Independent Auditor's Report

To the Members of Hikal Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Hikal Limited ("the Company"), which comprise the Balance sheet as at 31 March 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 70 of the standalone financial statements, as regards the ongoing investigations by statutory authorities and subsequent closure of the Taloja manufacturing facility, the outcome of which is subject to inherent uncertainties. Our opinion is not modified in respect of aforesaid matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition based on contracts with customers (as described in note 3.1 and 34 of the standalone financial statements)	
The Company recognizes revenue when control of the goods is transferred to the customers at an amount that reflects the net consideration, which the Company is entitled to receive for those goods from customers. Revenue from sale of products is recognised based on terms and conditions, which vary amongst different customers. There is a risk of revenue being overstated on account of variation in the timing of transfer of control and due to the pressure management may feel to achieve performance targets at the reporting period-end. The recognition and measurement of such revenue is also based on the terms of sales arrangement/contracts, which involves management judgement and estimation in respect of price adjustments that create complexities for determining sales revenues. Considering the above factors and the risk associated with recognition of such revenue, we have determined the same to be a key audit matter.	As part of our audit procedures, we: • Read the Company's accounting policy for revenue recognition and assessed its compliance with 115 'Revenue from contracts with customers; • Assessed the design and tested the operating effectiveness of internal financial controls related to sale of goods; • Performed sample tests of individual sales transactions and price adjustments and traced to sales invoices, sales orders, shipping documents and debit / credit notes; • Selected sample of sales transactions made pre and post year-end, agreed the period of revenue recognition to underlying documents such as sales invoices, sales orders and shipping documents; • Read and assessed the relevant disclosures made within the standalone financial statements.

Other Information

The Company's Board of Directors is responsible for the Other Information. Other Information comprises the information included in the annual report including report of the board of directors, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report including report of the board of directors is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

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

When we read the annual report including report of the board of directors, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended 31 March 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164 (2) of the Act;

   (f) The matter described in Emphasis of Matter above, in our opinion, may have an adverse effect on the functioning of the Company.

   (g) With respect to the adequacy of the internal financial controls of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) In our opinion, the managerial remuneration for the year ended 31 March 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

      i. The Company has disclosed the impact of pending litigations on its financial position in note 48 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 66 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 67 to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

      v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

      The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

      As stated in note 21 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vinayak Pujare**
Partner
Membership Number: 101143
UDIN: 22101143AJUVEO7502
Place of Signature: Mumbai
Date: 28 May 2022

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the standalone financial statements of Hikal Limited

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipment have not been physically verified by the management during the year, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) 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) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31 March 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(b) As disclosed in note 22 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantor or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company..

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the investments made.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to manufacture of products of the Company and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, sales-tax, service-tax, duty of customs, Goods and Services Tax, duty of excise, value added tax, income tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, service-tax, Goods and Services tax, sales-tax, duty of customs, value added tax, income tax, cess and other material statutory dues were outstanding, at the year-end, for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues outstanding as of the balance sheet date, of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax, goods and services tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount Unpaid* (₹ in Million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	108.48	FY 2006-07 and FY 2009-10	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	436.57	FY 2013-14, FY 2016-17 and FY 2017-18	Commissioner of Income Tax (Appeals)
The Central Excise Act, 1944	Excise Duty	34.13	July 2007 to December 2011	Customs, Excise and Service Tax Appellate Tribunal, Bangalore

* Net of amount paid under protest

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) Term loan was applied for the purpose for which the loan was obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirements to report on clause 3(xii)(a), 3(xii)(b), 3(xii)(c), of the Order are not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause (xvi)(c) of the Order is not applicable to the Company

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 58 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 51 to the standalone financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 51 to the standalone financial statements.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vinayak Pujare**
Partner
Membership Number: 101143
UDIN: 22101143AJUVEO7502
Place of Signature: Mumbai
Date: 28 May 2022

Annexure 2 to the Independent Auditor's Report of even date on the standalone financial statements of Hikal Limited

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 of Hikal Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls with Reference to these Standalone Financial Statements

A company's internal financial control with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to these Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at 31 March 2022, based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vinayak Pujare**
Partner
Membership Number: 101143
UDIN: 22101143AJUVEO7502
Place of Signature: Mumbai
Date: 28 May 2022

Standalone Balance Sheet

As at 31 March 2022

(Currency : Indian Rupees in million)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	8,147.48	6,459.85
Capital work-in-progress	4	2,851.83	2,453.85
Right of use assets	5	640.27	651.70
Other intangible assets	6	6.89	13.96
Intangible assets under development	6	96.01	88.54
Financial Assets			
Investments	7	6.48	6.22
Loans	8	1.69	1.82
Others	9	146.81	200.39
Income tax assets (net)	10	20.21	20.21
Other non-current assets	11	570.70	449.76
Total non-current assets		**12,488.37**	**10,346.30**
Current assets			
Current Investment	12	102.68	-
Inventories	13	3,289.79	2,666.99
Financial Assets			
Trade receivables	14	4,377.20	4,855.30
Cash and cash equivalents	15	114.41	76.37
Bank balances other than cash and cash equivalents	16	376.50	291.71
Loans	17	3.08	2.34
Others	18	174.86	2.35
Other current assets	19	1,204.27	890.94
Total current assets		**9,642.79**	**8,786.00**
Total assets		**22,131.16**	**19,132.30**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	246.60	246.60
Other equity			
Retained earnings		8,045.99	6,700.30
Other reserves	21	2,387.48	2,387.28
Total equity		**10,680.07**	**9,334.18**
Liabilities			
Non-current liabilities			
Financial Liabilities:			
Borrowings	22	2,866.81	2,628.86
Lease liability	23	2.23	5.79
Provisions	24	236.30	219.86
Deferred tax liabilities (net)	25	364.07	375.82
Other liabilities	26	290.02	
Total non-current liabilities		**3,759.43**	**3,230.33**
Current liabilities			
Financial liabilities:			
Borrowings	27	3,877.57	3,464.82
Lease liability	28	3.56	3.04
Trade payables	29		
- Total outstanding dues of Micro Enterprises and Small Enterprises		449.98	260.48
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		2,040.55	2,035.65
Other financial liabilities	30	683.84	409.56
Other current liabilities	31	481.89	122.97
Provisions	32	31.38	44.42
Income tax liabilities (net)	33	122.89	226.85
Total current liabilities		**7,691.66**	**6,567.79**
Total liabilities		**11,451.09**	**9,798.12**
Total equity and liabilities		**22,131.16**	**19,132.30**

Significant accounting policies 1-3

The notes referred to above form an integral part of standalone financial statements

As per our report of even date

For and on behalf of the Board of Directors of **Hikal Limited**
CIN: L24200MH1988PTC048028

For S R B C & CO LLP
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

per Vinayak Pujare
Partner
Membership No: 101143

Place: Mumbai
Date: 28 May 2022

Jai Hiremath
Executive Chairman
DIN: 00062203

Kannan K. Unni
Director
DIN: 00227858

Place: Mumbai
Date: 28 May 2022

Kuldeep Jain
Chief Financial Officer

Sameer Hiremath
Managing Director and CEO
DIN: 00062129

Rajasekhar Reddy
Company Secretary

Standalone Statement of Profit and Loss

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	34	19,427.21	17,204.36
Other income	35	48.90	49.82
Total income		**19,476.11**	**17,254.18**
Expenses			
Cost of materials consumed	36	10,322.11	9,067.12
Changes in inventories of finished goods and work-in-progress	37	(358.23)	16.65
Employee benefit expenses	38	2,013.50	1,643.17
Finance costs	39	312.18	361.98
Depreciation and amortisation expense	4-6	956.69	852.45
Other expenses	40	4,044.17	3,248.54
Total expenses		**17,290.42**	**15,189.91**
Profit before tax		2,185.69	2,064.27
Tax expense			
Current tax	41	596.50	795.51
Deferred tax	42	(15.90)	(62.66)
Total tax expense		**580.60**	**732.85**
Net profit for the year		**1,605.09**	**1,331.42**
Other comprehensive income (OCI)			
(i) Items that will not be reclassified to standalone statement of profit and loss			
Gain / (loss) on remeasurement of defined employee benefit plans		15.95	(19.38)
Gain / (loss) on change in fair values of investments in equity shares carried at fair value through OCI		0.27	(0.06)
(ii) Income tax relating to items that will not be reclassified to standalone statement of profit and loss		(4.16)	5.00
Other comprehensive income for the year, (net of income tax)		12.06	(14.44)
Total comprehensive income for the year		**1,617.15**	**1,316.98**
Earnings per equity share (for nominal value per equity share of ₹2)			
Basic and Diluted	43	13.02	10.80

Significant accounting policies 1-3

The notes referred to above form an integral part of standalone financial statements

As per our report of even date

For and on behalf of the Board of Directors of **Hikal Limited**
CIN: L24200MH1988PTC048028

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Sameer Hiremath
Managing Director and CEO
DIN: 00062129

Rajasekhar Reddy
Company Secretary

Standalone Statement of Changes in Equity

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

(a) Equity share capital

	No of shares	Value
Balance as at 1 April 2020	123.30	246.60
Changes in equity share capital during 2020-21	-	-
Balance as at 31 March 2021	**123.30**	**246.60**
Changes in equity share capital during 2021-22	-	-
Balance as at 31 March 2022	**123.30**	**246.60**

(b) Other equity

	Reserve and Surplus							Equity investments through other comprehensive income
	Capital reserve	Capital redemption reserve	Securities premium	State subsidy	Contingency reserve	General reserve	Retained earnings	
Balance as at 1 April 2020	0.44	509.82	64.72	5.50	30.00	1,779.56	5,531.24	(2.72)
Total comprehensive income for the year ended 31 March 2021								
Profit for the year	-	-	-	-	-	-	1,331.42	-
Items of OCI for the year, net of tax								
Gain / (loss) on remeasurement of defined employee benefit plans	-	-	-	-	-	-	(14.40)	-
Gain / (loss) on change in fair values of investments in equity shares carried at fair value through OCI	-	-	-	-	-	-	-	(0.04)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**1,317.02**	**(0.04)**
Transaction with owners in their capacity as owners, recorded directly in equity								
Dividend	-	-	-	-	-	-	(147.96)	-
Balance as at 31 March 2021	**0.44**	**509.82**	**64.72**	**5.50**	**30.00**	**1,779.56**	**6,700.30**	**(2.76)**
Total comprehensive income for the year ended 31 March 2021								
Profit for the year	-	-	-	-	-	-	1,605.09	-
Items of OCI for the year, net of tax								
Gain / (loss) on remeasurement of defined employee benefit plans	-	-	-	-	-	-	11.86	-
Gain / (loss) on change in fair values of investments in equity shares carried at fair value through OCI	-	-	-	-	-	-	-	0.20
Total comprehensive income	-	-	-	-	-	-	1,616.95	0.20
Transaction with owners in their capacity as owners, recorded directly in equity								
Dividends	-	-	-	-	-	-	(271.26)	-
Balance as at 31 March 2022	**0.44**	**509.82**	**64.72**	**5.50**	**30.00**	**1,779.56**	**8,045.99**	**(2.56)**

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

per Vinayak Pujare
Partner
Membership No: 101143

Place: Mumbai
Date: 28 May 2022

For and on behalf of the Board of Directors of **Hikal Limited**
CIN: L24200MH1988PTC048028

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Kannan K. Unni
Director
DIN: 00227858

Kuldeep Jain
Chief Financial Officer

Rajasekhar Reddy
Company Secretary

Place: Mumbai
Date: 28 May 2022

Standalone Cash Flow Statement

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

	For the year ended 31 March 2022		For the year ended 31 March 2021	
A. Cash flow from operating activities				
Profit before tax after exceptional item		2,185.69		2,064.27
Adjustments:				
Depreciation and amortisation expense	956.69		852.45	
Dividend on long-term investments	-		(0.01)	
Finance costs	312.18		361.98	
Interest income	(17.55)		(26.67)	
Gain on sale of property, plant and equipment	(0.52)		-	
Sundry balances written (back)/off	(3.56)		9.73	
Provision for doubtful debts/advances	15.27		45.29	
Change in fair value of current investment	(2.30)		-	
Provision /Written off of inventory	11.40		60.00	
Profit on sale of investment	(1.40)		(0.12)	
Unrealised foreign exchange loss/(gain)	(7.51)		(32.79)	
		1,262.70		1,269.86
Operating cash flow before working capital changes		**3,448.39**		**3,334.13**
(Increase)/Decrease in trade receivables	469.10		(1,473.23)	
(Increase)/Decrease in loans and advances and other assets	(564.68)		86.22	
Decrease in inventories	(634.20)		397.65	
Increase in trade payables	193.52		292.56	
Increase/(Decrease) in provisions and other liabilities	723.20		117.85	
		186.94		(578.95)
Cash generated from operations		**3,635.33**		**2,755.18**
Income tax paid		(698.00)		(465.00)
Net cash flows generated from operating activities (A)		**2,937.33**		**2,290.18**
B. Cash flow from investing activities				
Purchase of property, plant and equipment and intangible assets	(2,733.14)		(1,575.99)	
Proceeds from sale of property, plant and equipment	2.69		-	
Purchase of current investments	(180.38)			
Proceeds from sale of investment	81.40		0.73	
Dividend on long-term investments	-		0.01	
Interest received	16.93		27.33	
(Increase)/decrease in other bank balances (includes margin money account)	(31.21)		(14.04)	
Net cash flows (used in) investing activities (B)		**(2,843.71)**		**(1,561.96)**

Standalone Cash Flow Statement

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

	For the year ended 31 March 2022		For the year ended 31 March 2021	
C. Cash flow from financing activities				
Proceeds from long-term borrowings	1,350.00		600.00	
Repayment of long-term borrowings	(887.13)		(872.60)	
Repayments of/proceeds from short-term borrowings (net)	204.60		(56.92)	
Finance costs paid (including transaction costs)	(448.75)		(487.86)	
Payment of lease liability	(3.04)		(3.11)	
Dividend paid on equity shares	(271.26)		(148.19)	
Net cash flows (used in) financing activities (C)		**(55.58)**		**(968.68)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**38.04**		**(240.46)**
Cash and cash equivalents at the beginning of the year, the components being				
Cash on hand		0.84		2.37
Balances with banks				
- Current accounts		66.97		304.56
- Exchange Earners Foreign Currency accounts		0.09		1.86
- Deposits accounts (demand deposits and deposits having original maturity of 3 months or less)		8.47		8.04
		76.37		**316.83**
Cash and cash equivalents at the end of the year, the components being				
Cash on hand		2.37		0.84
Balances with banks				
- Current accounts		96.84		66.97
- Exchange Earners Foreign Currency accounts		7.19		0.09
- Deposits accounts (demand deposits and deposits having original maturity of 3 months or less)		8.01		8.47
		114.41		**76.37**
Net increase/(decrease) as disclosed above (A+B+C)		**38.04**		**(240.46)**

Notes to the cash flow statement

1 The above cash flow statement has been prepared under the 'Indirect Method' set out in Accounting Standard (IND AS) 7, 'Cash Flow Statements'.

2 For changes in liability arising from financing activity refer note 22

Significant accounting policies 1-3

The notes referred to above form an integral part of standalone financial statements

As per our report of even date

For and on behalf of the Board of Directors of **Hikal Limited**
CIN: L24200MH1988PTC048028

For S R B C & CO LLP
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

per Vinayak Pujare
Partner
Membership No: 101143

Place: Mumbai
Date: 28 May 2022

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Executive Chairman
DIN: 00062203

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Kannan K. Unni
Director
DIN: 00227858

Kuldeep Jain
Chief Financial Officer

Rajasekhar Reddy
Company Secretary

Place: Mumbai
Date: 28 May 2022

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

1 Company Overview

Hikal Limited ('Hikal' or 'the Company') was incorporated on 8 July, 1988 having its registered office at 717/718, Maker Chamber V, Nariman Point, Mumbai 400 021.

The Company is engaged in the manufacturing of various chemical intermediates, specialty chemicals, active pharma ingredients and contract research activities.

The Company has its equity shares listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

The Company is operating in the crop protection and pharmaceuticals space.

2 Basis of preparation

2.1 Statement of compliance

The accompanying standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements for the year ended 31 March 2022 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 28 May 2022.

2.2 Functional and presentation currency

These standalone financial statements are presented in Indian rupees, which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest million, unless otherwise indicated.

2.3 Basis of measurement

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

- certain financial assets and liabilities 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 defined benefit obligations.

2.4 Use of estimates and judgments

The preparation of the standalone financial statements in accordance with Ind AS requires use of judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Property, plant and equipment

Useful lives of tangible assets are based on the estimates made by the management. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

c. Impairment allowance of trade receivables (allowance for bad and doubtful debts)

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

d. Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

e. Recognition of deferred tax assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits,if any could be utilised.

2.5 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6 Current / non-current classification

An entity shall classify an asset as current when-

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An entity shall classify a liability as current when-

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

An entity shall classify all other assets and liabilities as non-current.

Operating cycle

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

3 Significant accounting policies

3.1 Revenue

Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery.

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

Revenue is measured based on the transaction price, which is the consideration, adjusted for rebates and discounts, price adjustments and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Due to short nature of credit period given to customers there is no financing component in the contract.

Export entitlements

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection/determination of amounts of the relevant export proceeds.

Rendering of Services

Revenue from services rendered is recognised in the Statement of profit and loss as the underlying services are performed.

Interest Income

Interest income is recognised using the effective interest method as set out in Ind AS 109 – Financial Instruments: Recognition and Measurement, when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

Dividend Income

Dividend income is recognised when right to receive payment is established and it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the Company's functional currency 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-monetary 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-monetary asstes and liabilities that are measured based on historical cost in a foreign currency are not translated.

Foreign currency exchange differences are generally recognised in the statement of profit and loss.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous Financial Statements are recognised in the Standalone Statement of Profit and Loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in Other Comprehensive Income, any exchange component of that gain or loss is recognised in Other Comprehensive Income. Conversely, when a gain or loss on a non-monetary item is recognised in Standalone Statement of Profit and Loss, any exchange component of that gain or loss is recognised in Standalone Statement of Profit and Loss.

3.3 Employee benefits

Short-term employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

Post employment employee benefits

i Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Company makes specified monthly contributions to Provident fund, Employee State Insurance and Labour Welfare Fund and are recognised as an employee benefit expense in the statement of profit and loss on an accrual basis.

Contribution to Superannuation Fund, a defined contribution scheme, administered by Life Insurance Corporation of India, based on a specified percentage of eligible employees' salary.

ii Defined benefit plans

A defined benefit plan is a post-employee benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined liability (asset) after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to gratuity benefit scheme are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Gratuity

The Company has an obligation towards gratuity, a defined benefit scheme covering eligible employees. The Company accounts for gratuity benefits payable in future based on an independent actuarial valuation method as stated above. Gratuity for staff at Panoli plant is funded through group gratuity insurance scheme of the Life Insurance Corporation of India ('LIC').

Other long-term employee benefits

The Company's net obligation in respect of compensated absences such as paid annual leave, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method, as at the date of the Balance Sheet. Actuarial gains or losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the statement of profit and loss.

3.4 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the standalone statement of profit and loss or items recognised directly in equity or in other comprehensive income.

i 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. It is measured using tax rates enacted or substantively enacted by the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and current tax liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries 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; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable Company.

"Minimum Alternate Tax (MAT) paid in the previous year is charged to the statement of profit and loss as current tax for the previous year. The Deferred Tax Asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period."

3.5 Inventories

a Measurement of Inventory

The Company measures its inventories at the lower of cost and net realisable value.

b Cost of Inventories

The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The costs of conversion of inventories include costs directly related to the units of production and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned by weighted average cost formula. The Company uses the same cost formula for all inventories having a similar nature and use to the Company."

c Net realisable value

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realisable value is ascertained for each item of inventories with reference to the selling prices of related finished products.

The practice of writing inventories down below cost to net realisable value is consistent with the view that assets should not be carried in excess of amounts expected to be realised from their sale or use. Inventories are usually written down to net realisable value item by item.

Estimates of net realisable value of finished goods and stock-in-trade are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net realisable value.

Amount of any reversal of write-down of inventories shall be recognised as an expense as when the event occurs. A new assessment is made of net realisable value in each subsequent period. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed. Amounts such reversed shall be recognised as a reduction in the amount of inventories and as an expense in the period in which reversal occurs.

d Valuation of Spare parts, stand-by equipments and servicing equipments

Spare parts, stand-by equipment and servicing equipment are recognised as Property, Plant and

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Equipment if and only if it is probable that future economic benefits associated with them will flow to the Company and their cost can be measured reliably. Otherwise such items are classified and recognised as Inventory.

3.6 Property, plant and equipment

i Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any directly attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by management.

c) the estimated costs of dismantling and removing the item and restoring the site on which it is located.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the statement of profit and loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on the depreciable amount of an item of Property, plant and equipment is allocated on a systematic basis over its useful life. The Company provides depreciation on the straight-line method. The Company believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Company. Based on internal technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc: the management believes useful lives of the assets are appropriate. The depreciation method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors.

The residual value and the useful life of an asset is reviewed at least at each financial year-end. Depreciation is calculated using the straight-line method on cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives prescribed under Schedule II of the Act.

In case of Ships, based on internal assessment and technical evaluation carried out, management believes that the useful life is 30 years, which is higher and different from the useful life of 20 years as prescribed under Part C of Schedule II of the Act.

The estimated useful lives of items of property, plant and equipment are as follows:

Tangible Assets	Life defined	Useful life as per Schedule II
Buildings	30-60	30-60
Plant and equipment	10-13	10-20
Furniture and fixtures	10	10
Electrical installation	10	10
Vehicles	8	10
Office equipment	5	5
Computers	3	3
Ships	30	20

Leasehold improvements amortised over the primary period of lease.

Assets acquired on hire purchase/finance lease are generally depreciated over the period of useful life of assets on a straight-line basis unless there is no reasonable certainty that the ownership of the asset would be obtained at the end of the agreement term. Where there is no reasonable certainty that the ownership of the asset would be obtained at the end of the agreement term, such assets are depreciated over the shorter of the contract term or the asset's useful life in accordance with the Company's normal depreciation policy.

The additional depreciation charge on account of revaluation of property, plant and equipment (tangible fixed assets) is spread over the balance useful life of the revalued assets. The additional charge of depreciation on account of revaluation is debited to the statement of profit and loss.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.7 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

The Company has opted option available in Para D13AA of Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP i.e. capitalisation foreign exchange difference pursuant to para 46A of AS 11 'The Effects of Changes in Foreign Exchange Rates' vide notification dated December 29, 2011 by Ministry of Corporate Affairs (MCA).

3.8 Intangible assets

i. Recognition and measurement

Expenditure on research activities is recognised in the statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the research and development, 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 and has sufficient resources to complete development and sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets, includes computer software, which are acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of profit and loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is included in depreciation and amortisation in the statement of profit and loss.

Other intangible assets are amortised over the estimated useful lives as given below:

- Computer Software 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.9 Financial instruments

a. Financial assets

i. Recognition and initial measurement

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).Trade receivables and debt instruments issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value. In the case of financial assets which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

ii. Classification

On initial recognition, a financial asset is classified as measured at

- amortised cost; or
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI)

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Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:"

- the stated policies and objectives for the portfolio and the operation of those policies in practice.These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

iii Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss

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unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity instrument measured at FVOCI not reported separately from other changes in fair value.

iv. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

v Impairment of financial assets

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified in the statement of profit and loss.

Further disclosures relating to impairment of financial assets are also provided in the following notes:

Trade receivables - see Note 13

Trade receivables the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

b. Financial liabilities

i. Recognition and initial measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value. In the case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition or issue of financial liability.

ii Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

iii. Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any changes therein are generally recognised in the profit and loss account.

d. Investment in subsidiaries

Investment in subsidiaries is carried at cost in the standalone financial statements.

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3.10 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.11 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i **Right-of-use Assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold Land	90 to 99 years
Buildings	9 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.12 Impairment of non-financial assets.

ii **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

iii **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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3.12 Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

The recoverable amount is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 respect of the assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, impairment loss is reversed to the extent to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

3.13 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.14 Earnings per share (EPS)

Basic EPS is computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti dilutive.

3.15 Recent accounting pronouncements

Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

(i) **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37**

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

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The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter.

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022 but do not apply to the Group as it was first time adopter in an earlier year.

Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities.

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. Ind AS 41 Agriculture – Taxation in fair value measurements.

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

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4. Property, Plant and Equipment

Description	Gross Block					Accumulated Depreciation				Net Block	
	As at 1 April 2021	Additions	Deductions	Adjustment of exchange difference on borrowing	As at 31 March 2022	As at 1 April 2021	Charge for the year	Deductions	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Freehold land	582.10	-	-	-	582.10	-	-	-	-	582.10	582.10
Buildings	1,731.50	183.40	-	-	1,914.90	333.57	72.72	-	406.29	1,508.61	1,397.93
Plant and machinery	7,751.98	2,262.83	20.85	12.17	10,006.13	3,474.06	810.99	19.03	4,266.02	5,740.11	4,277.92
Electrical equipments and installations	135.87	115.59	-	-	251.46	80.87	18.31	-	99.18	152.28	55.00
Office equipments	116.54	36.51	-	-	153.05	84.45	18.22	-	102.67	50.38	32.09
Furniture and fixtures	112.04	17.32	-	-	129.36	56.97	9.19	-	66.16	63.20	55.07
Leasehold improvements	5.58	-	-	-	5.58	2.80	0.56	-	3.36	2.22	2.78
Vehicles	57.55	-	4.02	-	53.53	27.23	6.34	3.77	29.80	23.73	30.32
Ships	35.75	-	-	-	35.75	9.11	1.79	-	10.90	24.85	26.64
Total	**10,528.91**	**2,615.65**	**24.87**	**12.17**	**13,131.86**	**4,069.06**	**938.12**	**22.80**	**4,984.38**	**8,147.48**	**6,459.85**
Capital work in progress										2,851.83	2,453.85

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4. Property, Plant and Equipment (Previous Year)

Description	Gross Block					Accumulated Depreciation				Net Block	
	As at 1 April 2020	Additions	Deductions	Adjustment of exchange difference on borrowing	As at 31 March 2021	As at 1 April 2020	Charge for the year	Deductions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Freehold land	581.94	0.16	-	-	582.10	-	-	-	-	582.10	581.94
Buildings	1,694.60	36.90	-	-	1,731.50	262.58	70.99	-	333.57	1,397.93	1,432.02
Plant and machinery	7,201.75	568.41	-	(18.18)	7,751.98	2,759.68	714.38	-	3,474.06	4,277.92	4,442.07
Electrical equipments and installations	121.63	14.24	-	-	135.87	72.15	8.72	-	80.87	55.00	49.48
Office equipments	99.19	17.35	-	-	116.54	63.56	20.89	-	84.45	32.09	35.63
Furniture and fixtures	106.64	5.40	-	-	112.04	47.70	9.27	-	56.97	55.07	58.94
Leasehold improvements	5.58	-	-	-	5.58	2.24	0.56	-	2.80	2.78	3.34
Vehicles	56.07	1.48	-	-	57.55	20.24	6.99	-	27.23	30.32	35.83
Ships	35.75	-	-	-	35.75	7.32	1.79	-	9.11	26.64	28.43
Total	**9,903.15**	**643.94**	**-**	**(18.18)**	**10,528.91**	**3,235.47**	**833.59**	**-**	**4,069.06**	**6,459.85**	**6,667.68**
Capital work in progress										2,453.85	1,521.03

Notes:

a. Exchange differences (loss) of ₹12.17 million (P.Y. gain ₹18.18 million) has been included in the additions to fixed assets post the exercise of option in terms of Para 46A of AS11 (pursuant to notification dated 29 December 2011 issued by the Ministry of Corporate Affairs.)

b. Refer note 22 and 27 for details of assets hypothecated/mortgaged as security against borrowings.

c. Refer note 55 for details of revenue expenditure capitalised.

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a) For Capital-work-in progress, ageing schedule

Amount of Capital-Work-in-Progress as on 31-03-2022

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in Process	2,542.82	224.85	47.51	36.65	2,851.83
- Projects temperorily suspended	-	-	-	-	-

Amount of Capital-Work-in-Progress as on 31-03-2021

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in Process	1,422.87	888.04	142.07	0.87	2,453.85
- Projects temperorily suspended	-	-	-	-	-

b) For Capital-Work-in-Progress, whose completion is overdue as on 31-03-2022

Project Locations	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Crop Projects	937.62	-	-	-	937.62
Pharma Projects	832.09	-	-	-	832.09
Total	**1,769.71**	**-**	**-**	**-**	**1,769.71**

5. Right of use assets

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2021	Additions	Deductions	As at 31 March 2022	As at 1 April 2021	Charge for the year	Deductions	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Leasehold land	691.71	-	-	691.71	45.51	9.28	-	54.79	636.92	646.20
Buildings	11.06	-	-	11.06	5.56	2.15	-	7.71	3.35	5.50
Total	**702.77**	**-**	**-**	**702.77**	**51.07**	**11.43**	**-**	**62.50**	**640.27**	**651.70**

5. Right of use assets (Previous Year)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2020	Additions	Deductions	As at 31 March 2021	As at 1 April 2020	Charge for the year	Deductions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Leasehold land	691.71	-	-	691.71	36.23	9.28	-	45.51	646.20	655.48
Buildings	11.06	-	-	11.06	3.41	2.15	-	5.56	5.50	7.65
Total	**702.77**	**-**	**-**	**702.77**	**39.64**	**11.43**	**-**	**51.07**	**651.70**	**663.13**

6. Other intangible assets

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2021	Additions	Deductions	As at 31 March 2022	As at 1 April 2021	Charge for the year	Deductions	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Computer software	43.27	0.07	-	43.34	29.31	7.14	-	36.45	6.89	13.96
Total	**43.27**	**0.07**	**-**	**43.34**	**29.31**	**7.14**	**-**	**36.45**	**6.89**	**13.96**
Intangible assets under development									96.01	88.54

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

a) For Intangible assets under development, ageing schedule

Amount of Intangible assets under development as on 31-03-2022

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
	I	II	III	IV	
- Projects in Process	7.47	1.40	32.74	54.40	96.01
- Projects temperorily suspended	-	-	-	-	-

B) For Intangible assets under development, whose completion is overdue or has exceeded the cost compared to its original value as on 31-03-2022

Particulars	To be completed in				Total
	<1 year	1-2 years	2-3 years	More than 3 years	
Intangible assets under development	-	96.01	-	-	96.01

6. Other intangible assets (Previous Year)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2020	Additions	Deductions	As at 31 March 2021	As at 1 April 2020	Charge for the year	Deductions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Computer software	43.27	-	-	43.27	21.88	7.43	-	29.31	13.96	21.39
Total	**43.27**	**-**	**-**	**43.27**	**21.88**	**7.43**	**-**	**29.31**	**13.96**	**21.39**
Intangible assets under development									88.54	87.14

7. Non-current investments

	As at 31 March 2022	As at 31 March 2021
Investments in equity instruments:		
(At fair value through other comprehensive income)		
A Unquoted		
i. Subsidiary company (at cost)		
Acoris Research Limited 15,050,080 Equity Shares of face value ₹10 each fully paid up (PY: 15,050,080 Equity Shares of face value ₹10 each fully paid up)	0.10	0.10
ii. Other investment		
(At fair value through other comprehensive income)		
223,164 (P.Y. 223,164) Equity shares of ₹10 each of Bharuch Eco Aqua.Infrastructure Limited fully paid-up	4.38	4.25
30,000 (P.Y. 30,000) Equity shares of ₹10 each of Panoli Enviro Technology Limited fully paid-up	0.08	0.08
14,494 (P.Y. 14,494) Equity shares of ₹100 each MMA CETP Co-operative Society Limited fully paid-up	1.81	1.69
16% (P.Y. 16%) equity shares of Jiangsu Chemstar Chemical Co Limited fully paid-up	0.01	0.01
Impairment in value of investment*	(0.01)	(0.01)
B Quoted		
(At fair value through other comprehensive income)		
2,900 (P.Y. 2,900) Equity shares of ₹10 each of Union bank of India fully paid-up	0.11	0.10
Total non-current investments (A + B)	**6.48**	**6.22**
Aggregate amount of quoted investments	0.11	0.10
Aggregate market value of quoted investments	0.11	0.10
Aggregate amount of unquoted investments	6.38	6.13
Aggregate amount of impairment in value of investments	(0.01)	(0.01)
	6.48	**6.22**

***Note:**

The Company has written off the value of ₹26.96 Million in investment in Jiangsu Chemstar Chemical Co Limited in the previous year against provision created in earlier financial year.

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

8. Loans

	As at 31 March 2022	As at 31 March 2021
Unsecured and considered good		
To other than related parties		
Loans to employees	1.69	1.82
	1.69	**1.82**

9. Other financial assets

	As at 31 March 2022	As at 31 March 2021
Unsecured and considered good		
To other than related parties		
Deposits with remaining maturity of more than 12 months	5.55	45.10
Security deposit to related parties	71.10	71.10
Security deposit to other than related parties	70.16	84.19
	146.81	**200.39**

10. Income tax assets (net)

	As at 31 March 2022	As at 31 March 2021
Income tax assets (net)	20.21	20.21
(Net of provision of ₹559.57 million (31 March 2021 : ₹559.57 Million))		
	20.21	**20.21**

11. Other non-current assets

	As at 31 March 2022	As at 31 March 2021
Unsecured and considered good		
To other than related parties		
Prepaid expenses	5.74	8.46
VAT/ CST refund receivable	9.06	14.74
Balance with government authorities	347.88	257.04
Capital advances	208.02	169.52
	570.70	**449.76**

12. Current Investment

	As at 31 March 2022	As at 31 March 2021
Investment at fair value through Statement of Profit or Loss		
Investment in Mutual Funds (unquoted)		
Aditya Birla Sunlife Savings fund - Growth Regular Plan (No. of units 1,39,404.39 and Face value of ₹100/- Each)	61.38	-
Tata Money Market- Regular Plan - Growth (No. of units 10908.54 and Face value of ₹1,000/- Each)	41.30	-
	102.68	**-**

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

13. Inventories

	As at 31 March 2022	As at 31 March 2021
Valued at the lower of cost and net realisable value		
Raw materials (includes goods in transit of ₹273.20 Million, 31 March 2021 ₹7.52 Million)	1,632.11	1,362.26
Packing materials	11.14	10.36
Work-in-progress	660.98	583.28
Finished goods	798.52	517.99
Stores and spares	187.04	193.10
	3,289.79	**2,666.99**

Inventories which comprise raw materials, packing materials, work-in-progress and finished goods are carried at the lower of cost and net realisable value. (See detailed accounting policy in Note 3.5)

The write-down of inventories to net realisable value as at year end amounted to ₹118.02 million (31 March 2021: ₹118.02 million). The write down of inventories are included in cost of materials consumed or changes in inventories of finished goods and work-in-progress in the statement of profit and loss.

14. Trade receivables

	As at 31 March 2022	As at 31 March 2021
(Unsecured)		
Trade receivable considered good	4,403.51	4,822.91
Trade receivable which have significant increase in credit risk	71.37	114.80
	4,474.88	**4,937.71**
Impairment allowance (Allowance for bad and doubtful debts)		
Trade receivable considered good	(49.66)	(33.15)
Trade receivable which have significant increase in credit risk	(48.02)	(49.26)
	(97.68)	**(82.41)**
Net trade receivable	**4,377.20**	**4,855.30**

The loss allowance on trade receivables has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for trade receivables considered good on the basis that credit risk exists even though it may be very low.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 46.

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the company has transferred the relevant receivables to the factor in exchange for cash. However, the company has retained credit risk. The company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount subject to factoring agreement is presented as borrowing.

The relevant carrying amounts are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Total transferred trade receivables	347.95	1,114.60
Associated borrowings [refer note 27]	347.95	1,114.60

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

Trade Receivables Ageing as on 31 March 2022

Sr. No.	Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	3,733.91	617.98	51.62	-	-	-	4,403.51
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	12.10	5.59	8.40	26.09
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	30.55	-	14.73	45.28
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	**3,733.91**	**617.98**	**51.62**	**42.65**	**5.59**	**23.13**	**4,474.88**

Trade Receivables Ageing as on 31 March 2021

Sr. No.	Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	4,466.78	399.83	10.62	-	-	-	4,877.23
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	6.37	1.78	7.05	15.20
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	30.55	-	-	14.73	45.28
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	**4,466.78**	**399.83**	**41.17**	**6.37**	**1.78**	**21.78**	**4,937.71**

15. Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Bank balances in :		
- Current accounts	96.84	66.97
- Exchange earners foreign currency	7.19	0.09
- Fixed deposit account (with original maturity of 3 months or less)	8.01	8.47
Cash on hand	2.37	0.84
Cash and cash equivalents in the statement of cash flows	114.41	76.37

16. Bank balance other than cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Other bank balances:		
Bank deposits due to mature within 12 months of the reporting date	374.02	289.31
Unpaid dividend accounts	2.48	2.40
	376.50	**291.71**

Deposits given as security

1) Margin money deposits with a carrying amount as at 31 March 2022 of ₹177.09 million (31 March 2021- ₹136.79 million) are earmarked towards non fund based facilities availed from banks

2) Bank deposits with a carrying amount as at 31 March 2022 of ₹196.93 million (31 March 2021 ₹197.62 million) are earmarked towards the Company's rupee term loans and external commercial borrowing term loan availed from banks.

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

17. Loans

	As at 31 March 2022	As at 31 March 2021
(Unsecured)		
To parties other than related parties		
Loans to employees	3.08	2.34
	3.08	**2.34**

18. Other financial assets

	As at 31 March 2022	As at 31 March 2021
(Unsecured)		
Interest accrued on fixed deposit	2.98	2.35
Unbilled revenue	96.65	-
Insurance claim receivable	75.23	-
	174.86	**2.35**

19. Other current assets

	As at 31 March 2022	As at 31 March 2021
(Unsecured)		
To parties other than related parties		
Advance to suppliers		
Considered good	200.90	100.55
Considered doubtful	20.00	20.00
Advance to suppliers	220.90	120.55
Less: Provision for doubtful advances	(20.00)	(20.00)
	200.90	**100.55**
Balance with government authorities	850.92	669.81
VAT / CST refund receivable	-	3.78
Prepaid expenses	152.45	116.80
	1,204.27	**890.94**

20. Share Capital

	As at 31 March 2022	As at 31 March 2021
Authorised share capital (Refer note a below)		
Equity	500	500
Par value per share (₹)	2	2
Number of equity shares	25,00,00,000	25,00,00,000
Preference shares	250	250
Par value per share (₹)	100	100
Number of Preference shares	25,00,000	25,00,000
Issued, subscribed and fully paid up -Equity	246.60	246.60
Par value per share (₹)	2	2
Number of equity shares	12,33,00,750	12,33,00,750

a. The Board of Directors of the Company at its meeting held on 9 May 2018, approved a proposal to issue bonus shares in the ratio of one equity share of ₹2 each for every two equity share of ₹2 each held by the shareholders of the Company as on the record date i.e 25 June 2018, which was approved by the shareholders by means of an ordinary resolution in the extra ordinary general meeting held on 11 June 2018. The Company allotted 41,100,250 equity shares as fully paid up bonus shares by capitalisation of securities premium amounting to ₹82.20 million.

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

	As at 31 March 2022		31 March 2021	
	No. millions	₹ in millions	No. millions	₹ in millions
At the beginning of the year	123.30	246.60	123.30	246.60
At the end of the year	123.30	246.60	123.30	246.60

c. Terms/rights attached to equity shares

The Company has only single class of equity shares having a par value of ₹2 (P.Y. ₹2) per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Details of shareholders holding more than 5% of shares:

	As at 31 March 2022		As at 31 March 2021	
	No of Shares	%	No of Shares	%
Equity shares of ₹2 (P.Y. ₹2) each fully paid				
Kalyani Investment Company Limited	38.67	31.36	38.67	31.36
Shri Badrinath Investment Private. Limited	19.91	16.15	19.91	16.15
Shri Rameshwara Investment Private Limited	9.81	7.96	9.81	7.96
Sugandha J Hiremath	9.67	7.84	9.67	7.84

e. The Shareholding of Promoters as on 31 March 2022 is as under:

Promoters Name	No. of Shares	% of Total Shares	% Change during the Year
Kalyani Investment Company Limited	3,86,67,375	31.36%	-
Shri Badrinath Investment Pvt Ltd	1,99,14,862	16.15%	-
Shri Rameshwara Investment Pvt Ltd	98,10,000	7.96%	-
Sugandha J Hiremath	96,67,500	7.84%	-
BF Investment Limited	32,73,375	2.65%	-
Jai Hiremath	13,40,625	1.09%	-
Ekdant Investment Pvt Ltd	3,93,802	0.32%	-
Sameer Hiremath	3,90,975	0.32%	-
Pallavi Anish Swadi	3,81,000	0.31%	-
Pallavi Trust	1,87,500	0.15%	-
Sameer Trust	1,87,500	0.15%	-
Sumer Trust	75,000	0.06%	-
Rhea Trust	75,000	0.06%	-
Nihal Trust	75,000	0.06%	-
Anika Trust	75,000	0.06%	-
Pooja Trust	75,000	0.06%	-
Anish Trust	75,000	0.06%	-
Karad Engineering Consultancy Pvt Ltd	63,750	0.05%	-
Decent Electronics Pvt Ltd	49,500	0.04%	-
Anish Dilip Swadi	7,500	0.01%	-
Pooja Hiremath	7,500	0.01%	-

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

The Shareholding of Promoters as on 31 March 2021 is as under:

Promoters Name	No. of Shares	% of Total Shares	% Change during the Year
Kalyani Investment Company Limited	3,86,67,375	31.36%	-
Shri Badrinath Investment Pvt Ltd	1,99,14,862	16.15%	-
Shri Rameshwara Investment Pvt Ltd	98,10,000	7.96%	-
Sugandha J Hiremath	96,67,500	7.84%	-
BF Investment Limited	32,73,375	2.65%	-
Jai Hiremath	13,40,625	1.09%	-
Ekdant Investment Pvt Ltd	3,93,802	0.32%	-
Sameer Hiremath	3,90,975	0.32%	-
Pallavi Anish Swadi	3,81,000	0.31%	-
Pallavi Trust	1,87,500	0.15%	-
Sameer Trust	1,87,500	0.15%	-
Sumer Trust	75,000	0.06%	-
Rhea Trust	75,000	0.06%	-
Nihal Trust	75,000	0.06%	-
Anika Trust	75,000	0.06%	-
Pooja Trust	75,000	0.06%	-
Anish Trust	75,000	0.06%	-
Karad Engineering Consultancy Pvt Ltd	63,750	0.05%	-
Decent Electronics Pvt Ltd	49,500	0.04%	-
Anish Dilip Swadi	7,500	0.01%	-
Pooja Hiremath	7,500	0.01%	-

21. Other equity

		Note	As at 31 March 2022	As at 31 March 2021
Capital reserve		i	0.44	0.44
Capital redemption reserve		ii	509.82	509.82
Securities premium account		iii	64.72	64.72
State subsidy		iv	5.50	5.50
Contingency reserve		v	30.00	30.00
General reserve		vi	1,779.56	1,779.56
Equity instruments through other comprehensive income		vii	(2.56)	(2.76)
			2,387.48	**2,387.28**
A	**Notes**			
i	**Capital reserve**			
	Opening balance		0.44	0.44
	Additions during the year		-	-
	Closing balance		**0.44**	**0.44**
ii	**Capital redemption reserve**			
	Opening balance		509.82	509.82
	Additions during the year		-	-
	Closing balance		**509.82**	**509.82**
iii	**Securities premium**			
	Opening balance		64.72	64.72
	Additions during the year		-	-
	Closing balance		**64.72**	**64.72**
iv	**State subsidy**			
	Opening balance		5.50	5.50
	Additions during the year		-	-
	Closing balance		**5.50**	**5.50**
v	**Contingency reserve**			
	Opening balance		30.00	30.00
	Additions during the year		-	-
	Closing balance		**30.00**	**30.00**
vi	**General reserve**			
	Opening balance		1779.56	1779.56
	Additions during the year		-	-
	Closing balance		**1779.56**	**1779.56**
vii	**Equity instruments through other comprehensive income**			
	Opening balance		(2.76)	(2.72)
	Additions during the year		0.20	(0.04)
	Closing balance		**(2.56)**	**(2.76)**

B Nature and purpose of reserves

i Capital reserve

Capital reserve is created on merger/amalgamation.

ii. Capital redemption reserve

Capital redemption reserve represents redemption of redeemable cumulative preference shares in earlier years.

iii. Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act 2013 ('the Act').

iv. State subsidy

State subsidy is created on receipt of government grants for setting up the factories in backward areas.

v. Contingency reserve

Contingency reserve is created by transferring funds from retained earnings to meet future contingencies.

vi. General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

vii. Equity instruments through other comprehensive income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through Other Comprehensive Income within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

C Dividends

The following dividends were declared and paid by the Company during the years ended: (Currency : Indian Rupees in million)

	31 March 2022	31 March 2021
Final equity dividend paid for financial year 2020-21 at ₹ 1 per equity share	123.30	-
Interim equity dividend paid for financial year 2021-22 at ₹1.20 per equity share	147.96	-
Final equity dividend paid for financial year 2019-20 at ₹ 0.20 per equity share	-	24.66
Interim equity dividend paid for financial year 2019-20 at ₹ 1 per equity share	-	123.30
Total	**271.26**	**147.96**
After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting. These dividends and tax thereon have not been recognised as liabilities in the year to which they pertains to and is recorded in the year in which they have been approved in the Annual General Meeting.		
Final equity dividend proposed for financial year 2021-22 at ₹0.40 per equity share	49.32	-
Final equity dividend proposed for financial year 2020-21 at ₹1 per equity share	-	123.30
Total	**49.32**	**123.30**

22. Borrowings

(Secured)

	As at 31 March 2022	As at 31 March 2021
Term loans from banks		
Rupee (refer note a (i), and c (i) below)	953.70	1,519.05
External commercial borrowing (refer note a (ii) and c (i) below)	260.92	524.93
Term loans from financial institutions		
Rupee (refer note a (iii) and c (ii) below)	1,651.53	523.37
Term loans from others		
Rupee (refer note c (iii) below)	-	58.39
Vehicle loans		
From banks -Rupee (refer note a (iv) and c (iv) below)	0.66	2.25
From Others -Rupee (refer note a (iv) and c (iv) below)	-	0.87
	2,866.81	**2,628.86**

(For current maturities of loans refer note 27)

a. Nature of security :

i Rupee term loan from banks is secured by first pari passu charge on the fixed assets of the Company's plants situated at Taloja, Panoli, Bangalore, R & D centre at Pune and second pari passu charge on entire current assets both present and future.

ii External Commercial borrowing from bank is secured by first pari passu charge on the fixed assets of the Company's plants situated at Taloja, Panoli and Bangalore, R & D centre at Pune and office at CBD Belapur (Navi Mumbai) and second pari passu charge on entire current assets both present and future.

iii Rupee term loan from financial institutions is secured by first pari passu charge on the fixed assets of the Company's plants situated at Taloja, Panoli and Bangalore, R & D centre at Pune and second pari passu charge on entire current assets both present and future.

iv Vehicle loans are secured by first charge on the said vehicles.

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

b. Changes in Liabilities arising from Financing Activities

Particulars	As at 1 April 2021	Accural / Reclassification	Cash Flows (net)	Foreign Exchange / Adjustment	Adjustment on account of business combinations	As at 31 March 2022
Current borrowings	2,514.26	-	204.60	7.12	-	2,725.98
Non-current borrowings including current maturities of non-current borrowings	3,579.42	-	462.87	(23.89)	-	4,018.40
Lease Liabilities	8.83	-	(3.04)	-	-	5.79
Interest on borrowings (including transaction cost)	23.56	455.95	(448.75)	-	-	30.76
Total Liabilities from Financing Activities	**6,126.07**	**455.95**	**215.68**	**(16.77)**	**-**	**6,780.93**

b. Changes in Liabilities arising from Financing Activities (Previous Year)

Particulars	As at 1 April 2020	Accural / Reclassification	Cash Flows (net)	Foreign Exchange / Adjustment	Adjustment on account of business combinations	As at 31 March 2021
Current borrowings	2,575.42	-	(56.93)	(4.23)	-	2,514.26
Non-current borrowings including current maturities of non-current borrowings	3,871.77	-	(272.58)	(19.76)	-	3,579.42
Lease Liabilities	11.40	-	(2.57)	-	-	8.83
Interest on borrowings (including transaction cost)	28.38	483.04	(487.86)	-	-	23.56
Total Liabilities from Financing Activities	**6,486.97**	**483.04**	**(819.95)**	**(23.99)**	**-**	**6,126.07**

c i) Terms of repayment as on 31 March 2022 are as under:

		US $ in Million	₹ In Million	Repayment Terms	Closing interest rate as at 31.3.2022
(i)	a	-	79.14	Repayable in 4 quarterly instalments, next installment due on 30.06.2022; equated average instalments of ₹19.78 Million	8.50%
	b	-	19.82	Repayable in 4 quarterly instalments, next installment due on 30.06.2022; equated average instalments of ₹4.95 Million	7.50%
	c	-	128.03	Repayable in 4 quarterly instalments, next installment due on 30.06.2022; equated average instalments of ₹32.01 Million	7.80%
	d	-	39.55	Repayable in 4 quarterly instalments, next installment due on 30.06.2022; equated average instalments of ₹9.89 Million	7.50%
	e	-	39.59	Repayable in 4 quarterly instalments, next installment due on 30.06.2022; equated average instalments of ₹9.90 Million	7.90%
	f	-	600.23	Repayable in 17 quarterly instalments, next installment due on 05.06.2022; equated average instalments of ₹35.31 Million	8.95%
	g	-	623.18	Repayable in 20 quarterly instalments, next installment due on 06.05.2022, equated average instalments of ₹31.16 Million	7.50%
	h	7.36	551.39	Repayable in 7 quarterly instalments, next installment due on 10.06.2022; equated average instalments of US $ 1.05 Million	3M Libor + 2.60 bps
(ii)	a	-	147.59	Repayable in 4 quarterly instalments, next installment due on 30.06.2022; equated average instalments of ₹36.90 Million	7.50%
	b	-	1,727.24	Repayable in 24 quarterly instalments, next installment due on 01.09.2022; equated average instalments of ₹71.97 Million	7.65%
(iii)	a	-	59.55	Repayable in 4 quarterly instalments, next installment due on 30.06.2022; equated average instalments of ₹14.89 Million	10.00%
(iv)	a	-	2.25	Repayble monthly EMI of ₹0.132 Million	8.60%
	b	-	0.87	Repayble monthly EMI of ₹0.087 Million	8.73%

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

		US $ in Million	₹ In Million	Repayment Terms	Closing interest rate as at 31.3.2021
(i)	a	-	158.44	Repayable in 8 quarterly instalments, next installment due on 30.06.2021; equated average instalments of ₹19.805 Million	10.05%
	b	-	39.45	Repayable in 8 quarterly instalments, next installment due on 30.06.2021 ; equated average instalments of ₹4.931 Million	9.45%
	c	-	255.55	Repayable in 8 quarterly instalments, next installment due on 30.06.2021; equated average instalments of ₹31.944 Million	9.35%
	d	-	78.63	Repayable in 8 quarterly instalments, next installment due on 30.06.2021; equated average instalments of ₹9.829 Million	9.75%
	e	-	78.55	Repayable in 8 quarterly instalments, next installment due on 30.06.2021; equated average instalments of ₹9.819 Million	9.75%
	f	-	679.59	Repayable in 21 quarterly instalments, next installment due on 05.06.2021; equated average instalments of ₹32.361 Million	9.10%
	g	-	696.34	Repayable in 24 quarterly instalments, next installment due on 06.05.2021; equated average instalments of ₹33.159 Million	8.40%
	h	11.04	795.45	Repayable in 11 quarterly instalments, next installment due on 10.06.2021; equated average instalments of US $ 0.984 Million	3M Libor + 260 bps
(ii)	a	-	290.47	Repayable in 8 quarterly instalments, next installment due on 30.06.2021; equated average instalments of ₹36.309 Million	7.00%
	b		382.89	Repayable in 24 quarterly instalments, next installment due on 11.09.2022; equated average instalments of ₹15.954 Million	8.85%
(iii)	a	-	118.39	Repayable in 8 quarterly instalments, next installment due on 30.06.2021; equated average instalments of ₹14.799 Million	10.00%
(iv)	a	-	3.71	Repayble monthly EMI of ₹0.128 Million	8.60%
	b	-	2.05	Repayble monthly EMI of ₹0.093 Million	8.73%

23. Non current lease liability

	As at 31 March 2022	As at 31 March 2021
Lease liability	2.23	5.79
	2.23	**5.79**

24. Long -term provisions

	As at 31 March 2022	As at 31 March 2021
Provision for gratuity (Refer note 44)	132.43	122.24
Provision for compensated absences (Refer note 44)	103.87	97.62
	236.30	**219.86**

25. Deferred tax liabilities (net)

	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities (Refer note 42)	364.07	375.82
	364.07	**375.82**

26. Other non current liabilities

	As at 31 March 2022	As at 31 March 2021
Advance received from customers	290.02	-
	290.02	**-**

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

27. Short-term borrowings

Secured

	As at 31 March 2022	As at 31 March 2021
Loans repayable on demand from banks		
Working capital loan -Rupee (refer note a and b below)	2,378.03	1,141.70
Working capital loan -Foreign currency (refer note a and b below)	-	257.96
Bill discounting (Refer note a (ii))	347.95	1,114.60
Current maturities of long-term debt	1,151.59	950.56
	3,877.57	**3,464.82**

a. Nature of security and terms of repayment for secured borrowings :

i Working capital loans from all banks are secured by first pari passu charge on all current assets of the Company and second pari passu charge on fixed assets both present and future situated at Company's plants at Bangalore, Taloja and Panoli.

ii Loans availed under bill discounting facility are against specific receivables, having tenure of 30 to 90 days and carrying interest ranging between 1.50% to 1.86% p.a.

b. Working capital loans are repayable on demand and carry interest ranging from 6.50% to 8.05% p.a.

28. Current lease liability

	As at 31 March 2022	As at 31 March 2021
Lease liability	3.56	3.04
	3.56	**3.04**

29. Trade payables

	As at 31 March 2022	As at 31 March 2021
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 49)	449.98	260.48
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,040.55	2,035.65
	2,490.53	**2,296.13**

The Company's exposure to currency and liquidity risk related to trade payable is disclosed in Note 46.

Trade Payables ageing schedule as on 31-03-2022

Particulars	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro Enterprises and Small Enterprises	364.65	84.80	0.53	-	-	449.98
(ii) Others	1,568.52	463.73	4.94	3.13	0.23	2,040.55
(iii) Disputed dues – Micro Enterprises and Small Enterprises	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	
Total	**1,933.17**	**548.53**	**5.47**	**3.13**	**0.23**	**2,490.53**

Trade Payables ageing schedule as on 31-03-2021

Particulars	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro Enterprises and Small Enterprises	216.55	43.90	-	-	0.03	260.48
(ii) Others	1,712.61	316.47	3.69	2.12	0.76	2,035.65
(iii) Disputed dues – Micro Enterprises and Small Enterprises	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**1,929.16**	**360.37**	**3.69**	**2.12**	**0.79**	**2,296.13**

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

30. Other financials liabilities

	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	30.76	23.56
Payables for capital purchases	444.18	234.47
Employee benefits payable	206.42	149.13
Unpaid dividend (Refer note no 50)	2.48	2.40
	683.84	**409.56**

31. Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advances from customers	408.24	51.81
Statutory dues payable		
- Provident fund	15.16	11.72
- Employees' state insurance	0.03	0.03
- Tax deducted at source	32.42	21.02
- Goods and Services Tax	25.49	37.86
- Employees' national pension scheme	0.17	0.15
- Profession tax	0.38	0.38
	481.89	**122.97**

32. Current provisions

	As at 31 March 2022	As at 31 March 2021
Provision for gratuity (Refer note 44)	17.96	21.41
Provision for compensated absences (Refer note 44)	13.42	23.01
	31.38	**44.42**

33. Income tax liabilities (net)

	As at 31 March 2022	As at 31 March 2021
Provision for tax	122.89	226.85
(Net of advance tax ₹589.66 million (31 March 2021 : ₹465.21 million))		
	122.89	**226.85**

34. Revenue from Operations

		For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products		19,017.70	17,009.91
Sale of services		242.60	60.61
	(A)	**19,260.30**	**17,070.52**
Other operating revenues			
Export incentive		19.27	108.39
Scrap sales		39.71	13.85
Others		107.93	11.60
	(B)	**166.91**	**133.84**
Revenue from operations	(A+B)	**19,427.21**	**17,204.36**

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

34.1: Disaggregation of revenue from contracts with customers

The Company derives revenue from sale of products from following major segments:

Particulars			
1 Revenue from contracts with customers			
Sale of products (Transferred at point in time)			
India		5,098.36	5,222.54
Outside India		13,919.34	11,787.37
	(A)	**19,017.70**	**17,009.91**
Sale of services			
India		19.96	-
Outside India		222.64	60.61
	(B)	**242.60**	**60.61**
2 Other operating revenues			
Export incentive		19.27	108.39
Scrap Sales		39.71	13.85
Others		107.93	11.60
	(C)	**166.91**	**133.84**
Total revenue (A + B + C)		**19,427.21**	**17,204.36**
Major product lines			
Crop protection		8,129.80	6,607.96
Pharmaceuticals		11,297.41	10,596.40
		19,427.21	**17,204.36**
Reconciliation of revenue from contract with customer			
Revenue from contracts with customer as per contract price		19,260.30	17,070.52
Adjustment made to contract price		-	-
Total Revenue from contracts with customer		**19,260.30**	**17,070.52**
Other operating revenue		166.91	133.84
Revenue from contracts with customer as per Standalone statement of profit and loss		**19,427.21**	**17,204.36**

For the opening and closing balance of receivables from contracts with customers refer note no 14.

Breakup of Contract Assets and Contract Liabilities are as under:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Trade Receivables	4,377.20	4,855.30
Contract Liabilities	698.26	51.81
Contract Assets	96.65	-

Trade Receivbales have decreased due to collection from the customers.

Contract Liabilities include advance received from customers. Contract Liabilities have increased which is in line with increase in business as evidenced by increase in turnover, also company has received advance from two customer for order out of which one is long term advance.

Contact Assets represents unbilled revenue to customers. This is as a result of contract entered during the year. The similar contract was not there in the previous year.

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

35. Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Dividend received on non-current investment	-	0.01
Interest income on		
Bank deposit	14.96	17.62
Other	2.60	9.05
Foreign exchange gain (net)	23.17	12.89
Profit on sale of investment	1.40	0.12
Profit on sale of assets (net)	0.52	-
Sundry balance written back	3.56	-
Miscellaneous income	2.70	10.13
	48.90	**49.82**

36. Cost of materials consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Raw material consumed		
Opening stock	1,362.26	1,814.84
Add: Purchase	10,591.96	8,614.54
Less: Closing stock	1,632.11	1,362.26
	10,322.11	**9,067.12**

37. Changes in inventories of finished goods and Work-in-progress

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening stock		
Finished goods	517.99	559.34
Work-in-progress	583.28	558.58
	1,101.27	**1,117.92**
Less: Closing stock		
Finished goods	798.52	517.99
Work-in-progress	660.98	583.28
	1,459.50	1,101.27
	(358.23)	**16.65**

38. Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	1,715.93	1,422.36
Contribution to provident and other funds	82.75	70.37
Gratuity expenses (Refer note 44)	30.81	23.86
Staff welfare expense	184.01	126.58
	2,013.50	**1,643.17**

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

39. Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on rupee term loans	135.36	161.80
Interest on foreign currency term loans	20.03	36.43
Interest on working capital loans	87.50	89.06
Interest on bills discounted	18.29	31.14
Other finance costs	2.56	16.32
Interest expenses on lease liabilities	0.74	1.02
Bank charges	31.34	26.21
Exchange difference to the extent considered as an adjustment to borrowing costs	16.36	-
	312.18	**361.98**

40. Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spares	368.64	282.63
Contract labour charges	209.63	176.67
Power and fuel	1,754.58	1,478.26
Advertisement	7.39	2.65
Rent (Refer note 45)	40.68	35.08
Rates and taxes	8.91	11.32
Insurance	88.07	65.26
Repairs and maintenance		
- Plant and machinery	253.80	217.86
- Buildings	52.18	27.72
- Others	156.20	146.90
Printing and stationery	22.59	15.28
Legal and professional charges		
- Legal charges	61.05	5.87
- Professional charges	263.58	141.51
Travelling and conveyance	22.90	15.44
Vehicle expenses	20.22	13.31
Postage, telephone and telegrams	7.14	6.63
Payment to auditors (Refer note 53)	6.32	5.98
Director's sitting fee/ Commission	19.20	16.89
Sales and distribution expenses	379.55	267.91
Commission on sales	20.27	30.75
Security service charges	45.23	41.69
Sundry balance written off	-	9.73
Service charges	23.21	25.80
Provision for doubtful debts/advances	15.27	45.29
Corporate Social Responsibility expenses (CSR) (Refer note 51)	31.68	26.88
Miscellaneous expenses	165.88	135.23
	4,044.17	**3,248.54**

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

41. Tax expense

(a) Amounts recognised in balance sheet

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax liabilities (Net of advance tax ₹1,172.10 million (31 March 2021 : ₹465.21 million))	**122.89**	**226.85**

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax assets (Net of provision of ₹559.57 million (31 March 2021 : 559.57 million))	**20.21**	**20.21**

Note: The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off income tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(b) Amounts recognised in statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current income tax		
Current tax	596.50	795.51
	596.50	**795.51**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(15.90)	(62.66)
Deferred tax expense	**(15.90)**	**(62.66)**
Tax expense for the year	**580.60**	**732.85**

(c) Amounts recognised in other comprehensive income

	For the year ended 31 March 2022			For the year ended 31 March 2021		
	Before tax	Tax expense / (benefit)	Net of tax	Before tax	Tax expense / (benefit)	Net of tax
Items that will not be reclassified in the standalone statement of profit and loss						
Gain / (loss) on remeasurement of defined employee benefit plans	15.95	(4.09)	11.86	(19.38)	4.98	(14.40)
Gain / (loss) on change in fair values of investments in equity shares carried at fair value through OCI	0.27	(0.07)	0.20	(0.06)	0.02	(0.04)
	16.22	**(4.16)**	**12.06**	**(19.44)**	**5.00**	**(14.44)**

(d) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	2,185.69	2,064.27
Tax using the Company's domestic tax rate (Current year 25.17% and Previous year 34.94%)	550.14	721.26
Tax effect of:		
Non-deductible tax expenses	30.46	11.59
Tax expenses as per statement of profit and loss	**580.60**	**732.85**

The Company's standalone weighted average tax rates for the years ended 31 March 2022 and 31 March 2021 were 26.56% and 35.50%, respectively.

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

42. Deferred tax liabilities (net)

(a) Recognised deferred assets and liabilities

	Deferred tax assets		Deferred tax liabilities		Net deferred tax asset/(liabilities)	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Property, plant and equipment		-	(491.46)	(501.49)	(491.46)	(501.49)
Inventories	30.24	29.71	-	-	30.24	29.71
Trade receivables	25.03	20.77	-	-	25.03	20.77
Loans and advance	5.12	5.03	-	-	5.12	5.03
Investment	-	6.81	-	-	-	6.81
Provisions	68.60	66.50	-	-	68.60	66.50
Loan processing charges		-	(1.60)	(3.15)	(1.60)	(3.15)
Net Deferred tax asset / (liabilities)	**128.99**	**128.82**	**(493.06)**	**(504.64)**	**(364.07)**	**(375.82)**

(b) Movement in deferred tax balances

	Net balance 1 April 2021	Recognised in profit or loss	Recognised in OCI	31 March 2022		
				Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(501.49)	10.02	-	(491.46)	-	(491.46)
Inventories	29.71	0.53	-	30.24	30.24	-
Trade receivables	20.77	4.26	-	25.03	25.03	-
Loans and advances	5.03	0.09	-	5.12	5.12	-
Investments	6.81	(6.74)	(0.07)	0.00	-	-
Provisions	66.50	6.19	(4.09)	68.60	68.60	-
Loan processing charges	(3.15)	1.55	-	(1.60)	-	(1.60)
Net deferred tax assets / (liabilities)	**(375.82)**	**15.90**	**(4.16)**	**(364.07)**	**128.99**	**(493.06)**

(c) Movement in deferred tax balances (previous year)

	Net balance 1 April 2020	Recognised in profit or loss	Recognised in OCI	31 March 2021		
				Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(533.71)	32.21	-	(501.49)	-	(501.49)
Inventories	20.27	9.44	-	29.71	29.71	-
Trade receivables	11.86	8.91	-	20.77	20.77	-
Loans and advances	3.49	1.54	-	5.03	5.03	-
Investments	6.79	-	0.02	6.81	6.81	-
Provisions	53.16	8.36	4.98	66.50	66.50	-
Loan processing charges	(5.35)	2.20	-	(3.15)	-	(3.15)
Net deferred tax assets / (liabilities)	**(443.49)**	**62.66**	**5.00**	**(375.82)**	**128.82**	**(504.64)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off income tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

The Company has utilised MAT credit of ₹ Nil (PY ₹119.31 Million) in the books of account against income tax liabilities.

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

43. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, after considering adjustment for the effects of all dilutive potential equity shares.

		As at 31 March 2022	As at 31 March 2021
Profit attributable to equity shareholders (basic and diluted)			
Profit for the year attributable to equity shareholders	(A)	**1,605.09**	**1,331.42**
Weighted average number of equity shares for basic and diluted earnings per share			
Number of equity shares at beginning of the year		12,33,00,750	12,33,00,750
Number of equity shares outstanding at the end of the year		**12,33,00,750**	**12,33,00,750**
Weighted average number of equity shares for the year	(B)	**12,33,00,750**	**12,33,00,750**
Basic and diluted earnings per share of face value of ₹2 each	(A) / (B)	**13.02**	**10.80**

44. Employee benefits

(i) Defined Contribution Plans

The Company makes contributions towards superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Contribution to defined contribution plans are charged off for the year as under:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employer's contribution to Provident Fund	81.48	68.29
Employer's contribution to Superannuation Fund	0.17	0.91
Employer's Contribution to Employees State Insurance	1.27	1.09
Employer's contribution to Labour Welfare Fund	0.01	0.02

(ii) Defined Benefit Plans

Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company has obtained insurance policies with the Life Insurance Corporation of India (LIC) for eligible employees at Panoli plant and makes an annual contribution to LIC for amounts notified by LIC. The Company accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the projected unit credit method. Actuarial gains and losses are recognised as Other Comprehensive Income or Loss.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's standalone financial statements as at balance sheet date:

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

A. Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components

	As at 31 March 2022	As at 31 March 2021
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	162.98	135.56
Current service cost	21.41	16.58
Past service cost	-	-
Interest cost (income)	25.94	8.16
Benefits paid	(27.45)	(21.33)
Actuarial losses/ (gains) recognised in other comprehensive income	-	-
- financial assumptions	10.03	11.69
- demographic assumption	-	2.17
- experience adjustments	(27.25)	10.15
Balance at the end of the year	**165.66**	**162.98**
Reconciliation of present value of plan assets		
Balance at the beginning of the year	19.33	16.15
Transfer In / (Out) Plan Assets	0.11	-
Interest income	1.27	0.89
Remeasurements :	-	-
Return on plan assets, excluding amount included in interest (expense)/income	(1.27)	4.63
Employer contributions	-	0.01
Benefits paid	(4.17)	(2.35)
Balance at the end of the year	**15.27**	**19.33**
Net defined benefit (asset)/ liability	**150.39**	**143.65**

B. Plan assets

Plan assets comprise the following

	As at 31 March 2022	As at 31 March 2021
Investment		
Policy of insurance	100%	100%
Bank Special Deposit	0%	0%
Investment in other securities	0%	0%
Corporate Bonds	0%	0%
State Government Bonds	0%	0%
	100%	**100%**

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

C. The components of defined benefit plan expense are as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Recognised in income statement		
Current service cost	21.41	16.58
Past service cost		-
Interest cost	9.40	7.28
Total	**30.81**	**23.86**
Recognised in Other Comprehensive Income		
Remeasurement of net defined benefit liability/(asset)	(17.22)	24.01
Return on plan assets, excluding interest income	1.27	(4.63)
Total	**(15.95)**	**19.38**

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	For the year ended 31 March 2022	For the year ended 31 March 2021
Expected return on plan assets	7.00%	6.55%
Discount rate	7.00%	6.55%
Salary escalation rate	6.50%	5.00%
Attrition rate	2.00%	2.00%
Mortality rate table	Indian assured lives mortality (2012-14)	

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	for the year ended 31 March 2022		for the year ended 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	138.69	163.79	150.89	176.93
Rate of salary increase (1% movement)	162.00	140.17	176.07	151.29
Rate of employee turnover (1% movement)	150.74	150.03	163.24	162.72

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

	31 March 2022	31 March 2021
Expected employer's contribution to defined benefit plan for the next year	17.96	21.41

Maturity profile of the defined benefit obligation

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	6 to 10 years	Total
31 March 2022					
Defined benefit obligations (Gratuity)	19.22	8.19	41.15	81.83	150.39
Total	**19.22**	**8.19**	**41.15**	**81.83**	**150.39**
31 March 2021					
Defined benefit obligations (Gratuity)	24.41	9.20	43.40	66.45	143.46
Total	**24.41**	**9.20**	**43.40**	**66.45**	**143.46**

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Other long term employee benefit plans

Compensated absences:

The obligation for leave encashment is recognised in the same manner as gratuity. The Company's liability on account of compensated absences is not funded and hence the disclosures relating to the planned assets are not applicable. Amount of ₹32.95 million (PY ₹43.59 million) towards compensated absences is recognised as an expense and included in "Employee benefits expense" in the Statement of profit and loss during the year.

45. Leases:

The Company has a lease contract for building used in its operations. The Lease term is 9 years. The Company's obligations under its lease is secured by the lessor's title to the leased asset.

The Company also has certain leases of machinery/premises with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below is the carrying amount of right-of-use assets recognised and the movements during the period:

Particulars	Buildings
As at 1 April 2020	663.13
Additions	-
Depreciation expense	(11.43)
As at 31 March 2021	651.70
Additions	-
Depreciation expense	(11.43)
As at 31 March 2022	640.27

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

Set out below is the carrying amount of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	As at 31 March 2022	As at 31 March 2021
As at 1 April	8.83	11.40
Additions	-	-
Accretion of interest	0.74	1.02
Payments	(3.78)	(3.59)
As at 31 March	5.79	8.83
Current	3.56	3.04
Non current	2.23	5.79

For Rental expense recorded for short-term leases, refer note 40

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The details of the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis are as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Payable within one year	3.96	3.77
Payable between one year and five years	2.37	6.34
Payable after more than five years	-	-

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

46. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. There are no financial assets or financial liabilities not measured at fair value, whose carrying amount is not a reasonable approximation of fair value.

31 March 2022	Carrying amount			Fair value			
	FVTOCI	FVPTL	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Investment	6.38	102.68	109.06	0.11	102.68	6.27	109.06
	6.38	**102.68**	**109.06**	**0.11**	**102.68**	**6.27**	**109.06**

31 March 2021	Carrying amount			Fair value			
	FVTOCI	FVPTL	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Investment	6.12	-	6.12	0.10		6.02	6.12
	6.12	**-**	**6.12**	**0.10**	**-**	**6.02**	**6.12**

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

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 and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The 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 audit committee oversees how 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 audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

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 of the industry and country in which customers operate.

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

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The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At 31 March 2022, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

	Carrying amount	
	As at 31 March 2022	As at 31 March 2021
India	1,494.43	1,879.98
Other regions	2,980.45	3,057.73
	4,474.88	**4,937.71**

Impairment

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

	As at 31 March 2022		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	3,733.91	0.39%	14.74
Past due 0-90 days	553.87	2.30%	12.73
Past due 91-180 days	64.11	11.00%	7.05
Past due 181-365 days	51.62	29.34%	15.14
Past due366-730 days	42.65	45.25%	19.30
Past due731-1096 days	5.59	100.00%	5.59
More than 1096 days	23.13	99.98%	23.13
	4,474.88		**97.68**

	As at 31 March 2021		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	4,466.78	0.51%	22.97
Past due 0-90 days	356.13	2.86%	10.18
Past due 91-180 days	43.70	18.79%	8.21
Past due 181-365 days	41.17	33.97%	13.98
Past due366-730 days	6.37	55.09%	3.51
Past due731-1096 days	1.78	100.00%	1.78
More than 1096 days	21.78	100.00%	21.78
	4,937.71		**82.41**

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	Amount
Balance as at 31 March 2021	82.41
Additional provision	15.27
Impairment loss recognised / (reversal)	-
Balance as at 31 March 2022	**97.68**

Cash and cash equivalents

The Company held cash and cash equivalents (including bank deposits) of ₹496.46 million at 31 March 2022 (31 March 2021: ₹413.18 million). The cash and cash equivalents (including bank deposits) are held with banks with good credit ratings and financial institution counterparties with good market standing.

Other than trade and other receivables, the Company has no other significant financial assets that are past due but not impaired.

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For the year ended 31 March 2022

(Currency : Indian Rupees in million)

iii. 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, as far as possible, 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.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

31 March 2022	Carrying amount	Total	Contractual cash flows		
			Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings and lease liabilities - Non current	2,869.03	2,869.03	-	2,391.28	477.75
Borrowings and lease liabilities - current	3,881.13	3,881.13	3,881.13	-	-
Other financial liabilities - current	683.84	683.84	683.84	-	-
Trade payables	2,490.53	2,490.53	2,490.53	-	-
	9,924.53	**9,924.53**	**7,055.50**	**2,391.28**	**477.75**

31 March 2021	Carrying amount	Total	Contractual cash flows		
			Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings - Non current	2,708.36	2,708.36	-	2,399.37	308.99
Borrowings - current	3,467.86	2,517.30	2,517.30	-	-
Other financial liabilities - current	409.56	1,360.12	1,360.12	-	-
Trade payables	2,296.13	2,296.13	2,296.13	-	-
	8,881.91	**8,881.91**	**6,173.55**	**2,399.37**	**308.99**

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee.

Exposure to currency risk

The major currency profile of financial assets and financial liabilities as at 31 March 2022 and 31 March 2021 are as below:

	As At 31 March 2022				
	USD	EUR	GBP	JPY	CHF
Financial assets	2,463.14	618.56	-	-	-
Financial liabilities	1,524.27	32.26	-	-	-
Net Exposure	**938.87**	**586.30**	**-**	**-**	**-**

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

	As At 31 March 2021				
	USD	EUR	GBP	JPY	CHF
Financial assets	2,268.00	732.83	-	25.20	-
Financial liabilities	2,293.27	708.84	0.46	-	1.80
Net Exposure	**(25.27)**	**23.99**	**(0.46)**	**25.20**	**(1.80)**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against USD, Euros and GBP at 31 March would have affected the measurement of financial instruments denominated in these currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR	Profit or loss		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2022				
USD (3% movement)	28.17	(28.17)	21.08	(21.08)
EUR (3% movement)	17.59	(17.59)	13.16	(13.16)
	45.76	**(45.76)**	**34.24**	**(34.24)**

Effect in INR	Profit or loss		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
USD (3% movement)	(0.76)	0.76	(0.49)	0.49
EUR (3% movement)	0.72	(0.72)	0.47	(0.47)
GBP (3% movement)	(0.01)	0.01	(0.01)	0.01
JPY (3% movement)	0.76	(0.76)	0.49	(0.49)
CHF (3% movement)	(0.05)	0.05	(0.04)	0.04
	0.65	**(0.65)**	**0.42**	**(0.42)**

v. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. Borrowings issued at fixed and variable rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

	Nominal amount	
	As at 31 March 2022	As at 31 March 2021
Fixed-rate instruments		
Financial assets	392.36	347.04
Financial liabilities	(2,725.98)	(2,514.26)
	(2,333.62)	**(2,167.22)**
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	(4,018.40)	(3,579.42)
	(4,018.40)	**(3,579.42)**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through statement of profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

47. Capital Management

As at 31 March 2022, the Company has only one class of equity shares. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and to maintain and optimal capital structure so as to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt and adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

	As at 31 March 2022	As at 31 March 2021
Non-current borrowings	2,866.81	2,628.86
Current borrowings	3,877.57	3,464.82
Gross debt	**6,744.38**	**6,093.68**
Less - Cash and cash equivalents	114.41	76.37
Less - Other bank deposits	382.05	336.81
Adjusted net debt (A)	**6,247.92**	**5,680.50**
Total equity (B)	10,680.08	9,334.18
Adjusted net debt to equity ratio	0.59	0.61
Total capital (A)+(B)	16,928.00	15,014.68
Gearing ratio *	37%	38%

*The Company's ideal gearing ratio is 35% to 40%.

48. Contingent liabilities and commitments (to the extent not provided for)

	As at 31 March 2022	As at 31 March 2021
A. Contingent liabilities		
Direct and Indirect taxes*		
Income Taxes	241.34	241.34
Excise Duty**	40.13	40.13
Value Added Tax (VAT)***	11.20	11.20
Cental Sales Tax (CST)	2.82	2.82

* Above does not includes interest and penalty, if any

** In addition to above penalty of ₹ 40.02 million was levied.

*** In addition to above for certain matters, penalty and interest of ₹ 17.40 million was levied during the assessment.

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	As at 31 March 2022	As at 31 March 2021
B. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, tangible assets	1,187.31	1,160.46

In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its financial statements. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the Company's results of operations or financial condition.

49. Dues to micro and small suppliers

Particulars	As at 31 March 2022	As at 31 March 2021
1. The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	449.98	260.48
- Interest on the above	-	-
2. The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006	-	-
3. The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
4. The amount of interest due and payable for the 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	-	-
5. The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
6. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

50. Dues relating to Investor Education and Protection fund

During the year the Company has transferred ₹0.28 Million to Investor Education and Protection fund. There are no other dues which need to be credited as at the year end to the Investor Education and Protection fund

51. Corporate social responsibility

As per Section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilised during the year on the activities which are specified in Schedule VII of the Act. The utilisation is done by way of direct and indirect contribution towards various activities.

Gross amount required to be spent by the Company during the year: ₹32.14 million (31 March 2021: ₹25.81 million)

The areas of CSR activities and contributions made thereto are as follows:

Amount spent during the year on	For the year ended 31 March 2022	For the year ended 31 March 2021
Protection of national heritage	0.70	-
Promotion of education	11.72	6.37
Disaster Relief	0.10	0.43
Environmental sustainability	6.64	-
Rural Devlopment Project	0.99	-
Training to stimulate rural sports, nationally recognized sports, Paralympic sports and Olympic sports	1.12	-
Promoting preventive health care and sanitation and making available safe water	4.81	1.35
COVID-19	5.60	18.73
Total	**31.68**	**26.88**

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

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The Company does not carry any provisions for corporate social responsibility expenses for the current year and the previous year.

Amount of Expenditure incurred on Corporate Social Responsibility

Particulars	31 March 2022	31 March 2021
(a) amount required to be spent by the company during the year	32.14	25.81
(b) amount of expenditure incurred	31.68	26.88
(c) Excess / (shortfall) at the end of the year	-0.46	1.07
(d) total of previous years shortfall	-	-
(e) reason for shortfall	Excess Spent in FY. 2020-2021	-
(f) nature of CSR activities	As per above table	As per above table
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	Nil	Nil

52. Research and development expenditure :

A unit of the Company has been recognized by DSIR as in-house Research and Development unit.

Amount in respect to	For the year ended 31 March 2022	For the year ended 31 March 2021
Capital expenditure	275.35	36.25
Revenue expenditure	619.36	530.65
	894.71	**566.90**

53. Payment to Auditors' (excluding goods and services tax)

Amount in respect to	For the year ended 31 March 2022	For the year ended 31 March 2021
- Audit fees	3.40	3.40
- Limited review of quarterly results	2.40	2.50
- Certification and other matters	0.50	0.08
- Out-of-pocket expenses	0.02	-
Total	**6.32**	**5.98**

54. Disclosure under Section 186 of the Companies Act, 2013

a) Details of investment made during the year ended 31 March 2022 as per section 186 (4) of the Act:

Name of entity	As at 31 March 2021	Sale	Change due to fair valuation	As at 31 March 2022	Maximum amount outstanding during the year
Bharuch Eco Aqua. Infrastructure Limited	4.25	-	0.13	4.38	4.38
Panoli Enviro Technology Limited	0.08	-	-	0.08	0.08
Jiangsu Chemstar Chemical Co Limited	-	-	-	-	-
Bank of Baroda	-	-	-	-	-
Union Bank of India	0.10	-	0.01	0.11	0.11
Acoris Research Limited	0.10	-	-	0.10	0.10
MMA CETP Co-operative society Limited	1.69	-	0.12	1.81	1.81

Also refer note no 7 for investments.

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

55. Capitalisation of expenditure

During the year, the Company has capitalised the following expenses of revenue nature to the cost of property, plant and equipment (tangible fixed assets)/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

Amount in respect to	For the year ended 31 March 2022	For the year ended 31 March 2021
Finance costs	146.34	131.73
Employee benefit expenses	42.74	-
Other expenses	4.89	-
Total	**193.97**	**131.73**

56. Segment information

For management purposes, the Company is organised into business units based on its products and services and has two reportable segments, as follows:

Pharmaceuticals: Segment produces in Active Pharmaceutical Ingredients

Crop protection: Segment manufactures in pesticides, herbicides.

The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and profit as the performance indicator for all of the operating segments and review the total assets and liabilities of an operating segment.

Based on above, following are reportable segments as per Ind AS 108

Primary Segment (Operating Segment): Based on product lines of Company	Secondary Segment (Geographical Segment) Based on geographical area of operation
Pharmaceuticals	India and Outside India
Crop Protection	

Segment wise classification:-

A i) Primary segment reporting (by business segment)

The Company's business segments based on product lines are as under:

- **Pharmaceuticals**

Segment produces/trades in Active Pharmaceutical Ingredients

- **Crop Protection**

Segment produces/trades in pesticides and herbicides

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

ii) Segment revenues, results and other information

Particulars	Crop Protection	Pharmaceuticales	Total of Reportable Segment
External sales	**8,129.80**	**11,297.41**	**19,427.21**
	6,607.96	*10,596.40*	*17,204.36*
Other income	**-**	**-**	**-**
	-	-	-
Segment revenue	**8,129.80**	**11,297.41**	**19,427.21**
	6,607.96	*10,596.40*	*17,204.36*
Segment results	**1,151.35**	**1,510.21**	**2,661.57**
	1,032.72	*1,698.76*	*2,731.48*
Segment assets	**8,545.61**	**11,893.72**	**20,439.33**
	6,560.65	*11,314.48*	*17,875.13*
Segment liabilities	**1,993.40**	**1,752.85**	**3,746.26**
	1,161.84	*1,744.83*	*2,906.67*
Capital expenditure (included in segment assets)	**1,519.55**	**1,341.71**	**2,861.26**
	536.32	*924.66*	*1,460.98*
Depreciation/Amortisation	**310.23**	**616.27**	**926.50**
	307.65	*514.64*	*822.29*

Figures in italics pertain to previous year

iii) Reconciliation of reportable segments with the financial statements

	Revenues	Results / Net Profits	Assets	Liabilities	Capital Expenditure	Depreciation/ Amortisation
Total of reportable segments	**19,427.21**	**2,661.57**	**20,439.33**	**3,746.26**	**2,861.26**	**926.50**
	17,204.36	*2,731.48*	*17,875.13*	*2,906.67*	*1,460.98*	*822.29*
Corporate / Unallocated segment	**-**	**163.70**	**1,691.83**	**7,704.83**	**171.02**	**30.19**
	-	*305.23*	*1,257.17*	*6,891.45*	*99.13*	*30.16*
Finance cost	**-**	**312.18**	**-**	**-**	**-**	**-**
	-	*361.98*	-	-	-	-
Exceptional item	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-
Taxes	**-**	**580.60**	**-**	**-**	**-**	**-**
	-	*732.85*	-	-	-	-
As per financial statement	**19,427.21**	**1,605.09**	**22,131.16**	**11,451.09**	**3,032.28**	**956.69**
	17,204.36	*1,331.42*	*19,132.30*	*9,798.12*	*1,560.11*	*852.45*

Figures in italics pertain to previous year

B Secondary segment reporting (by geographical segment)

Particulars	India	USA and Canada	Europe	South East Asia	Others	Total
Revenue	5,285.23	3,130.43	4,592.52	2,218.33	4,200.70	19,427.21
	5,381.77	2,063.36	3,764.54	5,466.55	528.14	17,204.36
Total assets	22,131.16	-	-	-	-	22,131.16
	19,132.30	-	-	-	-	19,132.30
Capital expenditure	3,032.28	-	-	-	-	3,032.28
	1,560.11	-	-	-	-	1,560.11

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

There is a customer which account for revenue of ₹2,258.14 Million (Pr Yr. ₹1,762.16 Million) in Crop protection segment and a customer which account for revenue of Nil (Pr Yr ₹ Nil) in Pharmaceuticals segment, other than these there are no transactions with single external customer which amounts to 10% or more of the Company's revenue.

Figures in italics pertain to previous year

57. Related party disclosures

The note provides the information about the Company's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

i) List of Related parties

Subsidiaries

Name of the related party	Relationship	Country of incorporation	Ownership interest	
			31 March 2022	31 March 2021
Acoris Research Limited ("ARL")	Subsidiary	India	100%	100%
Hikal LLC (w.e.f. 7 April 2021)	Subsidiary	USA	100%	NA

Other related parties

Relationship	Name of the related party
a) Company/ enterprises exercising significant influence through voting power ('significant shareholder')	Kalyani Investment Company Limited ("KICL")
b) Key Management Personnel (KMP)	Jai Hiremath (Executive Chairman)
	Sameer Hiremath (Managing Director and Chief Executive Officer)
	Sham Wahalekar (Chief Financial Officer) (Upto 4 November 2020)
	Kuldeep Jain (Chief Financial Officer) (w.e.f. 5 November 2020)
	Rajasekhar Reddy (Company Secretary) (w.e.f. 4 August 2020)
c) Enterprises owned or controlled or significantly influenced by key management personnel or their relatives	Decent Electronics Private Limited ("DEPL")
	Marigold Investments Private Limited ("MIPL")
	Iris Investments Private Limited ("IIPL")
	Karad Engineering Consultancy Private Limited ("KECPL")
	Ekdant Investments Private Limited ("EIPL")
	Shri Rameswara Investment Private Limited ("SRIPL")
	Shri Badrinath Investment Private Limited ("SBIPL")
	Rushabh Capital Services Private Limited ("RCSPL")
	BF Investment Limited
	Sumer Trust
	Rhea Trust
	Nihal Trust
	Anika Trust
	Pooja Trust
	Anish Trust
	Pallavi Trust
	Sameer Trust
d) Relatives of Key Management Personnel	Anish Swadi
	Pallavi Swadi
	Pooja Hiremath

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

Relationship	Name of the related party
e) Non-executive directors	Baba Kalyani
	Amit Kalyani
	Sugandha Hiremath
	Kannan K. Unni
	Prakash Mehta
	Shivakumar Kheny (Upto 4 February 2021)
	Ranjit Shahani
	Shivani Bhasin Sachdeva
	Ravindra Kumar Goyal (Upto 22 December 2021)
	Shrikrishna K. Adivarekar (w.e.f. 22 December 2021)

ii) Details of transactions with related parties and balances outstanding

Particulars	Transaction value		Balances outstanding	
	Year ended 31 March 2022	Year ended 31 March 2021	31 March 2022	31 March 2021
Remuneration				
Jai Hiremath	53.88	41.43	-	-
Sameer Hiremath	36.00	24.53	-	-
Anish Swadi	20.84*	18.10		
Sham Wahalekar	0.00	9.50	-	-
Kuldeep Jain	12.50	3.78		
Rajasekhar Reddy	8.26	4.46		
Commission paid				
Jai Hiremath	22.65	21.00	22.65	21.00
Sameer Hiremath	22.65	21.00	22.65	21.00
Sitting fees				
Sugandha Hiremath	1.10	0.90	-	-
Baba Kalyani	0.50	0.40	-	-
Amit Kalyani	0.30	0.40	-	-
Kannan K. Unni	1.60	1.40	-	-
Prakash Mehta	1.70	1.40	-	-
Shivakumar Kheny	-	0.90	-	-
Shrikrishna Adivarekar	0.20	-	-	-
Ranjit Shahani	0.90	0.50	-	-
Shivani Bhasin Sachdeva	0.80	0.50	-	-
Ravindra Kumar Goyal	0.80	0.10	-	-
Commission to Non-executive directors				
Sugandha Hiremath	1.42	1.30	1.42	1.30
Baba Kalyani	1.42	1.30	1.42	1.30
Amit Kalyani	1.42	1.30	1.42	1.30
Kannan K. Unni	1.42	1.30	1.42	1.30
Prakash Mehta	1.42	1.30	1.42	1.30
Shrikrishna K. Adivarekar	0.39	-	0.39	-
Ranjit Shahani	1.42	1.30	1.42	1.30
Shivani Bhasin Sachdeva	1.42	1.30	1.42	1.30
Ravindra Kumar Goyal	1.03	1.30	1.03	1.30
Dividend paid				
SBIPL	43.81	23.90	-	-
SRIPL	21.58	11.77	-	-

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

Particulars	Transaction value		Balances outstanding	
	Year ended 31 March 2022	Year ended 31 March 2021	31 March 2022	31 March 2021
DEPL	0.11	0.06	-	-
EIPL	0.87	0.47	-	-
KECPL	0.14	0.08	-	-
KICL	85.07	46.40	-	-
Sugandha Hiremath	21.27	11.60	-	-
Jai Hiremath	2.95	1.61	-	-
Sameer Hiremath	0.86	0.47	-	-
Anish Swadi	0.02	0.01	-	-
Sham Wahalekar	-	0.02	-	-
Pallavi Swadi	0.84	0.46	-	-
Pooja Hiremath	0.02	0.01	-	-
BF Investment Limited	7.20	3.93	-	-
Sumer Trust	0.17	0.09	-	-
Rhea Trust	0.17	0.09	-	-
Nihal Trust	0.17	0.09	-	-
Anika Trust	0.17	0.09	-	-
Pooja Trust	0.17	0.09	-	-
Anish Trust	0.17	0.09	-	-
Pallavi Trust	0.41	0.23	-	-
Sameer Trust	0.41	0.23	-	-
Kuldeep Jain	-	0.00	-	-
Baba Kalyani	0.05	0.03	-	-
Kannan K. Unni	0.04	0.02	-	-
Prakash Mehta	0.03	0.02	-	-
Lease rent paid				
RCSPL	1.08	1.08	-	-
Sugandha Hiremath	2.40	2.40	-	-
Jai Hiremath	0.30	0.30	-	-
Security Deposit				
RCSPL	-	-	1.10	1.10
Sugandha Hiremath	-	-	50.00	50.00
Jai Hiremath	-	-	20.00	20.00
Sales Promotion Expenses				
Hikal LLC	22.38	-	-	-
Reimbursement of Expenses				
Acoris Research Limited	0.10	0.01	0.12	0.01

* excludes variable pay upto ₹ 23.50 million which is subject to performance of the company.

Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of business and are on arms length basis. Outstanding balances at year end are unsecured and interest free and settlement occures in cash.

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

58. Key Ratios

Sr. No.	Particulars	Numerator	Denominator	31 March 2022	31 March 2021	Variance (in %)
1	Current Ratio	Current Assets	Current Liabilities	1.25	1.34	6%
2	Debt-Equity Ratio	Total Borrowing	Equity	0.63	0.65	3%
3	Debt Service Coverage Ratio	EBIT	Total Debt Service	1.31	1.29	2%
4	Return on Equity Ratio	Comprehensive Income	Average Shareholder's Equity	16.16%	15.05%	7%
5	Inventory Turnover Ratio	Cost of goods sold	Avg. Inventory	109	116	7%
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average Accounts Receivable	4.17	4.13	1%
7	Trade Payables Turnover Ratio	Total Purchases	Average Accounts Payable	82	91	10%
8	Net Working Capital Turnover Ratio	Net Annual Sales	Working Capital	3.30	3.00	10%
9	Net Profit Ratio	Net Profit after Tax	Net Sales	8.26%	7.74%	7%
10	Return on Capital Employed	Operating Profit	Average Capital Employed	15.21%	16.15%	6%
11	Return on Investment	Income generated from Invested funds	Average Investment Funds	4.11%	5.58%	26%

59. Contribution to Provident Fund as per Supreme Court Judgment

There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The impact is not expected to be material as per the assessment made by the company.

60. COVID-19 Assessment

The Company has considered the impact of COVID-19 pandemic on its business operations and financial results based on its review of current indicators of future economic conditions. However, the impact assessment of this pandemic is a continuing process given the uncertainties associated with its nature and duration, and accordingly, the Company will continue to monitor any material changes to future economic conditions.

61. The Code on Social Security, 2020

The Code on Social Security, 2020 ('the Code') has been notified in the Official Gazette on September 29, 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period in which the said Code becomes effective and the rules framed thereunder are published.

62. The Company does not have any Benami property, where any proceedings have been initiated or pending against the company for holding any Benami property.

63. The Company does not have any transactions with Companies struck off.

64. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

65. The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

66. The Company has not advanced or loaned or invested funds to any other person / entities, 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 Funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

Notes to the Standalone Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

67. The Company has not received funds from any other person / entities, including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

68. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

69. During the month of July 2022, due to heavy rains at Mahad, Maharashtra led to flooding which caused the operations at the Company's Mahad Unit to remain shut for a period of 27 days. This has consequentially impacted the results for the year ended on 31 March 2022. The Company has filed an insurance claim, which is under assessment.

70. In connection with the alleged improper disposal of by-products by the Company in January 2022, statutory authorities are conducting relevant investigations, which are ongoing. Further, subsequent to the year-end, the Company was directed to stop manufacturing activities at its Taloja plant on grounds of not adhering to conditions stipulated in the relevant Consent to Operate. Based on the advice of external legal counsel, the Company believes it has a good case on merits in these matters, and the Company is taking necessary steps, including legal measures, to defend itself and restart manufacturing activities at the Taloja plant.

71. Other information

The figures for the previous year have been regrouped wherever necessary to conform to the current year's presentation.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

per Vinayak Pujare
Partner
Membership No: 101143

Place: Mumbai
Date: 28 May 2022

For and on behalf of the Board of Directors of **Hikal Limited**
CIN: L24200MH1988PTC048028

Jai Hiremath
Executive Chairman
DIN: 00062203

Sameer Hiremath
Managing Director and CEO
DIN: 00062129

Kannan K. Unni
Director
DIN: 00227858

Kuldeep Jain
Chief Financial Officer

Rajasekhar Reddy
Company Secretary

Place: Mumbai
Date: 28 May 2022

Independent Auditor's Report

To the Members of Hikal Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Hikal Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated Balance sheet as at 31 March 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 67 of the consolidated financial statements, as regards the ongoing investigations by statutory authorities and subsequent closure of the Taloja manufacturing facility, the outcome of which is subject to inherent uncertainties. Our opinion is not modified in respect of aforesaid matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditor of component not audited by us, as reported by him in his audit report furnished to us by the management, including those procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition based on contracts with customers (as described in note 3.1 and 34 of the consolidated financial statements)	
The Group recognizes revenue when control of the goods is transferred to the customers at an amount that reflects the net consideration, which the Group is entitled to receive for those goods from customers. Revenue from sale of products is recognised based on terms and conditions, which vary amongst different customers. There is a risk of revenue being overstated on account of variation in the timing of transfer of control and due to the pressure management may feel to achieve performance targets at the reporting period-end. The recognition and measurement of such revenue is also based on the terms of sales arrangement/contracts, which involves management judgement and estimation in respect of price adjustments that create complexities for determining sales revenues. Considering the above factors and the risk associated with recognition of such revenue, we have determined the same to be a key audit matter.	As part of our audit procedures, we: • Read the Group's accounting policy for revenue recognition and assessed its compliance with 115 'Revenue from contracts with customers; • Assessed the design and tested the operating effectiveness of internal financial controls related to sale of goods; • Performed sample tests of individual sales transactions and price adjustments and traced to sales invoices, sales orders, shipping documents and debit / credit notes. • Selected sample of sales transactions made pre and post year-end, agreed the period of revenue recognition to underlying documents such as sales invoices, sales orders and shipping documents; • Read and assessed the relevant disclosures made within the consolidated financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the Other Information. Other Information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company 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 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended 31 March 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of Rs. NIL as at 31 March 2022, and total revenues of Rs. NIL and net cash outflows of Rs. NIL for the year ended on that date. These financial statements and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of one subsidiary whose financial statements and other financial information reflect total assets of Rs 0.19 million as at 31 March 2022, and total revenues of Rs 22.38 million and net cash inflows of Rs 0.19 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of a Subsidiary, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

    (a) We/the other auditor whose report we have relied upon 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 consolidated financial statements;

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and report of the other auditor;

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

    (e) On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor who is appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's company, incorporated in India, is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

    (f) The matter described in Emphasis of Matter above, in our opinion, may have an adverse effect on the functioning of the Group.

    (g) With respect to the adequacy of the internal financial controls with reference to these consolidated financial statements of the Holding Company and its subsidiary company, incorporated in India, refer to our separate Report in "Annexure 2" to this report;

    (h) In our opinion and based on the consideration of report of other statutory auditor of the subsidiary, incorporated in India, the managerial remuneration for the year ended 31 March 2022 has been paid / provided by the Holding Company and its subsidiary incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

    (i) 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 and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:

        i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer 53 to the consolidated financial statements;

        ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31 March 2022;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary, incorporated in India during the year ended 31 March 2022.

        iv. a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of a subsidiary that, to the best of its knowledge and belief, as disclosed in the note 63 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or such subsidiary to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of its knowledge and belief, as disclosed in the note 64 to the consolidated financial statements, no funds have been received by the respective Holding Company or such subsidiary from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of a subsidiary which is company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

As stated in note 21 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143
UDIN: 22101143AJUVIJ9511

Place of Signature: Mumbai
Date: 28 May 2022

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Hikal Limited ('the Company')

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that there are no qualifications or adverse remarks by the auditor in the Companies (Auditors Report) Order (CARO) reports of the company included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143
UDIN: 22101143AJUVIJ9511

Place of Signature: Mumbai
Date: 28 May 2022

Annexure 2 to the Independent Auditor's Report of even date on the consolidated financial statements of Hikal Limited

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

In conjunction with our audit of the consolidated financial statements of Hikal Limited (hereinafter referred to as the "Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls of Hikal Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding company's internal financial controls with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these consolidated financial statements.

Meaning of Internal Financial Controls with reference to these Consolidated Financial Statements

A company's internal financial control with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to these Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating effectively as at 31 March 2022, based on the internal control criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Holding Company, insofar as it relates to this one subsidiary company, which is the Company incorporated in India, is based on the corresponding report of the auditor of such subsidiary incorporated in India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143
UDIN: 22101143AJUVIJ9511

Place of Signature: Mumbai
Date: 28 May 2022

Consolidated Balance Sheet

As at 31 March 2022

(Currency: Indian Rupees in million)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	8,147.48	6,459.85
Capital work-in-progress	4	2,851.83	2,453.85
Right of use assets	5	640.27	651.70
Other intangible assets	6	6.89	13.96
Intangible assets under development	6	96.01	88.54
Financial Assets			
Investments	7	6.38	6.12
Loans	8	1.69	1.82
Others	9	146.81	200.39
Income tax assets (net)	10	20.21	20.21
Other non-current assets	11	570.70	449.76
Total non-current assets		**12,488.27**	**10,346.20**
Current assets			
Current Investment	12	102.68	-
Inventories	13	3,289.79	2,666.99
Financial Assets			
Trade receivables	14	4,377.20	4,855.30
Cash and cash equivalents	15	114.41	76.37
Bank balances other than cash and cash equivalents	16	376.50	291.71
Loans	17	3.08	2.34
Others	18	174.86	2.35
Other current assets	19	1,204.27	890.94
Total current assets		**9,642.79**	**8,786.00**
Total assets		**22,131.06**	**19,132.20**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	246.60	246.60
Other equity			
Retained earnings		7,729.20	6,383.61
Other reserves	21	2,704.01	2,703.81
Total equity		**10,679.81**	**9,334.02**
Liabilities			
Non-current liabilities			
Financial Liabilities:			
Borrowings	22	2,866.81	2,628.86
Lease liability	23	2.23	5.79
Provisions	24	236.30	219.86
Deferred tax liabilities (net)	25	364.07	375.82
Other liabilities	26	290.02	
Total non-current liabilities		**3,759.43**	**3,230.33**
Current liabilities			
Financial liabilities:			
Borrowings	27	3,877.57	3,464.82
Lease liability	28	3.56	3.04
Trade payables	29		
Total outstanding dues of Micro Enterprises and Small Enterprises		449.98	260.48
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		2,040.71	2,035.71
Other financial liabilities	30	683.84	409.56
Other current liabilities	31	481.89	122.97
Provisions	32	31.38	44.42
Income tax liabilities (net)	33	122.89	226.85
Total current liabilities		**7,691.83**	**6,567.85**
Total liabilities		**11,451.25**	**9,798.18**
Total equity and liabilities		**22,131.06**	**19,132.20**

Significant accounting policies 1-3

Accompanying notes form an integral part of the Consolidated Financial statements

As per our report of even date

For and on behalf of the Board of Directors of **Hikal Limited**
CIN: L24200MH1988PTC048028

For S R B C & CO LLP
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

per Vinayak Pujare
Partner
Membership No: 101143

Place: Mumbai
Date: 28 May 2022

Jai Hiremath
Executive Chairman
DIN: 00062203

Kannan K. Unni
Director
DIN: 00227858

Kuldeep Jain
Chief Financial Officer

Sameer Hiremath
Managing Director and CEO
DIN: 00062129

Rajasekhar Reddy
Company Secretary

Place: Mumbai
Date: 28 May 2022

Consolidated Statement of Profit and Loss

For the year ended 31 March 2022

(Currency: Indian Rupees in million)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	34	19,427.21	17,204.36
Other income	35	48.90	49.82
Total income		**19,476.11**	**17,254.18**
Expenses			
Cost of materials consumed	36	10,322.11	9,067.12
Changes in inventories of finished goods and work-in-progress	37	(358.23)	16.65
Employee benefit expenses	38	2,033.81	1,643.17
Finance costs	39	312.18	361.98
Depreciation and amortisation expense	4-6	956.69	852.45
Other expenses	40	4,023.96	3,248.56
Total expenses		**17,290.52**	**15,189.93**
Profit before tax		**2,185.59**	**2,064.25**
Tax expense			
Current tax	41	596.50	795.51
Deferred tax	42	(15.90)	(62.66)
Total tax expense		**580.60**	**732.85**
Profit for the year (Attributable to Equity holders of the parent)		**1,604.99**	**1,331.40**
Other comprehensive income (OCI)			
(i) Items that will not be reclassified to consolidated statement of profit and loss			
Gain / (loss) on remeasurement of defined employee benefit plans		15.95	(19.38)
Gain / (loss) on change in fair values of investments in equity shares carried at fair value through OCI		0.27	(0.06)
(ii) Income tax relating to items that will not be reclassified to consolidated statement of profit and loss		(4.16)	5.00
Other comprehensive income for the year, (net of income tax)		**12.06**	**(14.44)**
Total comprehensive income for the year (Attributable to Equity holders of the parent)		**1,617.05**	**1,316.96**
Earnings per equity share (for nominal value per equity share of ₹ 2)			
Basic and Diluted	43	13.02	10.80

Significant accounting policies 1-3

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date

For and on behalf of the Board of Directors of **Hikal Limited**
CIN: L24200MH1988PTC048028

For S R B C & CO LLP
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

per Vinayak Pujare
Partner
Membership No: 101143

Place: Mumbai
Date: 28 May 2022

Jai Hiremath
Executive Chairman
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Kuldeep Jain
Chief Financial Officer

Sameer Hiremath
Managing Director and CEO
DIN: 00062129

Rajasekhar Reddy
Company Secretary

Place: Mumbai
Date: 28 May 2022

Consolidated Statement of Changes in Equity

For the year ended 31 March 2022

(Currency: Indian Rupees in million)

(a) Equity share capital

	No of shares	Value
Balance as at 1 April 2020	123.30	246.60
Changes in equity share capital during 2020-21	-	-
Balance as at 31 March 2021	**123.30**	**246.60**
Changes in equity share capital during 2021-22	-	-
Balance as at 31 March 2022	**123.30**	**246.60**

(b) Other equity

	Reserve and Surplus							Equity investments through other comprehensive income
	Capital reserve	Capital redemption reserve	Securities premium	State subsidy	Contingency reserve	General reserve	Retained earnings	
Balance as at 1 April 2020	0.44	509.82	381.23	5.50	30.00	1,779.58	5,214.57	(2.72)
Total comprehensive income for the year ended 31 March 2021								
Profit for the year	-	-	-	-	-	-	1,331.40	-
Items of OCI for the year, net of tax								
Gain / (loss) on remeasurement of defined employee benefit plans	-	-	-	-	-	-	(14.40)	-
Gain / (loss) on change in fair values of investments in equity shares carried at fair value through OCI	-	-	-	-	-	-	-	(0.04)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**1,317.00**	**(0.04)**
Transaction with equity holders in their capacity as owners, recorded directly in equity								
Dividend	-	-	-	-	-	-	(147.96)	-
Dividend distribution tax	-	-	-	-	-	-	-	-
Other adjustments								
Lease impact as per Ind AS 116	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	**0.44**	**509.82**	**381.23**	**5.50**	**30.00**	**1,779.58**	**6,383.61**	**(2.76)**
Total comprehensive income for the year ended 31 March 2022								
Profit for the year	-	-	-	-	-	-	1,604.99	-
Items of OCI for the year, net of tax								
Gain / (loss) on remeasurement of defined employee benefit plans	-	-	-	-	-	-	11.86	-
Gain / (loss) on change in fair values of investments in equity shares carried at fair value through OCI	-	-	-	-	-	-	-	0.20
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**1,616.85**	**0.20**
Transaction with owners in their capacity as owners, recorded directly in equity								
Dividends	-	-	-	-	-	-	(271.26)	-
Balance as at 31 March 2022	**0.44**	**509.82**	**381.23**	**5.50**	**30.00**	**1,779.58**	**7,729.20**	**(2.56)**

As per our report of even date

For and on behalf of the Board of Directors of **Hikal Limited**
CIN: L24200MH1988PTC048028

For S R B C & CO LLP
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

Jai Hiremath
Executive Chairman
DIN: 00062203

Sameer Hiremath
Managing Director and CEO
DIN: 00062129

per Vinayak Pujare
Partner
Membership No: 101143

Kannan K. Unni
Director
DIN: 00227858

Kuldeep Jain
Chief Financial Officer

Rajasekhar Reddy
Company Secretary

Place: Mumbai
Date: 28 May 2022

Place: Mumbai
Date: 28 May 2022

Consolidated Cash Flow Statement

For the year ended 31 March 2022

(Currency: Indian Rupees in million)

	For the year ended 31 March 2022		For the year ended 31 March 2021	
A. Cash flow from operating activities				
Profit before tax		**2,185.59**		**2,064.25**
Adjustments:				
Depreciation and amortisation	956.69		852.45	
Dividend on long-term investments	(0.00)		(0.01)	
Finance costs	312.18		361.98	
Interest income	(17.55)		(26.67)	
Gain on sale of property, plant and equipment	(0.52)		-	
Sundry balances written (back)/off	(3.56)		9.73	
Provision for doubtful debts/advances	15.27		45.29	
Change in fair value of current investment	(2.30)		-	
Provision/write off of inventory	11.40		60.00	
Profit on sale of investment	(1.40)		(0.12)	
Unrealised foreign exchange (gain)/ loss	(7.51)		(32.79)	
		1,262.70		1,269.86
Operating cash flow before working capital changes		**3,448.29**		**3,334.11**
(Increase) in trade receivables	469.10		(1,473.23)	
(Increase) in loans and advances and other assets	(564.68)		86.22	
(Increase) in inventories	(634.20)		397.65	
(Decrease)/increase trade payables	193.62		292.58	
Increase in provisions and other liabilities	723.20		117.85	
		187.04		(578.93)
Cash generated from operations		**3,635.33**		**2,755.18**
Income tax paid		(698.00)		(465.00)
Net cash flows generated from operating activities (A)		**2,937.33**		**2,290.18**
B. Cash flow from investing activities				
Purchase of property, plant and equipment and intangible assets	(2,733.14)		(1,575.99)	
Proceeds from sale of property, plant and equipment	2.69		-	
Purchase of current investments	(180.38)		-	
Proceeds from sale of investment	81.40		0.73	
Dividend on long-term investments	0.00		0.01	
Interest received	16.93		27.33	
(Increase)/decrease in other bank balances (includes margin money account)	(31.21)		(14.04)	
Net cash flows (used in) investing activities (B)		**(2,843.71)**		**(1,561.96)**
C. Cash flow from financing activities				
Proceeds from long-term borrowings	1,350.00		600.00	
Repayment of long-term borrowings	(887.13)		(872.60)	
Repayments of/proceeds from short-term borrowings (net)	204.60		(56.92)	
Finance costs paid (including transaction costs)	(448.75)		(487.86)	
Payment of lease liability	(3.04)		(3.11)	
Dividend paid on equity shares	(271.26)		(148.19)	
Net cash flows (used in) financing activities (C)		**(55.58)**		**(968.68)**

Consolidated Cash Flow Statement

For the year ended 31 March 2022

(Currency: Indian Rupees in million)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Net increase/(decrease) in cash and cash equivalents (A+B+C)	38.04	**(240.46)**
Cash and cash equivalents at the beginning of the year, the components being		
Cash on hand	0.84	2.37
Balances with banks		
- Current accounts	66.97	304.56
- Exchange Earners Foreign Currency accounts	0.09	1.86
- Deposits accounts (demand deposits and deposits having original maturity of 3 months or less)	8.47	8.04
	76.37	**316.83**
Cash and cash equivalents at the end of the year, the components being		
Cash on hand	2.37	0.84
Balances with banks		
- Current accounts	96.84	66.97
- Exchange Earners Foreign Currency accounts	7.19	0.09
- Deposits accounts (demand deposits and deposits having original maturity of 3 months or less)	8.01	8.47
	114.41	**76.36**
Net increase/(decrease) as disclosed above	**38.04**	**(240.46)**

Notes to the cash flow statement

1 The above cash flow statement has been prepared under the 'Indirect Method' set out in Accounting Standard (IND AS) 7, 'Cash Flow Statements'.

2 For changes in liability arising from financing activity refer note 22

Significant accounting policies 1-3

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date

For and on behalf of the Board of Directors of **Hikal Limited**
CIN: L24200MH1988PTC048028

For S R B C & CO LLP
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

Jai Hiremath
Executive Chairman
DIN: 00062203

Sameer Hiremath
Managing Director and CEO
DIN: 00062129

per Vinayak Pujare
Partner
Membership No: 101143

Kannan K. Unni
Director
DIN: 00227858

Kuldeep Jain
Chief Financial Officer

Rajasekhar Reddy
Company Secretary

Place: Mumbai
Date: 28 May 2022

Place: Mumbai
Date: 28 May 2022

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

1 Group Overview

Hikal Limited ('Hikal' or 'the Holding company') was incorporated on 8 July, 1988 having its registered office at 717/718, Maker Chamber V, Nariman Point, Mumbai 400 021.

The Holding Company is engaged in the manufacturing of various chemical intermediates, specialty chemicals, active pharma ingredients and contract research activities.

The Holding Company has its equity shares listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

The Holding Company alongwith its subsidiary is referred to as the "Group"

The Group is operating in the crop protection and pharmaceuticals space.

2 Basis of preparation

2.1 Statement of compliance

The accompanying consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements for the year ended 31 March 2022 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 28 May 2022.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian rupees, which is also the Group's functional currency. All amounts have been rounded off to two decimal places to the nearest million, unless otherwise indicated.

2.3 Basis of measurement

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

- certain financial assets and liabilities 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 defined benefit obligations.

2.4 Use of estimates and judgments

The preparation of the consolidated financial statements in accordance with Ind AS requires use of judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Property, plant and equipment

Useful lives of tangible assets are based on the the estimates made by the management. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

c. Impairment allowance of trade receivables (allowance for bad and doubtful debts)

The Group makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

d. Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

e. Recognition of deferred tax assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits, if any could be utilised.

2.5 Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6 Current / non-current classification

An entity shall classify an asset as current when-

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period."

An entity shall classify a liability as current when-

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification."

An entity shall classify all other assets and liabilities as non-current.

Operating cycle

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

3 Significant accounting policies

3.1 Basis of Consolidation

i. Subsidiary

Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power

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over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

ii. Consolidation Procedure

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 transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in reparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., year ended on 31 March.

The procedure followed is as follows:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the 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 Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The list of company, controlled directly or indirectly by the Holding Company which are included in the consolidated financial statements is as under:

Name	Relationship	Country of incorporation	Ownership Interest 31 March 2022	Ownership Interest 31 March 2021
Acoris Research Limited	Subsidiary	India	100%	100%
Hikal LLC (w.e.f. 07th April 2021)	Subsidiary	USA	100%	NA

3.2 Revenue

Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for rebates and discounts, price adjustments and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Due to short nature of credit period given to customers there is no financing component in the contract.

Export entitlements

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Group, and where there is no significant uncertainty regarding the ultimate collection/determination of amounts of the relevant export proceeds.

Rendering of Services

Revenue from services rendered is recognised in the Statement of profit and loss as the underlying services are performed.

Interest Income

Interest income is recognised using the effective interest method as set out in Ind AS 109 – Financial Instruments: Recognition and Measurement, when it is probable that the economic benefits associated with the transaction

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will flow to the Group and the amount of the revenue can be measured reliably. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

Dividend Income

Dividend income is recognised when right to receive payment is established and it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably.

3.3 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the Group's functional currency 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-monetary 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-monetary asstes and liabilities that are measured based on historical cost in a foreign currency are not translated. Foreign currency exchange differences are generally recognised in the statement of profit and loss.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous Financial Statements are recognised in the consolidated Statement of Profit and Loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in Other Comprehensive Income, any exchange component of that gain or loss is recognised in Other Comprehensive Income. Conversely, when a gain or loss on a non-monetary item is recognised in consolidated Statement of Profit and Loss, any exchange component of that gain or loss is recognised in consolidated Statement of Profit and Loss.

3.4 Employee benefits

Short-term employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

Post employment employee benefits

i Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Group makes specified monthly contributions to Provident fund, Employee State Insurance and Labour Welfare Fund and are recognised as an employee benefit expense in the statement of profit and loss on an accrual basis.

Contribution to Superannuation Fund, a defined contribution scheme, administered by Life Insurance Corporation of India, based on a specified percentage of eligible employees' salary.

ii Defined benefit plans

A defined benefit plan is a post-employee benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined liability (asset) after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to gratuity benefit scheme are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit

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that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Gratuity

The Group has an obligation towards gratuity, a defined benefit scheme covering eligible employees. The Group accounts for gratuity benefits payable in future based on an independent actuarial valuation method as stated above. Gratuity for staff at Panoli plant is funded through group gratuity insurance scheme of the Life Insurance Corporation of India ('LIC').

Other long-term employee benefits

The Group's net obligation in respect of compensated absences such as paid annual leave, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method, as at the date of the Balance Sheet. Actuarial gains or losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the statement of profit and loss.

3.5 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the consolidated statement of profit and loss or items recognised directly in equity or in other comprehensive income.

i 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. It is measured using tax rates enacted or substantively enacted by the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and current tax liabilities are offset only if, the Group:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Group 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; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable Group.

"Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown

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as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period."

3.6 Inventories

a Measurement of Inventory

The Group measures its inventories at the lower of cost and net realisable value.

b Cost of Inventories

The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The costs of conversion of inventories include costs directly related to the units of production and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned by weighted average cost formula. The Group uses the same cost formula for all inventories having a similar nature and use to the Group.

c Net realisable value

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realisable value is ascertained for each item of inventories with reference to the selling prices of related finished products.

The practice of writing inventories down below cost to net realisable value is consistent with the view that assets should not be carried in excess of amounts expected to be realised from their sale or use. Inventories are usually written down to net realisable value item by item.

Estimates of net realisable value of finished goods and stock-in-trade are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net realisable value.

Amount of any reversal of write-down of inventories shall be recognised as an expense as when the event occurs. A new assessment is made of net realisable value in each subsequent period. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed. Amounts such reversed shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which reversal occurs.

d Valuation of Spare parts, stand-by equipments and servicing equipments

Spare parts, stand-by equipment and servicing equipment are recognised as Property, Plant and Equipment if and only if it is probable that future economic benefits associated with them will flow to the Group and their cost can be measured reliably. Otherwise such items are classified and recognised as Inventory.

3.7 Property, plant and equipment

i Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any directly attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by management.

c) the estimated costs of dismantling and removing the item and restoring the site on which it is located.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the statement of profit and loss.

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If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on the depreciable amount of an item of Property, plant and equipment is allocated on a systematic basis over its useful life. The Group provides depreciation on the straight-line method. The Group believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group. Based on internal technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc: the management believes useful lives of the assets are appropriate. The depreciation method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors.

The residual value and the useful life of an asset is reviewed at least at each financial year-end. Depreciation is calculated using the straight-line method on cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives prescribed under Schedule II of the Act.

In case of Ships, based on internal assessment and technical evaluation carried out, management believes that the useful life is 30 years, which is higher and different from the useful life of 20 years as prescribed under Part C of Schedule II of the Act.

The estimated useful lives of items of property, plant and equipment are as follows:

Tangible Assets	Life defined	Useful life as per Schedule II
Buildings	30-60	30-60
Plant and equipment	9-15	10-20
Furniture and fixtures	10	10
Electrical installation	10	10
Vehicles	8	10
Office equipment	5	5
Computers	3	3
Ships	30	20

Leasehold improvements amortised over the primary period of lease.

Assets acquired on hire purchase/finance lease are generally depreciated over the period of useful life of assets on a straight-line basis unless there is no reasonable certainty that the ownership of the asset would be obtained at the end of the agreement term. Where there is no reasonable certainty that the ownership of the asset would be obtained at the end of the agreement term, such assets are depreciated over the shorter of the contract term or the asset's useful life in accordance with the Group's normal depreciation policy.

The additional depreciation charge on account of revaluation of property, plant and equipment (tangible fixed assets) is spread over the balance useful life of the revalued assets. The additional charge of depreciation on account of revaluation is debited to the statement of profit and loss.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.8 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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The Group has opted option available in Para D13AA of Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP i.e. capitalisation foreign exchange difference pursuant to para 46A of AS 11 'The Effects of Changes in Foreign Exchange Rates' vide notification dated 29 December 2011 by Ministry of Corporate Affairs (MCA).

3.9 Intangible assets

i. Recognition and measurement

Expenditure on research activities is recognised in the statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the research and development, only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets, includes computer software, which are acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of profit and loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is included in depreciation and amortisation in the statement of profit and loss.

Other intangible assets are amortised over the estimated useful lives as given below:

- Computer Software 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.10 Financial instruments

a. Financial assets

i. Recognition and initial measurement

Trade receivables and debt instruments issued are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value. In the case of financial assets which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

ii. Classification

On initial recognition, a financial asset is classified as measured at

- amortised cost; or
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the 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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI

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(designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

iii Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity instrument measured at FVOCI not reported separately from other changes in fair value.

iv. Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

v Impairment of financial assets

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified in the statement of profit and loss.

Further disclosures relating to impairment of financial assets are also provided in the following notes:

Trade receivables and contract assets – see Note 13

Trade receivables the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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b. Financial liabilities

i. Recognition and initial measurement

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value. In the case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition or issue of financial liability.

ii Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

iii. Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any changes therein are generally recognised in the profit and loss account.

3.11 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.12 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i Right-of-use Assets (ROU Assets)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold Land	90 to 99 years
Buildings	9 years

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If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.13 Impairment of non-financial assets.

ii Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

iii Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.13 Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

The recoverable amount is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 respect of the assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, impairment loss is reversed to the extent to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

3.14 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.15 Earnings per share (EPS)

Basic EPS is computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be antidilutive.

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3.16 Recent accounting pronouncements

Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23 March 2022 to amend the following Ind AS which are effective from 1 April 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022 but do not apply to the Group as it was first time adopter in an earlier year.

Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. Ind AS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

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For the year ended 31 March 2022

(Currency: Indian Rupees in million)

4. Property, Plant and Equipment

Description	Gross Block					Accumulated Depreciation				Net Block	
	As at 1 April 2021	Additions	Deductions	Adjustment of exchange difference on borrowing	As at 31 March 2022	As at 1 April 2021	Charge for the year	Deductions	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Freehold land	582.10	-	-	-	582.10	-	-	-	-	582.10	582.10
Buildings	1,731.50	183.40	-	-	1,914.90	333.57	72.72	-	406.29	1,508.61	1,397.93
Plant and machinery	7,751.98	2,262.83	20.85	12.17	10,006.13	3,474.06	810.99	19.03	4,266.02	5,740.11	4,277.92
Electrical equipments and installations	135.87	115.59	-	-	251.46	80.87	18.31	-	99.18	152.28	54.99
Office equipments	116.54	36.51	-	-	153.05	84.45	18.22	-	102.67	50.38	32.09
Furniture and fixtures	112.04	17.32	-	-	129.36	56.97	9.19	-	66.16	63.20	55.07
Leasehold improvements	5.58	-	-	-	5.58	2.80	0.56	-	3.36	2.22	2.78
Vehicles	57.55	0.00	4.02	-	53.53	27.23	6.34	3.77	29.80	23.73	30.32
Ships	35.75	-	-	-	35.75	9.11	1.79	-	10.90	24.85	26.64
Total	**10,528.91**	**2,615.65**	**24.87**	**12.17**	**13,131.86**	**4,069.06**	**938.12**	**22.80**	**4,984.38**	**8,147.48**	**6,459.85**
Capital work in progress										2,851.83	2,453.85

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(Currency: Indian Rupees in million)

4. Property, plant and equipment (Previous year)

Description	Gross Block					Accumulated Depreciation				Net Block	
	As at 1 April 2020	Additions	Deductions	Adjustment of exchange difference on borrowing	As at 31 March 2021	As at 1 April 2020	Charge for the year	Deductions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Freehold land	581.94	0.16	-	-	582.10	-	-	-	-	582.10	581.94
Buildings	1,694.60	36.90	-	-	1,731.50	262.58	70.99	-	333.57	1,397.93	1,432.02
Plant and machinery	7,201.75	568.41	-	(18.18)	7,751.98	2,759.68	714.38	-	3,474.06	4,277.92	4,442.07
Electrical equipments and installations	121.63	14.24	-	-	135.87	72.15	8.72	-	80.87	54.99	49.48
Office equipments	99.19	17.35	-	-	116.54	63.56	20.89	-	84.45	32.09	35.63
Furniture and fixtures	106.64	5.40	-	-	112.04	47.70	9.27	-	56.97	55.07	58.94
Leasehold Improvements	5.58	-	-	-	5.58	2.24	0.56	-	2.80	2.78	3.34
Vehicles	56.07	1.48	-	-	57.55	20.24	6.99	-	27.23	30.32	35.83
Ships	35.75	-	-	-	35.75	7.32	1.79	-	9.11	26.64	28.43
Total	**9,903.15**	**643.94**	**-**	**(18.18)**	**10,528.91**	**3,235.47**	**833.59**	**-**	**4,069.06**	**6,459.85**	**6,667.68**
Capital work in progress										2,453.85	1,521.03

Notes:

a. Exchange differences (loss) of ₹ 12.17 million (P.Y. gain ₹ 18.18 million) has been included in the additions to fixed assets post the exercise of option in terms of Para 46A of AS11 (pursuant to notification dated 29 December 2011 issued by the Ministry of Corporate Affairs.)

b. Refer note 22 and 27 for details of assets hypothecated/mortgaged as security against borrowings.

c. Refer note 50 for details of revenue expenditure capitalised.

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(Currency : Indian Rupees in million)

a) For Capital-work-in progress, ageing schedule

Amount of Capital-Work-in-Progress for a period 31-03-2022

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in Process	2,542.84	224.85	47.51	36.63	2,851.83
- Projects temperorily suspended	-	-	-	-	-

Amount of Capital-Work-in-Progress for a period of 31-03-2021

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in Process	1,422.86	888.04	142.07	0.88	2,453.85
- Projects temperorily suspended	-	-	-	-	-

b) For Capital WIP, whose completion is overdue or has exceeded the cost compared to its original value as on 31-03-2022

Project Locations	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Crop Projects	937.62	-	-	-	937.62
Pharma Projects	832.09	-	-	-	832.09
Total	**1,769.71**	**-**	**-**	**-**	**1,769.71**

5. Right of use assets

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2021	Additions	Deductions	As at 31 March 2022	As at 1 April 2021	Charge for the year	Deductions	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Leasehold land*	691.71	-	-	691.71	45.51	9.28	-	54.79	636.92	646.20
Buildings	11.06	-	-	11.06	5.56	2.15	-	7.71	3.35	5.50
Total	**702.77**	**-**	**-**	**702.77**	**51.07**	**11.43**	**-**	**62.50**	**640.27**	**651.70**

5. Right of use assets (previous year)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2020	Additions	Deductions	As at 31 March 2021	As at 1 April 2020	Charge for the year	Deductions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Leasehold land	691.71	-	-	691.71	36.23	9.28	-	45.51	646.20	655.48
Buildings	11.06	-	-	11.06	3.41	2.15		5.56	5.50	7.65
Total	**702.77**	**-**	**-**	**702.77**	**39.64**	**11.43**	**-**	**51.07**	**651.70**	**663.13**

6. Other intangible assets

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2021	Additions	Deductions	As at 31 March 2022	As at 1 April 2021	Charge for the year	Deductions	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Computer software	43.27	0.07	-	43.34	29.31	7.14	-	36.45	6.89	13.96
Total	**43.27**	**0.07**	**-**	**43.34**	**29.31**	**7.14**	**-**	**36.45**	**6.89**	**13.96**
Intangible assets under development									96.01	88.54

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a) For Intangible assets under development, ageing schedule

Amount of Intangible assets under development as on 31-03-2022

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
	I	II	III	IV	
- Projects in Process	7.47	1.40	32.74	54.40	96.01
- Projects temperorily suspended	-	-	-	-	-

B) For Intangible assets under development, whose completion is overdue or has exceeded the cost compared to its original value as on 31-03-2022

Particulars	To be completed in				Total
	<1 year	1-2 years	2-3 years	More than 3 years	
Intangible assets under development	-	96.01	-	-	96.01

6. Other Intangible assets (previous year)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2020	Additions	Deductions	As at 31 March 2021	As at 1 April 2020	Charge for the year	Deductions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Computer software	43.27	-	-	43.27	21.88	7.43	-	29.31	13.96	21.39
Total	**43.27**	**-**	**-**	**43.27**	**21.88**	**7.43**	**-**	**29.31**	**13.96**	**21.39**
Intangible assets under development									88.54	87.14

7. Non-current investments

	As at 31 March 2022	As at 31 March 2021
Investments in equity instruments:		
(At fair value through other comprehensive income)		
A Unquoted		
i Other investment		
223,164 (P.Y. 223,164) Equity shares of ₹ 10 each of Bharuch Eco Aqua. Infrastructure Limited fully paid-up	4.38	4.25
30,000 (P.Y. 30,000) Equity shares of ₹ 10 each of Panoli Enviro Technology Limited fully paid-up	0.08	0.08
14,494 (P.Y. 14,494) Equity shares of ₹ 100 each MMA CETP Co-operative Society Limited fully paid-up	1.81	1.69
16% (P.Y. 16%) equity shares of Jiangsu Chemstar Chemical Co Limited fully paid-up	0.01	0.01
Impairment in value of investment*	(0.01)	(0.01)
B Quoted		
(At fair value through other comprehensive income)		
2,900 (P.Y. 2,900) Equity shares of ₹ 10 each of Union bank of India fully paid-up	0.11	0.10
Total non-current investments (A + B)	**6.38**	**6.12**
Aggregate amount of quoted investments	0.11	0.10
Aggregate market value of quoted investments	0.11	0.10
Aggregate amount of unquoted investments	6.28	6.03
Aggregate amount of impairment in value of investments	(0.01)	(0.01)
	6.38	**6.12**

Note:

The Holding Company has written of the value of ₹ 26.96 Million in investment in Jiangsu Chemstar Chemical Co Limited in the current year against provision created in earlier financial year.

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8. Loans

	As at 31 March 2022	As at 31 March 2021
Unsecured and considered good		
To other than related parties		
Loans to employees	1.69	1.82
	1.69	**1.82**

9. Other financial assets

	As at 31 March 2022	As at 31 March 2021
Unsecured and considered good		
To other than related parties		
Deposits with remaining maturity of more than 12 months	5.55	45.10
Security deposit to related parties	71.10	71.10
Security deposit to other than related parties	70.16	84.19
	146.81	**200.39**

10. Non-current tax assets (net)

	As at 31 March 2022	As at 31 March 2021
Non-current tax assets (net)	20.21	20.21
(Net of provision of ₹ 559.57 million (31 March 2021: ₹ 559.57 Million))		
	20.21	**20.21**

11. Other non-current assets

	As at 31 March 2022	As at 31 March 2021
Unsecured and considered good		
To other than related parties		
Prepaid expenses	5.74	8.46
VAT/ CST refund receivable	9.06	14.74
Balance with government authorities	347.88	257.04
Capital advances	208.02	169.52
	570.70	**449.76**

12. Current Investment

	As at 31 March 2022	As at 31 March 2021
Investment at fair value through Statement of Profit or Loss		
Investment in Mutual Funds (unquoted)		
Investment in Aditya Birla Sunlife Savings fund (No. of units 139,404.39 and Face value of ₹ 100/- Each)	61.38	-
Investment in Tata Money Market fund collection (No. of units 10,908.54 (Purchased 16,210.59 and sold 5,302.05 units) Face value of ₹ 1000/- Each)	41.30	-
	102.68	**-**

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For the year ended 31 March 2022

(Currency : Indian Rupees in million)

13. Inventories

	As at 31 March 2022	As at 31 March 2021
Valued at the lower of cost and net realisable value		
Raw materials (includes goods in transit of ₹ 273.20 Million, 31 March 2021 ₹ 7.52 Million)	1,632.11	1,362.26
Packing materials	11.14	10.36
Work-in-progress	660.98	583.28
Finished goods	798.52	517.99
Stores and spares	187.04	193.10
	3,289.79	**2,666.99**

Inventories which comprise raw materials, packing materials, work-in-progress and finished goods are carried at the lower of cost and net realisable value. (See detailed accounting policy in Note 3.5)

The write-down of inventories to net realisable value as at year end amounted to ₹ 118.02 million (31 March 2021: ₹ 118.02 million). The write down of inventories are included in cost of materials consumed or changes in inventories of finished goods and work-in-progress in the statement of profit and loss.

14. Trade receivables

	As at 31 March 2022	As at 31 March 2021
(Unsecured)		
Trade receivable considered good	4,403.51	4,822.91
Trade receivable which have significant increase in credit risk	71.37	114.80
	4,474.88	**4,937.71**
Impairment allowance (Allowance for bad and doubtful debts)		
Trade receivable considered good	(49.66)	(33.15)
Trade receivable which have significant increase in credit risk	(48.02)	(49.26)
	(97.68)	**(82.41)**
Net trade receivable	**4,377.20**	**4,855.30**

The loss allowance on trade receivables has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for trade receivables considered good on the basis that credit risk exists even though it may be very low.

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 44.

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash. However, the group has retained credit risk. The Group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount subject to factoring agreement is presented as borrowing.

The relevant carrying amounts are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Total transferred trade receivables	347.95	1,114.60
Associated borrowings [refer note 27]	347.95	1,114.60

Notes to the Consolidated Financial Statements

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(Currency : Indian Rupees in million)

Trade Receivables Ageing as on 31st March 2022

Sr. No.	Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years "	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	3,733.91	617.98	51.62	-	-	-	4,403.51
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	12.10	5.59	8.40	26.09
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	30.55	-	14.73	45.28
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	**3,733.91**	**617.98**	**51.62**	**42.65**	**5.59**	**23.13**	**4,474.88**

Trade Receivables Ageing as on 31st March 2021

Sr. No.	Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	4,466.78	399.83	10.62	-	-	-	4,877.23
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	6.37	1.78	7.05	15.20
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	30.55	-	-	14.73	45.28
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	**4,466.78**	**399.83**	**41.17**	**6.37**	**1.78**	**21.78**	**4,937.71**

15. Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Bank balances in:		
- Current accounts	96.84	66.97
- Exchange earners foreign currency	7.19	0.09
- Fixed deposit account (with original maturity of 3 months or less)	8.01	8.47
Cash on hand	2.37	0.84
Cash and cash equivalents in the statement of cash flows	**114.41**	**76.37**

16. Bank balance other than cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Other bank balances:		
Bank deposits due to mature within 12 months of the reporting date	374.02	289.31
Unpaid dividend accounts	2.48	2.40
	376.50	**291.71**

Deposits given as security

1) Margin money deposits with a carrying amount as at 31 March 2022 of ₹ 177.09 million (31 March 2021- ₹ 136.79 million) are earmarked towards non fund based facilities availed from banks

2) Bank deposits with a carrying amount as at 31 March 2022 of ₹ 196.93 million (31 March 2021 ₹ 197.62 million) are earmarked towards the Company's rupee term loans and external commercial borrowing term loan availed from banks.

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(Currency : Indian Rupees in million)

17. Loans

	As at 31 March 2022	As at 31 March 2021
(Unsecured)		
To parties other than related parties		
Loans to employees	3.08	2.34
	3.08	**2.34**

18. Other financial assets

	As at 31 March 2022	As at 31 March 2021
(Unsecured)		
Interest accrued on fixed deposit	2.98	2.35
Unbilled revenue	96.65	-
Insurance claim receivable	75.23	-
	174.86	**2.35**

19. Other current assets

	As at 31 March 2022	As at 31 March 2021
(Unsecured)		
To parties other than related parties		
Advance to suppliers		
Considered good	200.90	100.55
Considered doubtful	20.00	20.00
Advance to suppliers	**220.90**	**120.55**
Less: Provision for doubtful advances	(20.00)	(20.00)
	200.90	**100.55**
Balance with government authorities	850.92	669.81
VAT / CST refund receivable	-	3.78
Prepaid expenses	152.45	116.80
	1,204.27	**890.94**

20. Other current assets

	As at 31 March 2022	As at 31 March 2021
Authorised share capital (Refer note a below)		
Equity	500	500
Par value per share (₹)	2	2
Number of equity shares	250,000,000	250,000,000
Preference shares	250	250
Par value per share (₹)	100	100
Number of Preference shares	2,500,000	2,500,000
Issued, subscribed and fully paid up -Equity	246.60	246.60
Par value per share (₹)	2	2
Number of equity shares	123,300,750	123,300,750

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

a. The Board of Directors of the Holding Company at its meeting held on 9 May 2018, approved a proposal to issue bonus shares in the ratio of one equity share of ₹ 2 each for every two equity share of ₹ 2 each held by the shareholders of the Holding Company as on the record date i.e 25 June 2018, which was approved by the shareholders by means of an ordinary resolution in the extra ordinary general meeting held on 11 June 2018. The Holding Company allotted 41,100,250 equity shares as fully paid up bonus shares by capitalisation of securities premium amounting to ₹ 82.20 million.

b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

	As at 31 March 2022		31 March 2021	
	No. millions	₹ in millions	No. millions	₹ in millions
At the beginning of the year	123.30	246.60	123.30	246.60
Bonus shares	-	-	-	-
At the end of the year	**123.30**	**246.60**	**123.30**	**246.60**

c. Terms/rights attached to equity shares

The Holding Company has only single class of equity shares having a par value of ₹ 2 (P.Y. ₹ 2) per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors of holding Company is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Details of shareholders holding more than 5% of shares:

	As at 31 March 2022		As at 31 March 2021	
	No of Shares	%	No of Shares	%
Equity shares of ₹ 2 (P.Y. ₹ 2) each fully paid				
Kalyani Investment Company Limited	38.67	31.36	38.67	31.36
Shri Badrinath Investment Private. Limited	19.91	16.15	19.91	16.15
Shri Rameshwara Investment Private Limited	9.81	7.96	9.81	7.96
Sugandha J Hiremath	9.67	7.84	9.67	7.84

e. The Shareholding of Promoters as on 31 March 2022 is as under:

Promoters Name	No. of Shares	% of Total Shares	% Change during the Year
Kalyani Investment Company Limited	38,667,375	31.36%	-
Shri Badrinath Investment Pvt Ltd	19,914,862	16.15%	-
Shri Rameshwara Investment Pvt Ltd	9,810,000	7.96%	-
Sugandha J Hiremath	9,667,500	7.84%	-
BF Investment Limited	3,273,375	2.65%	-
Jai Hiremath	1,340,625	1.09%	-
Ekdant Investment Pvt Ltd	393,802	0.32%	-
Sameer Hiremath	390,975	0.32%	-
Pallavi Anish Swadi	381,000	0.31%	-
Pallavi Trust	187,500	0.15%	-
Sameer Trust	187,500	0.15%	-
Sumer Trust	75,000	0.06%	-
Rhea Trust	75,000	0.06%	-
Nihal Trust	75,000	0.06%	-
Anika Trust	75,000	0.06%	-

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

Promoters Name	No. of Shares	% of Total Shares	% Change during the Year
Pooja Trust	75,000	0.06%	-
Anish Trust	75,000	0.06%	-
Karad Engineering Consultancy Pvt Ltd	63,750	0.05%	-
Decent Electronics Pvt Ltd	49,500	0.04%	-
Anish Dilip Swadi	7,500	0.01%	
Pooja Hiremath	7,500	0.01%	

The Shareholding of Promoters as on 31 March 2021 is as under:

Promoters Name	No. of Shares	% of Total Shares	% Change during the Year
Kalyani Investment Company Limited	38,667,375	31.36%	-
Shri Badrinath Investment Pvt Ltd	19,914,862	16.15%	-
Shri Rameshwara Investment Pvt Ltd	9,810,000	7.96%	-
Sugandha J Hiremath	9,667,500	7.84%	-
BF Investment Limited	3,273,375	2.65%	-
Jai Hiremath	1,340,625	1.09%	-
Ekdant Investment Pvt Ltd	393,802	0.32%	-
Sameer Hiremath	390,975	0.32%	-
Pallavi Anish Swadi	381,000	0.31%	-
Pallavi Trust	187,500	0.15%	-
Sameer Trust	187,500	0.15%	-
Sumer Trust	75,000	0.06%	-
Rhea Trust	75,000	0.06%	-
Nihal Trust	75,000	0.06%	-
Anika Trust	75,000	0.06%	-
Pooja Trust	75,000	0.06%	-
Anish Trust	75,000	0.06%	-
Karad Engineering Consultancy Pvt Ltd	63,750	0.05%	-
Decent Electronics Pvt Ltd	49,500	0.04%	-
Anish Dilip Swadi	7,500	0.01%	-
Pooja Hiremath	7,500	0.01%	-

21. Other equity

		Note	As at 31 March 2022	As at 31 March 2021
Capital reserve		i	0.44	0.44
Capital redemption reserve		ii	509.82	509.82
Securities premium		iii	381.23	381.23
State subsidy		iv	5.50	5.50
Contingency reserve		v	30.00	30.00
General reserve		vi	1,779.58	1,779.58
Equity instruments through other comprehensive income		vii	(2.56)	(2.76)
			2,704.01	**2,703.81**
A	**Notes**			
i	**Capital reserve**			
	Opening balance		0.44	0.44
	Additions during the year		-	-
	Closing balance		**0.44**	**0.44**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

		Note	As at 31 March 2022	As at 31 March 2021
ii	**Capital redemption reserve**			
	Opening balance		509.82	509.82
	Additions during the year		-	-
	Closing balance		**509.82**	**509.82**
iii	**Securities premium**			
	Opening balance		381.23	381.23
	Additions during the year		-	-
	Closing balance		**381.23**	**381.23**
iv	**State subsidy**			
	Opening balance		5.50	5.50
	Additions during the year		-	-
	Closing balance		**5.50**	**5.50**
v	**Contingency reserve**			
	Opening balance		30.00	30.00
	Additions during the year		-	-
	Closing balance		**30.00**	**30.00**
vi	**General reserve**			
	Opening balance		1779.58	1779.58
	Additions during the year		-	-
	Closing balance		**1779.58**	**1779.58**
vii	**Equity instruments through other comprehensive income**			
	Opening balance		(2.76)	(2.72)
	Additions during the year		0.20	(0.04)
	Closing balance		**(2.56)**	**(2.76)**

B Nature and purpose of reserves

i Capital reserve

Capital reserve is created on merger/amalgamation.

ii. Capital redemption reserve

Capital redemption reserve represents redemption of redeemable cumulative preference shares in earlier years.

iii. Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act 2013 ('the Act').

iv. State subsidy

State subsidy is created on receipt of government grants for setting up the factories in backward areas.

v. Contingency reserve

Contingency reserve is created by transferring funds from retained earnings to meet future contingencies.

vi. General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

vii. Equity instruments through other comprehensive income

The Holding Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through Other Comprehensive Income within equity. The Holding Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

C Dividends

The following dividends were declared and paid by the Holding Company during the years ended: (Currency: Indian Rupees in million)

	As at 31 March 2022	As at 31 March 2021
Final equity dividend paid for financial year 2020-21 at ₹ 1 per equity share	123.30	-
Interim equity dividend paid for financial year 2021-22 at ₹ 1.20 per equity share	147.96	-
Final equity dividend paid for financial year 2019-20 at ₹ 0.20 per equity share	-	24.66
Interim equity dividend paid for financial year 2019-20 at ₹ 1 per equity share	-	123.30
Total	**271.26**	**147.96**
After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting. These dividends and tax therenon have not been recognised as liabilities in the year to which they pertains to and is recorded in the year in which they have been approved in the Annual General Meeting.		
Final equity dividend proposed for financial year 2021-22 at ₹ 0.40 per equity share	49.32	-
Final equity dividend proposed for financial year 2020-21 at ₹ 1 per equity share	-	123.30
Total	**49.32**	**123.30**

22. Borrowings

(Secured)

	As at 31 March 2022	As at 31 March 2021
Term loans from banks		
Rupee (refer note a(i), a(ii) and c(i) below)	953.70	1,519.05
External commercial borrowing (refer note a(iii) and c(i) below)	260.92	524.93
Term loans from financial institutions		
Rupee (refer note a(iv), a(v) and c(ii) below)	1,651.53	523.37
Term loans from others		
Rupee (refer note a(vi) and c(iii) below)	-	58.39
Vehicle loans		
From banks -Rupee (refer note a(vii) and c(iv) below)	0.66	2.25
From Others -Rupee (refer note a(vii) and c(iv) below)	-	0.87
	2,866.81	**2,628.86**

(For current maturities of loans refer note 27)

a. Nature of security:

i Rupee term loan from banks is secured by first pari passu charge on the fixed assets of the Company's plants situated at Taloja, Panoli, Bangalore, R & D centre at Pune and second pari passu charge on entire current assets both present and future.

ii External Commercial borrowing from bank is secured by first pari passu charge on the fixed assets of the Company's plants situated at Taloja, Panoli and Bangalore, R & D centre at Pune and office at CBD Belapur (Navi Mumbai) and second pari passu charge on entire current assets both present and future.

iii Rupee term loan from financial institutions is secured by first pari passu charge on the fixed assets of the Company's plants situated at Taloja, Panoli and Bangalore, R & D centre at Pune and second pari passu charge on entire current assets both present and future.

iv Vehicle loans are secured by first charge on the said vehicles.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

b. Changes in Liabilities arising from Financing Activities

Particulars	As at 1 April 2021	Accural / Reclassification	Cash Flows (net)	Foreign Exchange / Adjustment	Adjustment on account of business combinations	As at 31 March 2022
Current borrowings	2,514.26	-	204.60	7.12	-	2,725.98
Non-current borrowings including current maturities of non-current borrowings	3,579.42	-	462.87	(23.89)	-	4,018.40
Lease Liabilities	8.83	-	(3.04)	-	-	5.79
Interest on borrowings	23.56	-	7.20	-	-	30.76
Total Liabilities from Financing Activities	**6,126.07**	**-**	**671.63**	**(16.77)**	**-**	**6,780.93**

b Changes in Liabilities arising from Financing Activities (previous year)

Particulars	As at 1 April 2020	Accural / Reclassification	Cash Flows (net)	Foreign Exchange / Adjustment	Adjustment on account of business combinations	As at 31 March 2021
Current borrowings	2,575.42	-	(56.93)	(4.23)	-	2,514.26
Non-current borrowings including current maturities of non-current borrowings	3,871.77	-	(272.58)	(19.76)	-	3,579.42
Lease Liabilities	11.40	-	(2.57)	-	-	8.83
Interest on borrowings (including transaction cost)	28.38	483.04	(487.86)	-	-	23.56
Total Liabilities from Financing Activities	**6,486.97**	**483.04**	**(819.95)**	**(23.99)**	**-**	**6,126.07**

c i) Terms of repayment as on 31 March 2022 are as under:

		US $ in Million	₹ In Million	Repayment Terms	Closing interest rate as at 31.3.2022
(i)	a	-	79.14	Repayable in 4 quarterly instalments, next installment due on 30.06.2022; equated average instalments of ₹ 19.78 Million	8.50%
	b	-	19.82	Repayable in 4 quarterly instalments, next installment due on 30.06.2022; equated average instalments of ₹ 4.95 Million	7.50%
	c	-	128.03	Repayable in 4 quarterly instalments, next installment due on 30.06.2022; equated average instalments of ₹ 32.01 Million	7.80%
	d	-	39.55	Repayable in 4 quarterly instalments, next installment due on 30.06.2022; equated average instalments of ₹ 9.89 Million	7.50%
	e	-	39.59	Repayable in 4 quarterly instalments, next installment due on 30.06.2022; equated average instalments of ₹ 9.90 Million	7.90%
	f	-	600.23	Repayable in 17 quarterly instalments, next installment due on 05.06.2022; equated average instalments of ₹ 35.31 Million	8.95%
	g	-	623.18	Repayable in 20 quarterly instalments, next installment due on 06.05.2022, equated average instalments of ₹ 31.16 Million	7.50%
	h	7.36	551.39	Repayable in 7 quarterly instalments, next installment due on 10.06.2022; equated average instalments of US $ 1.05 Million	3M Libor + 2.60 bps
(ii)	a	-	147.59	Repayable in 4 quarterly instalments, next installment due on 30.06.2022; equated average instalments of ₹ 36.90 Million	7.50%
	b	-	1,727.24	Repayable in 24 quarterly instalments, next installment due on 01.09.2022; equated average instalments of ₹ 71.97 Million	7.65%
(iii)	a	-	59.55	Repayable in 4 quarterly instalments, next installment due on 30.06.2022; equated average instalments of ₹ 14.89 Million	10.00%
(iv)	a	-	2.25	Repayble monthly EMI of ₹ 0.132 Million	8.60%
	b	-	0.87	Repayable monthly EMI of ₹ 0.087 Million	8.73%

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

ii) Terms of repayment as on 31 March 2021 are as under:

		US $ in Million	₹ In Million	Repayment Terms	Closing interest rate as at 31.3.2021
(i)	a	-	158.44	Repayable in 8 quarterly instalments, next installment due on 30.06.2021; equated average instalments of ₹ 19.805 Million	10.05%
	b	-	39.45	Repayable in 8 quarterly instalments, next installment due on 30.06.2021 ; equated average instalments of ₹ 4.931 Million	9.45%
	c	-	255.55	Repayable in 8 quarterly instalments, next installment due on 30.06.2021; equated average instalments of ₹ 31.944 Million	9.35%
	d	-	78.63	Repayable in 8 quarterly instalments, next installment due on 30.06.2021; equated average instalments of ₹ 9.829 Million	9.75%
	e	-	78.55	Repayable in 8 quarterly instalments, next installment due on 30.06.2021; equated average instalments of ₹ 9.819 Million	9.75%
	f	-	679.59	Repayable in 21 quarterly instalments, next installment due on 05.06.2021; equated average instalments of ₹ 32.361 Million	9.10%
	g	-	696.34	Repayable in 24 quarterly instalments, next installment due on 06.05.2021; equated average instalments of ₹ 33.159 Million	8.40%
	h	11.04	795.45	Repayable in 11 quarterly instalments, next installment due on 10.06.2021; equated average instalments of US $ 0.984 Million	3M Libor + 260 bps
(ii)	a	-	290.47	Repayable in 8 quarterly instalments, next installment due on 30.06.2021; equated average instalments of ₹ 36.309 Million	7.00%
	b		382.89	Repayable in 24 quarterly instalments, next installment due on 11.09.2022; equated average instalments of ₹ 15.954 Million	8.85%
(iii)	a	-	118.39	Repayable in 8 quarterly instalments, next installment due on 30.06.2021; equated average instalments of ₹ 14.799 Million	10.00%
(iv)	a	-	3.71	Repayble monthly EMI of ₹ 0.128 Million	8.60%
	b	-	2.05	Repayble monthly EMI of ₹ 0.093 Million	8.73%

23. Non current lease liability

	As at 31 March 2022	As at 31 March 2021
Lease liability	2.23	5.79
	2.23	**5.79**

24. Long -term provisions

	As at 31 March 2022	As at 31 March 2021
Provision for gratuity (Refer note 44)	132.43	122.24
Provision for compensated absences (Refer note 44)	103.87	97.62
	236.30	**219.86**

25. Deferred tax liabilities (net)

	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities (Refer note 42)	364.07	375.82
	364.07	**375.82**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

26. Other non current liabilities

	As at 31 March 2022	As at 31 March 2021
Advance received from customers	290.02	-
	290.02	**-**

27. Short-term borrowings

Secured

	As at 31 March 2022	As at 31 March 2021
Secured		
Loans repayable on demand from banks		
Working capital loan -Rupee (refer note a and b below)	2,378.03	1,141.70
Working capital loan -Foreign currency (refer note a and b below)	-	257.96
Bill discounting (Refer note a (ii))	347.95	1,114.60
Current maturities of long-term debt	1,151.59	950.56
	3,877.57	**3,464.82**

a. Nature of security and terms of repayment for secured borrowings:

i Working capital loans from all banks are secured by first pari passu charge on all current assets of the Company and second pari passu charge on fixed assets both present and future situated at Company's plants at Bangalore, Taloja and Panoli.

ii Loans availed under bill discounting facility are against specific receivables, having tenure of 30 to 90 days and carrying interest ranging between 1.50% to 1.86% p.a.

b. Working capital loans are repayable on demand and carry interest ranging from 6.50% to 8.05% p.a.

28. Current lease liability

	As at 31 March 2022	As at 31 March 2021
Lease liability	3.56	3.04
	3.56	**3.04**

29. Trade payables

	As at 31 March 2022	As at 31 March 2021
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 49)	449.98	260.48
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,040.71	2,035.71
	2,490.69	**2,296.19**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

The Group's exposure to currency and liquidity risk related to trade payable is disclosed in Note 44.

Trade Payables ageing schedule as on 31-03-2022

Particulars	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	364.65	84.80	0.53	-	-	449.98
(ii) Others	1,568.68	463.73	4.94	3.13	0.23	2,040.71
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**1,933.33**	**548.53**	**5.47**	**3.13**	**0.22**	**2,490.69**

Trade Payables ageing schedule as on 31-03-2021

Particulars	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	213.13	47.33	-	0.01	0.03	260.48
(ii) Others	1,097.89	887.51	26.35	18.33	5.64	2,035.71
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**1,131.02**	**934.83**	**26.35**	**18.33**	**5.66**	**2,296.19**

30. Other financials liabilities

	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	30.76	23.56
Payables for capital purchases	444.18	234.47
Employee benefits payable	206.42	149.13
Unpaid dividend (Refer note no 50)	2.48	2.40
	683.84	**409.56**

31. Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advances from customers	408.24	51.81
Statutory dues payable		
- Provident fund	15.16	11.72
- Employees' state insurance	0.03	0.03
- Tax deducted at source	32.42	21.02
- Goods and Services Tax	25.49	37.86
- Employees' national pension scheme	0.17	0.15
- Profession tax	0.38	0.38
	481.89	**122.97**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

32. Current provisions

	As at 31 March 2022	As at 31 March 2021
Provision for gratuity (Refer note 44)	17.96	21.41
Provision for compensated absences (Refer note 44)	13.42	23.01
	31.38	**44.42**

33. Income tax liabilities (net)

	As at 31 March 2022	As at 31 March 2021
Provision for tax	122.89	226.85
(Net of advance tax ₹ 589.66 million (31 March 2021: ₹ 465.21 million))		
	122.89	**226.85**

34. Revenue from Operations

		As at 31 March 2022	As at 31 March 2021
Sale of products		19,017.70	17,009.91
Sale of services		242.60	60.61
	(A)	**19,260.30**	**17,070.52**
Other operating revenues			
Export incentive		19.27	108.39
Scrap sales		39.71	13.85
Others		107.93	11.60
	(B)	**166.91**	**133.84**
Revenue from operations	**(A+B)**	**19,427.21**	**17,204.36**

34.1: Disaggregation of revenue from contracts with customers

The Group derives revenue from sale of products from following major segments:

Particulars		As at 31 March 2022	As at 31 March 2021
1 Revenue from contracts with customers			
Sale of products (Transferred at point in time)			
India		5,098.36	5,222.54
Outside India		13,919.34	11,787.37
	(A)	**19,017.70**	**17,009.91**
Sale of services			
India		19.96	-
Outside India		222.64	60.61
	(B)	**242.60**	**60.61**
2 Other operating revenues			
Export incentive		19.27	108.39
Scrap Sales		39.71	13.85
Others		107.93	11.60
	(C)	**166.91**	**133.84**
Total revenue (A + B + C)		**19,427.21**	**17,204.36**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Major product lines		
Crop protection	8,129.80	6,607.96
Pharmaceuticals	11,297.41	10,596.40
	19,427.21	**17,204.36**
Reconciliation of revenue from contract with customer		
Revenue from contracts with customer as per contract price	19,260.30	17,070.52
Adjustment made to contract price	-	-
Total Revenue from contracts with customer	**19,260.30**	**17,070.52**
Other operating revenue	166.91	133.84
Revenue from contracts with customer as per consolidated statement of profit and loss	**19,427.21**	**17,204.36**

For the opening and closing balance of receivables from contracts with customers refer note no 14.

Breakup of Contract Assets and Contract Liabilities are as under:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Trade Receivables	4,377.20	4,855.30
Contract Liabilities	698.26	51.81
Contract Assets	96.65	-

Trade Receivbales have decreased due to collection from the customers.

Contract Liabilities include advance received from customers. Contract Liabilities have increased which is in line with increase in business as evidenced by increase in turnover, also company has received advance from two customer for order out of which one is long term advance.

Contact Assets represents unbilled revenue to customers. This is as a result of contract entered during the year. The similar contract was not there in the previous year.

35. Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Dividend received on non-current investment	0.00	0.01
Interest income on		
Bank deposit	14.96	17.62
Other	2.60	9.05
Foreign exchange gain (net)	23.17	12.89
Profit on sale of investment	1.40	0.12
Profit on sale of assets (net)	0.52	-
Sundry balance written back	3.56	-
Miscellaneous income	2.69	10.13
	48.90	**49.82**

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36. Cost of materials consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Raw material consumed		
Opening stock	1,362.26	1,814.84
Add: Purchase	10,591.96	8,614.54
Less: Closing stock	1,632.11	1,362.26
	10,322.11	**9,067.12**

37. Changes in inventories of finished goods and Work-in-progress

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening stock		
Finished goods	517.99	559.34
Work-in-progress	583.28	558.58
	1,101.27	**1,117.92**
Less: Closing stock		
Finished goods	798.52	517.99
Work-in-progress	660.98	583.28
	1,459.50	**1,101.27**
	(358.23)	**16.65**

38. Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	1,736.24	1,422.36
Contribution to provident and other funds	82.75	70.37
Gratuity expenses (Refer note 44)	30.81	23.86
Staff welfare expense	184.01	126.58
	2,033.81	**1,643.17**

39. Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on rupee term loans	135.36	161.80
Interest on foreign currency term loans	20.03	36.43
Interest on working capital loans	87.50	89.06
Interest on bills discounted	18.29	31.14
Other finance costs	2.56	16.32
Interest expenses on lease liabilities	0.74	1.02
Bank charges	31.34	26.21
Exchange difference to the extent considered as an adjustment to borrowing costs	16.36	-
	312.18	**361.98**

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For the year ended 31 March 2022

(Currency : Indian Rupees in million)

40. Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spares	368.64	282.63
Contract labour charges	209.63	176.67
Power and fuel	1,754.58	1,478.26
Advertisement	7.39	2.65
Rent (Refer note 45)	40.68	35.08
Rates and taxes	8.91	11.32
Insurance	88.07	65.26
Repairs and maintenance		
- Plant and machinery	253.80	217.86
- Buildings	52.18	27.72
- Others	156.20	146.90
Printing and stationery	22.59	15.28
Legal and professional charges		
- Legal charges	61.05	5.87
- Professional charges	263.58	141.51
Travelling and conveyance	22.90	15.44
Vehicle expenses	20.22	13.31
Postage, telephone and telegrams	7.14	6.63
Payment to auditors (Refer note 49)	6.32	5.99
Director's sitting fee/ Commission	19.20	16.89
Sales and distribution expenses	359.23	267.91
Commission on sales	20.27	30.75
Security service charges	45.23	41.69
Sundry balance written off	-	9.73
Service charges	23.21	25.80
Provision for doubtful debts/advances	15.27	45.29
Corporate Social Responsibility expenses (CSR) (Refer note 48)	31.68	26.88
Miscellaneous expenses	165.98	135.24
	4,023.96	**3,248.56**

41. Tax expense

(a) Amounts recognised in balance sheet

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax liabilities (Net of advance tax ₹ 1,172.10 million (31 March 2021: ₹ 465.21 million))	**122.89**	**226.85**

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax assets (Net of provision of ₹ 559.57 million (31 March 2021: ₹ 559.57 million))	**20.21**	**20.21**

Note: The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off income tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

(b) Amounts recognised in statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current income tax		
Current tax	596.50	795.51
	596.50	**795.51**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(15.90)	(62.66)
Deferred tax expense	**(15.90)**	**(62.66)**
Tax expense for the year	**580.60**	**732.84**

(c) Amounts recognised in other comprehensive income

	For the year ended 31 March 2022			For the year ended 31 March 2021		
	Before tax	Tax expense / (benefit)	Net of tax	Before tax	Tax expense / (benefit)	Net of tax
Items that will not be reclassified to statement of profit and loss						
Gain / (loss) on remeasurement of defined employee benefit plans	15.95	(4.09)	11.87	(19.38)	4.98	(14.40)
Gain / (loss) on change in fair values of investments in equity shares carried at fair value through OCI	0.27	(0.07)	0.20	(0.06)	0.02	(0.04)
	16.22	**(4.16)**	**12.07**	**(19.44)**	**5.00**	**(14.44)**

(d) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	2,185.59	2,064.27
Tax using the Company's domestic tax rate (Current year 25.17% and Previous year 34.94%)	550.11	721.26
Tax effect of:		
Non-deductible tax expenses	30.49	11.59
Tax expenses as per statement of profit and loss	**580.60**	**732.85**

The Group's consolidated weighted average tax rates for the years ended 31 March 2022 and 31 March 2021 were 26.56% and 35.50%, respectively.

42. Deferred tax liabilities (net)

(a) Recognised deferred assets and liabilities

	Deferred tax assets		Deferred tax liabilities		Net deferred tax asset/(liabilities)	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Property, plant and equipment		-	(491.46)	(501.49)	(491.46)	(501.49)
Inventories	30.24	29.71	-	-	30.24	29.71
Trade receivables	25.03	20.77	-	-	25.03	20.77
Loans and advance	5.12	5.03	-	-	5.12	5.03
Investment	-	6.81	-	-	-	6.81
Provisions	68.60	66.50	-	-	68.60	66.50
Loan processing charges		-	(1.60)	(3.15)	(1.60)	(3.15)
Net Deferred tax asset / (liabilities)	**128.99**	**128.82**	**(493.06)**	**(504.64)**	**(364.07)**	**(375.82)**

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(b) Movement in deferred tax balances

	Net balance 1 April 2021	Recognised in profit or loss	Recognised in OCI	31 March 2022 Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(501.49)	10.02	-	(491.46)	-	(491.46)
Inventories	29.71	0.53	-	30.24	30.24	-
Trade receivables	20.77	4.26	-	25.03	25.03	-
Loans and advances	5.03	0.09	-	5.12	5.12	-
Investments	6.81	(6.74)	(0.07)	0.00	-	-
Provisions	66.50	6.19	(4.09)	68.60	68.60	-
Loan processing charges	(3.15)	1.55	-	(1.60)	-	(1.60)
Net deferred tax assets / (liabilities)	**(375.82)**	**15.90**	**(4.16)**	**(364.07)**	**128.99**	**(493.06)**

(c) Movement in deferred tax balances (previous year)

	Net balance 1 April 2020	Recognised in profit or loss	Recognised in OCI	31 March 2021 Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(533.71)	32.21	-	(501.49)	-	(501.49)
Inventories	20.27	9.44	-	29.71	29.71	-
Trade receivables	11.86	8.91	-	20.77	20.77	-
Loans and advances	3.49	1.54	-	5.03	5.03	-
Investments	6.79	-	0.02	6.81	6.81	-
Provisions	53.16	8.36	4.98	66.50	66.50	-
Loan processing charges	(5.35)	2.20	-	(3.15)	-	(3.15)
Net deferred tax assets / (liabilities)	**(443.49)**	**62.66**	**5.00**	**(375.82)**	**128.82**	**(504.64)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off income tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

The Group has utilised MAT credit of ₹ Nil (PY ₹ 119.31 Million) in the books of account against income tax liabilities.

43 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit attributable to equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year, after considering adjustment for the effects of all dilutive potential equity shares.

		As at 31 March 2022	As at 31 March 2021
Consolidated profit attributable to equity shareholders (basic and diluted)			
Consolidated profit for the year attributable to equity shareholders	(A)	1,604.99	1,331.40
Weighted average number of equity shares for basic and diluted earnings per share			
Number of equity shares at beginning of the year		123,300,750	123,300,750
Number of equity shares outstanding at the end of the year		**123,300,750**	**123,300,750**
Weighted average number of equity shares for the year	**(B)**	**123,300,750**	**123,300,750**
Basic and diluted earnings per share of face value of ₹ 2 each	**(A) / (B)**	**13.02**	**10.80**

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44. Employee benefits

(i) Defined Contribution Plans

Defined Contribution Plans

The Group makes contributions towards superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Contribution to defined contribution plans are charged off for the year as under:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employer's contribution to Providend Fund	81.48	68.29
Employer's contribution to Superannuation Fund	0.17	0.91
Employer's Contribution to Employees State Insurance	1.27	1.09
Employer's Contribution to Labour Welfare Fund	0.01	0.02

(ii) Defined Benefit Plans

Gratuity:

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The holding Company has obtained insurance policies with the Life Insurance Corporation of India (LIC) for eligible employees at Panoli plant and makes an annual contribution to LIC for amounts notified by LIC. The Group accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the projected unit credit method. Actuarial gains and losses are recognised as Other Comprehensive Income or Loss.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's consolidated financial statements as at balance sheet date:

A. Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components

	As at 31 March 2022	As at 31 March 2021
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	162.98	135.56
Current service cost	21.41	16.58
Past service cost	-	-
Interest cost (income)	25.94	8.16
Benefits paid	(27.45)	(21.33)
Actuarial losses/ (gains) recognised in other comprehensive income	-	-
- financial assumptions	10.03	11.69
- demographic assumption	-	2.17
- experience adjustments	(27.25)	10.15
Balance at the end of the year	**165.66**	**162.98**

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	As at 31 March 2022	As at 31 March 2021
Reconciliation of present value of plan assets		
Balance at the beginning of the year	19.33	16.15
Transfer In / (Out) Plan Assets	0.11	-
Interest income	1.27	0.89
Return on plan assets, excluding amount included in interest (expense)/income	(1.27)	4.63
Employer contributions	-	0.01
Benefits paid	(4.17)	(2.35)
Balance at the end of the year	**15.27**	**19.33**
Net defined benefit (asset)/ liability	**150.39**	**143.65**

B. Plan assets

Plan assets comprise the following

	As at 31 March 2022	As at 31 March 2021
Investment		
Policy of insurance	100%	100%
Bank Special Deposit	0%	0%
Investment in other securities	0%	0%
Corporate Bonds	0%	0%
State Government Bonds	0%	0%
	100%	**100%**

C. The components of defined benefit plan expense are as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Recognised in income statement		
Current service cost	21.41	16.58
Past service cost		-
Interest cost	9.40	7.28
Total	**30.81**	**23.86**
Recognised in Other Comprehensive Income		
Remeasurement of net defined benefit liability/(asset)	(17.22)	24.01
Return on plan assets, excluding interest income	1.27	(4.63)
Total	**(15.95)**	**19.38**

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	For the year ended 31 March 2022	For the year ended 31 March 2021
Expected return on plan assets	7.00%	6.55%
Discount rate	7.00%	6.55%
Salary escalation rate	6.50%	5.00%
Attrition rate	2.00%	2.00%
Mortality rate table	Indian assured lives mortality (2012-14)	

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ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	for the year ended 31 March 2022		for the year ended 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	138.69	163.79	150.89	176.93
Rate of salary increase (1% movement)	162.00	140.17	176.07	151.29
Rate of employee turnover (1% movement)	150.74	150.03	163.24	162.72

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

	31 March 2022	31 March 2021
Expected employer's contribution to defined benefit plan for the next year	17.96	21.41

Maturity profile of the defined benefit obligation

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	6 to 10 years	Total
For the year ended 31 March 2022					
Defined benefit obligations (Gratuity)	19.22	8.19	41.15	81.83	150.39
Total	**19.22**	**8.19**	**41.15**	**81.83**	**150.39**
For the year ended 31 March 2021					
Defined benefit obligations (Gratuity)	24.41	9.20	43.40	66.45	143.46
Total	**24.41**	**9.20**	**43.40**	**66.45**	**143.46**

Other long term employee benefit plans

Compensated absences:

The obligation for leave encashment is recognised in the same manner as gratuity. The Group's liability on account of compensated absences is not funded and hence the disclosures relating to the planned assets are not applicable. Amount of ₹ 32.95 million (PY ₹ 43.59 million) towards compensated absences is recognised as an expense and included in "Employee benefits expense" in the Statement of profit and loss during the year.

45. Leases

The Group has a lease contract for building used in its operations. The Lease term is 9 years. The Group's obligations under its lease is secured by the lessor's title to the leased asset.

The Group also has certain leases of machinery/premises with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below is the carrying amount of right-of-use assets recognised and the movements during the period:

	Buildings
As at 1 April 2020	663.13
Additions	-
Depreciation expense	(11.43)
As at 31 March 2021	651.70
Additions	-
Depreciation expense	**(11.43)**
As at 31 March 2022	640.27

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The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

Set out below is the carrying amount of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	As at 31 March 2022	As at 31 March 2021
As at 1 April	8.83	11.40
Additions	-	-
Accretion of interest	0.74	1.02
Payments	(3.78)	(3.59)
Deletion	-	-
As at 31 March	5.79	8.83
Current	3.56	3.04
Non current	2.23	5.79

For Rental expense recorded for short-term leases, refer note 40

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The details of the contractual maturities of lease liabilities as at 31 March 2022 and 31 March 2021 on an undiscounted basis are as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Payable within one year	3.96	3.77
Payable between one year and five years	2.37	6.34
Payable after more than five years	-	-

46. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. There are no financial assets or financial liabilities not measured at fair value, whose carrying amount is not a reasonable approximation of fair value.

31 March 2022	Carrying amount			Fair value			
	FVTOCI	FVPTL	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Investment	6.38	102.68	109.06	0.11	102.68	6.27	109.06
	6.38	**102.68**	**109.06**	**0.11**	**102.68**	**6.27**	**109.06**

31 March 2021	Carrying amount			Fair value			
	FVTOCI	FVPTL	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Investment	6.12	-	6.12	0.10	-	6.02	6.12
	6.12	**-**	**6.12**	**0.10**	**-**	**6.02**	**6.12**

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B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Holding Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, 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 audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Group'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 of the industry and country in which customers operate.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At 31 March 2022, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

	Carrying amount	
	As at 31 March 2022	As at 31 March 2021
India	1,494.43	1,879.98
Other regions	2,980.45	3,057.73
	4,474.88	**4,937.71**

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Impairment

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

	As at 31 March 2022		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	3,733.91	0.39%	14.74
Past due 0-90 days	553.87	2.30%	12.73
Past due 91-180 days	64.11	11.00%	7.05
Past due 181-365 days	51.62	29.34%	15.14
Past due 366-730 days	42.65	45.25%	19.30
Past due731-1096 days	5.59	100.00%	5.59
More than 1096 days	23.13	99.98%	23.13
	4,474.88		**97.68**

	As at 31 March 2021		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	4,466.78	0.51%	22.97
Past due 0-90 days	356.13	2.86%	10.18
Past due 91-180 days	43.70	18.79%	8.21
Past due 181-365 days	41.17	33.97%	13.98
Past due366-730 days	6.37	55.09%	3.51
Past due731-1096 days	1.78	100.00%	1.78
More than 1096 days	21.78	100.00%	21.78
	4,937.71		**82.41**

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	Amount
Balance as at 31 March 2021	**82.41**
Additional provision	15.27
Impairment loss recognised / (reversal)	-
Balance as at 31 March 2022	**97.68**

Cash and cash equivalents

The Group held cash and cash equivalents (including bank deposits) of ₹ 496.46 million at 31 March 2022 (31 March 2021: ₹ 413.18 million). The cash and cash equivalents (including bank deposits) are held with banks with good credit ratings and financial institution counterparties with good market standing.

Other than trade and other receivables, the Group has no other significant financial assets that are past due but not impaired.

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, 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 Group's reputation.

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Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

31 March 2022	Carrying amount	Total	Contractual cash flows		
			Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings and lease liabilities - Non current	2,869.03	2,869.03	-	2,391.28	477.75
Borrowings and lease liabilities - current	3,881.13	3,881.13	3,881.13	-	-
Other financial liabilities - current	683.84	683.84	683.84	-	-
Trade payables	2,490.69	2,490.69	2,490.69	-	-
	9,924.69	**9,924.69**	**7,055.66**	**2,391.28**	**477.75**

31 March 2021	Carrying amount	Total	Contractual cash flows		
			Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings- non current	2,708.36	2,708.36	-	2,399.37	308.99
Borrowings- current	2,517.30	2,517.30	2,517.30	-	-
Other financial liabilities - current	1,360.12	1,360.12	1,360.12	-	-
Trade payables	2,296.19	2,296.19	2,296.19	-	-
	8,881.97	**8,881.97**	**6,173.61**	**2,399.37**	**308.99**

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Group is Indian Rupee.

Exposure to currency risk

The major currency profile of financial assets and financial liabilities as at 31 March 2022 and 31 March 2021 are as below:

	As At 31 March 2022				
	USD	EUR	GBP	JPY	CHF
Financial assets	2,463.14	618.56	-	-	-
Financial liabilities	1,524.27	32.26	-	-	-
Net Exposure	**938.87**	**586.30**	**-**	**-**	**-**

	As At 31 March 2021				
	USD	EUR	GBP	JPY	CHF
Financial assets	2,268.00	732.83	-	25.20	-
Financial liabilities	2,293.27	708.84	0.46	-	1.80
Net Exposure	**(25.27)**	**23.99**	**(0.46)**	**25.20**	**(1.80)**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against USD, Euros and GBP at 31 March would have affected the measurement of financial instruments denominated in these currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR	Profit or loss		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2022				
USD (3% movement)	28.17	(28.17)	21.08	(21.08)
EUR (3% movement)	17.59	(17.59)	13.16	(13.16)
	45.76	**(45.76)**	**34.24**	**(34.24)**

Effect in INR	Profit or loss		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
USD (3% movement)	(0.76)	0.76	(0.49)	0.49
EUR (3% movement)	0.72	(0.72)	0.47	(0.47)
GBP (3% movement)	(0.01)	0.01	(0.01)	0.01
JPY (3% movement)	0.76	(0.76)	0.49	(0.49)
CHF (3% movement)	(0.05)	0.05	(0.04)	0.04
	0.65	**(0.65)**	**0.42**	**(0.42)**

v. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings. Borrowings issued at fixed and variable rates exposes to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

	Nominal amount	
	As at 31 March 2022	As at 31 March 2021
Fixed-rate instruments		
Financial assets	392.36	347.04
Financial liabilities	(2,725.98)	(2,514.26)
	(2,333.62)	**(2,167.22)**
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	(4,018.40)	(3,579.42)
	(4,018.40)	**(3,579.42)**

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through statement of profit and loss. Therefore, a change in interest rates at the reporting date would not affect statement of profit and loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

47. Capital Management

As at 31 March 2022, the Group has only one class of equity shares. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

For the purpose of the Group's capital management, capital includes issued capital and other equity reserves. The primary objective of the Group's capital management is to safeguard its ability to continue as going concern and to maintain and optimal capital structure so as to maximise shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt and adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

	As at 31 March 2022	As at 31 March 2021
Non-current borrowings	2,866.81	2,628.86
Current borrowings	3,877.57	3,464.82
Gross debt	**6,744.38**	**6,093.68**
Less - Cash and cash equivalents	114.41	76.37
Less - Other bank deposits	382.05	336.81
Adjusted net debt(A)	**6,247.92**	**5,680.50**
Total equity (B)	10,680.08	9,334.18
Adjusted net debt to equity ratio	0.59	0.61
Total capital (A)+(B)	16,928.00	15,014.68
Gearing ratio *	37%	38%

*The Group's ideal gearing ratio is 35% to 40%.

48. Corporate social responsibility

As per Section 135 of the Act, a CSR committee has been formed by the Group. The funds are utilised during the year on the activities which are specified in Schedule VII of the Act. The utilisation is done by way of direct and indirect contribution towards various activities.

Gross amount required to be spent by the Group during the year: ₹ 32.14 million (31 March 2021: ₹ 25.81 million)

The areas of CSR activities and contributions made thereto are as follows:

Amount spent during the year on	For the year ended 31 March 2022	For the year ended 31 March 2021
Protection of national heritage	0.70	-
Promotion of education	11.72	6.37
Disaster Relief	0.10	0.43
Environmental sustainability	6.64	-
Rural Devlopment Project	0.99	-
Training to stimulate rural sports, nationally recognized sports, Paralympic sports and Olympic sports	1.12	-
Promoting preventive health care and sanitation and making available safe water	4.81	1.35
COVID-19	5.60	18.73
Total	**31.68**	**26.88**

The Group does not carry any provisions for corporate social responsibility expenses for the current year and the previous year.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

Amount of Expenditure incurred on Corporate Social Responsibility

Particulars	31 March 2022	31 March 2021
(a) amount required to be spent by the company during the year	32.14	25.81
(b) amount of expenditure incurred	31.68	26.88
(c) Excess / (shortfall) at the end of the year	-0.46	1.07
(d) total of previous years shortfall	-	-
(e) reason for shortfall	Excess Spent in FY. 2020-2021	0
(f) nature of CSR activities	As per above table	As per above table
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	Nil	Nil

49. Payment to Auditors' (excluding Goods and Services tax)

	For the year ended 31 March 2022	For the year ended 31 March 2021
- Audit fees	3.40	3.41
- Limited review of quarterly results	2.40	2.50
- Certification and other matters	0.50	0.08
- Out-of-pocket expenses	0.02	-
Total	**6.32**	**5.99**

50. Capitalisation of expenditure

During the year, the Group has capitalised the following expenses of revenue nature to the cost of property, plant and equipment (tangible fixed assets)/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

	For the year ended 31 March 2022	For the year ended 31 March 2021
Finance costs	146.34	131.73
Employee benefit expenses	42.74	-
Other expenses	4.89	-
Total	**193.97**	**131.73**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

51. Segment information

For management purposes, the Group is organised into business units based on its products and services and has two reportable segments, as follows:

Pharmaceuticals: Segment produces in Active Pharmaceutical Ingredients

Crop protection: Segment manufactures in pesticides, herbicides.

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and profit as the performance indicator for all of the operating segments, and review the total assets and liabilities of an operating segment.

Based on above, following are reportable segments as per Ind AS 108

Primary Segment (Operating Segment): Based on product lines of Group	Secondary Segment (Geographical Segment) Based on geographical area of operation
Pharmaceuticals	India and Outside India
Crop Protection	

Segment wise classification:-

A i) Primary segment reporting (by business segment)

The Group's business segments based on product lines are as under :

- **Pharmaceuticals**

Segment produces/trades in Active Pharmaceutical Ingredients

- **Crop Protection**

Segment produces/trades in pesticides and herbicides

ii) Segment revenues, results and other information

Particulars	Crop Protection	Pharmaceuticales	Total of Reportable Segment
External sales	**8,129.80**	**11,297.41**	**19,427.21**
	6,607.96	*10,596.40*	*17,204.36*
Other income	**-**	**-**	**-**
	-	-	-
Segment revenue	**8,129.80**	**11,297.41**	**19,427.21**
	6,607.96	*10,596.40*	*17,204.36*
Segment results	**1,151.35**	**1,510.21**	**2,661.57**
	1,032.72	*1,698.76*	*2,731.48*
Segment assets	**8,545.61**	**11,893.72**	**20,439.33**
	6,560.65	*11,314.48*	*17,875.13*
Segment liabilities	**1,993.40**	**1,752.85**	**3,746.26**
	1,161.84	*1,744.83*	*2,906.67*
Capital expenditure (included in segment assets)	**1,519.55**	**1,341.71**	**2,861.26**
	536.32	*924.66*	*1,460.98*
Depreciation/Amortisation	**310.23**	**616.27**	**926.50**
	307.65	*514.64*	*822.29*

Figures in italics pertain to previous year

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

iii) Reconciliation of reportable segments with the financial statements

	Revenues	Results / Net Profits	Assets	Liabilities	Capital Expenditure	Depreciation/ Amortisation
Total of reportable segments	**19,427.21**	**2,661.57**	**20,439.33**	**3,746.26**	**2,861.26**	**926.50**
	17,204.36	*2,731.48*	*17,875.13*	*2,906.67*	*1,460.98*	*822.29*
Corporate / Unallocated segment	**-**	**163.80**	**1,691.73**	**7,704.99**	**171.02**	**30.19**
	-	*305.25*	*1,257.07*	*6,891.51*	*99.13*	*30.16*
Finance cost	**-**	**312.18**	**-**	**-**	**-**	**-**
	-	*361.98*	*-*	*-*	*-*	*-*
Exceptional item	**-**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*
Taxes	**-**	**580.60**	**-**	**-**	**-**	**-**
	-	*732.85*	*-*	*-*	*-*	*-*
As per financial statement	**19,427.21**	**1,604.99**	**22,131.06**	**11,451.25**	**3,032.28**	**956.69**
	17,204.36	*1,331.40*	*19,132.20*	*9,798.18*	*1,560.11*	*852.45*

Figures in italics pertain to previous year

B Secondary segment reporting (by geographical segment)

Particulars	India	USA and Canada	Europe	South East Asia	Others	Total
Revenue	**5,285.23**	**3,130.43**	**4,592.52**	**2,218.33**	**4,200.70**	**19,427.21**
	5,381.73	*2,063.36*	*3,764.54*	*5,466.55*	*528.18*	*17,204.36*
Total assets	**22,131.06**	**-**	**-**	**-**	**-**	**22,131.06**
	19,132.20	*-*	*-*	*-*	*-*	*19,132.20*
Capital expenditure	**3,032.28**	**-**	**-**	**-**	**-**	**3,032.28**
	1,560.11	*-*	*-*	*-*	*-*	*1,560.11*

There is a customer which account for revenue of ₹ 2,258.14 Million (Pr Yr. ₹ 1,762.16 Million) in Crop protection segment and a customer which account for revenue of Nil (Pr Yr ₹ Nil) in Pharmaceuticals segment, other than these there are no transactions with single external customer which amounts to 10% or more of the Company's revenue.

Figures in italics pertain to previous year

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

52. Related party disclosures

The note provides the information about the Group's structure. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

i) List of Related parties

Relationship	Name of the related party
a) Company/ enterprises exercising significant influence through voting power ('significant shareholder')	Kalyani Investment Company Limited ("KICL")
b) Key Management Personnel (KMP)	Jai Hiremath (Executive Chairman)
	Sameer Hiremath (Managing Director and CEO)
	Sham Wahalekar (CFO) (Upto 4th November 2020)
	Kuldeep Jain (CFO) (w.e.f. 5th November 2020)
	Rajasekhar Reddy (CS) (w.e.f. 4 August 2020)
c) Enterprises owned or controlled or significantly influenced by key management personnel or their relatives	Decent Electronics Private Limited ("DEPL")
	Marigold Investments Private Limited ("MIPL")
	Iris Investments Private Limited ("IIPL")
	Karad Engineering Consultancy Private Limited ("KECPL")
	Ekdant Investments Private Limited ("EIPL")
	Shri Rameswara Investment Private Limited ("SRIPL")
	Shri Badrinath Investment Private Limited ("SBIPL")
	Rushabh Capital Services Private Limited ("RCSPL")
	BF Investment Limited
	Sumer Trust
	Rhea Trust
	Nihal Trust
	Anika Trust
	Pooja Trust
	Anish Trust
	Pallavi Trust
	Sameer Trust
d) Relatives of Key Management Personnel	Anish Swadi
	Pallavi Swadi
	Pooja Hiremath
d) Non-executive directors	Baba Kalyani
	Amit Kalyani
	Sugandha Hiremath
	Kannan K. Unni
	Prakash Mehta
	Shivakumar Kheny (Upto 4 February 2021)
	Ranjit Shahani
	Shivani Bhasin Sachdeva
	Ravindra Kumar Goyal (Upto 22 December 2021)
	Shrikrishna K. Adivarekar (w.e.f. 22 December 2021)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

ii) Details of transactions with related parties and balances outstanding

Particulars	Transaction value		Balances outstanding	
	Year ended 31 March 2022	Year ended 31 March 2021	31 March 2022	31 March 2021
Remuneration				
Jai Hiremath	53.88	41.43	-	-
Sameer Hiremath	36.00	24.53	-	-
Anish Swadi	20.84*	18.10	-	-
Sham Wahalekar	-	9.50	-	-
Kuldeep Jain	12.50	3.78	-	-
Rajasekhar Reddy	8.26	4.46	-	-
Commission paid				
Jai Hiremath	22.65	21.00	22.65	21.00
Sameer Hiremath	22.65	21.00	22.65	21.00
Sitting fees				
Sugandha Hiremath	1.10	0.90	-	-
Baba Kalyani	0.50	0.40	-	-
Amit Kalyani	0.30	0.40	-	-
Kannan K. Unni	1.60	1.40	-	-
Prakash Mehta	1.70	1.40	-	-
Shivakumar Kheny	-	0.90	-	-
Shrikrishna Adivarekar	0.20	-	-	-
Ranjit Shahani	0.90	0.50	-	-
Shivani Bhasin Sachdeva	0.80	0.50	-	-
Ravindra Kumar Goyal	0.80	0.10	-	-
Commission to Non-executive directors				
Sugandha Hiremath	1.42	1.30	1.42	1.30
Baba Kalyani	1.42	1.30	1.42	1.30
Amit Kalyani	1.42	1.30	1.42	1.30
Kannan K. Unni	1.42	1.30	1.42	1.30
Prakash Mehta	1.42	1.30	1.42	1.30
Shrikrishna Adivarekar	0.39	-	0.39	-
Ranjit Shahani	1.42	1.30	1.42	1.30
Shivani Bhasin Sachdeva	1.42	1.30	1.42	1.30
Ravindra Kumar Goyal	1.03	1.30	1.03	1.30
Dividend paid				
SBIPL	43.81	23.90	-	-
SRIPL	21.58	11.77	-	-
DEPL	0.11	0.06	-	-
EIPL	0.87	0.47	-	-
KECPL	0.14	0.08	-	-
KICL	85.07	46.40	-	-
Sugandha Hiremath	21.27	11.60	-	-
Jai Hiremath	2.95	1.61	-	-
Sameer Hiremath	0.86	0.47	-	-
Anish Swadi	0.02	-		
Sham Wahalekar	-	0.02	-	-
Pallavi Swadi	0.84	0.46	-	-
Pooja Hiremath	0.02	0.01	-	-
BF Investment Limited	7.20	3.93	-	-

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

Particulars	Transaction value		Balances outstanding	
	Year ended 31 March 2022	Year ended 31 March 2021	31 March 2022	31 March 2021
Sumer Trust	0.17	0.09	-	-
Rhea Trust	0.17	0.09	-	-
Nihal Trust	0.17	0.09	-	-
Anika Trust	0.17	0.09	-	-
Pooja Trust	0.17	0.09	-	-
Anish Trust	0.17	0.09	-	-
Pallavi Trust	0.41	0.23	-	-
Sameer Trust	0.41	0.23	-	-
Kuldeep Jain	-	0.00	-	-
Baba Saheb Kalyani	0.05	0.03	-	-
Kannan K. Unni	0.04	0.02	-	-
Prakash Mehta	0.03	0.02	-	-
Lease rent paid				
RCSPL	1.08	1.08	-	-
Sugandha Hiremath	2.40	2.40	-	-
Jai Hiremath	0.30	0.30	-	-
Security Deposit				
RCSPL	-	-	1.10	1.10
Sugandha Hiremath	-	-	50.00	50.00
Jai Hiremath	-	-	20.00	20.00

* excludes variable pay upto ₹ 23.50 million which is subject to performance of the company.

Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of business and are on arms length basis. Outstanding balances at year end are unsecured and interest free and settlement occures in cash.

53. Contingent liabilities and commitments (to the extent not provided for)

		As at 31 March 2022	As at 31 March 2021
A.	**Contingent liabilities**		
	Direct and Indirect taxes*		
	Income Taxes	241.34	241.34
	Excise Duty**	40.13	40.13
	Value Added Tax (VAT)***	11.20	11.20
	Cental Sales Tax (CST)	2.82	2.82

* Above does not includes interest and penalty, if any
** In addition to above penalty of ₹ 40.02 million was levied.
*** In addition to above for certain matters, penalty and interest of ₹ 17.40 million was levied during the assessment.

		As at 31 March 2022	As at 31 March 2021
B.	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, tangible assets	1,187.31	1160.46

In addition, the Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its financial statements. The Group's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the Group's results of operations or financial condition.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

54. Key Ratios

Sr. No.	Particulars	Numerator	Denominator	31 March 2022	31 March 2021	Variance (in %)
1	Current Ratio	Current Assets	Current Liabilities	1.25	1.34	6%
2	Debt-Equity Ratio	Total Borrowings	Equity	0.63	0.65	3%
3	Debt Service Coverage Ratio	EBIT	Total Debt Service	1.31	1.29	2%
4	Return on Equity Ratio	Comprehensive Income	Average Shareholder's Equity	16.16%	15.05%	7%
5	Inventory Turnover Ratio	Cost of goods sold	Avg. Inventory	109	116	7%
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average Accounts Receivable	4.17	4.13	1%
7	Trade Payables Turnover Ratio	Total Purchases	Average Accounts Payable	82	91	10%
8	Net Working Capital Turnover Ratio	Net Annual Sales	Working Capital	3.30	3.00	10%
9	Net Profit Ratio	Net Profit after Tax	Net Sales	8.26%	7.74%	7%
10	Return on Capital Employed	Operating Profit	Average Capital Employed	15.21%	16.15%	6%
11	Return on Investment	Income generated from Invested funds	Average Investment Funds	4.11%	5.58%	26%

55. Contribution to Provident Fund as per Supreme Court Judgment

There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The impact is not expected to be material as per the assessment made by the Holding Company.

56. COVID-19 Assessment

The Group has considered the impact of COVID-19 pandemic on its business operations and financial results based on its review of current indicators of future economic conditions. However, the impact assessment of this pandemic is a continuing process given the uncertainties associated with its nature and duration, and accordingly, the Group will continue to monitor any material changes to future economic conditions.

57. The Code on Social Security, 2020

The Code on Social Security, 2020 ('the Code') has been notified in the Official Gazette on 29 September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period in which the said Code becomes effective and the rules framed thereunder are published.

58 Dues relating to Investor Education and Protection fund

During the year the Company has transferred ₹ 0.28 Million to Investor Education and Protection fund. There are no other dues which need to be credited as at the year end to the Investor Education and Protection fund

59. The Group does not have any Benami property, where any proceedings have been initiated or pending against the company for holding any Benami property.

60. The Group does not have any transactions with Companies struck off.

61. The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

62. The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

63. The Group has not advanced or loaned or invested funds to any other person / entities, 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 Funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

(Currency : Indian Rupees in million)

64. The Group has not received funds to any other person / entities, including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

65. The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

66. During the month of July 2022, due to heavy rains at Mahad, Maharashtra led to flooding which caused the operations at the Holding Company's Mahad Unit to remain shut for a period of 27 days. This has consequentially impacted the results for the year ended on 31 March 2022. The Holding Company has filed an insurance claim, which is under assessment.

67. In connection with the alleged improper disposal of by-products by the Company in January 2022, statutory authorities are conducting relevant investigations, which are ongoing. Further, subsequent to the year-end, the Holding Company was directed to stop manufacturing activities at its Taloja plant on grounds of not adhering to conditions stipulated in the relevant Consent to Operate. Based on the advice of external legal counsel, the Holding Company believes it has a good case on merits in these matters, and the Holding Company is taking necessary steps, including legal measures, to defend itself and restart manufacturing activities at the Taloja plant.

68. Other information

The figures for the previous periods have been regrouped wherever necessary to conform to the current year's presentation.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

per Vinayak Pujare
Partner
Membership No: 101143

Place: Mumbai
Date: 28 May 2022

For and on behalf of the Board of Directors of **Hikal Limited**
CIN: L24200MH1988PTC048028

Jai Hiremath
Executive Chairman
DIN: 00062203

Sameer Hiremath
Managing Director and CEO
DIN: 00062129

Kannan K. Unni
Director
DIN: 00227858

Kuldeep Jain
Chief Financial Officer

Rajasekhar Reddy
Company Secretary

Place: Mumbai
Date: 28 May 2022

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