sunanda Smile Foundation

3. Key Management Personnel (KMP)

Ashwin Jayantilal Desai
Managing Director

Purnima Ashwin Desai
Whole-time Director

Rohan Ashwin Desai
Whole-time Director

Aman Ashwin Desai
Whole-time Director

Faiz Arif Nagariya
Chief Financial Officer

Chitrarth Rajan Parghi
Company Secretary & Compliance Officer

4. Relative of Key Management Personnel

Payal Rohan Desai
Spouse of Rohan Ashwin Desai

Kamalvijay Ramchandra HUF
HUF of Director - Kamalvijay Ramchandra Tulsian

Pramilaben Kamalvijay Tulsian
Spouse of Kamalvijay Tulsian

5. Other Directors on Board

Amol Arvindrao Kulkarni
Independent Director
Arun Kanodiya
Independent Director
Ishita Manjrekar
Non-Executive Director
Jeevanlal Nagori
Independent Director
Jitendra Popatlal Vakharia
Independent Director
Kamalvijay Ramchandra Tulsian
Chairperson Non-Executive Director
Leja Satish Hattiangadi
Independent Director
Rajkumar Mangilal Borana
Independent Director

B. Related party transactions

Nature of Transaction	Promoters and their relatives (For the year ended March 31, 2023)	Companies Controlled by Directors / Relatives (For the year ended March 31, 2023)	Other Directors on Board (For the year ended March 31, 2023)	Total (For the year ended March 31, 2023)	Promoters and their relatives (For the year ended March 31, 2022)	Companies Controlled by Directors / Relatives (For the year ended March 31, 2022)	Other Directors on Board (For the year ended March 31, 2022)	Total (For the year ended March 31, 2022)
Rent Paid	₹ 6.00	-	-	₹ 6.00	₹ 9.60	-	-	₹ 9.60
Interest Paid	-	-	-	-	-	-	-	-
Loan accepted	-₹ 149.20	-	-	-₹ 149.20	₹ 23.50	-	-	₹ 23.50
Managerial Remuneration	₹ 67.25	-	-	₹ 67.25	₹ 58.50	-	-	₹ 58.50
Purchase of Consumables	-	₹ 0.06	-	₹ 0.06	-	₹ 0.08	-	₹ 0.08
Purchase of Material for Building & Structure	-	₹ 14.81	-	₹ 14.81	-	₹ 9.88	-	₹ 9.88
ETP Expenses	-	₹ 47.23	-	₹ 47.23	-	₹ 49.01	-	₹ 49.01
CSR Activities	-	₹ 2.10	-	₹ 2.10	-	₹ 7.85	-	₹ 7.85
Salary	₹ 5.41	-	-	₹ 5.41	₹ 10.52	-	-	₹ 10.52
Sitting Fee	-	-	₹ 3.04	₹ 3.04	-	-	₹ 2.52	₹ 2.52
Investment	-	₹ 0.50	-	₹ 0.50	-	-	-	-
Charitable Purpose	-	-	₹ 0.60	₹ 0.60	-	-	-	-
Total	-₹ 70.54	₹ 64.70	₹ 3.64	-₹ 2.21	₹ 102.12	₹ 66.81	₹ 2.52	₹ 171.45

C. Balances outstanding at the end of the period / year	As at March 31, 2023	As at March 31, 2022
Rent payable	₹ 0.58	₹ 1.27
Interest payable	-	-
Managerial remuneration payable	₹ 2.91	₹ 2.36
Unsecured loans received	-	₹ 149.20
Salary Payable	₹ 0.25	₹ 0.31

During the above periods, the Company did not enter into any material transactions (as defined in the Company's policy on related party transactions) with related parties. All other transactions of the Company with the related parties were in the ordinary course of business and at an arm's length.

D. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year	As at March 31, 2023	As at March 31, 2022
Rent Paid		
Purnima Desai	-	-
Payal Desai	₹ 1.20	₹ 1.80
Ashwin Desai	-	₹ 1.80
Rohan Desai	-	₹ 1.20
Kamalvijay Ramchandra HUF	₹ 2.40	₹ 2.40
Pramilaben Kamalvijay Tulsian	₹ 2.40	₹ 2.40
Total	₹ 6.00	₹ 9.60

D. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year	As at March 31, 2023	As at March 31, 2022
Managerial Remuneration		
Ashwin Desai	₹ 13.65	₹ 13.00
Purnima Desai	₹ 13.65	₹ 13.00
Rohan Desai	₹ 19.47	₹ 13.00
Aman Desai	₹ 20.48	₹ 19.50
Total	₹ 67.25	₹ 58.50
Transactions with Companies Controlled by Directors / Relatives		
Sunanda Speciality Coatings Pvt. Ltd. (Consumables)	₹ 0.06	₹ 0.08
Sunanda Speciality Coatings Pvt. Ltd. (Material for Building & Structure)	₹ 14.81	₹ 9.88
Globe Enviro Care Limited (ETP Expenses)	₹ 47.23	₹ 49.01
Aether Foundation (CSR Expenses)	₹ 2.10	₹ 7.85
KBN Charitable Trust (CSR Expenses)	₹ 0.60	-
Total	₹ 64.80	₹ 66.81
Loans Accepted		
Ashwin Jayantilal Desai	-₹ 35.02	₹ 14.50
Purnima Ashwin Desai	-₹ 11.11	-
Rohan Ashwin Desai	-₹ 59.18	₹ 3.90
Aman Ashwin Desai	-₹ 12.91	₹ 3.50
Aman Ashwin Desai (HUF)	-	-₹ 26.29
Payal Rohan Desai	-₹ 4.70	₹ 1.60
Ishita Manjrekar	-₹ 26.29	₹ 26.29
Total	-₹ 149.20	₹ 23.50
Salary Paid		
Payal Rohan Desai	-	₹ 6.50
Faiz Arif Nagariya	₹ 4.63	₹ 3.45
Chitrarth Rajan Parghi	₹ 0.78	₹ 0.57
Total	₹ 5.41	₹ 10.52
Sitting Fee to Director		
Amol Arvindrao Kulkarni	₹ 0.40	₹ 0.20
Arun Kanodiya	₹ 0.60	₹ 0.65
Ishita Manjrekar	₹ 0.32	₹ 0.38
Jeevanlal Nagori	₹ 0.43	₹ 0.27
Jitendra Popatlal Vakharia	₹ 0.25	₹ 0.15
Kamalvijay Ramchandra Tulsian	₹ 0.53	₹ 0.48
Leja Satish Hattiangadi	₹ 0.32	₹ 0.25
Rajkumar Mangilal Borana	₹ 0.22	₹ 0.15
Total	₹ 3.04	₹ 2.52
Investment		
Aether Speciality Chemicals Limited	0.50	-
Total	₹ 0.50	-

41. Section 35 (2AB) of Income Tax Act, 1961 Disclosure

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary, Wages & PF		
Salary Expense	₹ 54.53	₹ 34.04
Overtime Wages	₹ 1.60	₹ 1.57
Employer's Contribution to PF	₹ 1.05	₹ 1.78
Employee Medical Insurance Expenses		
Employer's Contribution to ESI	₹ 0.21	₹ 0.49
Leave Encashment Expenses		
Leave Encashment Expenses	₹ 1.00	₹ 0.76
Other Employee Related Expenses		
Bonus	₹ 6.04	₹ 4.86
Managerial Remuneration		
Salaries to Directors	₹ 5.99	₹ 6.00
Bonus to Directors	₹ 0.50	₹ 0.68
Consumption of Material		
R&D Material	₹ 24.59	₹ 12.54
Power & Fuel		
Diesel Expenses	₹ 18.44	₹ 10.09
Repairs & Maintenance		
Plant & Machinery	₹ 1.69	₹ 2.07
Buildings	₹ 0.57	₹ 1.34
Others	₹ 0.47	₹ 1.15
Electricity Expenses		
Electricity Expenses	₹ 29.89	₹ 18.82
Vehicle Running Expenses		
Petrol & Other Expenses	₹ 0.68	₹ 0.49
Vehicle Repairing Expenses	₹ 0.21	₹ 0.16
Vehicle Hiring Charges	₹ 0.60	₹ 2.10
Rent, Rates & Taxes		
Rent	₹ 7.42	₹ 4.80
Other Administrative & General Expenses		
Security Expenses	₹ 2.29	₹ 1.51
Total Revenue Expenditure (A)	₹ 157.75	₹ 105.27
Capital Expenditure		
Buildings	₹ 50.00	₹ 29.87
Computers	₹ 4.64	₹ 1.19
Factory Equipment (Electric)	₹ 33.64	₹ 7.19
Furniture & Fixtures	₹ 8.35	₹ 0.08
Other Equipment (Lab)	₹ 44.87	₹ 3.97
Office Equipment	₹ 9.98	₹ 1.05
Plant & Machinery	₹ 188.75	₹ 88.16

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Computer Software	₹ 0.07	₹ 0.22
CWIP	₹ 3.34	₹ 155.61
Total Capital Expenditure (B)	₹ 343.64	₹ 287.34
Total Expenditure (A) + (B)	₹ 501.39	₹ 392.60

42. Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The board regularly meets to decide its risk management activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

The Company has exposure to the following risks arising from financial instruments:

- credit risk - see note (a) below
- liquidity risk - see note (b) below
- market risk - see note (c) below

A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The Company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and Company's historical experience for customers.

- The company has not made any provision on expected credit loss on trade receivables and other financials assets, based on the management estimates.
- Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department within the Finance Department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from the operations.

Particulars	As at March 31, 2023	As at March 31, 2022
Total current assets (A)	₹ 6,751.28	₹ 4,097.90
Total current liabilities (B)	₹ 940.00	₹ 2,421.75
Working capital (A-B)	₹ 5,811.28	₹ 1,676.15
Current Ratio	7.18	1.69

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

		Contractual cash flows as at March 31, 2023		
Nature of Transaction	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	₹ 1.06	₹ 1.06	-	₹ 1.06
Trade payables	₹ 815.18	₹ 814.52	₹ 0.66	₹ 815.18
Lease liabilities	₹ 156.07	₹ 10.76	₹ 145.32	₹ 156.07
Other liabilities	₹ 96.92	₹ 96.92	-	₹ 96.92

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

		Contractual cash flows as at March 31, 2022		
Nature of Transaction	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	₹ 2,850.75	₹ 1,632.62	₹ 1,218.13	₹ 2,850.75
Trade payables	₹ 698.54	₹ 697.58	₹ 0.96	₹ 698.54
Lease liabilities	₹ 56.54	₹ 5.85	₹ 50.69	₹ 56.54
Other liabilities	₹ 63.46	₹ 63.46	-	₹ 63.46

C. Market risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

1. Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (₹) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency.

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

	As at March 31, 2023		As at March 31, 2022	
Financial assets	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
Trade receivables	$ 18.54	₹ 1,523.75	$ 8.88	₹ 672.71
Balance with banks - in EEFC accounts	$ 1.80	₹ 148.30	$ 0.43	₹ 32.40
Total	$ 20.34	₹ 1,672.05	$ 9.30	₹ 705.10

Notes: Amounts seen as (0.00) are below the disclosure threshold of the Company.

	As at March 31, 2023		As at March 31, 2022	
Financial liabilities	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
Trade payable	$ 3.09	₹ 254.16	$ 0.53	₹ 40.16
Total	$ 3.09	₹ 254.16	$ 0.53	₹ 40.16

Notes: Amounts seen as (0.00) are below the disclosure threshold of the Company.

	As at March 31, 2023		As at March 31, 2022	
Currency wise net exposure (assets -liabilities)	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD	$ 17.25	₹ 1,417.90	$ 8.77	₹ 664.94
Total	$ 17.25	₹ 1,417.90	$ 8.77	₹ 664.94

Notes: Amounts seen as (0.00) are below the disclosure threshold of the Company.

Sensitivity analysis	Impact on profit/equity (1% strengthening)	
	March 31, 2023	March 31, 2022
USD	$ 14.18	₹ 6.65
Total	$ 14.18	₹ 6.65

Notes: Amounts seen as (0.00) are below the disclosure threshold of the Company.

Sensitivity analysis	Impact on profit/equity (1% weakening)	
	March 31, 2023	March 31, 2022
USD	-$ 14.18	-₹ 6.65
Total	-$ 14.18	-₹ 6.65

Notes: Amounts seen as (0.00) are below the disclosure threshold of the Company

2. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rates by selection of appropriate type of borrowings and by negotiation with the bankers.

The exposure of the borrowings (long term and short term) to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	-	₹ 2,399.52
Fixed rate borrowings	₹ 1.06	₹ 151.22
Total borrowings	₹ 1.06	₹ 2,550.76

Sensitivity analysis	Impact on profit/equity (1% weakening)	
Particulars	March 31, 2023	March 31, 2022
Increase by 50 basis points	-	-₹ 12.00
Decrease by 50 basis points	-	₹ 12.00

43. Capital management

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

- The Company's objectives when managing capital are to :
- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below :

Particulars	As at March 31, 2023	As at March 31, 2022
Total liabilities	₹ 1,353.08	₹ 3,829.37
Less: cash and cash equivalents and bank balances	₹ 1,022.45	₹ 180.16
Net debt	₹ 330.62	₹ 3,649.21
Total equity	₹ 12,446.09	₹ 3.868.89
Debt-equity ratio	0.03	0.94

44.Fair value measurements

a. Categories of financial instruments — As at March 31, 2023

Category	Carrying amount	Fair Values FVTPL Level 1	FVTPL Level 3	FVTOCI Level 3	Amortised Cost Level 2
Financial assets					
Trade receivables	₹ 2,589.82	-	-	-	₹ 2,589.82
Cash and cash equivalents	₹ 708.64	-	-	-	₹ 708.64
Other bank balances	₹ 313.81	-	-	-	₹ 313.81
Investment in mutual funds - Quoted	₹ 10.01	₹ 10.01	-	-	-
Investments in equity shares - Unquoted	₹ 2.60	-	-	₹ 2.60	-
Loans	₹ 11.38	-	-	-	₹ 11.38
Other financial assets	₹ 30.28	-	-	-	₹ 30.28
Total financial assets	₹ 3,666.54	₹ 10.01	-	₹ 2.60	₹ 3,653.93
Financial liabilities					
Borrowings	₹ 1.06	-	-	-	₹ 1.06
Trade payables	₹ 815.18	-	-	-	₹ 815.18
Other financial liabilities	₹ 252.99	-	-	-	₹ 252.99
Total financial liabilities	₹ 1,069.24	-	-	-	₹ 1,069.24

a. Categories of financial instruments — As at March 31, 2022

Category	Carrying amount	Fair Values FVTPL Level 1	FVTPL Level 3	FVTOCI Level 3	Amortised Cost Level 2
Financial assets					
Trade receivables	₹ 1,634.80	-	-	-	₹ 1,634.80
Cash and cash equivalents	₹ 33.39	-	-	-	₹ 33.39
Other bank balances	₹ 146.77	-	-	-	₹ 146.77
Investment in mutual funds - Quoted	₹ 170.11	₹ 170.11	-	-	-
Investments in equity shares - Unquoted	₹ 2.09	-	-	₹ 2.09	-
Loans	₹ 8.36	-	-	-	₹ 8.36
Other financial assets	₹ 25.90	-	-	-	₹ 25.90
Total financial assets	₹ 2,021.42	₹ 170.11	-	₹ 2.09	₹ 1,849.22
Financial liabilities					
Borrowings	₹ 2,850.75	-	-	-	₹ 2,850.75
Trade payables	₹ 698.54	-	-	-	₹ 698.54
Other financial liabilities	₹ 120.00	-	-	-	₹ 120.00
Total financial liabilities	₹ 3,669.29	-	-	-	₹ 3,669.29

b. Fair value hierarchy
As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the company which are carried at amortized cost approximates the fair value (except for which the fair values are mentioned). Investments in Mutual Funds which are designated at FVTPL & investment in shares which are classified as FVTOCI are at fair value.

45. Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under"

I. **Defined contribution plan - Provident fund and other funds**
II. The company has recognised following amounts in the profit & loss account for the year/ period:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident fund		
Employer's Contribution	₹ 12.72	₹ 10.30
Administration charges	₹ 0.55	₹ 0.46
Employer's Contribution to ESI (Employee State Insurance)	₹ 2.68	₹ 2.37
Total	₹ 15.95	₹ 13.12

I. **Defined benefit plan**
I. The defined benefit plan comprises gratuity, which is funded.
II. Actuarial gains and losses in respect of defined benefit plans are recognised in the Other Comprehensive Income (OCI).

IV. The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972.
V. These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

VII. The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

IX. Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Benefit Obligation at the Beginning of the Period	₹ 25.12	₹ 17.43
Interest cost	₹ 1.82	₹ 1.19
Current service cost	₹ 6.48	₹ 5.20
Benefits paid	-₹ 1.20	-₹ 0.67
Actuarial (Gains)/Losses on Obligations		
Due to Change in Demographic Assumptions	-	₹ 0.01
Due to Change in Financial Assumptions	-₹ 1.12	-₹ 1.53
Due to Experience	₹ 2.24	₹ 3.50
Present Value of Obligation at the end of the period / year	₹ 33.33	₹ 25.12

Changes in the fair value of plan assets are as follows

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at the beginning of the period / year	₹ 27.46	₹ 19.18
Interest income	₹ 1.99	₹ 1.31
Contributions	₹ 8.55	₹ 7.65
Mortality charges and taxes	-	-
Benefits paid	-₹ 1.20	-₹ 0.67
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	-₹ 0.55	-
Fair value of Plan assets at end of the period / year	₹ 36.24	₹ 27.46

Net interest cost for current period

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Benefit Obligation at the Beginning of the Period	₹ 25.12	₹ 17.43
Fair Value of Plan Assets at the Beginning of the Period	-₹ 27.46	-₹ 19.18
Net Liability/(Asset) at the Beginning	-₹ 2.34	-₹ 1.75
Interest Cost	₹ 1.82	₹ 1.19
Interest Income	-₹ 1.99	-₹ 1.31
Net interest cost for current period	-₹ 0.17	-₹ 0.12

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	₹ 6.48	₹ 5.20
Net interest (Income)/ Expense	-₹ 0.17	-₹ 0.12
Net benefit expense	₹ 6.31	₹ 5.08

Amount recognised in the statement of other comprehensive income

Particulars	As at March 31, 2023	As at March 31, 2022
Re-measurement for the year - obligation (gain) / loss	₹ 1.12	₹ 1.98
Re-measurement for the year - plan assets (gain) / loss	₹ 0.55	-
Total re-measurements cost / (credit) for the period / year recognised in other comprehensive income	₹ 1.67	₹ 1.98

Net Defined Benefit Liability/(Asset) for the period / year

Particulars	As at March 31, 2023	As at March 31, 2022
Defined Benefit Obligation	₹ 33.33	₹ 25.12
Fair value of plan assets	₹ 36.24	₹ 27.46
Closing net defined benefit liability/(asset)	-₹ 2.91	-₹ 2.34

Particulars	As at March 31, 2023	As at March 31, 2022
Current	-₹ 2.91	-₹ 2.34
Non-Current	-	-

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below

Assumptions	As at March 31, 2023	As at March 31, 2022
Mortality table	Indian Assured Lives Mortality 2012-14(Urban)	Indian Assured Lives Mortality (2006-08) Ultimate
Discount rate	7.50%	6.82%
Rate of increase in compensation levels	8.00%	8.00%
Expected rate of return on plan assets	7.50%	6.82%
Withdrawal rate #		
- Age up to 30 years	5.00%	5.00%
- Age 31 - 40 years	5.00%	5.00%
- Age 41 - 50 years	5.00%	5.00%
- Age above 50 years	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2023 & 31 March 2022 is as shown below:

	As at March 31, 2023		As at March 31, 2022	
Assumptions	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Delta effect of 1% change in				
rate of discounting	-₹ 3.97	₹ 4.85	-₹ 3.09	₹ 3.79
rate of salary increase	₹ 4.59	-₹ 3.93	₹ 3.64	-₹ 3.08
rate of employee turnover	-₹ 0.39	₹ 0.42	-₹ 0.41	₹ 0.46

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Expected future benefit payments.
The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid

Duration of defined benefit payments	March 31, 2023	March 31, 2022
1st Following Year	₹ 1.23	₹ 0.90
2nd Following Year	₹ 1.39	₹ 1.00
3rd Following Year	₹ 1.57	₹ 1.16
4th Following Year	₹ 1.75	₹ 1.23
5th Following Year	₹ 1.84	₹ 1.35
Sum of Years 6 to 10	₹ 10.24	₹ 7.35
Sum of Years 11 and above	₹ 100.33	₹ 75.50

46. Stock options scheme

Aether Industries Limited - Employee Stock Option Scheme - 2021 (AIL ESOS 2021):

The Company has instituted equity-settled Employee Stock Option Scheme - 2021 duly approved by the shareholders in the extra-ordinary general meeting of the Company held on 18 November 2021. The Company introduced the AIL ESOS 2021 primarily with a view to attract, retain and incentivise the existing and new employees of the Company and motivate them to contribute to the growth and profitability of the Company. The shareholders by way of special resolution have authorised the Nomination and Remuneration Committee to grant options not exceeding 11,00,000 to the eligible employees under the AIL ESOS 2021, in one or more tranches, with each such option conferring a right upon the Eligible employee to apply for one share of the Company.

As per AIL ESOS 2021, the Nomination and Remuneration Committee shall determine the eligibility criteria for employees to whom the options would be granted and shall approve the grant of options. The options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 7 (seven) years from the date of grant of options. Vesting of options would be subject to continued employment with the Company. The exercise period shall be 7 (seven) years from the date of vesting of options. The vested options can be exercised by the employee any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter.

The scheme was modified on 27 September 2022 and the revised terms are prospectively applicable to all grants under the scheme. The modified terms are defined as follows:
The vesting period is minimum 1 (one) year but not later than 15 (fifteen) years from the date of grant of options. Vesting of options would be subject to continued employment with the Company. The exercise period shall be 15 (fifteen) years from the date of vesting of options, subject to exceptional circumstances. The vested options can be exercised by the employee any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter.

Under the said scheme Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees:

Grant Date	Tranche	No. of options	Total no. of options
November 20, 2021	Not applicable	1,81,122	1,81,122
November 20, 2022	Tranche 2	12,461	
November 20, 2022	Tranche 3	24,922	
November 20, 2022	Tranche 4	3,181	40,564

Reconciliation of outstanding employee stock options:

Particulars	As at March 31, 2023 Weighted average exercise price per option (₹)	As at March 31, 2023 No. of options	As at March 31, 2022 Weighted average exercise price per option (₹)	As at March 31, 2022 No. of options
Opening Balance	₹ 321.00	0	-	0
Granted during the year	₹ 335.27	40,564	₹ 321.00	1,81,122
Exercised during the year	₹ 321.00	28,048	-	0
Forfeited / Lapsed during the year	₹ 321.00	13,199	₹ 321.00	6,291
Closing Balance	₹ 324.32	1,74,148	₹ 321.00	1,74,148
Options exercisable at the end of the period	-	-	-	-

Weighted average share price on the date of exercise is ₹ 985.35 (Previous Year: NA*)
*Weighted average exercise price of shares is required to be disclosed, where share options are exercised during the period. As no options were exercised in the previous period, information is not disclosed.

Stock options outstanding at the end of the period have the following remaining contractual life:

Grant date	Expiry date	Exercise price (₹)	Options outstanding as at March 31, 2023	Options outstanding as at March 31, 2022
November 20, 2021	November 29, 2029	₹ 321.00	-	29,447
November 20, 2021	November 29, 2030	₹ 321.00	27,256	29,520
November 20, 2021	November 29, 2031	₹ 321.00	27,182	29,446
November 20, 2021	November 29, 2032	₹ 321.00	24,715	26,977
November 20, 2021	November 29, 2033	₹ 321.00	21,147	23,094
November 20, 2021	November 29, 2034	₹ 321.00	19,968	21,808
November 20, 2021	November 29, 2035	₹ 321.00	13,316	14,539
November 20, 2022	November 29, 2026	₹ 321.00	4,153	-
November 20, 2022	November 29, 2027	₹ 321.00	4,153	-
November 20, 2022	November 29, 2028	₹ 321.00	4,155	-
November 20, 2022	November 29, 2027	₹ 321.00	6,230	-
November 20, 2022	November 29, 2028	₹ 321.00	6,230	-
November 20, 2022	November 29, 2029	₹ 321.00	6,230	-
November 20, 2022	November 29, 2030	₹ 321.00	6,232	-
November 20, 2022	November 29, 2031	₹ 503.00	477	-
November 20, 2022	November 29, 2032	₹ 503.00	477	-
November 20, 2022	November 29, 2033	₹ 503.00	477	-
November 20, 2022	November 29, 2034	₹ 503.00	477	-
November 20, 2022	November 29, 2035	₹ 503.00	477	-
November 20, 2022	November 29, 2036	₹ 503.00	477	-
November 20, 2022	November 29, 2037	₹ 503.00	319	-
Total			1,74,148	1,74,831

Weighted average remaining contractual life of the options outstanding at the end of the period	**8.93 years**	**10.27 years**

Fair value of the options granted:

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes-Merton model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grant made on 20 November 2022

i. Tranche I

Grant: AIL ESOS 2021 (modified)	Vesting Date		
Grant Date: 20 November 2022	November 20, 2023	November 20, 2024	November 20, 2025
Input variables			
Stock Price per Share (₹)	₹ 985.35	₹ 985.35	₹ 985.35
Standard Deviation (Volatility)	44.39%	45.90%	44.84%
Risk-free Rate	7.03%	7.12%	7.16%
Exercise Price (₹)	₹ 321.00	₹ 321.00	₹ 321.00
Time to Maturity (in Years)	2.50	3.50	4.50
Dividend Yield	0.00%	0.00%	0.00%
Output			
Fair Value of Options (₹)	₹ 720.47	₹ 744.50	₹ 764.60

ii. Tranche II

Grant: AIL ESOS 2021 (modified)	Vesting Date			
Grant Date: 20 November 2022	November 20, 2023	November 20, 2024	November 20, 2025	November 20, 2026
Input variables				
Stock Price per Share (₹)	₹ 985.35	₹ 985.35	₹ 985.35	₹ 985.35
Standard Deviation (Volatility)	46.81%	44.37%	44.20%	42.66%
Risk-free Rate	7.08%	7.12%	7.18%	7.31%
Exercise Price (₹)	₹ 321.00	₹ 321.00	₹ 321.00	₹ 321.00
Time to Maturity (in Years)	3.00	4.00	5.00	6.00
Dividend Yield	0.00%	0.00%	0.00%	0.00%
Output				
Fair Value of Options (₹)	₹ 733.86	₹ 753.56	₹ 773.65	₹ 791.09

iii. Tranche III

Grant: AIL ESOS 2021 (modified)	Vesting Date						
Grant Date: 20 November 2022	November 20, 2024	November 20, 2025	November 20, 2026	November 20, 2027	November 20, 2028	November 20, 2029	November 20, 2030
Input variables							
Stock Price per Share (₹)	₹ 985.35	₹ 985.35	₹ 985.35	₹ 985.35	₹ 985.35	₹ 985.35	₹ 985.35
Standard Deviation (Volatility)	43.46%	46.81%	44.37%	44.20%	42.66%	42.42%	43.11%
Risk-free Rate	7.26%	7.08%	7.12%	7.18%	7.31%	7.36%	7.38%
Exercise Price (₹)	₹ 503.00	₹ 321.00	₹ 321.00	₹ 321.00	₹ 321.00	₹ 503.00	₹ 503.00
Time to Maturity (in Years)	5.50	3.00	4.00	5.00	6.00	10.50	11.50
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Output							
Fair Value of Options (₹)	₹ 688.80	₹ 713.27	₹ 738.17	₹ 758.11	₹ 777.93	₹ 795.74	₹ 813.86

Fair value and assumptions for the equity-settled grant made on 20 November 2021

Grant: AIL ESOS 2021	Vesting Date						
Grant Date: 20 November 2021	November 20, 2022	November 20, 2023	November 20, 2024	November 20, 2025	November 20, 2026	November 20, 2027	November 20, 2028
Input variables							
Stock Price per Share (₹)	₹ 411.81	₹ 411.81	₹ 411.81	₹ 411.81	₹ 411.81	₹ 411.81	₹ 411.81
Standard Deviation (Volatility)	41.64%	40.62%	41.21%	40.77%	41.31%	41.35%	41.89%
Risk-free Rate	5.72%	5.96%	6.19%	6.29%	6.36%	6.37%	6.48%
Exercise Price (₹)	₹ 321.00	₹ 321.00	₹ 321.00	₹ 321.00	₹ 321.00	₹ 321.00	₹ 321.00
Time to Maturity (in Years)	4.50	5.50	6.50	7.50	8.50	9.50	10.50
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Output							
Fair Value of Options (₹)	₹ 210.91	₹ 226.79	₹ 244.51	₹ 257.65	₹ 271.43	₹ 282.50	₹ 294.59

Rationale for principal variables used:

- Time to maturity of options is the period of time from the grant date to the date on which option is expected to be exercised. The minimum life of stock option is the minimum period before which the options cannot be exercised, and maximum life is the period after which the options cannot be exercised.
- The expected price volatility is based on the historic volatility, adjusted for any changes to future volatility due to publicly available information.

The company has recorded employee share-based compensation expense in the current year amounting to ₹ 15.51 MM (Previous year: ₹ 5.96 MM) for the options issued to the employees.

47. Revenue from contracts with customers

a. Reconciliation of revenue recognised with the contracted price is as follows	For the year ended March 31, 2023	For the year ended March 31, 2022
Gross Sales (Contracted Price)	₹ 6,510.74	₹ 5,902.73
Reductions towards variable consideration (Discount & Delayed Delivery Charges)	-	-₹ 2.26
Revenue recognised	₹ 6,510.74	₹ 5,900.47

The Company derives its revenue from contracts with customers for the transfer of goods and services at a point in time and over the period in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108.

b. External revenue by Product Line	For the year ended March 31, 2023	For the year ended March 31, 2022
3-Methoxy-2-Methyllenzoyl Chloride (MMBC)	₹ 976.42	₹ 588.49
4-(2-Methoxyethyl) Phenol (4MEP)	₹ 926.88	₹ 1,650.33
Bifenthrin Alcohol (BFA)	₹ 925.45	₹ 623.15
Thiophene-2-Ethanol (T2E)	₹ 498.47	₹ 668.10
2-Methoxy-6-Chlorotoluene (MCT)	₹ 331.91	₹ 190.75
1-[2-(2-Hydroxyethoxy)Ethyl]Piperazine (HEEP)	₹ 288.30	₹ 225.03
1-Deoxy-1-(Octylamino)-D-Glucitol (NODG)	₹ 221.38	₹ 219.18
Delta - Valerolactone (DVL)	₹ 218.35	₹ 195.31
4'-Methyl-2-Cyanobiphenyl (OTBN)	₹ 30.04	₹ 243.51
Other Products	₹ 1,276.16	₹ 817.56
Revenue from products (Recognised at point in time) (A)	₹ 5,693.36	₹ 5,421.42
Service name		
CRAMS	₹ 817.38	₹ 479.05
Revenue from services (Recognised over the period) (B)	₹ 817.38	₹ 479.05
Grand Total (A) + (B)	₹ 6,510.74	₹ 5,900.47

c. Revenue by Business Classification	For the year ended March 31, 2023	For the year ended March 31, 2022
Large Scale Manufacturing	₹ 3,356.91	₹ 3,955.02
Contract Manufacturing	2,233.79	₹ 1402.39
Contract Research And Manufacturing Services (CRAMS)	₹ 816.59	₹ 479.05
Others	₹ 103.45	₹ 64.00
Total revenue	₹ 6,510.74	₹ 5,900.47

d. Revenue by Geographies / Regions	For the year ended March 31, 2023	For the year ended March 31, 2022
India (including Deemed Exports)	₹ 3,590.36	₹ 3,116.22
India (SEZ)	₹ 281.07	₹ 351.72
Italy	₹ 976.57	₹ 533.57
USA	₹ 519.38	₹ 227.81
Netherlands	₹ 358.20	₹ 142.88
Germany	₹ 266.57	₹ 377.45
Spain	₹ 120.00	₹ 504.96
China	₹ 105.16	₹ 90.17
Japan	₹ 67.70	₹ 71.26
Israel	₹ 59.33	₹ 24.56
Mexico	₹ 51.42	₹ 140.70
Switzerland	₹ 41.50	₹ 80.01
Belgium	₹ 8.85	₹ 65.17
Romania	₹ 5.24	₹ 20.50
Taiwan	₹ 0.66	₹ 90.37
Others - Europe	₹ 45.16	₹ 63.15
Others - Asia	₹ 13.55	-
Total revenue	**₹ 6,510.74**	**₹ 5,900.47**

48. Leases

a. For Right- of-use assets schedule-please refer note 5

b. Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current	₹ 10.76	₹ 5.85
Non Current	₹ 145.32	₹ 50.69
Total	**₹ 156.07**	**₹ 56.54**

c. Interest expenses on lease

Particulars	As at March 31, 2023	As at March31, 2022
Interest on lease liabilities	₹ 12.09	₹ 4.67

d. Expenses on short term leases / low value assets

Particulars	As at March 31, 2023	As at March31, 2022
Short-term lease	₹ 6.88	₹ 1.23
Low value assets	-	-

e. Amounts recognised in the statement of cash flow

Particulars	As at March 31, 2023	As at March 31, 2022
Total cash outflow for leases	₹ 11.03	₹ 10.01

f. Maturity analysis – contractual un-discounted cash flows

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	₹ 26.59	₹ 14.19
One to five years	₹ 97.66	₹ 57.75
More than five years	₹ 202.31	₹ 5.40
Total un-discounted lease liabilities	**₹ 326.56**	**₹ 77.35**

g. Other notes The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2018 is 9.50%. Operating lease payable as per previous GAAP as at transition date is considered for calculation of lease liabilities under Ind AS 116.

49. Operating Segment

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales		
India	₹ 3,871.71	₹ 3,467.93
Rest of the World	₹ 2,639.03	₹ 2432.54
Total	**₹ 6,510.74**	**₹ 5,900.47**
Carrying amount of assets*		
India	₹ 1,066.06	₹ 962.10
Rest of the World	₹ 1,523.75	₹ 672.71
Total	**₹ 2,589.81**	**₹ 1,634.81**
Additions to property, plant and equipment, right of use assets and intangible assets		
India	₹ 4,123.39	₹ 563.53
Total	**₹ 4,123.39**	**₹ 563.53**

*Segment assets represent trade receivables

Information about major customers (External Customers)

The following is the transactions by the Company with external customers individually contributing 10% or more of revenue from operations:

- For the period ended March 31, 2023, revenue from operations of one customer of the company represented approximately 14.00% of revenue from operations.
- For the year ended March 31, 2022, revenue from operations of one customer of the company represented approximately 12.10% of revenue from operations.

50.Corporate Social Responsibility

As per the provisions of section 135 of Companies Act 2013, the Company was required to spend ₹ 19.75 MM (March 31, 2022: ₹ 12.19 MM). being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. However, the Company has spent ₹ 19.98 MM (March 31, 2022: ₹ 12.19 MM) towards Corporate Social Responsibility activities. Below are the details of the amount spent during the year :

Particulars	CSR	As at March 31, 2023	As at March 31, 2022
1. Aether Foundation	Promoting education in tribal and rural area	₹ 2.10	₹ 7.84
2. Ambika Education Trust, Dodipada	Promoting education in rural area	₹ 1.50	-
3. Kagzi Traders	To celebrate Azadi ka Amrut Mahotsav - Education	₹ 0.16	-
4. Surat Municipal Corporation	To celebrate Azadi ka Amrut Mahotsav - Education	₹ 0.02	-
5. Rogi Kalyan Samiti New Civil Hospital	Disaster management, including relief, rehabilitation and reconstruction activities (CoVID-19)	-	₹ 0.25
6. Kajorimal Basantilal Nagori Trust	Promoting education in rural area	₹ 0.60	₹ 0.50
7. Shivam Education Trust	Nursing College Building	₹ 2.50	-
8. Surat Manav Seva Sangh	Disaster management, including relief, rehabilitation and reconstruction activities (CoVID-19)	-	₹ 1.00
9. Surat Raktadan Kendra and Research Centre	Preventive health-care measure	-	₹ 0.60
10. Nimar Abhyudaya Rural Management & Development Association	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	-	₹ 1.00
11. Vanvasi Vikas Mandal, Waghai	Promoting education in tribal and rural area for gilrs	₹ 3.10	-
12. Shree Mahavir Health and Medical Relief Society	New Cancer Research Project / Preventive health-care measure	₹ 10.00	₹ 1.00
Total		₹ 19.98	₹ 12.19

51. Events subsequent to March 31, 2023

None.

For Birju S. Shah & Associates
Chartered Accountants | ICAI Firm Reg. No.: 131554W

Birju S. Shah - Proprietor
Membership No.: 107086 | UDIN: 23107086BGVKZM1632

Place: Surat | Date: May 6, 2023

For and behalf of Board of Directors

Aether Industries Limited CIN: L24100GJ2013PLC073434

Ashwin Desai - Managing Director DIN: 00038386

Rohan Desai - Whole Time Director DIN: 00038379

Faiz Nagariya - Chief Financial Officer PAN: ADBPN8514G

Chitrarth Parghi - Company Secretary Mem. No.: F12563

Place: Surat | Date: May 6, 2023

52. Ratios as per the Schedule III requirements

a. Current Ratio = Current Assets divided by Current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current Assets	₹ 6,751.28	₹ 4,097.90
Current Liabilities	₹ 940.00	₹ 2,421.75
Current Ratio (Times)	7.18	1.69
% Change from previous period / year	324.45%	

b. Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Total Debt	₹ 1.06	₹ 2,850.75
Total Equity	₹ 12,446.09	₹ 3,868.89
Debt Equity Ratio (Times)	0.00	0.74
% Change from previous period / year	-99.99%	

c. Debt Service Coverage Ratio (DSCR) = Earnings available for debt services divided by Total interest and principal repayments

Particulars	As at March 31, 2023	As at March 31, 2022
Profit for the year	₹ 1,304.17	₹ 1,089.29
Add: Non cash operating expenses and finance cost	-	-
Depreciation and amortisation expense	₹ 232.45	₹ 154.87
Finance costs	₹ 50.93	₹ 131.21
Earnings available for debt services	₹ 1,587.55	₹ 1,375.37
Interest cost on borrowings	₹ 30.26	₹ 114.71
Principal repayments (including certain prepayments)	₹ 1,695.93	₹ 142.35
Total Interest and principal repayments	₹ 1,726.19	₹ 257.06
Debt Service Coverage Ratio (Times)	0.92	5.35
% Change from previous period / year	-82.81%	

d. Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Profit for the year	₹ 1,304.17	₹ 1,089.29
Total Equity	₹ 12,446.09	₹ 3,868.88
Return on Equity Ratio (%)	10.48%	28.16%
% Change from previous period / year	-62.78%	

e. Inventory Turnover Ratio = Closing Inventory divided by Cost of Material Consumed plus Changes in Inventory in to 365/366

Particulars	As at March 31, 2023	As at March 31, 2022
Cost of materials consumed	₹ 3,173.39	₹ 2,880.33
Closing Inventory	₹ 2,487.66	₹ 1,627.44
Inventory Turnover Ratio (Days)	286	206
% Change from previous period / year	38.74%	

f. Trade receivables turnover ratio = Credit Sales divided by Closing Trade Receivables in to 365/366

Particulars	As at March 31, 2023	As at March 31, 2022
Credit Sales	₹ 6,510.74	₹ 5,900.47
Closing Trade Receivables	₹ 2,589.82	₹ 1,634.80
Trade Receivables Ratio (Days)	145	101
% Change from previous period / year	43.57%	

g. Trade payables turnover ratio = Closing trade payables divided by Cost of Materials Consumed in to 365/366

Particulars	As at March 31, 2023	As at March 31, 2022
Cost of materials consumed	₹ 3,173.39	₹ 2,880.33
Closing Trade Payables	₹ 815.18	₹ 698.54
Trade Payables Turnover Ratio (Days)	94	89
% Change from previous period / year	5.92%	

h. Net capital Turnover Ratio =Revenue from Operations divided by Net Working capital where as net working capital = current assets - current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue from operations	₹ 6,510.74	₹ 5,900.47
Net Working Capital	₹ 5,811.28	₹ 1,676.15
Net Capital Turnover Ratio (Times)	1.12	3.52
% Change from previous period / year	-68.17%	

i. Net profit ratio = Net profit after tax divided by Revenue from operations.

Particulars	As at March 31, 2023	As at March 31, 2022
Profit for the year	₹ 1,304.17	₹ 1,089.29
Revenue from operations	₹ 6,510.74	₹ 5,900.47
Ratio (Times)	0.20	0.18
% Change from previous period / year	8.51%	

j. Return on Capital employed- Pre cash (ROCE)=Earnings before interest and taxes (EBIT) divided by Capital Employed- pre cash

Particulars	As at March 31, 2023	As at March 31, 2022
Profit/(Loss) before tax (A)	₹ 1,744.79	₹ 1,464.73
Finance Costs* (B)	₹ 50.93	₹ 131.21
Other income* (C)	165.65	₹ 69.74
EBIT (D) = (A)+(B)-(C)	1,630.06	₹ 1,526.20
Capital Employed- Pre Cash (K)=(E)+(F)+(G)-(H)-(I)-(J)	11,414.69	₹ 6,369.36
Total Equity (E)	12,446.09	₹ 3,868.88
Non-Current Borrowings (F)	-	₹ 1,218.13
Current Borrowings (G)	1.06	₹ 1,632.62
Current Investments (H)	10.01	₹ 170.11
Cash and Cash equivalents (I)	708.64	₹ 33.39
Bank balances other than cash and cash equivalents (J)	313.81	₹ 146.77
Ratio (D)/(K) (%)	14.28%	23.96%
% Change from previous period / year	-40.4%	

53.Other matters

a. **Registration of charges or satisfaction with Registrar of Companies (ROC)**
The Company had registered various charges with the ROC within the statutory time period. During the financial year, the Company has repaid all its Term Loans and hence the collaterals have been released from the bank and accordingly the charges registered with ROC, have been satisfied.

b. **Details of Benami Property held**
The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, hence no proceedings initiated or pending against the Company under the said Act and Rules.

c. **Loans and advances granted to specified person**
Except as stated in the notes to accounts and financial statements, there are no other loans or advances granted to specified persons namely the promoters, directors, KMPs and related parties.

d. **Utilisation of borrowed funds, share premium and other funds**
The Company has not received any funds from any person or entity with the understanding that the Company would directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiary) or provided any guarantee or security or the like on behalf of the ultimate beneficiary.

The Company has not advanced or loaned or invested to any other person(s), including foreign entities (Intermediaries) with the understanding that the intermediary shall:

i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

e. **Compliance with the number of layers of companies**
The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

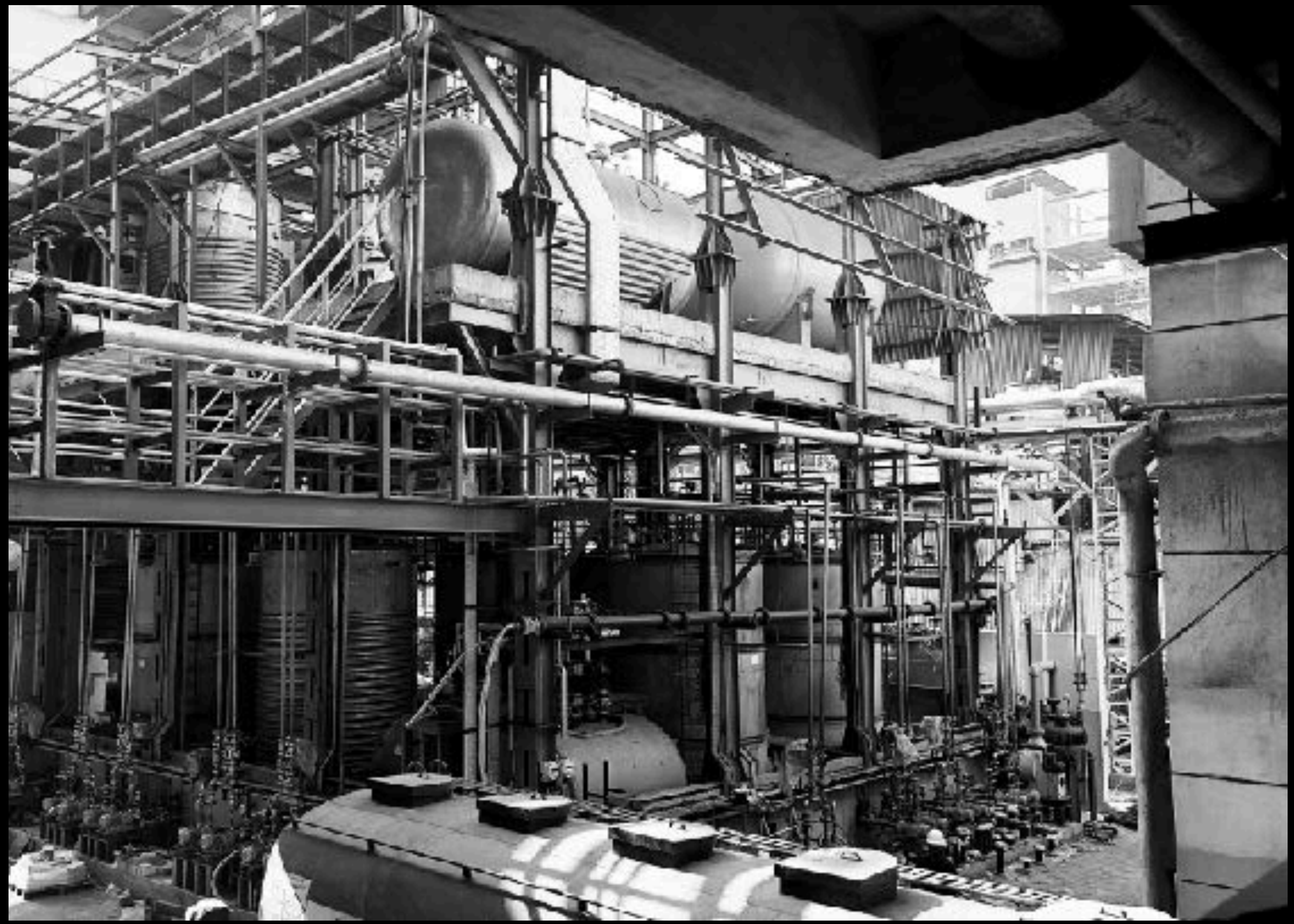
f. **Details of Crypto Currency or Virtual Currency**
The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year

g. **Undisclosed Income**
There is no transaction, which has not been recorded in the books of accounts, that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961

h. **Relationship with struck off companies**
The Company has not have any transactions with companies, which are struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

i. **Bankers of the Company**
The Company is enjoying various credit facilities with the below mentioned banks:

i. ICICI Bank Limited
ii. HDFC BANK Limited
iii. State Bank of India



Audited Consolidated Financial Statements

Independent Auditor's Report - Consolidated

To,
The Members of
Aether Industries Limited
Surat

1. Audit Report on the Consolidated Financial Statements

1. Opinion

A. We have audited the accompanying consolidated annual financial statements of AETHER INDUSTRIES LIMITED (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), for the year ended 31 March 2023 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Discloser Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations").

B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Annual Financial Statements,
- include the annual financial statements of the following entities:
i. Aether Industries Limited (Holding Company)
Ii. Aether Speciality Chemical Limited (Wholly Owned Subsidiary Company)

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard and give the information required by the Companies Act, 2013 ("the Act") in the manner so required

- and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and 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 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated annual financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

3. Management's and Board of Director's Responsibilities for the Consolidated Annual Financial Statements:

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial statements that give a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The responsibility also includes maintenance of adequate records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual financial statements, the Management and the Board of Directors are responsible for assessing the Group'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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Group are responsible for overseeing the Companies' financial reporting process of the respective companies.

4. Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial statements made by the Management and Board of directors.

- Conclude on the appropriateness of the Management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual financial statements, including the disclosures, and whether the consolidated annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us along with the consideration of our audit report on the subsidiary company is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

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

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

5. Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on separate financial statements of such subsidiary which were audited us, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.

- In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and our report of the subsidiary.

- The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

- In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act

- On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and our report of its subsidiary company incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as Director in terms of Section 164(2) of the Act.

- With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

- In our opinion and according to the information and explanations given to us, the remuneration paid by the companies forming part of the Group to its Director's during the current year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

- With respect to the other matters to be included in the Auditors' 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 companies forming part of the Group do not have any pending litigations which would impact the financial position of the Group as at 31 March 2023.

ii. The companies forming part of the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the companies forming part of the Group.

iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, outside the Group, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year in accordance with section 123 of the Companies Act 2013", Hence clause not applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

B. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For Birju S. Shah & Associates
Chartered Accountants | ICAI Firm Reg. No.: 131554W

Birju S. Shah - Proprietor
Membership No.: 107086 | UDIN: 23107086BGVKZM1632

Place: Surat | Date: May 6, 2023

ANNEXURE A
TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of AETHER INDUSTRIES LIMITED for the year ended March 31, 2023.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. A. (a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment; Yes, all the Capital Assets have been properly recorded containing details of quantity, situation and all other relevant particulars from which particular Asset can be identified.

   A. (b) Whether the company is maintaining proper records showing full particulars of intangible assets; Yes, the company is following proper harmonized system to record its Fixed Assets which demonstrate full particulars of the Assets.

   B. Whether these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt within the books of account; Yes, all the capitalized Assets are physically verified by the management.

   C. Whether 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) disclosed in the Consolidated Financial Statements are held in the name of the company, If not, provide the details thereof in the format below; Yes, the Company has leasehold titles of below mentioned in its name:
   1. Plot No. 8203, GIDC Sachin, Surat - 394230, Gujarat, India
   2. Plot No. 8202/1, GIDC Sachin, Surat - 394230, Gujarat, India
   3. Plot No. 14 + 15, GIDC, Panoli, Bharuch - 394115, Gujarat, India

   D. Whether the Company has revalued its Property, Plant and Equipment (including Right of Use Assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets; No, there is no revaluation in respect of Property, Plant and Equipment (including Right of Use assets) or intangible assets or both has been made during the year.

   E. Whether any 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 Consolidated Financial Statements; No, there is no proceedings under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made there under, if so, have been initiated or are pending against the company till the audit period.

2. A. Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account; Yes, Inventory (Including but not limited to Raw Material, Semi-Finished and Finished Goods) has been properly verified by the management at reasonable intervals. No material discrepancies have been noticed during the course of audit. The physical verification for March 31, 2023 was also attended by the Auditors.

   B. Whether during any point of time of the year, the Company has 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; whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, if not, give details; Yes, the company has been sanctioned working capital limit exceeding five crores and quarterly returns and statements are in conformity with the books of accounts of the Company.

3. Whether during the year, the Company has made investments in, 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, if so. During the audit period, the Company has floated a 100% Wholly Owned Subsidiary (Aether Speciality Chemicals Limited) and invested in Equity of that subsidiary. The Company has a policy to give short term loans to the employees and proper documentation as well as policy of the Company has been followed.

   A. Whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans], if so, indicate-

   (a) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates; This particular clause is not applicable to the Company for the audit period.

   (b) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates; This particular clause is not applicable to the Company for the audit period.

   B. Whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest; No, the investment made in WOS is not prejudicial to the interest of the Company.

   C. In respect of loans and advances in the nature of loans whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular; In respect of loans provided to the employees of the Company, a proper schedule of the repayment of loans has been stipulated and and repayment or receipts are regular.

   D. If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest; This particular clause is not applicable to the Company for the audit period.

   E. Whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties, if so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year [not applicable to companies whose principal business is to give loans]; This particular clause is not applicable to the Company for the audit period.

   F. Whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of Section 2 of the Companies Act, 2013; This particular clause is not applicable to the Company for the audit period.

4. In respect of loans, investments, guarantees, and security, whether provisions of Sections 185 and 186 of the Companies Act have been complied with, if not, provide the details thereof; Yes, the provisions of Section 185 and 186 have been duly complied with.

5. In respect of deposits accepted by the company or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made there under, where applicable, have been complied with, if not, the nature of such contraventions be stated; if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, whether the same has been complied with or not; This particular clause is not applicable to the Company for the audit period.

6. Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act and whether such accounts and records have been so made and maintained; Yes, the Company has maintained proper cost records within the premises.

7. A. Whether the company is regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees's 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; Yes, all the statutory dues including GST, PF, ESI, Income Tax, custom duty, etc. have been deposited at regular intervals well within the due dates, during the audit period.

B. Where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned (a mere representation to the concerned Department shall not be treated as a dispute); There are appeals pending in income tax for the Fiscal Years 2019-20. The disputed demand of ₹ 1,49,004 for A.Y. 2017-18, ₹ 9,36,080 for A.Y. 2018-19 and ₹ 9,97,156 for AY 2020-21 are outstanding.

8. Whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, whether the previously unrecorded income has been properly recorded in the books of account during the year; No such instances have been found.

9. A. Whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, if yes, the period and the amount of default to be reported as per the format below:

Nature of borrowing, including debt securities	Name of lender*	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
NA	NA	-	-	-	-

*lender wise details to be provided in case of defaults to banks, financial institutions and Government

B. Whether the company is a declared wilful defaulter by any bank or financial institution or other lender; No

C. Whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported; Yes, disbursed amount of sanction for term loans have been utilized for the purpose for which the same has been sanctioned and obtained. Further, during the year under audit, the Company has paid off all the Term Loans from the IPO proceeds and then not availed any further term loans.

D. Whether funds raised on short term basis have been utilised for long term purposes, if yes, the nature and amount to be indicated; No.

E. Whether the Company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of such transactions and the amount in each case; No, the Company has not taken any fund for the stated purpose.

F. Whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised; No, the Company has not taken any fund for the stated purpose.

10. A. Whether moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised, if not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported; Yes, the Company has raised monies by way

of Initial Public Offering (IPO) during the year and the monies so raised have been properly utilized towards the object clause of the offer document filed by the Company with SEBI and ROC.

B. Whether the company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised, if not, provide details in respect of amount involved and nature of non-compliance; The company has made preferential allotment or private placement of shares but not of convertible debentures (fully, partially or optionally convertible) during the year. The provision of Section 42 and Section 62 of the Companies Act, 2013 has been duly complied with.

11. A. Whether any fraud by the company or any fraud on the company has been noticed or reported during the year, if yes, the nature and the amount involved is to be indicated; No such kind of instances have been noticed during the course of audit.

B. Whether any 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; No.

C. Whether the auditor has considered whistle-blower complaints, if any, received during the year by the company; No such kind of instances have been noticed during the course of audit.

12. A. Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability; This particular clause is not applicable to the Company for the audit period.

B. Whether the Nidhi Company is maintaining ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability; This particular clause is not applicable to the Company for the audit period.

C. Whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof; This particular clause is not applicable to the Company for the audit period.

13. Whether 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 in the financial statements, etc., as required by the applicable accounting standards; Yes, the provisions of Section 177 and 188 of the Companies Act, 2013 has been duly complied by the Company and has also been duly disclosed in the Consolidated Financial Statements as required by Ind AS 24.

15. A. Whether the company has an internal audit system commensurate with the size and nature of its business; Yes, the Company has adequate internal audit system which commensurate with the size and nature of its business.

17. B. Whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor; Yes, the internal auditor's report has been duly considered by the statutory auditors.

15. Whether the company has entered into any non-cash transactions with Directors or persons connected with him and if so, whether the provisions of Section 192 of Companies Act have been complied with; The Company has not entered into any non-cash transactions with any Directors or persons connected with them.

16. A. Whether the company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and if so, whether the registration has been obtained; This particular clause is not applicable to the Company for the audit period.

B. Whether the company has 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; This particular clause is not applicable to the Company for the audit period.

C. Whether the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to fulfil the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria; This particular clause is not applicable to the Company for the audit period.

D. Whether the Group has more than one CIC as part of the Group, if yes, indicate the number of CICs which are part of the Group; This particular clause is not applicable to the Company for the audit period.

17. Whether the company has incurred cash losses in the financial year and in the immediately preceding financial year, if so, state the amount of cash losses; No, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

19. Whether there has been any resignation of the statutory auditors during the year, if so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors; No, there is no resignation of statutory auditors during the year.

21. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Consolidated Financial Statements, the auditor's knowledge of the Board of Directors and management plans, whether 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; Yes, as per the substantive analytical procedures, the Company is in position to meet its liabilities, which exist on the date of balance sheet and when they fall due within a period of one year from the date of balance sheet.

23.A. Whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of Section 135 of the said Act; Yes, the Company has duly complied with the provisions of section 135 of the Companies Act, 2013.

25.B. Whether any amount remaining unspent under sub-section (5) of Section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of Section 135 of the said Act; This particular clause is not applicable to the Company for the audit period.

21. Whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, if yes, indicate the details of the companies and the paragraph numbers of the CARO Report containing the qualifications or adverse remarks. This particular clause is not applicable to the Company for the audit period.

For Birju S. Shah & Associates
Chartered Accountants | ICAI Firm Reg. No.: 131554W

Birju S. Shah - Proprietor
Membership No.: 107086 | UDIN: 23107086BGVKZM1632

Place: Surat | Date: May 6, 2023

ANNEXURE B
TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of AETHER INDUSTRIES LIMITED ("The Company") as of March 31, 2023 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an 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 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 Birju S. Shah & Associates
Chartered Accountants | ICAI Firm Reg. No.: 131554W

Birju S. Shah - Proprietor
Membership No.: 107086 | UDIN: 23107086BGVKZM1632

Place: Surat | Date: May 6, 2023

ANNEXURE I

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(All amounts in Indian Rupees millions, unless otherwise stated)

Assets

In ₹ MM		2023	2022
Particulars	Notes	As at March 31,	As at March 31,
Non-current assets			
Property, plant and equipment	3	₹ 5,333.54	₹ 2,355.28
Capital work-in-progress	4	₹ 371.66	₹ 577.42
Right-of-use assets	5	₹ 1,122.55	₹ 211.21
Other intangible assets	6	₹ 5.83	₹ 4.49
Financial assets			
I. Investments	7	₹ 2.10	₹ 2.09
II. Other financial assets	8	₹ 27.02	₹ 23.20
Other non-current assets	9	₹ 184.70	₹ 426.64
Total non-current assets		₹ 7,047.41	₹ 3,600.34
Current assets			
Inventories	10	₹ 2,487.66	₹ 1,627.44
Financial assets			
i. Investments	11	₹ 10.01	₹ 170.11
ii. Trade receivables	12	₹ 2,589.82	₹ 1,634.80
iii. Cash and cash equivalents	13	₹ 709.08	₹ 33.39
iv. Bank balances other than (iii) above	14	₹ 313.81	₹ 146.77
v. Loans	15	₹ 11.38	₹ 8.36
vi. Other financial assets	16	₹ 3.27	₹ 2.70
Other current assets	17	₹ 626.72	₹ 474.34
Total current assets		₹ 6,751.75	₹ 4,097.90
Total assets		₹ 13,799.16	₹ 7,698.25

Equity and Liabilities	Notes	As at March 31, 2023	As at March 31, 2022
Equity			
Equity share capital	18	₹ 1,245.11	₹ 1,126.91
Other equity	19	₹ 11,200.95	₹ 2,741.97
Total equity		₹ 12,446.06	₹ 3,868.89
Liabilities			
Non-current liabilities			
Financial liabilities			
1. Borrowings	20	-	₹ 1,218.13
2. Lease Liabilities	21	₹ 145.32	₹ 50.69
Deferred tax liabilities (net)	36 (d)	₹ 267.76	₹ 138.79
Total non-current liabilities		₹ 413.08	₹ 1,407.61
Current liabilities			
Financial liabilities			
1. Borrowings	22	₹ 1.06	₹ 1,632.62
2. Lease Liabilities	23	₹ 10.76	₹ 5.85
3. Trade Payables	24		
A. total outstanding dues of micro enterprises and small enterprises		₹ 191.09	₹ 211.19
B. total outstanding dues of creditors other than micro enterprises and small enterprises		₹ 624.09	₹ 487.35
4. Other financial liabilities	25	₹ 96.94	₹ 63.46
Other current liabilities	26	₹ 16.08	₹ 14.67
Provisions	27	-	-
Current tax liabilities (net)	36 (c)	-	₹ 6.61
Total current liabilities		₹ 940.02	₹ 2,421.75
Total liabilities		₹ 1,353.10	₹ 3,829.37
Total equity and liabilities		₹ 13,799.16	₹ 7,698.25

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

For Birju S. Shah & Associates
Chartered Accountants | ICAI Firm Reg. No.: 131554W

Birju S. Shah - Proprietor
Membership No.: 107086 | UDIN: 23107086BGVKZM1632

Place: Surat | Date: May 6, 2023

For and behalf of Board of Directors
Aether Industries Limited CIN: L24100GJ2013PLC073434
Ashwin Desai - Managing Director DIN: 00038386
Rohan Desai - Whole Time Director DIN: 00038379
Faiz Nagariya - Chief Financial Officer PAN: ADBPN8514G
Chitrarth Parghi - Company Secretary Mem. No.: F12563
Place: Surat | Date: May 6, 2023

ANNEXURE II

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts in Indian Rupees millions, unless otherwise stated)

Statement of Profit and Loss

In ₹ MM	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	28	₹ 6,510.74	₹ 5,900.47
Other Income	29	₹ 165.65	₹ 69.74
Total Income		₹ 6,676.39	₹ 5,970.21
Expenses			
Cost of materials consumed	30	₹ 3,796.14	₹ 3,585.21
Changes in inventories of finished goods and work-in-progress	31	-₹ 622.76	-₹ 704.88
Employee benefits expense	32	₹ 344.57	₹ 270.44
Finance costs	33	₹ 50.93	₹ 131.21
Depreciation and amortisation expense	34	₹ 232.45	₹ 154.87
Other expenses	35	₹ 1,130.30	₹ 1,068.63
Total expenses		₹ 4,931.63	₹ 4,505.48
Profit before tax		₹ 1,744.76	₹ 1,464.73
Tax expense	36		
Current tax		₹ 311.22	₹ 338.73
Deferred tax		₹ 129.39	₹ 36.72
Total Tax Expenses		₹ 440.61	₹ 375.45
Profit for the period (A)		₹ 1,304.15	₹ 1,089.29
Other comprehensive (loss) / income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit liability / (asset)		-₹ 1.67	-₹ 1.98
Income tax relating to remeasurements of defined benefit liability / (asset)		₹ 0.42	₹ 0.50
Other comprehensive (loss) / income (B)		-₹ 1.25	-₹ 1.48
Total comprehensive income for the period (A+B)		₹ 1,302.90	₹ 1,087.81
Earnings per equity share	37		
[nominal value of ₹10]			
Basic		₹ 10.47	₹ 9.67
Diluted		₹ 10.47	₹ 9.67

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

For Birju S. Shah & Associates
Chartered Accountants | ICAI Firm Reg. No.: 131554W

Birju S. Shah - Proprietor
Membership No.: 107086 | UDIN: 23107086BGVKZM1632

Place: Surat | Date: May 6, 2023

For and behalf of Board of Directors
Aether Industries Limited CIN: L24100GJ2013PLC073434
Ashwin Desai - Managing Director DIN: 00038386
Rohan Desai - Whole Time Director DIN: 00038379
Faiz Nagariya - Chief Financial Officer PAN: ADBPN8514G
Chitrarth Parghi - Company Secretary Mem. No.: F12563
Place: Surat | Date: May 6, 2023

ANNEXURE III

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in Indian Rupees millions, unless otherwise stated)

Equity Share Capital

In ₹ MM	As at March 31, 2023		As at March 31, 2022	
Particulars	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the reporting period	11,26,91,397	₹ 1,126.91	1,00,98,567	₹ 100.99
Changes in equity share capital during the period	1,18,19,324	₹ 118.19	10,25,92,830	₹ 1,025.93
Balance at the end of the reporting period	12,45,10,721	₹ 1,245.11	11,26,91,397	₹ 1,126.91

For any subsequent event changes relating to the share capital, refer note number 51(a)

Other Equity

In ₹ MM	Reserves and surplus			Total other equity
Particulars	Employee Share Option Reserve	Securities premium	Retained earnings	Amount
Balance at April 1, 2021	-	₹ 234.62	₹ 1,407.72	₹ 1,642.34
Total comprehensive income for the year ended March 31, 2022				
Profit for the period	-	-	₹ 1,089.29	₹ 1,089.29
Other comprehensive income (net of tax)				
- Remeasurements of defined benefit liability / (asset)	-	-	-₹ 1.48	-₹ 1.48
Total comprehensive income	-	-	₹ 1,087.81	₹ 1,087.81
Other movements for the year ended March 31, 2022				
Utilized for the issue of Bonus Shares (Bonus Equity Shares issued in the Ratio 1:10)	-	-₹ 234.62	-₹ 775.24	-₹ 1,009.86
Preferential Allotment of Shares (1607160 Equity Shares of ₹ 10 each at a Premium of ₹ 632 per share)	-	₹ 1,015.73	-	₹ 1,015.73
Shares based payment options outstanding (ESOPs valuation)	₹ 5.96	-	-	₹ 5.96
Balance at March 31, 2022	₹ 5.96	₹ 1,015.73	₹ 1,720.29	₹ 2,741.97
Balance at April 1, 2022	₹ 5.96	₹ 1,015.73	₹ 1,720.29	₹ 2,741.97
Total comprehensive income for the year ended March 31, 2023			₹ 1,304.15	₹ 1,304.15
Profit for the period				
Other comprehensive income (net of tax)				
- Remeasurements of defined benefit liability / (asset)	-	-	-₹ 1.25	-₹ 1.25
Other movements for the period March 31, 2023				
Preferential Allotment of Shares (2024921 Equity Shares of ₹ 10 each at a Premium of ₹ 632 per share)	-	₹ 1,279.75	-	₹ 1,279.75
Allotment of Shares in IPO (9766355 Equity Shares of ₹ 10 each at a Premium of ₹ 632 per share)	-	₹ 6,172.34	-	₹ 6,172.34
Shares based payment options outstanding (ESOPs exercised)	-₹ 5.92	₹ 5.92	-	-
Shares based payment options outstanding (ESOPs valuation)	₹ 15.51	-	-	₹ 15.51
IPO Expenses	-	-₹ 319.91	-	-₹ 319.91
Allotment of Shares under exercise of ESOPs (28048 Equity Shares of ₹ 10 each at a Premium of ₹ 311 per share)	-	₹ 8.72	-	₹ 8.72

In ₹ MM	Reserves and surplus			Total other equity
Particulars	Employee Share Option Reserve	Securities premium	Retained earnings	Amount
Changes in the Lease Liabilities	-	-	-₹ 0.33	-₹ 0.33
Total movements	₹ 9.60	₹ 7,146.82	₹ 1,302.57	₹ 8,458.98
Balance at March 31, 2023	₹ 15.55	₹ 8,162.55	₹ 3,022.86	₹ 11,200.96

Nature and purpose of reserves

i) Retained earnings

Retained earnings comprises of undistributed earnings after taxes

ii) Securities premium

Securities premium account is used to record the premium on issue of shares and the IPO expenses have been netted off from the same

iii) Employee share option

Employee share options pending to be exercised are recorded here

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

As per our report of even date attached.

For Birju S. Shah & Associates
Chartered Accountants | ICAI Firm Reg. No.: 131554W

Birju S. Shah - Proprietor
Membership No.: 107086 | UDIN: 23107086BGVKZM1632

Place: Surat | Date: May 6, 2023

For and behalf of Board of Directors

Aether Industries Limited CIN: L24100GJ2013PLC073434

Ashwin Desai - Managing Director DIN: 00038386

Rohan Desai - Whole Time Director DIN: 00038379

Faiz Nagariya - Chief Financial Officer PAN: ADBPN8514G

Chitrarth Parghi - Company Secretary Mem. No.: F12563

Place: Surat | Date: May 6, 2023

ANNEXURE IV

CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts in Indian Rupees millions, unless otherwise stated)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
A. Cash flow from operating activities		
Profit before tax	₹ 1,744.76	₹ 1,464.73
Adjustments to reconcile profit before tax to net cash flows:		
Net unrealised foreign exchange (gain)/loss	₹ 3.85	-₹ 7.28
Finance costs	₹ 50.93	₹ 131.21
Interest income	-₹ 74.31	-₹ 4.68
Income from Mutual Funds	-₹ 8.55	-₹ 3.23
Depreciation and amortisation expenses	₹ 232.45	₹ 154.87
Operating profit before working capital changes	₹ 1,949.12	₹ 1,735.62
Movement in working capital		
(Increase) / Decrease in trade receivables	-₹ 955.02	-₹ 552.40
(Increase) / Decrease in current investments	₹ 160.10	₹ 50.79
(Increase) / Decrease in inventories	-₹ 860.22	-₹ 780.16
(Increase) / Decrease in other current assets	-₹ 152.38	-₹ 358.90
(Increase) / Decrease in other financial assets	-₹ 7.41	-₹ 5.29
Increase / (Decrease) in trade payables	₹ 116.64	₹ 220.81
Increase / (Decrease) in other current liabilities	₹ 1.40	-₹ 26.45
Cash generated from operations	₹ 252.24	₹ 284.03
Net income tax (paid)	-₹ 317.83	-₹ 338.45
Net cash from operating activities (A)	-₹ 65.59	-₹ 54.42
B. Cash flows from investing activities		
Purchase of property, plant and equipment	-₹ 4,014.20	-₹ 527.66
Capital work in progress and capital advance	₹ 447.70	-₹ 989.66
Dividend from current investments	₹ 82.86	₹ 7.90
Long term investments	₹ 0.00	₹ 0.00
Net cash used in investing activities (B)	-₹ 3,483.65	-₹ 1,509.41

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
C. Cash flows from financing activities		
Proceeds / (Repayment) from long-term borrowings	-₹ 1,510.33	₹ 267.63
Proceeds / (Repayment) of borrowings (Unsecured)	-₹ 449.20	₹ 323.50
Proceeds / (Repayment) from working capital facilities (net)	-₹ 890.16	₹ 177.62
Preferential allotment of Shares	₹ 1,300.00	₹ 1,031.80
IPO - allotment of Shares	₹ 6,270.00	-
ESOPs - allotment of Shares	₹ 9.00	-
IPO Expenses	-₹ 319.91	-
Proceeds / (Repayment) of Other Financial liabilities	₹ 33.48	₹ 19.03
Interest paid	-₹ 50.93	-₹ 131.21
Net cash used in financing activities (C)	₹ 4,391.96	₹ 1,688.37
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	₹ 842.73	₹ 124.54
Effect of exchange differences on account of foreign currency Cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period / year	₹ 180.16	₹ 55.63
Cash and cash equivalents at the end of the period / year	₹ 1,022.89	₹ 180.16
Notes : 1. Cash and cash equivalents include		
Cash on hand	₹ 1.07	₹ 0.98
Balances with bank		
– Current accounts	₹ 2.05	₹ 0.01
– EEFC accounts	₹ 148.30	₹ 32.40
– Cash Credit accounts	₹ 557.66	-
Other bank balances	₹ 313.81	₹ 146.77
Total	₹ 1,022.89	₹ 180.16

The above cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

Significant non-cash movement in investing and financing activities

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Foreign exchange fluctuations	-₹ 4.81	₹ 0.08
Acquisition of Right-of-use assets with corresponding impact to lease liabilities	₹ 932.85	₹ 130.02

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

As per our report of even date attached:

For Birju S. Shah & Associates
Chartered Accountants | ICAI Firm Reg. No.: 131554W

Birju S. Shah - Proprietor
Membership No.: 107086 | UDIN: 23107086BGVKZM1632

Place: Surat | Date: May 6, 2023

For and behalf of Board of Directors

Aether Industries Limited CIN: L24100GJ2013PLC073434

Ashwin Desai - Managing Director DIN: 00038386

Rohan Desai - Whole Time Director DIN: 00038379

Faiz Nagariya - Chief Financial Officer PAN: ADBPN8514G

Chitrarth Parghi - Company Secretary Mem. No.: F12563

Place: Surat | Date: May 6, 2023

ANNEXURE V

SIGNIFICANT ACCOUNT POLICIES

(All amounts in Indian Rupees millions, unless otherwise stated)

1. Reporting Entity

Aether Industries Ltd (Aether) was incorporated on January 23, 2013 as a Public Limited Company under the Companies Act, 1956. It is engaged in the business of Specialty Chemicals and Intermediates. The products of the Company find application in various sectors like Pharmaceuticals, Agrochemicals, Specialty, Electronic Chemicals, Material Sciences, High Performance Photography etc. The CIN of the Company is L24100GJ2013PLC073434.

Between the year 2013 and early year 2015, the Promoters acquired a leased premise at GIDC Industrial Estate, Hojiwala, Sachin, Surat and established their Laboratory, Research & Development and Pilot Plant facilities. The Promoters realized at the conceptual stage itself that Specialty Chemicals is essentially a "Research & Knowledge" driven Industry, and identification of the 'Chemistries' and 'Technologies' before constructing the main plant, through Laboratory/R&D/Pilot facilities was a necessary pre-requisite. The period up to 2015 was hence utilized for installing Lab/R&D/Pilot Plants, developing several products/processes (up to Pilot stage), showcasing the Company's capabilities through various International Exhibitions/ Conferences etc., effecting trial samples/supplies, facing rigorous audits from prospective International Buyers etc.

After meeting with a fair degree of success and acceptance from the targeted buyers, the Company acquired about 10,500 Sq. Mtrs. of land at the GIDC Industrial Estate, Sachin, Surat in February 2015 for setting up its main plant. The plant stood commissioned as per schedule, and the first stream went into operations in October 2016 / November 2016. Meanwhile, certain modifications/up-gradations/automations were carried out during implementation.

The Company was able to carry on with the success with which they started of with the first Project which was ready by November 2016, by way of achieving total revenues of ₹ 248.60 MM in Fiscal Year 2017, ₹ 1,091.90 MM in Fiscal Year 2018, ₹ 2,032.77 MM in Fiscal Year 2019, ₹ 3,037.81 MM in Fiscal Year 2020, ₹ 4,537.89 MM in Fiscal Year 2021, ₹ 5,970.21 MM in Fiscal Year 2022 and ₹ 6,676.39 MM in Fiscal Year 2023.

The Company, because of its continuous growth and increasing demands for the products, along with the necessity to launch new products for various applications, once again planned for yet another expansion. The said new expansion, was done by the Company at Plot of Land in GIDC Industrial Estate, admeasuring 5250 Sq. Mtrs., which is located diagonally opposite to the current location of the Company. The new plot acquired by the Company is 8202/1 and the current one is 8203. The plant at Plot 8202/1 has also been commissioned and started from January 16, 2023.

The Company, on September 2, 2022 has floated Aether Speciality Chemicals Limited (ASCL), which is a 100% Wholly Owned Subsidiary of Aether Industries Limited. This new subsidiary of the Company is firmed as a Public Limited Company under the Companies Act, 2013. ASCL will be engaged in the business of manufacture of speciality chemicals and intermediates, which will be new molecules. the CIN of the Company is 24290GJ2022PLC135180.

2. Summary of Significant Accounting Policies

The Consolidated Ind AS Financial Statements comprise of the Audited Statement of Assets and Liabilities as at March 31, 2023 and as at March 31, 2022, the related AuditedConsolidated Ind AS Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, and the Consolidated Statement of Cash Flows for the year ended March 31, 2023 and March 31, 2022 respectively and the Significant Accounting Policies and Other Financial Information.

These Consolidated Financial Statements have been prepared as required under the SEBI ICDR Regulations prepared in terms of the requirements of: (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act"); (b) relevant provisions of the SEBI ICDR Regulations; and (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

2.1 Basis of preparation and presentation of financial statements

Compliance with Ind AS

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Effective April 1, 2018, the Company has adopted all the Ind AS and the adoption has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards, with April 1, 2018 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, which was the previous GAAP.

A. Basis of Preparation

(i) The Consolidated Audited Ind AS Statement of Assets and Liabilities of the Company as at March 31, 2023 and March 31, 2022 respectively and the Consolidated Audited Ind AS Statement of Profit and Loss, Consolidated Audited Ind AS Statement of Changes in Equity and Consolidated Audited Ind AS Statement of Cash Flows for the year ended March 31, 2023 and March 31, 2022 respectively (hereinafter collectively referred to as "Ind AS Financial Information") have been prepared under Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act as amended from time to time.

(ii) The audited consolidated financial statements of the Company as at and for the year ended March 31, 2023 prepared in accordance with recognition and measurement principles under Indian Accounting Standard ('Ind AS') 34 "Interim Financial Reporting", specified under Section 133 of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 6, 2023.

(iii) The Board of Directors approved the Consolidated Financial Statements as per the Ind AS, for the year ended on March 31, 2023 along with Consolidated Financial Statements for the year ended March 31, 2022 and authorised to issue the same vide resolution passed in the Board Meeting held on May 6, 2023.

B. Basis of measurement

The Consolidated Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013. The exceptions to the same are:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of define benefit obligations.

C. Current and non-current classification of assets and liabilities

The Standalone Assets and Liabilities and the Standalone Statement of Profit and Loss, including related notes, are prepared and presented as per the requirements of Schedule III (Division II) to the Companies Act, 2013. All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III. Based on the nature of products and the time between the acquisition of assets for processing and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

D. Functional and presentation currency

The functional and presentation currency in these Consolidated Financial Statements is ₹ (INR) and all amounts are rounded to nearest MM, up to 2 decimal places, unless otherwise stated.

E. Use of judgements, estimates and assumptions

The preparation of Consolidated Financial Statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and the disclosure of the contingent liabilities on the date of the preparation of Consolidated Financial Statements. Such estimates are on a reasonable and prudent basis considering all available information, however due to uncertainties about these judgements, estimates and assumptions, the actual results could differ from those estimates. Information about each of these estimates and judgements is included in relevant notes. Any revision to accounting estimates is recognised prospectively in current and future periods.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Consolidated Financial Statements is included in the following notes:

Note Nos. 42 & 43-classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment, assumptions and estimation uncertainties are provided here, whereas the quantitative break-ups for the same are provided in the notes mentioned below:

- Note 3 and Note 6: Useful life of depreciable assets, Property, Plant and Equipment and Other Intangible Assets.
- Note 12: Impairment of trade receivables.
- Note 10: Valuation of Inventories.
- Note 36: Recognition of tax expenses including deferred tax.
- Note 38: Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 45: Defined benefit obligation, key actuarial assumptions.

Going concern assumptions

These Consolidated Financial Statements have been prepared on a going concern basis. The management has, given the significant uncertainties arising out of the various situations, assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of this Consolidated Financial Statements. Based on this evaluation, management believes that the Company will be able to continue as a "going concern" in the foreseeable future and for a period of at least twelve months from the date of these Financial Statements based on the following :

- Expected future operating cash flows based on business projections, and
- Available credit facilities with its bankers

Based on the above factors, the management has concluded that the "going concern" assumption is appropriate. Accordingly, the Consolidated Financial Statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a going concern.

Reclassification

The Company reclassifies comparative amounts, unless impracticable and whenever the Company changes the presentation or classification of items in its standalone financial statements materially. No such material reclassification has been made during the year.

Principles of consolidation

The Consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 March 2023. Control is achieved when the Group is exposed , or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns. The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated financial statements for like transaction s and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Consolidated financial statements to ensure conformity with the Group's accounting policies.

The Consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same period end date as that of the holding company, i.e., year ended on 31 March 2023. The subsidiaries considered in the Consolidated financial statements are summarized below:

Name of the Company	Country of Incorporation	Portion of Ownership Interest
Aether Speciality Chemicals Limited	India	100%

In preparing the Consolidated financial statements, the Group has used the following key consolidation procedures:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the Consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains accounting for any related goodwill.

Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intra-group losses may indicate an impairment that requires recognition in the Consolidated financial statements. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit and loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the holding company of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it reconsolidates the subsidiary from the date it ceases control

- Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

- Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2.2 Property, Plant And Equipment

Recognition and measurement

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of transition date measured as per thePrevious GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price (after deducting trade discount / rebate), non-refundable import duties and taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Spare parts procured along with the Plant and Equipment or subsequently having value of ₹ 50,000 or more individually which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are de-recognized when no future economic benefits are expected from their use or upon disposal. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is de-recognised on disposal or when no future economic benefits are expected from use. Any profit or loss arising on the de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Consolidated Statement of Profit and Loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The cost of the day-to-day servicing the property, plant and equipment are recognised in the statement of profit and loss as incurred.

Disposal

An item of property, plant and equipment is de-recognised upon the disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income / expenses in the consolidated statement of Profit and Loss.

Depreciation

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with Ind AS 105 and the date that the asset is de-recognised.

The management has estimated the useful life of the Tangible Assets as mentioned below:

ASSET CLASS	Years
Factory Building	30
Other Building	10
Plant & Machinery	20
Plant & Machinery (Pipelines)	15
Office Equipment	5
Factory Equipment	10
Computer Equipment (Servers & Networks)	6
Computer Equipment (Others)	3
Other Equipment	10
Furniture & Fixtures	10
Vehicle Equipment	8

Impairments of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount, Impairment losses are recognised in the statement of Profit and Loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.3 Intangible Assets

Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Expenditure on Research activities is recognised in the statement of Standalone Profit and Loss, as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price.

Subsequent costs

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortization

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

Intangible assets i. e., computer software is amortized on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

The management has estimated the useful life of the Intangible Assets as mentioned below

ASSET CLASS	Years
Software & Licenses	6
Trade Marks	4
Other Assets	4

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Disposal

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is de-recognized.

2.4 Financial Assets

A. Fair Value assessment

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, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Consolidated Financial Statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

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

All financial assets and financial liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All financial assets and financial liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

B. Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

C. Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognized in the Consolidated Statement of Profit and Loss.

D. Financial assets at fair value through OCI ('FVTOCI')

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). Consolidated Statement of Profit and Loss.

However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Consolidated Statement of Profit and Loss. On de-recognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.

E. Financial assets at fair value through profit or loss ('FVTPL')

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Consolidated Statement of Profit and Loss.

F. De-recognition

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

G. Impairment of Financial Assets

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and

- Financial assets measured at FVTOCI

ECL is measured through a loss allowance on a following basis:

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)

- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

2.5 Financial Liabilities

The Company's financial liabilities include trade payable.

A. Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Standalone Statement of Profit and Loss.

B. Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:

a. Financial Liabilities classified at Amortised Cost

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Consolidated Statement of Profit and Loss.

b. Financial Liabilities classified at Fair value through Profit and Loss (FVTPL)

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

Export benefits are accounted for in the year of exports based on the eligibility and when there is certainty of receiving the same.

C. De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged / cancelled / expired. 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 recognized in the Consolidated Statement of Profit and Loss.

D. Offsetting of financial instruments

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

Other incomes, other than interest and dividend are recognized when the same are due to be received and right to receive such other income is established.

2.6 Share Capital and Share Premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

2.7 Dividend Distribution to equity shareholders

The Company recognizes a liability to make cash distributions to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

2.8 Cash Flows and Cash and Cash Equivalents

Consolidated Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant Ind AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are to be shown within borrowings in current liabilities in the Consolidated Statement of Assets and Liabilities for the purpose of presentation.

2.9 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as an asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.Present obligations arising under onerous contracts are recognised and measured as provisions.An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in consolidated financial statement when inflow of economic benefits is probable.

2.10 Revenue Recognition and Other Income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from sale of goods is recognized, when the control is transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Interest income or expense is recognised using the effective interest rate method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

2.11 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

the Company has the right to operate the asset; or

the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use 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 re determined on the same basis as those of property 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 the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rates as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- 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, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the 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 statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease being 79 years remaining as on the date of purchase.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liability for the short-term leases that have lease term of 12 months of less and leases of low-value assets. The Company recognises the lease payments associated with such leases as an expense on a straight-line basis over the lease term

2.12 Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Standalone Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years.

The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.13 Current versus Non-Current classification

The Company presents assets and liabilities in the Standalone Statement of Assets and Liabilities based on current/non-current classification.

a. An asset is current when it is:

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

All other assets are classified as non-current.

b. A liability is current when :

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

All other liabilities are classified as non-current.

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

d. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

2.14 Employee Benefits

(i) Short -term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Un-discounted value of benefits such as salaries, incentives, allowances and bonus are recognized in the period in which the employee renders the related service.

(ii) Long -term employee benefits

Defined contribution plans

The Company contributes to the employee's approved provident fund scheme. The Company's contribution paid/payable under the scheme is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related services.

Defined benefit plans

made at the end of the Financial Year. The Gratuity Liability is funded by the Company by maintaining the funds with a separate Asset Management Company, i. e., LIC of India. Contributions to such fund is charged to Standalone Profit and Loss Account. Actuarial Valuation of the Gratuity is done at the end of the Financial Year and accounted for accordingly.

2.15 Trade Receivables

Trade Receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered as doubtful.

2.16 Inventories

(i) Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.

(ii) In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of Inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(iii) Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present.

(iv) location and condition.

(v) Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.

2.17 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset, that necessarily takes substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowings of the funds.

2.18 Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS is adjustment to the figures used in the determination of basic EPS to consider:

- 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.

2.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company have been identified as being the Chief Operating Decision Maker by the management of the Company.

2.20 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monitory assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monitory items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Standalone Statement of Profit and Loss.

2.21 Government grants and subsidies

Grants / subsidies that compensate the Company for expenses incurred are recognised in the Standalone Statement of Profit and Loss as other operating income on a systematic basis in the periods in which such expenses are recognised.

Export Incentives

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

2.22 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Standalone Financial Statements is required to be disclosed.

ANNEXURE VI

NOTES CONSOLIDATED FINANCIAL INFORMATION

(All amounts in Indian Rupees millions, unless otherwise stated)

3. Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2022	Additions	Disposals during the period	As at March 31, 2023	As at April 1, 2022	Charge for the period	Disposals during the period	As at March 31, 2023	As at April 1, 2022	As at March 31, 2023
Factory building	₹ 332.39	₹ 345.44	-	₹ 677.83	₹ 37.93	₹ 12.13	-	₹ 50.06	₹ 294.47	₹ 627.77
Other building	₹ 21.11	-	-	₹ 21.11	₹ 10.53	₹ 2.01	-	₹ 12.53	₹ 10.58	₹ 8.58
Plant and machinery	₹ 2,068.28	₹ 2,439.09	-	₹ 4,507.37	₹ 267.56	₹ 142.44	-	₹ 410.00	₹ 1,800.72	₹ 4,097.36
Office equipment	₹ 23.94	₹ 21.42	-	₹ 45.35	₹ 10.73	₹ 5.65	-	₹ 16.38	₹ 13.21	₹ 28.98
Factory equipment (electric)	₹ 208.03	₹ 255.49	-	₹ 463.51	₹ 47.24	₹ 23.72	-	₹ 70.96	₹ 160.79	₹ 392.56
Computer equipment	₹ 38.70	₹ 20.87	-	₹ 59.57	₹ 28.25	₹ 8.26	-	₹ 36.51	₹ 10.45	₹ 23.06
Other equipment	₹ 71.00	₹ 77.15	-	₹ 148.14	₹ 28.27	₹ 9.82	-	₹ 38.09	₹ 42.73	₹ 110.05
Furniture and fixtures	₹ 25.20	₹ 24.03	-	₹ 49.22	₹ 8.67	₹ 3.70	-	₹ 12.38	₹ 16.52	₹ 36.85
Vehicle equipment	₹ 7.95	₹ 3.55	-	₹ 11.50	₹ 2.14	₹ 1.02	-	₹ 3.16	₹ 5.81	₹ 8.34
Total	₹ 2,796.59	₹ 3,187.02	-	₹ 5,983.61	₹ 441.31	₹ 208.76	-	₹ 650.07	₹ 2,355.28	₹ 5,333.54

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2021	Additions	Disposals during the period	As at March 31, 2022	As at April 1, 2021	Charge for the period	Disposals during the period	As at March 31, 2022	As at April 1, 2021	As at March 31, 2022
Factory building	₹ 281.78	₹ 50.61	-	₹ 332.39	₹ 28.29	₹ 9.64	-	₹ 37.93	₹ 253.49	₹ 294.47
Other building	₹ 21.11	-	-	₹ 21.11	₹ 8.53	₹ 2.00	-	₹ 10.53	₹ 12.58	₹ 10.58
Plant and machinery	₹ 1,744.06	₹ 324.22	-	₹ 2,068.28	₹ 173.01	₹ 94.55	-	₹ 267.56	₹ 1,571.05	₹ 1,800.72
Office equipment	₹ 17.41	₹ 6.53	-	₹ 23.94	₹ 7.06	₹ 3.67	-	₹ 10.73	₹ 10.35	₹ 13.21
Factory equipment (electric)	₹ 174.62	₹ 33.41	-	₹ 208.03	₹ 28.97	₹ 18.27	-	₹ 47.24	₹ 145.65	₹ 160.79
Computer equipment	₹ 34.03	₹ 4.67	-	₹ 38.70	₹ 23.38	₹ 4.87	-	₹ 28.25	₹ 10.65	₹ 10.45
Other equipment	₹ 62.94	₹ 8.06	-	₹ 71.00	₹ 21.93	₹ 6.34	-	₹ 28.27	₹ 41.01	₹ 42.73
Furniture and fixtures	₹ 21.68	₹ 3.52	-	₹ 25.20	₹ 6.42	₹ 2.25	-	₹ 8.67	₹ 15.26	₹ 16.52
Vehicle equipment	₹ 6.23	₹ 1.72	-	₹ 7.95	₹ 1.29	₹ 0.85	-	₹ 2.14	₹ 4.94	₹ 5.81
Total	₹ 2,363.86	₹ 432.73	-	₹ 2,796.59	₹ 298.88	₹ 142.43	-	₹ 441.31	₹ 2,064.98	₹ 2,355.28

Descriptions	As at March 31, 2023 & 2022
Title deeds held in the name of	Aether Industries Limited
Whether title deed holder is a Promoter, Director or relative of Promoter / Director or employee of Promoter / Director.	N.A.

Refer Note No. 20 and Note No. 22 for information on property, plant and equipment pledged as securities by the Company.

4. Capital work-in-progress

Particulars	As at April 1, 2022	Additions	Capitalised during the period	As at March 31, 2023
Capital work-in-progress	₹ 577.42	₹ 3,915.11	-₹ 4,120.86	₹ 371.66
Total	₹ 577.42	₹ 3,915.11	-₹ 4,120.86	₹ 371.66

Particulars	As at April 1, 2021	Additions	Capitalised during the period	As at March 31, 2022
Capital work-in-progress	₹ 1.98	₹ 1,010.13	-₹ 434.69	₹ 577.42
Total	₹ 1.98	₹ 1,010.13	-₹ 434.69	₹ 577.42

Additional disclosures as per Schedule - III requirement

	Projects in Progress		Projects temporarily suspended	
Amount in CWIP for a period of	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Less than 1 Year	₹ 182.85	₹ 575.44	-	-
1-2 Years	₹ 188.81	₹ 1.98	-	-
2-3 Years	-	-	-	-
More than 3 Years	-	-	-	-
Total	₹ 371.66	₹ 577.42	-	-

There are no projects as at reporting date which has exceeded cost as compare to its original approved plan.

5. Right-of-use assets

Particulars	Gross Block				Amortisation				Net Block	
	As at April 1, 2022	Additions	Disposals during the period	As at March 31, 2023	As at April 1, 2022	Charge for the period	Disposals during the period	As at March 31, 2023	As at April 1, 2022	As at March 31, 2023
Leasehold land	₹ 162.34	₹ 823.66	-	₹ 986.00	₹ 6.68	₹ 4.78	-	₹ 11.46	₹ 155.66	₹ 974.54
Properties (Land & Building)	₹ 74.34	₹ 109.19	-	₹ 183.53	₹ 18.79	₹ 16.72	-	₹ 35.51	₹ 55.55	₹ 148.02
Total	₹ 236.68	₹ 932.85	-	₹ 1,169.53	₹ 25.47	₹ 21.50	-	₹ 46.97	₹ 211.21	₹ 1,122.55

Particulars	Gross Block				Amortisation				Net Block	
	As at April 1, 2021	Additions	Disposals during the period	As at March 31, 2022	As at April 1, 2021	Charge for the period	Disposals during the period	As at March 31, 2022	As at April 1, 2021	As at March 31, 2022
Leasehold land	₹ 68.19	₹ 94.15	-	₹ 162.34	₹ 5.17	₹ 1.51	-	₹ 6.68	₹ 63.02	₹ 155.66
Properties (Land & Building)	₹ 38.47	₹ 35.87	-	₹ 74.34	₹ 9.75	₹ 9.04	-	₹ 18.79	₹ 28.72	₹ 55.55
Total	₹ 106.66	₹ 130.02	-	₹ 236.68	₹ 14.92	₹ 10.55	-	₹ 25.47	₹ 91.74	₹ 211.21

6. Other intangibles assets

Particulars	Gross Block				Amortisation				Net Block	
	As at April 1, 2022	Additions	Deletions during the period	As at March 31, 2023	As at April 1, 2022	Charge for the period	Disposals during the period	As at March 31, 2023	As at April 1, 2022	As at March 31, 2023
Computer Software	₹ 11.94	₹ 2.77	-	₹ 14.71	₹ 7.72	₹ 1.98	-	₹ 9.70	₹ 4.21	₹ 5.01
Others	₹ 1.64	₹ 0.75	-	₹ 2.40	₹ 1.36	₹ 0.21	-	₹ 1.58	₹ 0.28	₹ 0.82
Total	₹ 13.58	₹ 3.53	-	₹ 17.11	₹ 9.09	₹ 2.19	-	₹ 11.27	₹ 4.49	₹ 5.83

Particulars	Gross Block				Amortisation				Net Block	
	As at April 1, 2021	Additions	Deletions during the period	As at March 31, 2022	As at April 1, 2021	Charge for the period	Deletions during the period	As at March 31, 2022	As at April 1, 2021	As at March 31, 2022
Computer Software	₹ 11.35	₹ 0.59	-	₹ 11.94	₹ 5.89	₹ 1.83	-	₹ 7.72	₹ 5.46	₹ 4.21
Others	₹ 1.45	₹ 0.19	-	₹ 1.64	₹ 1.30	₹ 0.06	-	₹ 1.36	₹ 0.15	₹ 0.28
Total	₹ 12.80	₹ 0.78	-	₹ 13.58	₹ 7.19	₹ 1.90	-	₹ 9.09	₹ 5.61	₹ 4.49

7. Investments

Unquoted equity shares	As at March 31, 2023	As at March 31, 2022
9 (31 March 2022: 9) equity shares of Sachin Industrial Co. Op. Society Limited, of ₹ 500 each fully paid-up	₹ 0.00	₹ 0.00
1,16,851 (31 March 2022: 1,16,851) equity shares of Globe Enviro Care Limited, of ₹ 10 each fully paid-up	₹ 2.09	₹ 2.09
Total	₹ 2.10	₹ 2.09
Aggregate value of unquoted investments	₹ 2.10	₹ 2.09
Aggregate amount of impairment in value of investments	-	-

8. Others financial assets

Unsecured, considered good	As at March 31, 2023	As at March 31, 2022
Security deposits	₹ 27.01	₹ 23.20
National Security Depository Limited	₹ 0.01	-
Total	₹ 27.02	₹ 23.20

9. Other non-current assets

Unsecured, considered good	As at March 31, 2023	As at March 31, 2022
Capital advances	₹ 184.68	₹ 426.64
Pre-Operative Expenses	₹ 0.02	-
Total	₹ 184.70	₹ 426.64

10.Inventories

Unsecured, considered good	As at March 31, 2023	As at March 31, 2022
Raw material	₹ 607.88	₹ 450.01
Work in progress	₹ 1,062.81	₹ 426.68
Finished goods	₹ 536.19	₹ 549.57
Stores and spares	₹ 46.28	₹ 52.77
Others :		
Packing materials	₹ 14.70	₹ 15.41
Research and development materials	₹ 219.80	₹ 133.01
Total	₹ 2,487.66	₹ 1,627.44

Notes
1. Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.
2. In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of Inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
3. Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.
4. Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.
5. Inventories are pledge / hypothecated as primary security with the bankers (lenders) against the Working Capital Facilities availed by the Company.

11. Investments

Investment in mutual funds - Quoted	As at March 31, 2023	As at March 31, 2022
2839.999 (March 31, 2022: 28) SBI Liquid Fund Direct Growth	₹ 10.01	₹ 0.14
0 (March 31, 2022: 50,731.956) Nippon India Money Market Fund	₹ 0.00	₹ 169.97
Total	₹ 10.01	₹ 170.11
(a) Aggregate book value of quoted investments	₹ 10.01	₹ 170.11
(b) Aggregate market value of quoted investments	₹ 10.01	₹ 170.11

12. Trade receivables

Investment in mutual funds - Quoted	As at March 31, 2023	As at March 31, 2022
Trade Receivables considered good - Secured	₹ 48.46	₹ 116.19
Trade Receivables considered good - Unsecured	₹ 2,541.35	₹ 1,518.62
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	₹ 2,589.82	₹ 1,634.80
Less: Allowance for doubtful receivables	-	-
Total trade receivables	₹ 2,589.82	₹ 1,634.80
The above amount includes :		
Receivable from related parties	-	-
Receivable from other than related parties	₹ 2,589.82	₹ 1,634.80

The average credit period on sales of goods is 90 days. Payment terms vary from Advance Payments, LC for 60 to 90 Days, DA for 60 to 90 Days and open credits for 60 to 90 Days. No interest is charged on outstanding trade receivables.

As at March 31, 2023	Outstanding for following periods from due date of Payment					
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
• Undisputed Trade Receivables - considered good	₹ 2,516.04	₹ 67.08	₹ 6.69	-	-	₹ 2,589.82
• Undisputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
• Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
• Disputed Trade Receivables - considered good	-	-	-	-	-	-
• Disputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
• Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
• Undisputed Trade Receivables - considered good	-	-	-	-	-	-
Total	₹ 2,516.04	₹ 67.08	₹ 6.69	-	-	₹ 2,589.82

As at March 31, 2022	Outstanding for following periods from due date of Payment					
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
• Undisputed Trade Receivables - considered good	₹ 1,628.99	₹ 3.61	₹ 2.20	-	-	₹ 1,634.80
• Undisputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
• Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
• Disputed Trade Receivables - considered good	-	-	-	-	-	-
• Disputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
• Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
• Undisputed Trade Receivables - considered good	-	-	-	-	-	-
Total	₹ 1,628.99	₹ 3.61	₹ 2.20	-	-	₹ 1,634.80

13. Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash in hand	₹ 1.07	₹ 0.98
Balances with banks:		
Current accounts	₹ 2.05	₹ 0.01
EEFC accounts	₹ 148.30	₹ 32.40
Cash Credit accounts	₹ 557.66	-
Total	₹ 709.08	₹ 33.39

14. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Other bank balances:		
Margin Money - Fixed Deposits	₹ 23.81	₹ 25.05
Others - Fixed Deposits	₹ 290.00	₹ 121.72
(with maturity of more than 3 months but less than 12 months)		
Other bank balances	₹ 313.81	₹ 146.77

15. Loans

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to employees*	₹ 11.38	₹ 8.36
Total	₹ 11.38	₹ 8.36

Breakup of security details:		
Loans, considered good - secured	-	-
Loans, considered good - unsecured	₹ 11.38	₹ 8.36
Loans, considered doubtful / credit impaired	-	-
Total	₹ 11.38	₹ 8.36
Less: Loss allowance	-	-
Total loans receivables	₹ 11.38	₹ 8.36

*Loans to employees do not include any loan given to promoters, directors, KMPs and any other related parties.

16. Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Interest receivable (from fixed deposits with banks)	₹ 0.36	₹ 0.36
Gratuity asset (Refer note 45 for further disclosures)	₹ 2.91	₹ 2.34
Total	₹ 3.27	₹ 2.70

17. Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advances recoverable in cash	₹ 89.98	₹ 231.72
Balances with government authorities	₹ 495.08	₹ 172.43
Prepaid expenses	₹ 31.98	₹ 18.79
Other advances	-	₹ 51.39
Solar benefit	₹ 9.68	-
Total	₹ 626.72	₹ 474.34

18. Share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
14,00,00,000 (31 March 2022: 14,00,00,000) equity shares of ₹ 10 each.	₹ 1,400.00	₹ 1,400.00
Total	₹ 1,400.00	₹ 1,400.00
Issued, subscribed and paid up:		
Equity share capital		
12,45,10,721 (31 March 2022: 11,26,91,397) equity shares of ₹ 10 each fully paid-up	₹ 1,245.11	₹ 1,126.91
Total	₹ 1,245.11	₹ 1,126.91

Equity share	As at March 31, 2023	As at March 31, 2022
Particulars	Number of shares	Number of shares
Outstanding at the beginning of the year / period	11,26,91,397	1,00,98,567
Add: Issued during the year	1,18,19,324	10,25,92,830
Outstanding at the end of the year	12,45,10,721	11,26,91,397

* Number of shares is presented as absolute number.

Terms / Rights attached to each classes of shares

Rights, preferences and restrictions attached to equity shares

Equity shares

As to dividend	The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The Company has not declared any dividend during the year.
As to repayment of capital	In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining asset of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.
As to voting	The Company has one class of shares referred to as equity shares having par value of ₹10. Each holder of the equity share is entitled to one vote per share.

Shareholders holding more than 5% shares in the Company is set out below

Equity shares of ₹10 each fully paid	As at March 31, 2023		As at March 31, 2022	
Particulars	Number of shares	Number of shares %	Number of shares	Number of shares %
Purnima Ashwin Desai	3,20,57,403	25.75%	3,48,77,403	30.95%
Ashwin Jayantilal Desai	67,20,417	5.40%	67,20,417	5.96%
Rohan Ashwin Desai	22,21,681	1.78%	22,21,681	1.97%
Aman Ashwin Desai	1,10,000	0.09%	1,10,000	0.10%
AJD Family Trust	1,35,60,206	10.89%	1,35,60,206	12.03%
PAD Family Trust	1,35,60,206	10.89%	1,35,60,206	12.03%
RAD Family Trust	2,00,17,162	16.08%	2,00,17,162	17.76%
AAD Business Trust	2,00,17,162	16.08%	2,00,17,162	17.76%

Promotors Shareholding in the Company is set out below :

Equity shares of ₹10 each fully paid	As at March 31, 2023		As at March 31, 2022	
Particulars	Number of shares	Number of shares %	Number of shares	Number of shares %
Purnima Ashwin Desai	3,20,57,403	25.75%	3,48,77,403	30.95%
Ashwin Jayantilal Desai	67,20,417	5.40%	67,20,417	5.96%
Rohan Ashwin Desai	22,21,681	1.78%	22,21,681	1.97%
Aman Ashwin Desai	1,10,000	0.09%	1,10,000	0.10%
AJD Family Trust	1,35,60,206	10.89%	1,35,60,206	12.03%
PAD Family Trust	1,35,60,206	10.89%	1,35,60,206	12.03%
RAD Family Trust	2,00,17,162	16.08%	2,00,17,162	17.76%
AAD Business Trust	2,00,17,162	16.08%	2,00,17,162	17.76%

19. Other equity

Reserves and surplus	As at March 31, 2023	As at March 31, 2022
A. Retained earnings	₹ 3,022.85	₹ 1,720.29
B. Securities Premium	₹ 8,162.55	₹ 1,015.73
C. Employee Share Option Reserve	₹ 15.55	₹ 5.96
Total	₹ 11,200.95	₹ 2,741.97

A. Retained earnings		
Opening balance	₹ 1,720.29	₹ 1,407.72
Profit for the period / year	₹ 1,304.15	₹ 1,089.29
Less: Utilized for the issue of Bonus Shares (Bonus Equity Shares issued in the Ratio 1:10)	-	-₹ 775.24
Changes in lease liabilities	-₹ 0.33	-
Other comprehensive (loss) / income		
Remeasurement of defined benefit liabilities / (asset), (net of tax)	-₹ 1.25	-₹ 1.48
Closing balance	₹ 3,022.85	₹ 1,720.29
B. Securities Premium		
As at beginning and end of the period / year	₹ 1,015.73	₹ 234.62
Less: Utilized for the issue of Bonus Shares (Bonus Equity Shares issued in the Ratio 1:10)	-	-₹ 234.62
Add: Preferential Allotment of Shares (202492 (FY 2021-22 1607160 Equity Shares Equity Shares of ₹ 10 each at a Premium of ₹ 632 per share)	₹ 1,279.75	₹ 1,015.73
Allotment of Shares in IPO (9766355 Equity Shares of ₹ 10 each at a Premium of ₹ 632 per share)	₹ 6,172.34	-
Shares based payment options outstanding (ESOPs exercised)	₹ 5.92	-
IPO Expenses	-₹ 319.91	-
Allotment of Shares under exercise of ESOPs (28048 Equity Shares of ₹ 10 each at a Premium of ₹ 311 per share)	₹ 8.72	-
Closing balance	₹ 8,162.55	₹ 1,015.73
C. Employee Share Option Reserve		
Opening balance	₹ 5.96	-
Add: Additions during the year	₹ 15.51	₹ 5.96
Less: Transferred to Securities Premium on exercise of stock options	-₹ 5.92	-
Closing balance	₹ 15.55	₹ 5.96
Grant Total	₹ 11,200.95	₹ 2,741.97

20. Borrowings

Unsecured – measured at fair value through profit or loss account (FVTPL)	As at March 31, 2023	As at March 31, 2022
Secured		
Rupee Term Loans from Banks		
HDFC Bank Term Loan - Old	-	₹ 388.19
HDFC Bank Term Loan - New	-	₹ 472.79
HDFC Bank Term Loan - ECGLS	-	₹ 182.29
SBI Term Loan	-	₹ 137.05
SBI Term Loan - New	-	₹ 36.74
Rupee Vehicle Loans from Banks		
HDFC Bank Car Loan	-	₹ 1.06
Others (Unsecured)		
From related parties (Directors & Promoters)	-	-
Total	₹ 0.00	₹ 1,218.13

1. Terms of Repayment, Nature of Security in case of Secured Loans :

Nature of Security	Rate of Interest as on March 31, 2023	Terms of Repayment	Principal outstanding as at March 31, 2023	March 31, 2022
• HDFC Car Loan (Hypothecation of Car)	9.55% p. a.	60 instalments from April 05, 2019	₹ 1.06	₹ 2.02
• SBI Term Loan	NA	28 Quarterly Instalments of ₹22.85 MM each	-	₹ 228.45
• SBI Term Loan New	NA	25 Quarterly Instalments of ₹4.60 MM each	-	₹ 55.14
• HDFC Bank Term Loan	NA	20 Quarterly Instalments of ₹30.00 MM each	-	₹ 508.19
• HDFC Bank Term Loan - ECGLS	NA	48 Monthly Instalments of ₹5.21 MM each	-	₹ 244.79
• HDFC Bank Term Loan - New	NA	20 Quarterly Instalments of ₹23.64 MM each	-	₹ 472.79

2. Borrowings mentioned in the above note 20, along with note 22, amounting to ₹ 2,699.52 MM (pertaining to FY '22) were paid off subsequent to the Balance Sheet date out of the IPO Proceeds.
3. The company has used the loans towards the specific purposes for which it had borrowed the funds from the bank and there is no deviation in that regards.
4. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

21. Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities	₹ 145.32	₹ 50.69
Total	₹ 145.32	₹ 50.69

22. Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Working capital loan (Refer note 1)		
Secured	-	₹ 890.16
Current maturities of long term debt		
Secured		
Term loans from banks	-	₹ 292.30
Vehicle loans from banks	₹ 1.06	₹ 0.96
Unsecured		
Working Capital Limits with HDFC Bank	-	₹ 300.00
From related parties (Directors & Promoters)	-	₹ 149.20
Total	₹ 1.06	₹ 1,632.62

1. The primary security for working capital loan is outstanding receivables and inventories. The collateral security provided is residential property of directors cum promotors located at 40, Jaldarshan Society, Umra, Surat of along with factory premise at 8203, Road No-8, GIDC, Sachin, Surat - 394 230 and premises at 8202/1, Road No-8, GIDC, Sachin, Surat - 394230. There is also charge created against two (40, Jaldarshan and 8203, GIDC) of these properties at ROC with SBI and HDFC banks. These collaterals have been removed after the payments of all Term Loans was done by use of IPO Proceeds.
2. For details of terms of repayment and security for current maturities, refer note of non-current borrowings.
3. The company has used the loans towards the specific purposes for which it had borrowed the funds from the bank and there is no deviation in that regards.
4. The company has used the loans towards the specific purposes for which it had borrowed the funds from the bank and there is no deviation in that regards.
5. Break-up of the Working capital loan :

Particulars	As at March 31, 2023	As at March 31, 2022
Working Capital Limits with SBI	-	₹ 142.64
Working Capital Limits with HDFC	-	₹ 742.71
Closing balance	-	₹ 885.35
Foreign exchange valuation impact on PCFC loans	-	₹ 4.81
Net outstanding	-	₹ 890.16

6. Borrowings mentioned in the above note 20, along with note 22, amounting to ₹ 2,699.52 MM (pertaining to FY '22) were paid off subsequent to the Balance Sheet date out of the IPO Proceeds.

23. Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities	₹ 10.76	₹ 5.85
Total	₹ 10.76	₹ 5.85

24. Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 39)	₹ 191.09	₹ 211.19
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	₹ 624.09	₹ 487.35
Trade payables	₹ 815.18	₹ 698.54

Notes
1. Refer Note 40 for related party disclosure.
2. Trade payables principally comprise amounts outstanding for trade purchases. The average credit period taken for trade purchases is 90 days.

Particulars	Outstanding for following periods from due date of Payment					
As at March 31, 2023	Unbilled Dues	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	₹ 191.09	-	-	-	₹ 191.09
Others	-	₹ 623.43	₹ 0.57	₹ 0.09	-	₹ 624.09
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	-	₹ 814.52	₹ 0.57	₹ 0.09	-	₹ 815.18

Particulars	Outstanding for following periods from due date of Payment					
As at March 31, 2022	Unbilled Dues	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	₹ 211.19	-	-	-	₹ 211.19
Others	-	₹ 486.39	₹ 0.89	₹ 0.07	-	₹ 487.35
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	-	₹ 697.58	₹ 0.89	₹ 0.07	-	₹ 698.54

25. Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Employee related payable		
Salary and other benefits	₹ 23.72	₹ 19.41
Bonus payable	₹ 12.45	₹ 9.94
Other payables	₹ 1.52	₹ 1.65
Bills payable	₹ 0.01	₹ 0.22
Creditor for expenses	₹ 59.25	₹ 32.25
Total	₹ 96.94	₹ 63.46

26. Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Advance received from customers	₹ 2.05	₹ 4.28
Statutory dues payables	₹ 14.03	₹ 10.39
Total	₹ 16.08	₹ 14.67

27. Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Gratuity (Refer note 45 for further disclosures)	-	-
Total	-	-

28. Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products		
Manufactured goods:		
Local sales	₹ 1,952.23	₹ 2,087.12
Export sales	₹ 2,169.84	₹ 2,305.27
Deemed exports	₹ 1,571.29	₹ 1,031.36
Export sales - CRAMS	₹ 448.11	₹ 289.53
Domestic sales - CRAMS	₹ 63.47	₹ 4.73
Deemed exports - CRAMS	₹ 3.38	-
Sale of services:		
Export services	₹ 302.43	₹ 184.73
Domestic services	-	-
Total revenue from operations	₹ 6,510.74	₹ 5,902.73
Less : Rebate and discount	-	-₹ 2.26
Total	₹ 6,510.74	₹ 5,900.47

Refer note no. 46 for further disclosures

29. Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest		
Interest on fixed deposits	₹ 74.23	₹ 4.64
Interest accrued on loans to employees	₹ 1.11	₹ 1.29
Interest on deposits	₹ 0.09	₹ 0.03
Others:		
Foreign exchange fluctuation	₹ 36.65	₹ 18.37
Duty drawback - exports	₹ 8.84	₹ 5.14
MEIS duty credit	₹ 1.31	₹ 21.65
SEIS Duty Credit	₹ 23.22	-
Income from mutual funds	₹ 8.34	₹ 3.22
Income accrued from mutual funds	₹ 0.20	-
Income From Bonds NCD CP	-	-
Interest subsidy (term loan)	₹ 9.96	₹ 15.00
Income Tax Refund	₹ 1.18	-
Misc. income	₹ 0.50	₹ 0.38
Total	₹ 165.65	₹ 69.74

Subsidies from the Government

Subsidies from the Government are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the subsidies will be received or when actually will be received by the Company. Subsidies from the Government are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the subsidies are intended to compensate.

Subsidies from the Government that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they are received.

30. Cost of materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw Materials		
Opening	₹ 450.01	₹ 392.82
Add: Purchase	₹ 3,728.30	₹ 3,407.18
Add: Custom duty and clearing forwarding charges	₹ 75.85	₹ 71.80
Less: Discount on Purchase of Raw Material	-₹ 5.98	-₹ 29.36
Total	₹ 4,248.18	₹ 3,842.44
Closing	₹ 607.88	₹ 450.01
Raw Material Consumption	₹ 3,640.30	₹ 3,392.43
Packing Materials		
Opening	₹ 15.41	₹ 10.80
Purchase	₹ 63.46	₹ 63.48
Total	₹ 78.87	₹ 74.28
Closing	₹ 14.70	₹ 15.41
Packing Material Consumption	₹ 64.17	₹ 58.87
Stores & Spares		
Opening	₹ 52.77	₹ 48.54
Purchase	₹ 141.25	₹ 126.01
Less: Discount on Purchase of Others	-₹ 0.96	-
Total	₹ 193.06	₹ 174.55
Closing	₹ 46.28	₹ 52.77
Stores & Spares Consumption	₹ 146.78	₹ 121.78
Other Material		
Opening	₹ 133.01	₹ 123.75
Purchase	₹ 31.69	₹ 21.39
Total	₹ 164.70	₹ 145.14
Closing	₹ 219.80	₹ 133.01
Other Material Consumption	-₹ 55.10	₹ 12.13
Total cost of materials consumed	₹ 3,796.14	₹ 3,585.21

31.Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening inventories:		
Finished goods	₹ 549.57	₹ 115.06
Work-in-progress	₹ 426.68	₹ 156.31
Total (A)	₹ 976.25	₹ 271.37
Closing inventories:		
Finished goods	₹ 536.19	₹ 549.57
Work-in-progress	₹ 1,062.81	₹ 426.68
Total (B)	₹ 1,599.00	₹ 976.25
Total (A-B)	-₹ 622.76	-₹ 704.88

32. Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	₹ 251.89	₹ 212.52
Contribution to gratuity	₹ 6.67	₹ 5.08
Contribution to provident fund	₹ 12.72	₹ 10.30
Contribution to provident fund - Admin Charges	₹ 0.55	₹ 0.46
Staff welfare expenses	₹ 22.45	₹ 23.73
Leave encashment expenses	₹ 5.22	₹ 5.14
Employee medical insurance expenses	₹ 2.68	₹ 2.37
ESOPs (Employee Benefit)	₹ 15.51	₹ 5.96
Other employee related expenses	₹ 26.88	₹ 4.89
Total	₹ 344.57	₹ 270.44

33. Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on term loan	₹ 11.18	₹ 76.13
Interest on term loan - ECGLS	₹ 3.06	₹ 16.05
Interest on cash credit	₹ 6.92	₹ 6.16
Interest on PCFC	₹ 5.08	₹ 11.03
Interest on bill discounting	₹ 3.76	₹ 4.79
Interest on SLC	₹ 0.11	₹ 0.32
Interest on car loan	₹ 0.15	₹ 0.24
Interest on unsecured loans	-	-
Bank charges	₹ 8.57	₹ 11.83
Interest on financial liabilities at amortized cost	₹ 12.09	₹ 4.67
Total	₹ 50.93	₹ 131.21

34. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3)	₹ 208.76	₹ 142.43
Amortisation of right-of-use asset (refer note 5)	₹ 21.50	₹ 10.55
Amortisation of intangible assets (refer note 6)	₹ 2.19	₹ 1.90
Total	₹ 232.45	₹ 154.87

35. Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Manufacturing service cost expenses		
Power and fuel	₹ 364.18	₹ 303.82
Water charges	₹ 8.31	₹ 7.85
Other manufacturing costs	₹ 197.85	₹ 224.34
Administrative and general expenses		
Telephone and postage	₹ 2.79	₹ 2.34
Printing and stationery	₹ 1.53	₹ 1.20
Rent	₹ 6.88	₹ 1.23
Rates and taxes	₹ 6.77	₹ 5.93
Payment to statutory auditors (Refer note below)	₹ 0.77	₹ 0.60
Directors' sitting fees	₹ 3.04	₹ 2.52
Managerial remuneration	₹ 34.74	₹ 58.50
Repairs and maintenance expenses	₹ 31.49	₹ 38.86
Electricity expenses	₹ 191.45	₹ 214.84
Travelling expenses	₹ 10.56	₹ 2.63
Legal and professional expenses	₹ 64.39	₹ 28.78
Insurance expenses	₹ 31.97	₹ 21.32
Vehicle running expenses	₹ 4.66	₹ 5.94
Other administrative and general expenses	₹ 22.62	₹ 16.48
Selling and distribution expenses	₹ 113.08	₹ 108.47
Research and development expenses	₹ 3.18	₹ 1.33
Other expenses	₹ 30.04	₹ 21.66
Total	₹ 1,130.30	₹ 1,068.63

(a) Payment to auditors

Statutory audit fee	₹ 0.77	₹ 0.60
Total	**₹ 0.77**	**₹ 0.60**

36. Taxes

a. Statement of profit or loss	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax		
Current income tax charge	₹ 311.22	₹ 338.73
Deferred tax	₹ 128.97	₹ 36.72
Income tax expense reported in the statement of profit or loss	₹ 440.19	₹ 375.44

b. Other comprehensive income (OCI)
Taxes related to items recognised in OCI during in the period

Deferred tax	For the year ended March 31, 2023	For the year ended March 31, 2022
Remeasurements gains and losses on post employment benefits	-₹ 0.42	-₹ 0.50
Income tax recognised in OCI	-₹ 0.42	-₹ 0.50

c. Balance sheet Current tax assets	For the year ended March 31, 2023	For the year ended March 31, 2022
Non- current tax assets	-	-
Current tax assets	-	-
Total tax assets	-	-

Current tax liabilities	As at March 31, 2023	As at March 31, 2022
Income tax (net of advance tax)	-	₹ 6.61
Total current tax liabilities	-	₹ 6.61

d. Deferred tax liabilities / (assets) Particulars	As at March 31, 2023	As at March 31, 2022
Excess of depreciation/amortisation on property plant and equipment under income tax act	₹ 269.91	₹ 139.50
Fair valuation of Mutual funds	-₹ 0.05	-
Fair valuation of Security deposits	-	₹ 0.01
Amortization of processing fees on loan	-	-₹ 0.18
Provision for employee benefits	₹ 0.42	-₹ 0.78
Leases	-₹ 2.51	₹ 0.25
Net deferred tax liability / (asset)	₹ 267.76	₹ 138.79

e. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax	₹ 1,744.76	₹ 1,464.73
Tax rate	25.17%	25.17%
Tax as per IT Act on above	₹ 439.12	₹ 368.64
Tax expenses (P&L)		
Current tax	₹ 311.22	₹ 338.73
Deferred tax	₹ 128.97	₹ 36.72
Taxation in respect of earlier years	-	-
	₹ 440.19	₹ 375.44
Tax expenses (OCI)	-₹ 0.42	-₹ 0.50
Difference	-₹ 0.66	-₹ 6.30
Tax reconciliation		
Adjustments :		
Effect of permanent adjustments	-	-
Impact as a result of Tax Rate Change	-	-
Impact as a result of Capital Gains	-₹ 0.05	₹ 0.15
Others	₹ 0.71	₹ 6.15
	₹ 0.00	₹ 0.00

f. Movement in temporary differences : Particulars	April 1, 2022	Recognised in profit or loss during the period / year	Recognised in OCI during the period/ year	March 31, 2023
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax	₹ 139.50	₹ 130.41	-	₹ 269.91
Fair valuation of Mutual funds	-	-₹ 0.05	-	-₹ 0.05
Fair valuation of Security deposits	₹ 0.01	-₹ 0.01	-	-
Amortization of processing fees on loan	-₹ 0.18	₹ 0.18		-
Provision for employee benefits	-₹ 0.78	₹ 1.62	-₹ 0.42	₹ 0.42
Leases	₹ 0.25	-₹ 2.76	-	-₹ 2.51
Net deferred tax liability / (asset)	₹ 138.79	₹ 129.39	-₹ 0.42	₹ 267.76

f. Movement in temporary differences : Particulars	April 1, 2021	Recognised in profit or loss during the period / year	Recognised in OCI during the period/ year	March 31, 2022
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax	₹ 102.58	₹ 36.92	-	₹ 139.50
Fair valuation of Mutual funds	-₹ 0.20	₹ 0.20	-	-
Fair valuation of Security deposits	-₹ 0.01	₹ 0.02	-	₹ 0.01
Amortization of processing fees on loan	-₹ 0.18	-		-₹ 0.18
Provision for employee benefits	₹ 0.45	-₹ 0.73	-₹ 0.50	-₹ 0.78
Leases	-₹ 0.57	₹ 0.82	-	₹ 0.25
Net deferred tax liability / (asset)	₹ 102.07	₹ 37.22	-₹ 0.50	₹ 138.79

37. Earnings Per Share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profits attributable to equity shareholders	₹ 1,304.15	₹ 1,089.29
Basic Earnings Per Share		
Profit for basic earning per share of ₹10 each		
Profit for the period / year (in ₹)	1304.15	₹ 1,089.29
Weighted average number of equity shares outstanding during the period / year	12,45,10,721	11,26,91,397
Basic EPS (₹)	₹ 10.47	₹ 9.67
Diluted Earnings Per Share		
Profit for diluted earning per share of ₹10 each		
Profit for the period / year (in ₹)	₹ 1,304.15	₹ 1,089.29
Weighted average number of equity shares outstanding during the period / year	12,45,10,721	11,26,91,397
Diluted EPS (₹)	₹ 10.47	₹ 9.67
Weighted average number of equity shares for basic earning per share		
Balance at the beginning and at the end of the period	11,26,91,397	1,00,98,567
Issued during the period	1,18,19,324	10,25,92,830
Weighted average number of equity shares outstanding during the period / year for Earnings Per Share	12,45,10,721	11,26,91,397
Weighted average number of equity shares for diluted earning per share		
Balance at the beginning and at the end of the period*	11,26,91,397	1,00,98,567
Issued during the period	1,18,19,324	10,25,92,830
Weighted average number of equity shares outstanding during the period / year for Diluted Earnings Per Share	12,45,10,721	11,26,91,397

38. Contingent liabilities, contingent assets and commitments

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
Bank Guarantees Issued for :			
Customs	₹ (in MM)	₹ 8.89	₹ 8.89
Gujarat Gas Ltd.	₹ (in MM)	₹ 20.71	₹ 15.35
DGVCL	₹ (in MM)	₹ 47.40	₹ 23.70
Total Margin for above items	₹ (in MM)	₹ 14.37	₹ 11.45
Raw Material LC	₹(in MM)	-	-
Raw Material FLC	US$(in MM)	$ 1.10	$ 2.94
Total Margin for above items	₹(in MM)	₹ 8.94	₹ 13.10
Income Tax Demand :			
AY 2017-18 (PY: 2016-17)	₹(in MM)	₹ 0.15	₹ 0.22
AY 2018-19 (PY: 2017-18)	₹(in MM)	₹ 0.94	₹ 0.93
AY 2020-21 (PY: 2019-20)	₹(in MM)	₹ 1.00	₹ 19.82

- All the Contingent Liabilities, except Income Tax Demands, listed above, which are outstanding as on current Balance Sheet date are not 100% secured through cash margins placed with the banks. Company is enjoying Bank Guarantee and LC Limit facilities from the banks, which require 15% Margin Money on Bank Guarantees and 15% Margin Money on LC Facilities.
- The Income Tax Demands are under appeal by the Company and the outcome of the same is not known and hence the demand amount has been considered as contingent liability.

39. Disclosures required under Section 22 of the MSME Development Act, 2006

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount remaining unpaid to any supplier as at the end of the period/year	-	-
Trade Payables	191.09	211.19
Capital creditors	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the period/year	-	-
Trade Payables	-	-
Capital creditors	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	-	-
The amount of payment made to Micro and Small supplier beyond the appointed day during each accounting year.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

40. Related Party Disclosures

A. List of Related Parties and description of relationship

1. Subsidiary Companies:

Aether Speciality Chemicals Limited

2. Entities where directors are interested

Ashwin Jayantilal Desai (Managing Director)
Aether Foundation
Aether Speciality Chemicals Limited
Globe Enviro Care Limited

Purnima Ashwin Desai (Whole Time Director)
Aether Foundation
Aether Speciality Chemicals Limited

Rohan Ashwin Desai (Whole Time Director)
Aether Foundation
Aether Speciality Chemicals Limited

Aman Ashvin Desai (Whole Time Director)
Aether Speciality Chemicals Limited

Kamalvijay Ramchandra Tulsian (Director)
J R Dyeing and Printing Mills Ltd.
Gujarat Enviro-Protection and Infrastructure Pvt. Ltd.
Navbharat Silk Mills Pvt. Ltd.
Pandesara Infrastructure Ltd.
Surat Mega Textiles Processing Park Association

Jeevanlal Nagori (Director)
Tonira Pharma Ltd.
Avik Pharmaceuticals Ltd.
Ajanma Holdings Pvt. Ltd.
IPCA Traditional Remedies Pvt. Ltd.
Transrail Lighting Ltd.
Kajorimal Basantilal Nagori Charitable Trust

Ishita Surendra Manjrekar (Director)
Sunanda Speciality Coatings Pvt. Ltd.
Sunworks Chemicals Pvt. Ltd.
Sunanda Global Outreach Foundation
Sunanda Smile Foundation

3. Key Management Personnel (KMP)

Ashwin Jayantilal Desai
Managing Director

Purnima Ashwin Desai
Whole-time Director

Rohan Ashwin Desai
Whole-time Director

Aman Ashwin Desai
Whole-time Director

Faiz Arif Nagariya
Chief Financial Officer

Chitrarth Rajan Parghi
Company Secretary & Compliance Officer

4. Relative of Key Management Personnel

Payal Rohan Desai
Spouse of Rohan Ashwin Desai

Kamalvijay Ramchandra HUF
HUF of Director - Kamalvijay Ramchandra Tulsian

Pramilaben Kamalvijay Tulsian
Spouse of Kamalvijay Tulsian

5. Other Directors on Board

Amol Arvindrao Kulkarni
Independent Director
Arun Kanodiya
Independent Director
Ishita Manjrekar
Non-Executive Director
Jeevanlal Nagori
Independent Director
Jitendra Popatlal Vakharia
Independent Director
Kamalvijay Ramchandra Tulsian
Chairperson Non-Executive Director
Leja Satish Hattiangadi
Independent Director
Rajkumar Mangilal Borana
Independent Director

B. Related party transactions	For the year ended March 31, 2023				For the year ended March 31, 2022			
Nature of Transaction	Promoters and their relatives	Companies Controlled by Directors / Relatives	Other Directors on Board	Total	Promoters and their relatives	Companies Controlled by Directors / Relatives	Other Directors on Board	Total
Rent Paid	₹ 6.00	-	-	₹ 6.00	₹ 9.60	-	-	₹ 9.60
Interest Paid	-	-	-	-	-	-	-	-
Loan accepted	-₹ 149.20	-	-	-₹ 149.20	₹ 23.50	-	-	₹ 23.50
Managerial Remuneration	₹ 67.25	-	-	₹ 67.25	₹ 58.50	-	-	₹ 58.50
Purchase of Consumables	-	₹ 0.06	-	₹ 0.06	-	₹ 0.08	-	₹ 0.08
Purchase of Material for Building & Structure	-	₹ 14.81	-	₹ 14.81	-	₹ 9.88	-	₹ 9.88
ETP Expenses	-	₹ 47.23	-	₹ 47.23	-	₹ 49.01	-	₹ 49.01
CSR Activities	-	₹ 2.10	-	₹ 2.10	-	₹ 7.85	-	₹ 7.85
Salary	₹ 5.41	-	-	₹ 5.41	₹ 10.52	-	-	₹ 10.52
Sitting Fee	-	-	₹ 3.04	₹ 3.04	-	-	₹ 2.52	₹ 2.52
Investment	-	₹ 0.50	-	₹ 0.50	-	-	-	-
Charitable Purpose	-	-	₹ 0.60	₹ 0.60	-	-	-	-
Total	-₹ 70.54	₹ 64.70	₹ 3.64	-₹ 2.21	₹ 102.12	₹ 66.81	₹ 2.52	₹ 171.45

C. Balances outstanding at the end of the period / year	As at March 31, 2023	As at March 31, 2022
Rent payable	₹ 0.58	₹ 1.27
Interest payable	-	-
Managerial remuneration payable	₹ 2.91	₹ 2.36
Unsecured loans received	-	₹ 149.20
Salary Payable	₹ 0.25	₹ 0.31

During the above periods, the Company did not enter into any material transactions (as defined in the Company's policy on related party transactions) with related parties. All other transactions of the Company with the related parties were in the ordinary course of business and at an arm's length.

D. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year	As at March 31, 2023	As at March 31, 2022
Rent Paid		
Purnima Desai	-	-
Payal Desai	₹ 1.20	₹ 1.80
Ashwin Desai	-	₹ 1.80
Rohan Desai	-	₹ 1.20
Kamalvijay Ramchandra HUF	₹ 2.40	₹ 2.40
Pramilaben Kamalvijay Tulsian	₹ 2.40	₹ 2.40
Total	₹ 6.00	₹ 9.60

D. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year	As at March 31, 2023	As at March 31, 2022
Managerial Remuneration		
Ashwin Desai	₹ 13.65	₹ 13.00
Purnima Desai	₹ 13.65	₹ 13.00
Rohan Desai	₹ 19.47	₹ 13.00
Aman Desai	₹ 20.48	₹ 19.50
Total	₹ 67.25	₹ 58.50
Transactions with Companies Controlled by Directors / Relatives		
Sunanda Speciality Coatings Pvt. Ltd. (Consumables)	₹ 0.06	₹ 0.08
Sunanda Speciality Coatings Pvt. Ltd. (Material for Building & Structure)	₹ 14.81	₹ 9.88
Globe Enviro Care Limited (ETP Expenses)	₹ 47.23	₹ 49.01
Aether Foundation (CSR Expenses)	₹ 2.10	₹ 7.85
KBN Charitable Trust (CSR Expenses)	₹ 0.60	-
Total	₹ 64.80	₹ 66.81
Loans Accepted		
Ashwin Jayantilal Desai	-₹ 35.02	₹ 14.50
Purnima Ashwin Desai	-₹ 11.11	-
Rohan Ashwin Desai	-₹ 59.18	₹ 3.90
Aman Ashwin Desai	-₹ 12.91	₹ 3.50
Aman Ashwin Desai (HUF)	-	-₹ 26.29
Payal Rohan Desai	-₹ 4.70	₹ 1.60
Ishita Manjrekar	-₹ 26.29	₹ 26.29
Total	-₹ 149.20	₹ 23.50
Salary Paid		
Payal Rohan Desai	-	₹ 6.50
Faiz Arif Nagariya	₹ 4.63	₹ 3.45
Chitrarth Rajan Parghi	₹ 0.78	₹ 0.57
Total	₹ 5.41	₹ 10.52
Sitting Fee to Director		
Amol Arvindrao Kulkarni	₹ 0.40	₹ 0.20
Arun Kanodiya	₹ 0.60	₹ 0.65
Ishita Manjrekar	₹ 0.32	₹ 0.38
Jeevanlal Nagori	₹ 0.43	₹ 0.27
Jitendra Popatlal Vakharia	₹ 0.25	₹ 0.15
Kamalvijay Ramchandra Tulsian	₹ 0.53	₹ 0.48
Leja Satish Hattiangadi	₹ 0.32	₹ 0.25
Rajkumar Mangilal Borana	₹ 0.22	₹ 0.15
Total	₹ 3.04	₹ 2.52
Investment		
Aether Speciality Chemicals Limited	0.50	-
Total	₹ 0.50	-

41. Section 35 (2AB) of Income Tax Act, 1961 Disclosure

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary, Wages & PF		
Salary Expense	₹ 54.53	₹ 34.04
Overtime Wages	₹ 1.60	₹ 1.57
Employer's Contribution to PF	₹ 1.05	₹ 1.78
Employee Medical Insurance Expenses		
Employer's Contribution to ESI	₹ 0.21	₹ 0.49
Leave Encashment Expenses		
Leave Encashment Expenses	₹ 1.00	₹ 0.76
Other Employee Related Expenses		
Bonus	₹ 6.04	₹ 4.86
Managerial Remuneration		
Salaries to Directors	₹ 5.99	₹ 6.00
Bonus to Directors	₹ 0.50	₹ 0.68
Consumption of Material		
R&D Material	₹ 24.59	₹ 12.54
Power & Fuel		
Diesel Expenses	₹ 18.44	₹ 10.09
Repairs & Maintenance		
Plant & Machinery	₹ 1.69	₹ 2.07
Buildings	₹ 0.57	₹ 1.34
Others	₹ 0.47	₹ 1.15
Electricity Expenses		
Electricity Expenses	₹ 29.89	₹ 18.82
Vehicle Running Expenses		
Petrol & Other Expenses	₹ 0.68	₹ 0.49
Vehicle Repairing Expenses	₹ 0.21	₹ 0.16
Vehicle Hiring Charges	₹ 0.60	₹ 2.10
Rent, Rates & Taxes		
Rent	₹ 7.42	₹ 4.80
Other Administrative & General Expenses		
Security Expenses	₹ 2.29	₹ 1.51
Total Revenue Expenditure (A)	₹ 157.75	₹ 105.27
Capital Expenditure		
Buildings	₹ 50.00	₹ 29.87
Computers	₹ 4.64	₹ 1.19
Factory Equipment (Electric)	₹ 33.64	₹ 7.19
Furniture & Fixtures	₹ 8.35	₹ 0.08
Other Equipment (Lab)	₹ 44.87	₹ 3.97
Office Equipment	₹ 9.98	₹ 1.05
Plant & Machinery	₹ 188.75	₹ 88.16

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Computer Software	₹ 0.07	₹ 0.22
CWIP	₹ 3.34	₹ 155.61
Total Capital Expenditure (B)	₹ 343.64	₹ 287.34
Total Expenditure (A) + (B)	₹ 501.39	₹ 392.60

42. Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The board regularly meets to decide its risk management activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

The Company has exposure to the following risks arising from financial instruments:

- credit risk - see note (a) below
- liquidity risk - see note (b) below
- market risk - see note (c) below

A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The Company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and Company's historical experience for customers.

- The company has not made any provision on expected credit loss on trade receivables and other financials assets, based on the management estimates.
- Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department within the Finance Department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from the operations.

Particulars	As at March 31, 2023	As at March 31, 2022
Total current assets (A)	₹ 6,751.75	₹ 4,097.90
Total current liabilities (B)	₹ 940.02	₹ 2,421.75
Working capital (A-B)	₹ 5,811.73	₹ 1,676.15
Current Ratio	7.18	1.69

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

		Contractual cash flows as at March 31, 2023		
Nature of Transaction	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	₹ 1.06	₹ 1.06	-	₹ 1.06
Trade payables	₹ 815.18	₹ 814.52	₹ 0.66	₹ 815.18
Lease liabilities	₹ 156.07	₹ 10.76	₹ 145.32	₹ 156.07
Other liabilities	₹ 96.94	₹ 96.94	-	₹ 96.94

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

		Contractual cash flows as at March 31, 2022		
Nature of Transaction	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	₹ 2,850.75	₹ 1,632.62	₹ 1,218.13	₹ 2,850.75
Trade payables	₹ 698.54	₹ 697.58	₹ 0.96	₹ 698.54
Lease liabilities	₹ 56.54	₹ 5.85	₹ 50.69	₹ 56.54
Other liabilities	₹ 63.46	₹ 63.46	-	₹ 63.46

C. Market risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

1. Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (₹) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency.

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

	As at March 31, 2023		As at March 31, 2022	
Financial assets	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
Trade receivables	$ 18.54	₹ 1,523.75	$ 8.88	₹ 672.71
Balance with banks - in EEFC accounts	$ 1.80	₹ 148.30	$ 0.43	₹ 32.40
Total	$ 20.34	₹ 1,672.05	$ 9.30	₹ 705.10

Notes: Amounts seen as (0.00) are below the disclosure threshold of the Company.

	As at March 31, 2023		As at March 31, 2022	
Financial liabilities	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
Trade payable	$ 3.09	₹ 254.16	$ 0.53	₹ 40.16
Total	$ 3.09	₹ 254.16	$ 0.53	₹ 40.16

Notes: Amounts seen as (0.00) are below the disclosure threshold of the Company.

	As at March 31, 2023		As at March 31, 2022	
Currency wise net exposure (assets -liabilities)	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD	$ 17.25	₹ 1,417.90	$ 8.77	₹ 664.94
Total	$ 17.25	₹ 1,417.90	$ 8.77	₹ 664.94

Notes: Amounts seen as (0.00) are below the disclosure threshold of the Company.

Sensitivity analysis	Impact on profit/equity (1% strengthening)	
	March 31, 2023	March 31, 2022
USD	$ 14.18	₹ 6.65
Total	$ 14.18	₹ 6.65

Notes: Amounts seen as (0.00) are below the disclosure threshold of the Company.

Sensitivity analysis	Impact on profit/equity (1% weakening)	
	March 31, 2023	March 31, 2022
USD	-$ 14.18	-₹ 6.65
Total	-$ 14.18	-₹ 6.65

Notes: Amounts seen as (0.00) are below the disclosure threshold of the Company

2. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rates by selection of appropriate type of borrowings and by negotiation with the bankers.

The exposure of the borrowings (long term and short term) to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	-	₹ 2,399.52
Fixed rate borrowings	₹ 1.06	₹ 151.22
Total borrowings	₹ 1.06	₹ 2,550.76

Sensitivity analysis	Impact on profit/equity (1% weakening)	
Particulars	March 31, 2023	March 31, 2022
Increase by 50 basis points	-	-₹ 12.00
Decrease by 50 basis points	-	₹ 12.00

43. Capital management

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

- The Company's objectives when managing capital are to :
- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below :

Particulars	As at March 31, 2023	As at March 31, 2022
Total liabilities	₹ 1,353.10	₹ 3,829.37
Less: cash and cash equivalents and bank balances	₹ 1,022.89	₹ 180.16
Net debt	₹ 330.20	₹ 3,649.21
Total equity	₹ 12,446.06	₹ 3.868.89
Debt-equity ratio	0.03	0.94

44.Fair value measurements

a. Categories of financial instruments

As at March 31, 2023

Category	Carrying amount	Fair Values FVTPL Level 1	FVTPL Level 3	FVTOCI Level 3	Amortised Cost Level 2
Financial assets					
Trade receivables	₹ 2,589.82	-	-	-	₹ 2,589.82
Cash and cash equivalents	₹ 709.08	-	-	-	₹ 709.08
Other bank balances	₹ 313.81	-	-	-	₹ 313.81
Investment in mutual funds - Quoted	₹ 10.01	₹ 10.01	-	-	-
Investments in equity shares - Unquoted	₹ 2.10	-	-	₹ 2.10	-
Loans	₹ 11.38	-	-	-	₹ 11.38
Other financial assets	₹ 30.29	-	-	-	₹ 30.29
Total financial assets	₹ 3,666.49	₹ 10.01	-	₹ 2.10	₹ 3,654.38
Financial liabilities					
Borrowings	₹ 1.06	-	-	-	₹ 1.06
Trade payables	₹ 815.18	-	-	-	₹ 815.18
Other financial liabilities	₹ 253.01	-	-	-	₹ 253.01
Total financial liabilities	₹ 1,069.26	-	-	-	₹ 1,069.26

a. Categories of financial instruments

As at March 31, 2022

Category	Carrying amount	Fair Values FVTPL Level 1	FVTPL Level 3	FVTOCI Level 3	Amortised Cost Level 2
Financial assets					
Trade receivables	₹ 1,634.80	-	-	-	₹ 1,634.80
Cash and cash equivalents	₹ 33.39	-	-	-	₹ 33.39
Other bank balances	₹ 146.77	-	-	-	₹ 146.77
Investment in mutual funds - Quoted	₹ 170.11	₹ 170.11	-	-	-
Investments in equity shares - Unquoted	₹ 2.09	-	-	₹ 2.09	-
Loans	₹ 8.36	-	-	-	₹ 8.36
Other financial assets	₹ 25.90	-	-	-	₹ 25.90
Total financial assets	₹ 2,021.42	₹ 170.11	-	₹ 2.09	₹ 1,849.22
Financial liabilities					
Borrowings	₹ 2,850.75	-	-	-	₹ 2,850.75
Trade payables	₹ 698.54	-	-	-	₹ 698.54
Other financial liabilities	₹ 120.00	-	-	-	₹ 120.00
Total financial liabilities	₹ 3,669.29	-	-	-	₹ 3,669.29

b. Fair value hierarchy

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the company which are carried at amortized cost approximates the fair value (except for which the fair values are mentioned). Investments in Mutual Funds which are designated at FVTPL & investment in shares which are classified as FVTOCI are at fair value.

45. Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under"

I. **Defined contribution plan - Provident fund and other funds**

II. The company has recognised following amounts in the profit & loss account for the year/ period:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident fund		
Employer's Contribution	₹ 12.72	₹ 10.30
Administration charges	₹ 0.55	₹ 0.46
Employer's Contribution to ESI (Employee State Insurance)	₹ 2.68	₹ 2.37
Total	₹ 15.95	₹ 13.12

I. **Defined benefit plan**

I. The defined benefit plan comprises gratuity, which is funded.

II. Actuarial gains and losses in respect of defined benefit plans are recognised in the Other Comprehensive Income (OCI).

IV. The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972.

V. These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

VII. The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

IX. Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Benefit Obligation at the Beginning of the Period	₹ 25.12	₹ 17.43
Interest cost	₹ 1.82	₹ 1.19
Current service cost	₹ 6.48	₹ 5.20
Benefits paid	-₹ 1.20	-₹ 0.67
Actuarial (Gains)/Losses on Obligations		
Due to Change in Demographic Assumptions	-	₹ 0.01
Due to Change in Financial Assumptions	-₹ 1.12	-₹ 1.53
Due to Experience	₹ 2.24	₹ 3.50
Present Value of Obligation at the end of the period / year	₹ 33.33	₹ 25.12

Changes in the fair value of plan assets are as follows

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at the beginning of the period / year	₹ 27.46	₹ 19.18
Interest income	₹ 1.99	₹ 1.31
Contributions	₹ 8.55	₹ 7.65
Mortality charges and taxes	-	-
Benefits paid	-₹ 1.20	-₹ 0.67
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	-₹ 0.55	-
Fair value of Plan assets at end of the period / year	₹ 36.24	₹ 27.46

Net interest cost for current period

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Benefit Obligation at the Beginning of the Period	₹ 25.12	₹ 17.43
Fair Value of Plan Assets at the Beginning of the Period	-₹ 27.46	-₹ 19.18
Net Liability/(Asset) at the Beginning	-₹ 2.34	-₹ 1.75
Interest Cost	₹ 1.82	₹ 1.19
Interest Income	-₹ 1.99	-₹ 1.31
Net interest cost for current period	-₹ 0.17	-₹ 0.12

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	₹ 6.48	₹ 5.20
Net interest (Income)/ Expense	-₹ 0.17	-₹ 0.12
Net benefit expense	₹ 6.31	₹ 5.08

Amount recognised in the statement of other comprehensive income

Particulars	As at March 31, 2023	As at March 31, 2022
Re-measurement for the year - obligation (gain) / loss	₹ 1.12	₹ 1.98
Re-measurement for the year - plan assets (gain) / loss	₹ 0.55	-
Total re-measurements cost / (credit) for the period / year recognised in other comprehensive income	₹ 1.67	₹ 1.98

Net Defined Benefit Liability/(Asset) for the period / year

Particulars	As at March 31, 2023	As at March 31, 2022
Defined Benefit Obligation	₹ 33.33	₹ 25.12
Fair value of plan assets	₹ 36.24	₹ 27.46
Closing net defined benefit liability/(asset)	-₹ 2.91	-₹ 2.34

Particulars	As at March 31, 2023	As at March 31, 2022
Current	-₹ 2.91	-₹ 2.34
Non-Current	-	-

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below

Assumptions	As at March 31, 2023	As at March 31, 2022
Mortality table	Indian Assured Lives Mortality 2012-14(Urban)	Indian Assured Lives Mortality (2006-08) Ultimate
Discount rate	7.50%	6.82%
Rate of increase in compensation levels	8.00%	8.00%
Expected rate of return on plan assets	7.50%	6.82%
Withdrawal rate #		
- Age up to 30 years	5.00%	5.00%
- Age 31 - 40 years	5.00%	5.00%
- Age 41 - 50 years	5.00%	5.00%
- Age above 50 years	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2023 & 31 March 2022 is as shown below:

	As at March 31, 2023		As at March 31, 2022	
Assumptions	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Delta effect of 1% change in				
rate of discounting	-₹ 3.97	₹ 4.85	-₹ 3.09	₹ 3.79
rate of salary increase	₹ 4.59	-₹ 3.93	₹ 3.64	-₹ 3.08
rate of employee turnover	-₹ 0.39	₹ 0.42	-₹ 0.41	₹ 0.46

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Expected future benefit payments.
The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid

Duration of defined benefit payments	March 31, 2023	March 31, 2022
1st Following Year	₹ 1.23	₹ 0.90
2nd Following Year	₹ 1.39	₹ 1.00
3rd Following Year	₹ 1.57	₹ 1.16
4th Following Year	₹ 1.75	₹ 1.23
5th Following Year	₹ 1.84	₹ 1.35
Sum of Years 6 to 10	₹ 10.24	₹ 7.35
Sum of Years 11 and above	₹ 100.33	₹ 75.50

46. Stock options scheme

Aether Industries Limited - Employee Stock Option Scheme - 2021 (AIL ESOS 2021):

The Company has instituted equity-settled Employee Stock Option Scheme - 2021 duly approved by the shareholders in the extra-ordinary general meeting of the Company held on 18 November 2021. The Company introduced the AIL ESOS 2021 primarily with a view to attract, retain and incentivise the existing and new employees of the Company and motivate them to contribute to the growth and profitability of the Company. The shareholders by way of special resolution have authorised the Nomination and Remuneration Committee to grant options not exceeding 11,00,000 to the eligible employees under the AIL ESOS 2021, in one or more tranches, with each such option conferring a right upon the Eligible employee to apply for one share of the Company.

As per AIL ESOS 2021, the Nomination and Remuneration Committee shall determine the eligibility criteria for employees to whom the options would be granted and shall approve the grant of options. The options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 7 (seven) years from the date of grant of options. Vesting of options would be subject to continued employment with the Company. The exercise period shall be 7 (seven) years from the date of vesting of options. The vested options can be exercised by the employee any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter.

The scheme was modified on 27 September 2022 and the revised terms are prospectively applicable to all grants under the scheme. The modified terms are defined as follows:
The vesting period is minimum 1 (one) year but not later than 15 (fifteen) years from the date of grant of options. Vesting of options would be subject to continued employment with the Company. The exercise period shall be 15 (fifteen) years from the date of vesting of options, subject to exceptional circumstances. The vested options can be exercised by the employee any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter.

Under the said scheme Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees:

Grant Date	Tranche	No. of options	Total no. of options
November 20, 2021	Not applicable	1,81,122	1,81,122
November 20, 2022	Tranche 2	12,461	
November 20, 2022	Tranche 3	24,922	
November 20, 2022	Tranche 4	3,181	40,564

Reconciliation of outstanding employee stock options:

Particulars	As at March 31, 2023 Weighted average exercise price per option (₹)	As at March 31, 2023 No. of options	As at March 31, 2022 Weighted average exercise price per option (₹)	As at March 31, 2022 No. of options
Opening Balance	₹ 321.00	0	-	0
Granted during the year	₹ 335.27	40,564	₹ 321.00	1,81,122
Exercised during the year	₹ 321.00	28,048	-	0
Forfeited / Lapsed during the year	₹ 321.00	13,199	₹ 321.00	6,291
Closing Balance	₹ 324.32	1,74,148	₹ 321.00	1,74,148
Options exercisable at the end of the period	-	-	-	-

Weighted average share price on the date of exercise is ₹ 985.35 (Previous Year: NA*)
*Weighted average exercise price of shares is required to be disclosed, where share options are exercised during the period. As no options were exercised in the previous period, information is not disclosed.

Stock options outstanding at the end of the period have the following remaining contractual life:

Grant date	Expiry date	Exercise price (₹)	Options outstanding as at March 31, 2023	Options outstanding as at March 31, 2022
November 20, 2021	November 29, 2029	₹ 321.00	-	29,447
November 20, 2021	November 29, 2030	₹ 321.00	27,256	29,520
November 20, 2021	November 29, 2031	₹ 321.00	27,182	29,446
November 20, 2021	November 29, 2032	₹ 321.00	24,715	26,977
November 20, 2021	November 29, 2033	₹ 321.00	21,147	23,094
November 20, 2021	November 29, 2034	₹ 321.00	19,968	21,808
November 20, 2021	November 29, 2035	₹ 321.00	13,316	14,539
November 20, 2022	November 29, 2026	₹ 321.00	4,153	-
November 20, 2022	November 29, 2027	₹ 321.00	4,153	-
November 20, 2022	November 29, 2028	₹ 321.00	4,155	-
November 20, 2022	November 29, 2027	₹ 321.00	6,230	-
November 20, 2022	November 29, 2028	₹ 321.00	6,230	-
November 20, 2022	November 29, 2029	₹ 321.00	6,230	-
November 20, 2022	November 29, 2030	₹ 321.00	6,232	-
November 20, 2022	November 29, 2031	₹ 503.00	477	-
November 20, 2022	November 29, 2032	₹ 503.00	477	-
November 20, 2022	November 29, 2033	₹ 503.00	477	-
November 20, 2022	November 29, 2034	₹ 503.00	477	-
November 20, 2022	November 29, 2035	₹ 503.00	477	-
November 20, 2022	November 29, 2036	₹ 503.00	477	-
November 20, 2022	November 29, 2037	₹ 503.00	319	-
Total			1,74,148	1,74,831

Weighted average remaining contractual life of the options outstanding at the end of the period	**8.93 years**	**10.27 years**

Fair value of the options granted:

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes-Merton model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grant made on 20 November 2022

i. Tranche I

Grant: AIL ESOS 2021 (modified)	Vesting Date		
Grant Date: 20 November 2022	November 20, 2023	November 20, 2024	November 20, 2025
Input variables			
Stock Price per Share (₹)	₹ 985.35	₹ 985.35	₹ 985.35
Standard Deviation (Volatility)	44.39%	45.90%	44.84%
Risk-free Rate	7.03%	7.12%	7.16%
Exercise Price (₹)	₹ 321.00	₹ 321.00	₹ 321.00
Time to Maturity (in Years)	2.50	3.50	4.50
Dividend Yield	0.00%	0.00%	0.00%
Output			
Fair Value of Options (₹)	₹ 720.47	₹ 744.50	₹ 764.60

ii. Tranche II

Grant: AIL ESOS 2021 (modified)	Vesting Date			
Grant Date: 20 November 2022	November 20, 2023	November 20, 2024	November 20, 2025	November 20, 2026
Input variables				
Stock Price per Share (₹)	₹ 985.35	₹ 985.35	₹ 985.35	₹ 985.35
Standard Deviation (Volatility)	46.81%	44.37%	44.20%	42.66%
Risk-free Rate	7.08%	7.12%	7.18%	7.31%
Exercise Price (₹)	₹ 321.00	₹ 321.00	₹ 321.00	₹ 321.00
Time to Maturity (in Years)	3.00	4.00	5.00	6.00
Dividend Yield	0.00%	0.00%	0.00%	0.00%
Output				
Fair Value of Options (₹)	₹ 733.86	₹ 753.56	₹ 773.65	₹ 791.09

iii. Tranche III

Grant: AIL ESOS 2021 (modified)	Vesting Date						
Grant Date: 20 November 2022	November 20, 2024	November 20, 2025	November 20, 2026	November 20, 2027	November 20, 2028	November 20, 2029	November 20, 2030
Input variables							
Stock Price per Share (₹)	₹ 985.35	₹ 985.35	₹ 985.35	₹ 985.35	₹ 985.35	₹ 985.35	₹ 985.35
Standard Deviation (Volatility)	43.46%	42.33%	42.68%	42.17%	42.45%	42.42%	43.11%
Risk-free Rate	7.26%	7.34%	7.35%	7.35%	7.33%	7.36%	7.38%
Exercise Price (₹)	₹ 503.00	₹ 503.00	₹ 503.00	₹ 503.00	₹ 503.00	₹ 503.00	₹ 503.00
Time to Maturity (in Years)	5.50	6.50	7.50	8.50	9.50	10.50	11.50
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Output							
Fair Value of Options (₹)	₹ 688.80	₹ 713.27	₹ 738.17	₹ 758.11	₹ 777.93	₹ 795.74	₹ 813.86

Fair value and assumptions for the equity-settled grant made on 20 November 2021

Grant: AIL ESOS 2021	Vesting Date						
Grant Date: 20 November 2021	November 20, 2022	November 20, 2023	November 20, 2024	November 20, 2025	November 20, 2026	November 20, 2027	November 20, 2028
Input variables							
Stock Price per Share (₹)	₹ 411.81	₹ 411.81	₹ 411.81	₹ 411.81	₹ 411.81	₹ 411.81	₹ 411.81
Standard Deviation (Volatility)	41.64%	40.62%	41.21%	40.77%	41.31%	41.35%	41.89%
Risk-free Rate	5.72%	5.96%	6.19%	6.29%	6.36%	6.37%	6.48%
Exercise Price (₹)	₹ 321.00	₹ 321.00	₹ 321.00	₹ 321.00	₹ 321.00	₹ 321.00	₹ 321.00
Time to Maturity (in Years)	4.50	5.50	6.50	7.50	8.50	9.50	10.50
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Output							
Fair Value of Options (₹)	₹ 210.91	₹ 226.79	₹ 244.51	₹ 257.65	₹ 271.43	₹ 282.50	₹ 294.59

Rationale for principal variables used:

- Time to maturity of options is the period of time from the grant date to the date on which option is expected to be exercised. The minimum life of stock option is the minimum period before which the options cannot be exercised, and maximum life is the period after which the options cannot be exercised.
- The expected price volatility is based on the historic volatility, adjusted for any changes to future volatility due to publicly available information.

The company has recorded employee share-based compensation expense in the current year amounting to ₹ 15.51 MM (Previous year: ₹ 5.96 MM) for the options issued to the employees.

47. Revenue from contracts with customers

a. Reconciliation of revenue recognised with the contracted price is as follows	For the year ended March 31, 2023	For the year ended March 31, 2022
Gross Sales (Contracted Price)	₹ 6,510.74	₹ 5,902.73
Reductions towards variable consideration (Discount & Delayed Delivery Charges)	-	-₹ 2.26
Revenue recognised	₹ 6,510.74	₹ 5,900.47

The Company derives its revenue from contracts with customers for the transfer of goods and services at a point in time and over the period in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108.

b. External revenue by Product Line	For the year ended March 31, 2023	For the year ended March 31, 2022
3-Methoxy-2-Methyllenzoyl Chloride (MMBC)	₹ 976.42	₹ 588.49
4-(2-Methoxyethyl) Phenol (4MEP)	₹ 926.88	₹ 1,650.33
Bifenthrin Alcohol (BFA)	₹ 925.45	₹ 623.15
Thiophene-2-Ethanol (T2E)	₹ 498.47	₹ 668.10
2-Methoxy-6-Chlorotoluene (MCT)	₹ 331.91	₹ 190.75
1-[2-(2-Hydroxyethoxy)Ethyl]Piperazine (HEEP)	₹ 288.30	₹ 225.03
1-Deoxy-1-(Octylamino)-D-Glucitol (NODG)	₹ 221.38	₹ 219.18
Delta - Valerolactone (DVL)	₹ 218.35	₹ 195.31
4'-Methyl-2-Cyanobiphenyl (OTBN)	₹ 30.04	₹ 243.51
Other Products	₹ 1,276.16	₹ 817.56
Revenue from products (Recognised at point in time) (A)	₹ 5,693.36	₹ 5,421.42
Service name		
CRAMS	₹ 817.38	₹ 479.05
Revenue from services (Recognised over the period) (B)	₹ 817.38	₹ 479.05
Grand Total (A) + (B)	₹ 6,510.74	₹ 5,900.47

c. Revenue by Business Classification	For the year ended March 31, 2023	For the year ended March 31, 2022
Large Scale Manufacturing	₹ 3,356.91	₹ 3,955.02
Contract Manufacturing	2,233.79	₹ 1,402.39
Contract Research And Manufacturing Services (CRAMS)	₹ 816.59	₹ 479.05
Others	₹ 103.45	₹ 64.00
Total revenue	₹ 6,510.74	₹ 5,900.47

d. Revenue by Geographies / Regions	For the year ended March 31, 2023	For the year ended March 31, 2022
India (including Deemed Exports)	₹ 3,590.36	₹ 3,116.22
India (SEZ)	₹ 281.07	₹ 351.72
Italy	₹ 976.57	₹ 533.57
USA	₹ 519.38	₹ 227.81
Netherlands	₹ 358.20	₹ 142.88
Germany	₹ 266.57	₹ 377.45
Spain	₹ 120.00	₹ 504.96
China	₹ 105.16	₹ 90.17
Japan	₹ 67.70	₹ 71.26
Israel	₹ 59.33	₹ 24.56
Mexico	₹ 51.42	₹ 140.70
Switzerland	₹ 41.50	₹ 80.01
Belgium	₹ 8.85	₹ 65.17
Romania	₹ 5.24	₹ 20.50
Taiwan	₹ 0.66	₹ 90.37
Others - Europe	₹ 45.16	₹ 63.15
Others - Asia	₹ 13.55	-
Total revenue	**₹ 6,510.74**	**₹ 5,900.47**

48. Leases

a. For Right- of-use assets schedule-please refer note 5

b. Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current	₹ 10.76	₹ 5.85
Non Current	₹ 145.32	₹ 50.69
Total	**₹ 156.07**	**₹ 56.54**

c. Interest expenses on lease

Particulars	As at March 31, 2023	As at March31, 2022
Interest on lease liabilities	₹ 12.09	₹ 4.67

d. Expenses on short term leases / low value assets

Particulars	As at March 31, 2023	As at March31, 2022
Short-term lease	₹ 6.88	₹ 1.23
Low value assets	-	-

e. Amounts recognised in the statement of cash flow

Particulars	As at March 31, 2023	As at March 31, 2022
Total cash outflow for leases	₹ 11.03	₹ 10.01

f. Maturity analysis – contractual un-discounted cash flows

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	₹ 26.59	₹ 14.19
One to five years	₹ 97.66	₹ 57.75
More than five years	₹ 202.31	₹ 5.40
Total un-discounted lease liabilities	**₹ 326.56**	**₹ 77.35**

g. Other notes The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2018 is 9.50%. Operating lease payable as per previous GAAP as at transition date is considered for calculation of lease liabilities under Ind AS 116.

49. Operating Segment

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales		
India	₹ 3,871.43	₹ 3,467.93
Rest of the World	₹ 2,639.31	₹ 2432.54
Total	**₹ 6,510.74**	**₹ 5,900.47**
Carrying amount of assets*		
India	₹ 1,066.06	₹ 962.10
Rest of the World	₹ 1,523.75	₹ 672.71
Total	**₹ 2,589.82**	**₹ 1,634.80**
Additions to property, plant and equipment, right of use assets and intangible assets		
India	₹ 4,123.39	₹ 563.53
Total	**₹ 4,123.39**	**₹ 563.53**

*Segment assets represent trade receivables

Information about major customers (External Customers)

The following is the transactions by the Company with external customers individually contributing 10% or more of revenue from operations:

- For the period ended March 31, 2023, revenue from operations of one customer of the company represented approximately 14.00% of revenue from operations.
- For the year ended March 31, 2022, revenue from operations of one customer of the company represented approximately 12.10% of revenue from operations.

50. Corporate Social Responsibility

As per the provisions of section 135 of Companies Act 2013, the Company was required to spend ₹ 19.75 MM (March 31, 2022: ₹ 12.19 MM). being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. However, the Company has spent ₹ 19.98 MM (March 31, 2022: ₹ 12.19 MM) towards Corporate Social Responsibility activities. Below are the details of the amount spent during the year :

Particulars	CSR	As at March 31, 2023	As at March 31, 2022
1. Aether Foundation	Promoting education in tribal and rural area	₹ 2.10	₹ 7.84
2. Ambika Education Trust, Dodipada	Promoting education in rural area	₹ 1.50	-
3. Kagzi Traders	To celebrate Azadi ka Amrut Mahotsav - Education	₹ 0.16	-
4. Surat Municipal Corporation	To celebrate Azadi ka Amrut Mahotsav - Education	₹ 0.02	-
5. Rogi Kalyan Samiti New Civil Hospital	Disaster management, including relief, rehabilitation and reconstruction activities (CoVID-19)	-	₹ 0.25
6. Kajorimal Basantilal Nagori Trust	Promoting education in rural area	₹ 0.60	₹ 0.50
7. Shivam Education Trust	Nursing College Building	₹ 2.50	-
8. Surat Manav Seva Sangh	Disaster management, including relief, rehabilitation and reconstruction activities (CoVID-19)	-	₹ 1.00
9. Surat Raktadan Kendra and Research Centre	Preventive health-care measure	-	₹ 0.60
10. Nimar Abhyudaya Rural Management & Development Association	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	-	₹ 1.00
11. Vanvasi Vikas Mandal, Waghai	Promoting education in tribal and rural area for gilrs	₹ 3.10	-
12. Shree Mahavir Health and Medical Relief Society	New Cancer Research Project / Preventive health-care measure	₹ 10.00	₹ 1.00
Total		₹ 19.98	₹ 12.19

51. Events subsequent to March 31, 2023

None.

For Birju S. Shah & Associates
Chartered Accountants | ICAI Firm Reg. No.: 131554W

Birju S. Shah - Proprietor
Membership No.: 107086 | UDIN: 23107086BGVKZM1632

Place: Surat | Date: May 6, 2023

For and behalf of Board of Directors

Aether Industries Limited CIN: L24100GJ2013PLC073434

Ashwin Desai - Managing Director DIN: 00038386

Rohan Desai - Whole Time Director DIN: 00038379

Faiz Nagariya - Chief Financial Officer PAN: ADBPN8514G

Chitrarth Parghi - Company Secretary Mem. No.: F12563

Place: Surat | Date: May 6, 2023

52. Ratios as per the Schedule III requirements

a. Current Ratio = Current Assets divided by Current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current Assets	₹ 6,751.75	₹ 4,097.90
Current Liabilities	₹ 940.02	₹ 2,421.75
Current Ratio (Times)	7.18	1.69
% Change from previous period / year	324.47%	

b. Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Total Debt	₹ 1.06	₹ 2,850.75
Total Equity	₹ 12,446.06	₹ 3,868.89
Debt Equity Ratio (Times)	0.00	0.74
% Change from previous period / year	-99.99%	

c. Debt Service Coverage Ratio (DSCR) = Earnings available for debt services divided by Total interest and principal repayments

Particulars	As at March 31, 2023	As at March 31, 2022
Profit for the year	₹ 1,304.15	₹ 1,089.29
Add: Non cash operating expenses and finance cost	-	-
Depreciation and amortisation expense	₹ 232.45	₹ 154.87
Finance costs	₹ 50.93	₹ 131.21
Earnings available for debt services	₹ 1,587.52	₹ 1,375.37
Interest cost on borrowings	₹ 30.26	₹ 114.71
Principal repayments (including certain prepayments)	₹ 1,695.93	₹ 142.35
Total Interest and principal repayments	₹ 1,726.19	₹ 257.06
Debt Service Coverage Ratio (Times)	0.92	5.35
% Change from previous period / year	-82.81%	

d. Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Profit for the year	₹ 1,304.15	₹ 1,089.29
Total Equity	₹ 12,446.06	₹ 3,868.89
Return on Equity Ratio (%)	10.48%	28.16%
% Change from previous period / year	-62.78%	

e. Inventory Turnover Ratio = Closing Inventory divided by Cost of Material Consumed plus Changes in Inventory in to 365/366

Particulars	As at March 31, 2023	As at March 31, 2022
Cost of materials consumed	₹ 3,173.39	₹ 2,880.33
Closing Inventory	₹ 2,487.66	₹ 1,627.44
Inventory Turnover Ratio (Days)	286	206
% Change from previous period / year	38.74%	

f. Trade receivables turnover ratio = Credit Sales divided by Closing Trade Receivables in to 365/366

Particulars	As at March 31, 2023	As at March 31, 2022
Credit Sales	₹ 6,510.74	₹ 5,900.47
Closing Trade Receivables	₹ 2,589.82	₹ 1,634.80
Trade Receivables Ratio (Days)	145	101
% Change from previous period / year	43.57%	

g. Trade payables turnover ratio = Closing trade payables divided by Cost of Materials Consumed in to 365/366

Particulars	As at March 31, 2023	As at March 31, 2022
Cost of materials consumed	₹ 3,173.39	₹ 2,880.33
Closing Trade Payables	₹ 815.18	₹ 698.54
Trade Payables Turnover Ratio (Days)	94	89
% Change from previous period / year	5.92%	

h. Net capital Turnover Ratio =Revenue from Operations divided by Net Working capital where as net working capital = current assets - current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue from operations	₹ 6,510.74	₹ 5,900.47
Net Working Capital	₹ 5,811.73	₹ 1,676.15
Net Capital Turnover Ratio (Times)	1.12	3.52
% Change from previous period / year	-68.18%	

i. Net profit ratio = Net profit after tax divided by Revenue from operations.

Particulars	As at March 31, 2023	As at March 31, 2022
Profit for the year	₹ 1,304.15	₹ 1,089.29
Revenue from operations	₹ 6,510.74	₹ 5,900.47
Ratio (Times)	0.20	0.18
% Change from previous period / year	8.50%	

j. Return on Capital employed- Pre cash (ROCE)=Earnings before interest and taxes (EBIT) divided by Capital Employed- pre cash

Particulars	As at March 31, 2023	As at March 31, 2022
Profit/(Loss) before tax (A)	₹ 1,744.76	₹ 1,464.73
Finance Costs* (B)	₹ 50.93	₹ 131.21
Other income* (C)	₹ 165.65	₹ 69.74
EBIT (D) = (A)+(B)-(C)	₹ 1,630.03	₹ 1,526.20
Capital Employed- Pre Cash (K)=(E)+(F)+(G)-(H)-(I)-(J)	₹ 11,414.22	₹ 6,369.36
Total Equity (E)	₹ 12,446.06	₹ 3,868.89
Non-Current Borrowings (F)	-	₹ 1,218.13
Current Borrowings (G)	₹ 1.06	₹ 1,632.62
Current Investments (H)	₹ 10.01	₹ 170.11
Cash and Cash equivalents (I)	₹ 709.08	₹ 33.39
Bank balances other than cash and cash equivalents (J)	₹ 313.81	₹ 146.77
Ratio (D)/(K) (%)	14.28%	23.96%
% Change from previous period / year	-40.40%	

53.Other matters

a. **Registration of charges or satisfaction with Registrar of Companies (ROC)**
The Company had registered various charges with the ROC within the statutory time period. During the financial year, the Company has repaid all its Term Loans and hence the collaterals have been released from the bank and accordingly the charges registered with ROC, have been satisfied.

b. **Details of Benami Property held**
The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, hence no proceedings initiated or pending against the Company under the said Act and Rules.

c. **Loans and advances granted to specified person**
Except as stated in the notes to accounts and financial statements, there are no other loans or advances granted to specified persons namely the promoters, directors, KMPs and related parties.

d. **Utilisation of borrowed funds, share premium and other funds**
The Company has not received any funds from any person or entity with the understanding that the Company would directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiary) or provided any guarantee or security or the like on behalf of the ultimate beneficiary.

The Company has not advanced or loaned or invested to any other person(s), including foreign entities (Intermediaries) with the understanding that the intermediary shall:

i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

e. **Compliance with the number of layers of companies**
The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

f. **Details of Crypto Currency or Virtual Currency**
The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year

g. **Undisclosed Income**
There is no transaction, which has not been recorded in the books of accounts, that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961

h. **Relationship with struck off companies**
The Company has not have any transactions with companies, which are struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

i. **Bankers of the Company**
The Company is enjoying various credit facilities with the below mentioned banks:

i. ICICI Bank Limited
ii. HDFC BANK Limited
iii. State Bank of India

Notice of Annual General Meeting

Notice of AGM

Notice is hereby given that the Eleventh Annual General Meeting (Meeting No. AGM-2023/24) of the Aether Industries Limited will be held on Friday, June 16, 2023, through Video Conference / Other Audio-Video Means at 16:00 Hrs. (IST) to transact the following businesses:

Ordinary Businesses

Following Business transactions be considered as 'Ordinary Business'

1. To receive, consider and adopt the audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, and the Report of the Board and the Auditors thereon.
2. To appoint a Director in place of Ms. Purnima Ashwin Desai (DIN: 00038399), who retires by rotation and being eligible, offers herself for re-appointment as Whole-time Director.
3. To appoint a Director in place of Dr. Aman Ashwinbhai Desai (DIN: 00043633), who retires by rotation and being eligible, offers himself for re-appointment as Whole-time Director.

Special Businesses

Following Business transactions be considered as 'Special Business'

4. To ratify the remuneration payable to the Cost Auditor for the FY 2023-24

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

   "RESOLVED THAT pursuant to the Section 148(3) of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the annual remuneration of ₹ 90,000 (Rupees Ninety Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses for the Financial Year 2023-24, as recommended by the Audit Committee and approved by the Board of Directors of the Company in their Meeting held on May 6, 2023, to be paid to M/s. Ashvin Ambaliya & Associates, Cost and Accountants, (Firm Registration No.: 002176) for conducting cost audit of the applicable products be and is hereby ratified and confirmed."

5. To consider and approve the continuous directorship of Ms. Purnima Ashwin Desai as a Whole-time Director of the Company, after attaining the age of 70 (seventy) years

   To consider and, if thought fit, to pass the following Resolution as an 'Special Resolution'

   "RESOLVED THAT pursuant to the provisions made under the Section 196(3)(a) and other applicable provisions of the Companies Act, 2013 along with Rules applicable therein and with to the recommendation of the Nomination and Remuneration Committee and the Board, the consent of the members of the Company be and is hereby accorded to the continue the tenure of Ms. Purnima Ashwin Desai (DIN: 00038399) as the Whole-time Director of the Company upon attaining the age of 70 (seventy) years in the current financial year."

   "RESOLVED FURHER THAT the said consent shall not have any impact on the prevailing terms of his appointment for the remaining tenure."

6. To approve proposal for increase in Authorised Share Capital

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

   "RESOLVED THAT pursuant to the provisions of Section 13, 61, 64 and other applicable provisions of the Companies Act, read with applicable Rules therein, along with the Article of Association of the Company; the consent of the Members of the Company be and is hereby accorded to increase the Authorised Equity Share Capital of the Company from ₹ 1,40,00,00,000 (140.00 Million Equity Shares) to ₹ 1,47,50,00,000 (147.50 Million Equity Shares) of ₹ 10 each ranking pari-passu with the existing Equity Shares of the Company."

   "RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V:

   "The Authorised Share Capital of the Company is ₹ 1,47,50,00,000 (Rupees One Hundred Forty Seven Crore Fifty Lakh only) divided into 14,75,00,000 (Fourteen Crore Seventy Five Lakh) Equity Shares of ₹ 10 (Rupees Ten only) each."

7. To auhtorise issuance of securities through permissible modes of fund-raising

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

   "RESOLVED THAT pursuant to the provisions of Sections 23, 41, 42, 62(1)(c), 71, 179 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules framed thereunder, including the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules and regulations made thereunder (including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force), (the "Companies Act"), the provisions of the Memorandum of Association and the Articles of Association of the Company, all other applicable laws, rules and regulations, including the provisions of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations"), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended ("SEBI ILDS Regulations"), the Foreign Exchange Management Act, 1999, ("FEMA") including any amendment(s), statutory modification(s), variation(s) or re-enactment(s) thereof, or the rules and regulations issued thereunder, and the circulars or notifications issued thereunder including the Master Directions on External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019, as amended from time to time and the Master Direction on Reporting under Foreign Exchange Management Act, 1999 dated January 1, 2016, as amended, the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as amended (together the "ECB Guidelines"), the Companies (Issue of Global Depository Receipts) Rules, 2014, the Depository Receipts Scheme, 2014, as amended (the "2014 Scheme"), the Framework for issue of Depository Receipts dated October 10, 2019 issued by the Securities and Exchange Board of India ("SEBI") and as amended from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended (the "1993 Scheme"), the extant consolidated Foreign Direct Investment Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce, Government of India, as amended and replaced from time to time and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004, including any amendments, statutory modification(s) and / or re-enactment(s) thereof, and such other applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications issued/ to be issued thereon by the Government of India, Ministry of Finance (Department of Economic Affairs), Department for Promotion of Industry and Internal Trade, Ministry of Corporate Affairs ("MCA"), the Reserve Bank of India ("RBI"), SEBI, BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE", and together with BSE, the "Stock Exchanges") or any other stock exchange where the equity shares of face value of ₹ 10 (Rupees ten only) each ("Equity Shares") of the Company are listed (together the "Stock Exchanges"), and/ or any other relevant law/ guideline(s) and/or any other regulatory/ statutory authorities under any other applicable law, from time to time (hereinafter singly or collectively referred to as the "Appropriate Authorities"), to the extent applicable and subject to the term(s), condition(s), modification(s), consent(s), permission(s) sanction(s) and approval(s) of any of the Appropriate Authorities and guidelines and clarifications issued thereon from time to time and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall deemed to mean and include any committee(s) duly constituted/ to be constituted by the Board, from time to time, to exercise its powers including powers conferred by this resolution) to create, offer, issue and allot (including with provisions for reservations on firm and/or competitive basis, or such part of issue and for such categories of persons as may be permitted) such number of Securities (as defined hereinafter), by way of an offer document/ prospectus or such other document, in India or abroad, such number of Equity Shares of the face value of ₹ 10 (Rupees ten only) each and aggregating up to ₹ 7,500 Million (Rupees Seven Thousand Five Hundred Million only) (inclusive of premium amount, if any), whether at a discount (subject to Section 53 of the Companies Act, 2013) or premium to the market price, from time to time in one or more tranches, including but not limited to one or more of the existing shareholders/members, employees of the Company, qualified institutional buyers within the meaning prescribed under SEBI ICDR Regulations ("QIBs") pursuant to a qualified institutions placement ("QIP"), through a placement document and at such price and such terms and conditions as may be determined in accordance with the relevant provisions of SEBI ICDR Regulations or such other entities, authorities or any other category of investors who are authorized to subscribe to the equity shares of the Company as per the extant regulations/guidelines, as deemed appropriate by the Board, and/or any securities convertible or exchangeable into such number of Equity Shares, including but not limited to convertible debentures and/or preference shares (compulsory and/or optionally, fully and/or partly) and/or warrants with or without non-convertible debentures with the rights exercisable by the warrant holders to exchange such warrants with Equity Shares and/or foreign currency convertible bonds ("FCCB") and/or debentures/non-convertible debt instruments along with warrants / convertible debentures / securities and/or foreign currency exchangeable bonds ("FCEB") which are convertible or exchangeable into equity shares at the option of the Company, by way of public issuance or private placement or any other method permitted under applicable laws, and/or preference shares and/or global depository receipts ("GDRs") and/or American depository receipts ("ADRs") and/or any other financial instruments/securities convertible into and/or linked to Equity Shares (including warrants (detachable or not), or otherwise, in registered or bearer form) (all of which are hereinafter referred to as "Securities"), secured/un-secured, listed on recognized stock exchanges in India or abroad, whether Rupee denominated or denominated in one or more permissible foreign currencies, and/or any combination of any of the aforementioned Securities in one or more tranches and/or one or more issuances simultaneously or otherwise for aggregating up to ₹ 7,500 Million (Rupees Seven Thousand Five Hundred Million only) or its equivalent in any other currency(ies) (inclusive of such premium as may be fixed on such Securities), through one or more public issue(s), rights issue(s), private placement(s), QIP pursuant to Chapter VI of SEBI ICDR Regulations, and/or any combination thereof or any other method as may be permitted under applicable laws to one or more eligible investors, for the purpose of inter alia achieving the minimum public shareholding (MPS) applicable to the Company in terms of the Securities Contracts (Regulation) Rules, 1957, to QIBs, in the course of domestic or international offerings, through issue of prospectus and/or letter of offer and/or placement document and/or offering circular and/or other permissible/ requisite offer documents to any eligible person, including QIBs, foreign/ resident investors (whether institutions, banks, incorporated bodies, mutual funds, individuals, trustees, stabilizing agent or otherwise), venture capital funds (foreign or Indian), alternative investment funds, foreign portfolio investors, public financial institutions, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, pension funds, insurance companies, provident fund with minimum applicable corpus and/or any other categories of persons or entities who are authorized to invest in the Securities of the Company as per extant regulations/ guidelines or any combination of the above as may be deemed appropriate by the Board/committee in its absolute discretion and, whether or not such investors are Members of the Company, (collectively referred to as the "Investors"), at such price or at a discount or premium to market price, as may be permitted under applicable laws, with authority to retain over subscription up to such percentage as may be permitted under applicable regulations, in such manner and on such terms and conditions as the Board may determine and without requiring any further approval or consent from the members at the time of such issue and allotment, considering the prevailing market conditions and other relevant factors, where necessary in consultation with the lead managers, merchant bankers, underwriters, guarantors, financial and / or legal advisors, depositories, registrars and other agencies, and as may be deemed appropriate by the Board in its absolute discretion including the discretion to determine the mode of issuance of Securities and/or categories of Investors to whom to offer, issue and allot such Securities as may be permitted under applicable laws and regulations."

"RESOLVED FURTHER THAT such issue, offer or allotment shall be by one or more of the following modes, i.e., by way of public issue, rights issue, and/or on a private placement basis, including QIP, with or without over-allotment option and that such offer, issue, placement and allotment be made as per the applicable and relevant laws/guidelines, as the Board may deem fit."

"RESOLVED FURTHER THAT in accordance with the provisions of the SEBI ICDR Regulations, SEBI Listing Regulations and 1993 Scheme, as applicable, the relevant date for determining the price of the Securities to be issued by way of QIP/FPO/rights issue/ FCCBs/FCEBs or any other permissible mode shall be the date of the meeting in which the Board decides to open the proposed issue or such other date, as may be prescribed in accordance with applicable laws."

"RESOLVED FURTHER THAT, if the Company proposes to issue and allot any Securities by way of QIP to QIBs pursuant to and in terms of Chapter VI of the SEBI ICDR Regulations and SEBI Listing Regulations:

1. the issue and allotment of Securities by way of QIP to QIBs shall be completed within 365 days from the date of passing of this resolution or such other time as may be allowed under the Companies Act and/or the SEBI ICDR Regulations, from time to time;

2. the "relevant date" for determination of the floor price of the Equity Shares to be issued shall be:
   a. in case of allotment of Equity Shares in a QIP, the date of meeting in which the Board decides to open the issue, and/or
   b. in case of allotment of eligible convertible securities in a QIP, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as may be determined by the Board.

3. the QIP shall be made at such price not less than the price determined in accordance with the pricing formula provided under the SEBI ICDR Regulations ("QIP Floor Price"), and the price determined for a QIP shall be subject to appropriate adjustments in accordance with the provisions of the SEBI ICDR Regulations, as may be applicable and the Board, at its absolute discretion, may offer a discount of up to 5% (five per cent) or such other discount as may be permitted under applicable law for any of Securities.

4. the issue and allotment of fully paid-up Securities, except as may be permitted under the SEBI ICDR Regulations, the ECB Guidelines, the 1993 Scheme and other applicable laws (or any combination of the Securities as decided by the Board), shall only be to QIBs within the meaning of Chapter VI of the SEBI ICDR Regulations and no allotment shall be made, either directly or indirectly, to any person who is a promoter or any person related to promoters in terms of the SEBI ICDR Regulations.

5. the allotment to a single QIB in the proposed QIP issue will not exceed 50% of the total issue size or such other limit as may be permitted under applicable law as well as the minimum number of allottees specified in SEBI regs shall be complied with.

6. no partly paid-up Equity Shares or other Securities shall be issued/allotted.

7. The Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to this special resolution.

8. The tenure of the convertible or exchangeable Eligible Securities issued through the QIP shall not exceed sixty months from the date of allotment

9. the Securities shall not be eligible to be sold for a period of one year from the date of allotment, except on the recognized Stock Exchanges, or except as may be permitted under the SEBI ICDR Regulations from time to time."

"RESOLVED FURTHER THAT in case of issue of Equity Shares, by way of QIP as per Chapter VI of SEBI ICDR Regulations, the prices determined for the QIP shall be subject to appropriate adjustments if the Company, pending allotment under this resolution:

a. makes an issue of Equity Shares by way of capitalization of profits or reserves, other than by way of dividend on shares;
b. makes a rights issue of Equity Shares;
c. consolidates its outstanding Equity Shares into a smaller number of shares;
d. divides its outstanding Equity Shares including by way of stock split;
e. re-classifies any of its Equity Shares into other securities of the issuer; and
f. is involved in such other similar events or circumstances, which in the opinion of the concerned stock exchange, requires adjustments.

"RESOLVED FURTHER THAT the Board be and hereby authorized to enter into any arrangement with any agencies or bodies for the issue of GDRs and / or ADRs represented by underlying equity shares in the share capital of the Company with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and / or international practice and regulations and under the norms and practices prevalent in the domestic / international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company."

"RESOLVED FURTHER THAT in pursuance of the aforesaid resolution the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing Securities of the Company, if any, and the Equity Shares, issue and allotted pursuant to and in terms of this resolution shall rank pari passu in all respects with the then existing Equity Shares of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized, in consultation with the merchant banker(s), advisors and / or other intermediaries as may be appointed in relation to the issue of Securities, to do all such acts, deeds, matters and take all such steps as may be necessary including without limitation to sign and execute all deeds, documents, undertakings, agreements, papers and writings as may be required in this regard including without limitation, the private placement offer letter (along with the application form), information memorandum, offering circular, disclosure documents, subscription or purchase agreement, escrow agreement, trust deed, agency agreement, placement document, placement agreement and any other documents as may be required, and to settle all questions, difficulties or doubts that may arise at any stage from time to time, and to engage, appoint all intermediaries including without limitation consultants, lead managers, co-lead managers, managers, merchant bankers, advisors, counsels, bankers, escrow agent, depository, custodian, registrar, trustee, etc, and to enter into and execute all such agreements/arrangements/ memorandum of understanding with them, as may be considered necessary or appropriate to finalize, approve and issue any document(s), including but not limited to prospectus and/ or letter of offer and/or circular, documents and agreements including filing of such documents (in draft or final form) with any Indian or foreign regulatory authority or Stock Exchanges and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion deem fit."

"RESOLVED FURTHER THAT such of those equity shares as are not subscribed to may be disposed of by the Board, in its absolute discretion, in such manner, as the Board may deem fit and as permissible under relevant laws/guidelines."

"RESOLVED FURTHER THAT the Board be and hereby authorized to enter into any arrangement with any agencies or bodies for the issue of GDRs and / or ADRs represented by underlying equity shares in the share capital of the Company with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and / or international practice and regulations and under the norms and practices prevalent in the domestic / international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers, herein conferred, to Executive Directors and / or Chief Financial Officer and / or Company Secretary & Compliance Officer or any other Senior Executive of the Company and/or to any committee of the Board, which may be/have been constituted to exercise its powers including the powers conferred by this Resolution."

"RESOLVED FURTHER THAT the Board or duly constituted committee, thereof is authorised to open one or more bank accounts in the name of the Company, as may be required, subject to requisite approvals, if any, and to give such instructions including closure thereof as may be required and deemed appropriate by the Board."

"RESOLVED FURTHER THAT the Board/committee be and is hereby authorised to seek any approval that is required in relation to the creation, issuance and allotment and listing of the Securities, from any statutory or regulatory authority or the Stock Exchanges and/or internationally recognised stock exchanges. Any approvals that may have been applied for by the Board in relation to the creation, issuance and allotment and listing of the Securities are hereby approved and ratified by the members."

By order of the Board

Chitrarth Rajan Parghi
Company Secretary & Compliance Officer

Place : **Surat**
Date : **May 25, 2023**

Registered Office:
Aether Industries Limited
Plot No. 8203, GIDC Sachin, Surat-394230, GJ.
CIN: **L24100GJ2013PLC073434**

Notes:

1. In view of the continuing CoVID-19 pandemic, the Ministry of Corporate Affairs, vide its General Circular Nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021, 21/2021, 02/2022 and 10/2022 dated 8th April, 2020, 13th April, 2020, 15th June, 2020, 28th September, 2020, 31st December, 2020, 23rd June, 2021, 8th December, 2021, 14th December, 2021, 5th May, 2022 and 28th December, 2022 respectively and Securities and Exchange Board of India, vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, read with Circular number SEBI/HO/DDHS/P/CIR/2022/0063 dated 13th May, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023, allowed the Companies to conduct the AGM through Video Conferencing (VC) / Other Audio Visual Means (OAVM) whose AGMs are due in year 2023. The procedure for participating in the meeting through VC/OAVM is explained in the notes below and is also available on the website of the Company at www.aether.co.in and at the website of Stock Exchanges BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com. For the purpose of proceedings, the AGM will be deemed to be convened at Registered Office of the Company at Plot No. 8203, GIDC Sachin, Surat-394230, GJ. and Members are requested to join the Meeting through their places through VC mode.

2. Since the Annual General Meeting (AGM) is being held through Video Conferencing (VC) / Other Audio Visual Means (OAVM), physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and route map of the AGM venue are not annexed to this Notice. However, a member may appoint a representative as per applicable provisions of the Companies Act, 2013 to attend and / or vote.

3. The Financial Statements (including Report of Board of Directors, Auditor's Report or other documents required to be attached herewith), including the Notice of the Annual General Meeting are being sent only in electronic mode to Members whose e-mail address is registered with the Company / Registrar & Share Transfer Agent or Depository Participants (DP). Printed copies of Annual Report (including the Notice) are not being sent to members in view of the circular.

4. Members may note that the Notice of the Annual General Meeting and the Annual Report for the Fiscal Year 2022-23 will also be available on the website of the Company at www.aether.co.in, which can be downloaded.

5. The electronic copies of the documents that are referred to this Notice but not attached to it will be made available for inspection. For inspection, members can send e-mail on compliance@aether.co.in with their Depository Participant and Client ID or Folio number. Electronic copies of Register of Directors and Key Managerial Personnel and their shareholding maintained under Companies Act, 2013 will be available for inspection by sending request on the above given e-mail.

6. The voting rights of the Equity Shareholders shall be in the same proportion to the paid-up share capital of the Company

7. The members desiring any information relating to the accounts or having any questions, are requested to write to the Company on compliance@aether.co.in at least seven days before the date of the Annual General Meeting (AGM) so as to enable the Management to keep the responses ready and expeditiously provide them at the AGM, as required.

8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

9. 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 at-least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

10. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013 and the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC / OAVM and cast their votes through e-voting.

E-voting instructions for Shareholders

The voting period begins on June 13, 2023 from 09:00 Hrs. and ends on June 15, 2023 at 17:00 Hrs. During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of June 10, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Access through Depositories e-Voting system in case of individual shareholders holding shares in demat mode

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 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.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	1. Users who have opted for CDSL Myeasi facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to the e-voting are https://web.cdslindia.com/myeasinew/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.
	2. After successful login, the Myeasi user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL, so that the user can visit the e-Voting service providers' website directly.
	3. If the user is not registered for Myeasi, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
	4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a e-Voting link available on www.cdslindia.com home page or click
	5. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the eVoting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers
Individual Shareholders holding securities in demat mode with NSDL Depository	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' 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 company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e Voting period or joining virtual meeting & voting during the Meeting.
	2. If the user is not registered for IDeAS e Services, option to register is available at https:/eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at: https://eservices.nsdl.com SecureWeb/IdeasDirectReg.jsp
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your 16 (sixteen) digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting of all e-Voting Service Providers.

Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. 2. After Successful 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 company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting.

Important Note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above mentioned websites.

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

Login type	Help-desk details
Individual Shareholders holding securities in Demat mode with CDSL	CDSL Helpdesk: E-mail: helpdesk.evoting@cdslindia.com Toll-free No.: 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	NSDL Helpdesk: E-mail: evoting@nsdl.co.in Toll-free No.: 1800 1020 990 and 1800 22 44 30

Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode

Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1. The shareholders should log on to the e-voting website https://web.cdslindia.com/myeasinew/home/login.
2. Click on "Shareholders" module.
3. Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used
6. If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.
Dividend Bank Details OR Date of Birth (DoB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For shareholders holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
10. Click on the EVSN for the relevant 'Aether Industries Limited' on which you choose to vote.
11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
13. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
16. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
17. Additional Facility for Non-Individual Shareholders and Custodians (For Remote Voting only):
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
    - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non-Individual shareholders are required mandatory to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz. compliance@aether.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Instructions for Shareholders attending the AGM through VC/OAVM & e-voting during Meeting are as under

1. The procedure for attending Meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

3. The link for VC/OAVM to attend Meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

5. Shareholders who have voted through Remote e-Voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the AGM.

4. Shareholders are encouraged to join the Meeting through Laptops / Tablets for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

7. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

9. Shareholders who would like to express their views / ask questions during the Meeting may register themselves as a speaker by sending their request in advance at least seven days prior to Meeting mentioning their name, demat account number / Folio number, Email id, Mobile number at compliance@aether.co.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance seven days prior to Meeting mentioning their Name, Demat account number / Folio number, Email id, Mobile number at compliance@aether.co.in. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the Meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-Voting during the Meeting is available only to the shareholders attending the Meeting.

Process for those Shareholders whose Email / Mobile No. are not registered with the Company / Depositories

1. For Physical shareholders: Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company / RTA email id. At current instance, there is no physical shareholder.

2. For Demat shareholders: Please update your Email id & Mobile no. with your respective Depository Participant (DP).

3. For Individual Demat shareholders: Please update your Email id & Mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual Meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

1. M/s. Dhirren R. Dave & Company, Company Secretaries has been appointed as the Scrutiniser to scrutinise the remote e-voting and the voting process at the AGM in a fair and transparent manner.

2. The Scrutiniser will within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, and forward it to the Chairman of the Company.

3. The results will be declared at or after the AGM. The results declared along with the Scrutiniser's Report will be placed at: https://aether.co.in/investor-relations/, the website of the Company and on www.evotingindia.com the website of CDSL within two days of passing of the Resolutions at the AGM and also will be communicated to the BSE Ltd. and the National Stock Exchange of India Ltd.

4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

Additional information pursuant to the SS-2 on General Meetings and Regulation 33(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Ms. Purnima Ashwin Desai	Dr. Aman Ashwinbhai Desai
Age	69 Years	40 Years
Date of Birth	January 24, 1954	March 30, 1983
Date of first appointment	January 13, 2013 (Since inception)	August 25, 2014
Director Identification Number (DIN)	00038399	00043633

Qualification	Bachelor of Commerce (B.Com.) from the University of Delhi.	PhD, Organic Chemistry from Michigan State University, USA.
		Bachelor of Technology (B. Tech.) Branch III: Intermediates and Dyestuff Technology) from University Institute of Chemical Technology, University of Mumbai
Brief Resume and Experience	Purnima Ashwin Desai is among the three Founder Promoters of the Company and a Whole-time Director of the Company. With multiple decades of experience in the speciality chemical industry, she leads the overall accounting and finance operations of our Company. She has over four decades of experience in the field of accounting, commerce and administration.	Dr. Aman Ashwinbhai Desai is a Promoter and Whole-time Director of our Company. He is responsible for our R&D, pilot plant, and production operations, new projects, and technical business development, and has over 10 years of experience in the speciality chemical industry. His doctoral research was published in the Journal of the American Chemical Society and was also featured in Chemical & Engineering News in 2010. Dr. Aman was then a Project Leader in the Process Development group in Core R&D Headquarters at the Dow Chemical Company in Michigan (USA). Dr. Aman has been awarded the UAA Young Achiever Award in 2018 in the UAA-ICT Distinguished Alumnus Awards from his alma mater, the Institute of Chemical Technology, Mumbai, India. He is the author/ coauthor of 25 publications in international technical journals. He has been granted 4 patents in USA, and these patents are published worldwide. He has over one decade of experience in the research domain.
Experience in specific functional areas	Management / Administration Commercial Finance	Science & Technology Commercial
Disclosure of relationships between Directors inter-se	Spouse of Mr. Ashwin Jayantilal Desai, Managing Director. Mother of Mr. Rohan Ashwin Desai and Dr. Aman Ashwinbhai Desai, Whole-time Directors. Mother in-law of Ms. Ishita Surendra Manjrekar, Non-Executive Non-Independent Director.	Son of Mr. Ashwin Jayantilal Desai, Managing Director and Ms. Purnima Ashwin Desai, Whole-time Director. Brother of Mr. Rohan Ashwin Desai. Spouse of Ms. Ishita Surendra Manjrekar, Non-Executive Non-Independent Director.
Terms of appointment	Remains unchanged	Remains unchanged
Number of Board Meetings attended	8 out of 9 Board Meetings	8 out of 9 Board Meetings

None of the above Director is debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other Authority.

Explanatory Statement

Explanatory Statements under Section 102 of the Companies Act, 2013 for Item No. 4, 5, 6 and 7 being Special Businesses to be transacted are as below :

Item No. 4

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Cost Auditor of ₹ 90,000 (Rupees Ninety Thousand only) for the Fiscal Year 2023-24, as recommended by the Audit Committee and approved by the Board in their Meeting held on May 6, 2023, is proposed before the Members for ratification. The Auditor had certified that they are eligible for appointment as Cost Auditors in terms of Section 141 read with Section 148 of the Companies Act, 2013.

On the recommendation of the Audit Committee, the Board considered and approved appointment of the Cost Auditors, M/s. Ashvin Ambaliya & Associates, Cost and Management Accountants, (Firm Registration No.: 002176), for conducting the cost audit of the applicable products at a remuneration of ₹ 90,000 (Rupees Ninety Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses for the Fiscal Year 2023-24.

The Board seeks ratification of the aforesaid remuneration by the Members by way of passing an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Resolution.

Item No. 5

Pursuant to Section 196(3)(a) of the Companies Act, 2013 and Rules applicable thereunder, continuing the directorship as the Whole-time Director of the Company, upon attaining the age of 70 (seventy) years, approval of members by way of Special Resolution is essential.

As recommended by the Nomination & Remuneration Committee and further approved by the Board of Directors in their Meeting held on May 6, 2023, the proposal for continuous serving of Ms. Purnima Ashwin Desai (DIN: 00038399) as the Whole-time Director of the Company, upon completion of 70 (seventy) years on January 24, 2024, of her age at the prevailing terms for the remaining tenure, be placed before members in the Annual General Meeting for the approval vide passing a Special Resolution.

Ms. Purnima Ashwin Desai satisfies all the conditions set out in Part-I of Schedule V to the Companies Act, 2013, and also conditions set out under subsection (3) of Section 196 of the Companies Act, 2013, being eligible for her continuous tenure. She is not disqualified from being a Director in terms of Section 164 of the Act.

Except, Mr. Ashwin Jayantilal Desai, Ms. Purnima Ashwin Desai, Mr. Rohan Ashwin Desai, Dr. Aman Ashwinbhai Desai and Ms. Ishita Surendra Manjrekar, none of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Resolution.

Item No. 6

Pursuant to the provisions of Section 13, 61, 64 and other applicable provisions of the Companies Act, 2013 read with applicable rules made thereunder and the Article of Association of the Company; the increase of Authorised Equity Share Capital of the Company requires approval of members.

Taking into consideration the proposal to raise funds through appropriate means in one or more trenches, it will require an ample quantum of Authorised Equity Share Capital for better accommodation of to be issued Equity Shares. The Board of Directors in their Meeting held on May 6, 2023 has approved and recommended to members to increase the Authorised Share Capital of the Company from ₹ 1,40,00,00,000 (140.00 Million Equity Shares) to ₹ 1,47,50,00,000 (147.50 Million Equity Shares).

The above action will also require to amend the Capital Clause of the Memorandum of Association of the Company whereby, the quantum of proposed Authorised Equity Share Capital will replace the existing capital structure.

The Board of Directors has recommended to the members to approve the increase in Authorised Equity Share Capital of the Company to the aforesaid amount vide passing an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Resolution.

Item No. 7

The Company has been exploring opportunities for its growth including capitalising of acquired plots vide setting up operational facilities in-line with the core business object of the Company. This would require sufficient resources including funds to be available and to be allocated, from time to time. The generation of internal funds may not always be adequate to meet all the requirements of the Company's growth plans. It would be therefore, prudent for the Company to have the requisite enabling approvals in place for meeting the fund requirements for its growth, capital expenditure, working capital, financing organic or inorganic growth opportunities, general corporate purposes, investment in subsidiaries, refinancing the existing borrowings and also such other corporate purposes as may be permitted under the applicable laws and as may be specified in the appropriate approvals]. This would also help the Company to take quick and effective action to capitalize on the opportunities as and when available. The raising of funds through equity will also assist the Company towards meeting its Minimum Public Shareholding ("MPS") in accordance with Rule 19(2) of the Securities Contracts (Regulation) Rules, 1957 read along with instructions received from the Securities and Exchange Board of India.

The requirement of funds is proposed to be met from both equity and debt from the issuance of appropriate securities as defined in the resolutions and from both domestic and international markets. Prudence would require the funding to be structured with an appropriate mix of equity and debt to meet the objective of optimization of the cost as well as conservative financial management.

The Board of Directors, accordingly, at their meeting held on May 6, 2023 has recommended to the shareholders to give their consent through special resolution to the Board of Directors or any Committee of the Board to raise funds through issuance of securities and / or Global Depository Receipts ("GDRs") and / or American Depository Receipts ("ADRs") and / or Foreign Currency Convertible Bonds ("FCCBs") and/or Convertible Bonds / Debentures non-convertible debt instruments along with warrants / securities or any equity based instrument(s) ("Securities") as may be appropriate to persons who may or may not be the existing shareholders through private placement and / or qualified institutions placement ("QIP") and / or rights issue and / or any other permitted modes at a price to be determined as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, as amended (the "SEBI ICDR Regulations") or as per other applicable rules and regulations, for raising of the funds aggregating up to ₹ 7,500 Million (Rupees Seven Thousand Five Hundred Million only) or its equivalent in any other currency(ies) under section 62 read with section 179 of the Companies Act, 2013, as amended or other applicable laws. While no specific instrument or instruments of Securities has been identified at this stage, the Board may opt for the exact combination of the Securities to be issued, issue price, timing and detailed terms and conditions of issuance etc. shall be finalized by the Board, in consultation with lead managers, advisors and such other authorities and intermediaries, as may be required to be consulted by the Company in due considerations of prevailing market conditions and other relevant factors and in the best interest of the Company. Such issue shall be subject to the provisions of the Companies Act, 2013, as amended and rules made there under from time to time, the Memorandum and Articles of Association of the Company, SEBI ICDR Regulations and other applicable laws.

The enabling resolution is proposed to be passed as a special resolution pursuant to Sections 42 and 62(1)(c) of the Companies Act, 2013 which, read with Regulation 41(4) of the SEBI Listing Regulations provides that whenever any further issue or offer is being made by the Company, the existing shareholders should be offered the same on pro-rata basis unless the shareholders in the general meeting decide otherwise. The said resolution, if passed, shall have the effect of allowing the Board on behalf of the Company to issue and allot the securities on pro-rata basis to the existing shareholders or otherwise.

The Resolution further seeks to empower the Board of Directors to undertake a QIP with QIBs as prescribed by SEBI ICDR Regulations. The Board of Directors may, in their discretion, adopt this mechanism as prescribed under Chapter VI of the SEBI ICDR Regulations for raising funds for the Company, without seeking fresh approval from the shareholders.

Maximum Amount to be raised / number of Securities to be Issued
The total amount to be raised, in one or more tranches, by the issuance of Securities through any of the modes or combination thereof as mentioned in the resolution would be up to ₹ 7,500 Million (Rupees Seven Thousand Five Hundred Million only) its equivalent in any other currency(ies).

Pricing
The pricing would be arrived at by the Board, depending on market conditions and in accordance with the SEBI ICDR Regulations, the 1993 Scheme or other applicable laws. In the event of a QIP pricing of the Equity Shares that may be issued to QIBs shall be freely determined subject to such price not being less than floor price calculated in accordance with Chapter VI of the SEBI ICDR Regulations, provided that the Company may offer a discount not exceeding 5% of the floor price or such other permissible limit as may be specified under Chapter VI of the SEBI ICDR Regulations.

Relevant Date
The relevant date for determining the issue price of the Securities by way of QIP/FPO/rights issue/ FCCB/ FCEB or by way of any other mode of issuance shall, subject to and in accordance with the SEBI ICDR Regulations and the 1993 Scheme, be:

a. in case of allotment of Equity Shares in a QIP or upon conversion of FCCBs pursuant to the 1993 Scheme, the date of meeting in which the Board decides to open the issue, and/or;
b. in case of allotment of eligible convertible securities in a QIP, either the date of the meeting in which the Board decides to open the issue of such convertible Securities or the date on which the holders of such convertible Securities become entitled to apply for the Equity Shares, as may be determined by the Board.

Change in Control
There would be no change in control pursuant to the said issue of Securities.

Listing
The Securities to be issued will be listed on one or more recognized stock exchanges in India and / or abroad.

Class or Classes of persons to whom the Securities will be offered
The Securities will be offered and issued to such Investors including QIBs who are eligible to acquire such Securities in accordance with the applicable laws, rules regulations and guidelines. The proposed allottees may be resident of India or abroad and whether or not such persons are members.

Intention of the Promoters, Directors, Key Managerial Personnel or Senior Management
The Promoters, Directors, KMPs or Senior Management shall not be eligible to subscribe to the proposed issue of Securities, except in accordance with Applicable Laws.

Transferability of Securities
The Securities shall not be eligible to be sold for a period of one year from the date of allotment, except on the recognized Stock Exchanges, or except as may be permitted under the SEBI ICDR Regulations from time to time.

Proposed time within which the allotment shall be completed
In case of the QIP, the allotment of the Securities shall be completed within a period of 365 days from the date of passing of resolution set out at item no 7 of this Notice.

The allotment to a single QIB in the proposed QIP issue will not exceed 50% of the total issue size or such other limit as may be permitted under applicable law.

The detailed terms and conditions for the offer will be determined in consultation with the Advisors, Lead Managers and Underwriters and such other authority or authorities as may be required, considering the prevailing market conditions and other regulatory requirements for various types of issues including rights issue or QIP.

Pursuant to Section 62 of the Companies Act, 2013 and the SEBI Listing Regulations, whenever it is proposed to increase the subscribed capital of a company by a further issue and allotment of shares, such shares need to be offered to the existing members in the manner laid down in the said section unless the members decide otherwise in a General Meeting.

The equity shares to be allotted shall rank pari passu in all respects with the existing equity shares of the Company.

The Board, accordingly, recommends passing of the resolution as set out as Agenda No. 7 of this Notice for the approval of the members as Special Resolution.

It is submitted that none of the Directors, Key Managerial Personnel or Senior Management of the Company or their relatives is, whether directly or indirectly, concerned or interested, financial or otherwise, in the passing of the aforesaid resolution except to the extent of their shareholding, if any, in Company.

By order of the Board

Chitrarth Rajan Parghi
Company Secretary & Compliance Officer

Place : **Surat**
Date : May 25, 2023

Registered Office:
Aether Industries Limited
Plot No. 8203, GIDC Sachin, Surat-394230, GJ.
CIN: L24100GJ2013PLC073434

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Conceptualized & Designed by Aether

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