

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

(Currency: Indian Rupees in million)

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.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at 31 March 2023	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	4,898.79	4,898.79	-	3,943.12	955.67
Borrowings and lease liabilities - current	2,583.05	2,583.05	2,583.05	-	-
Other financial liabilities - current	488.06	488.06	488.06	-	-
Trade payables	3,132.67	3,132.67	3,132.67	-	-
	11,102.57	11,102.57	6,203.78	3,943.12	955.67

As at 31 March 2022	Carrying amount	Total	Contractual cash flows		
			Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings - non-current	2,869.03	2,869.03	-	2,391.28	477.75
Borrowings - 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

The gross outflow 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.

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Exposure to currency risk

The major currency profile of financial assets and financial liabilities as at 31 March 2023 and 31 March 2022 are as below:

	As At 31 March 2023	
	USD	EUR
Financial assets	2,528.27	575.14
Financial liabilities	1,758.99	163.13
Net Exposure	769.28	412.01

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

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against USD and Euros 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 ₹	Profit or loss before tax		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2023				
USD (3% movement)	23.08	(23.08)	17.27	(17.27)
EUR (3% movement)	12.36	(12.36)	9.25	(9.25)
	35.44	(35.44)	26.52	(26.52)

Effect in ₹	Profit or loss before tax		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)

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.

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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 2023	As at 31 March 2022
Fixed-rate instruments		
Financial assets	374.36	392.36
Financial liabilities	(1,733.14)	(2,725.98)
	(1,358.78)	(2,333.62)
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	(5,746.40)	(4,018.40)
	(5,746.40)	(4,018.40)

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.

48 Capital Management

As at 31 March 2023, 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 an 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 2023	As at 31 March 2022
Non-current borrowings	4,898.79	2,866.81
Current borrowings	2,580.75	3,877.57
Gross debt	7,479.54	6,744.38
Less - Cash and cash equivalents	267.30	114.41
Less - Other bank deposits	328.19	382.05
Adjusted net debt (A)	6,884.05	6,247.92
Total equity (B)	11,334.70	10,679.81
Adjusted net debt to equity ratio	0.61	0.59
Total capital (A) + (B)	18,218.75	16,927.73
Gearing ratio*	38%	37%

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

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49 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: ₹36.77 million (31 March 2022: ₹32.14 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 2023	For the year Ended 31 March 2022
Protection of national heritage	4.03	0.70
Promotion of education	19.66	11.72
Disaster Relief	-	0.10
Environmental sustainability	1.90	6.64
Rural Development Project	1.13	0.99
Training to stimulate rural sports, nationally recognised sports, Paralympic sports and Olympic sports	0.77	1.12
Promoting preventive health care and sanitation and making available safe water	10.05	4.81
COVID-19	-	5.60
Total	37.54	31.68

The Group 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	31-03-2023	31-03-2022
(a) amount required to be spent by the Company during the year	36.77	32.14
(b) amount of expenditure incurred	37.54	31.68
(c) Excess/(shortfall) at the end of the year	0.77	(0.46)
(d) total of previous years shortfall	-	-
(e) reason for shortfall	NA	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

50 Payment to Auditors' (excluding Goods and Services tax)

	For the year Ended 31 March 2023	For the year Ended 31 March 2022
- Audit fees	5.10	3.40
- Limited review of quarterly results	2.40	2.40
- Certification and other matters	0.05	0.50
- Out-of-pocket expenses	0.02	0.02
Total	7.57	6.32

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51 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 2023	For the year Ended 31 March 2022
Finance costs	189.84	146.34
Employee benefit expenses	48.93	42.74
Electricity Charges	24.40	-
Consultancy Charges	83.90	4.89
Total	347.07	193.97

52 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	
Crop Protection	India and Outside India

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

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ii) Segment revenues, results and other information

Particulars	Crop Protection	Pharmaceuticals	Total of Reportable Segment
External sales	9,078.50	11,151.80	20,230.30
	<i>8,129.80</i>	<i>11,297.41</i>	<i>19,427.21</i>
Other income	-	-	-
	-	-	-
Segment revenue	9,078.50	11,151.80	20,230.30
	<i>8,129.80</i>	<i>11,297.41</i>	<i>19,427.21</i>
Segment results	1,032.50	649.50	1,682.00
	<i>1,151.35</i>	<i>1,510.21</i>	<i>2,661.57</i>
Segment assets	9,762.90	12,435.30	22,198.20
	<i>8,545.61</i>	<i>11,893.72</i>	<i>20,439.33</i>
Segment liabilities	1,877.60	2,165.30	4,042.90
	<i>1,993.40</i>	<i>1,752.85</i>	<i>3,746.26</i>
Capital expenditure (included in segment assets)	1,532.68	1,400.78	2,933.46
	<i>1,519.55</i>	<i>1,341.71</i>	<i>2,861.26</i>
Depreciation/Amortisation	396.50	665.67	1,062.17
	<i>310.23</i>	<i>616.27</i>	<i>926.50</i>

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	20,230.30	1,682.00	22,198.20	4,042.90	2,933.46	1,062.17
	<i>19,427.21</i>	<i>2,661.57</i>	<i>20,439.33</i>	<i>3,746.26</i>	<i>2,861.26</i>	<i>926.50</i>
Corporate/Unallocated segment	-	147.34	1,656.62	8,477.23	46.93	27.96
	-	<i>163.80</i>	<i>1,691.73</i>	<i>7,704.99</i>	<i>171.02</i>	<i>30.19</i>
Finance cost	-	481.01	-	-	-	-
	-	<i>312.18</i>	-	-	-	-
Exceptional item	-	-	-	-	-	-
	-	-	-	-	-	-
Taxes	-	269.83	-	-	-	-
	-	<i>580.60</i>	-	-	-	-
As per financial statement	20,230.30	783.82	23,854.82	12,520.12	2,980.39	1,090.13
	<i>19,427.21</i>	<i>1,604.99</i>	<i>22,131.06</i>	<i>11,451.25</i>	<i>3,032.28</i>	<i>956.69</i>

Figures in italics pertain to previous year.

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B Secondary segment reporting (by geographical segment)

Particulars	India	USA and Canada	Europe	South East Asia	Others	Total
Revenue	6,545.94	3,355.70	5,771.79	4,321.42	235.45	20,230.30
	5,285.23	3,130.43	4,592.52	2,218.33	4,200.70	19,427.21
Total assets	23,854.82	-	-	-	-	23,854.82
	22,131.06	-	-	-	-	22,131.06
Capital expenditure	2,980.39	-	-	-	-	2,980.39
	3,032.28	-	-	-	-	3,032.28

There is a customer which account for revenue of ₹2,954.95 million (Pr. Yr. ₹2,258.14 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 Group's revenue.

Figures in italics pertain to previous year

53 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 Chief Executive Officer) Kuldeep Jain (Chief Financial Officer) Rajasekhar Reddy (Company Secretary)
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 ("I IPL") 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 Malvi Ranchoddas & Co.

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Relationship	Name of the related party
d) Relatives of Key Management Personnel	Anish Swadi
	Pallavi Swadi
	Pooja Hiremath
	Ashok Vishwanath Hiremath
e) Non-Executive Directors	Baba Kalyani
	Amit Kalyani
	Sugandha Hiremath
	Kannan K. Unni
	Prakash Mehta
	Ranjit Shahani
	Mrs. Shivani Bhasin Sachdeva
	Ravindra Kumar Goyal (up to 22 December 2021)
	Shrikrishna K. Adivarekar (w.e.f. 22 December 2021)
f) Key Management Personnel of Subsidiary	Sham Wahalekar

ii) Details of transactions with related parties

Particulars	Transaction value		Balances outstanding	
	Year ended 31 March 2023	Year ended 31 March 2022	31 March 2023	31 March 2022
Remuneration				
Jai Hiremath	50.88	53.88	-	-
Sameer Hiremath	41.89	36.00	-	-
Anish Swadi	31.04	20.84	-	-
Kuldeep Jain	14.38	12.50	-	-
Rajasekhar Reddy	9.04	8.26	-	-
Commission paid				
Jai Hiremath	-	22.65	-	22.65
Sameer Hiremath	-	22.65	-	22.65
Sitting fees				
Sugandha Hiremath	1.10	1.10	-	-
Baba Kalyani	0.50	0.50	-	-
Amit Kalyani	0.30	0.30	-	-
Kannan K. Unni	1.30	1.60	-	-
Prakash Mehta	1.40	1.70	-	-
Shrikrishna Adivarekar	0.50	0.20	-	-
Ranjit Shahani	1.00	0.90	-	-
Shivani Bhasin Sachdeva	0.60	0.80	-	-
Ravindra Kumar Goyal	-	0.80	-	-
Commission to Non-Executive Directors				
Sugandha Hiremath	0.56	1.42	0.56	1.42
Baba Kalyani	0.56	1.42	0.56	1.42
Amit Kalyani	0.56	1.42	0.56	1.42
Kannan K. Unni	0.56	1.42	0.56	1.42
Prakash Mehta	0.56	1.42	0.56	1.42
Shrikrishna K. Adivarekar	0.56	0.39	0.56	0.39
Ranjit Shahani	0.56	1.42	0.56	1.42
Shivani Bhasin Sachdeva	0.56	1.42	0.56	1.42
Ravindra Kumar Goyal	-	1.03	-	1.03

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Particulars	Transaction value		Balances outstanding	
	Year ended 31 March 2023	Year ended 31 March 2022	31 March 2023	31 March 2022
Dividend paid				
SBIPL	19.91	43.81	-	-
SRIPL	9.81	21.58	-	-
DEPL	0.05	0.11	-	-
EIPL	0.39	0.87	-	-
KECPL	0.06	0.14	-	-
KICL	38.67	85.07	-	-
Sugandha Hiremath	9.67	21.27	-	-
Jai Hiremath	1.34	2.95	-	-
Sameer Hiremath	0.39	0.86	-	-
Anish Swadi	0.01	0.02	-	-
Baba Kalyani	0.02	0.05	-	-
Kannan K. Unni	0.03	0.04	-	-
Prakash Mehta	0.02	0.03	-	-
Pallavi Swadi	0.38	0.84	-	-
Pooja Hiremath	0.01	0.02	-	-
BF Investment Limited	3.27	7.20	-	-
Sumer Trust	0.08	0.17	-	-
Rhea Trust	0.08	0.17	-	-
Nihal Trust	0.08	0.17	-	-
Anika Trust	0.08	0.17	-	-
Pooja Trust	0.08	0.17	-	-
Anish Trust	0.08	0.17	-	-
Pallavi Trust	0.19	0.41	-	-
Sameer Trust	0.19	0.41	-	-
Kuldeep Jain	-	-	-	-
Rajasekhar Reddy	-	-	-	-
Sham Wahalekar	0.01	-	-	-
Ashok Hiremath	0.06	-	-	-
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
Consultancy Charges				
Sham Wahalekar	3.66	3.99	0.30	-
Malvi Ranchoddas & Co.	3.78	4.30	0.48	-

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 occurs in cash.

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

A. Contingent liabilities

	As At 31 March 2023	As At 31 March 2022
(i) Direct and Indirect taxes		
Income Taxes*	292.23	241.34
Excise Duty**	39.93	40.13
Cental Sales Tax (CST)***	2.97	2.82
Value Added Tax (VAT)****	11.27	11.20

*Above does not includes interest and penalty, if any.

**In addition to above interest and penalty of ₹40.13 million was levied.

***In addition to above for certain matters, penalty and interest of ₹6.14 million was levied during the assessment.

****in addition to above penalty and interest of ₹11.27 million was levied during the assessment.

- (ii) In connection with the alleged improper disposal of by-products by the Holding Company in January 2022, statutory authorities have conducted investigations in relation to alleged non-compliance with certain environmental laws and regulations, and the matter is pending before the Courts and relevant statutory authorities.

In an earlier quarter, Maharashtra Pollution Control Board (MPCB) had directed the Holding Company to stop manufacturing activities at its Taloja plant on grounds of not adhering to conditions stipulated in the relevant Consent to Operate. Subsequently, pursuant to an order of the Honourable Bombay High Court, MPCB granted permission on 29 June 2022 to re-start manufacturing activities at the plant. Further, the Company has also initiated proceedings against the party that was given responsibility of disposing this material.

Separately, the National Green Tribunal ('NGT') had constituted a committee to make recommendations in this regard. The Committee submitted its reports to NGT, after which the Holding Company filed a writ petition in the Hon'ble Bombay High Court, *inter alia*, seeking to set aside the NGT order. Despite being informed about the pendency of the aforesaid writ before the Hon'ble Bombay High Court, in March 2023, NGT passed an order accepting the committee's reports, which, includes recovery of compensation of ₹17.45 crore from the Holding Company for non-compliance with environmental laws and regulations. The Hon'ble Bombay High Court, has stayed the said order passed by NGT.

- (iii) In addition, the Company is subject to legal proceedings, claims and GST audit, which have arisen in the ordinary course of business. The Company has reviewed all its pending litigations and other matters 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.

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. Accordingly, no provision is required in the financial results in this respect.

B. Commitments

	As At 31 March 2023	As At 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for, tangible assets	947.83	1,187.31
Other non-cancellable material commitment	957.24	-

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55 Key Ratios

Sr. No.	Particulars	Numerator	Denominator	As at/for the year ended 31 March 2023	As at/for the year ended 31 March 2022	Variance (in %)	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	1.42	1.25	13%	
2	Net Debt-Equity Ratio	Debt	Shareholder's Equity	0.61	0.59	3%	
3	Debt Service Coverage Ratio	EBIT	Total Debt Service	1.77	1.96	10%	
4	Return on Equity Ratio	Comprehensive Income	Average Shareholder's Equity	7.07%	16.16%	56%	The variation is due to decrease in EBIT in current year as compared to last year
5	Inventory Turnover Ratio	Cost of goods sold	Avg. Inventory	3.43	3.35	2%	
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average Accounts Receivable	4.56	4.17	9%	
7	Trade Payables Turnover Ratio	Total Purchases	Average Accounts Payable	3.89	4.43	12%	
8	Net Working Capital Turnover Ratio	Net Annual Sales	Working Capital	3.74	3.30	13%	
9	Net Profit Ratio	Net Profit after Tax	Net Sales	3.91%	8.26%	53%	The variation is due to decrease in Net Profit after tax as compared to last year.
10	Return on Capital Employed	Operating Profit	Average Capital Employed	8.47%	15.21%	44%	The variation is due to decrease in Operating profit as compared to last year.
11	Return on Investment	Income generated from Invested funds	Average Investment Funds	7.06%	4.11%	72%	The variation is due to Profit from sale of investment

56 Contribution to Provident Fund as per Supreme Court Judgment

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28 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.

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 Holding company has transferred ₹0.34 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 Group 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.

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(Currency: Indian Rupees in million)

- 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.
- 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 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.
- 65** The Group does not have any such transaction which is not recorded in the books of account 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** Maintenance of Books of account under Section 128 of the Companies Act, 2013 The Group has defined process to take daily back-up of books of account maintained electronically and complied with the provisions of The Companies (Accounts) Rules, 2014 (as amended). However, the Group as a policy, has maintained logs of the daily back-up of such books of account only for last 30 days and hence audit trail in relation to daily back up taken was not available for full year.
- 67** The quarterly returns or statements of Current assets filed by the Holding Company with the banks or financial institutions are in agreement with the books of account.

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

For and on behalf of the Board of Directors of

Hikal Limited

CIN: L24200MH1988PTC048028

per Vinayak Pujare

Partner

Membership No: 101143

Jai Hiremath

Executive Chairman Managing Director and CEO

DIN: 00062203

Sameer Hiremath

DIN: 00062129

Kannan K. Unni

Director

DIN: 00227858

Canada

29 May 2023

Kuldeep Jain

Chief Financial Officer

Mumbai

29 May 2023

Rajasekhar Reddy

Company Secretary

Mumbai

29 May 2023

Mumbai

29 May 2023

NOTES

This image shows a full page of blank, lined paper. It features approximately 20 horizontal blue or grey lines spaced evenly apart, typical of notebook paper. The lines extend across the width of the page, leaving small margins at the top and bottom. There are no vertical lines, text, or other markings on the page.

NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Registered Office/ Corporate Office

717/718, Maker Chambers V,
Nariman Point, Mumbai 400 021

Website

www.hikal.com

Email

info@hikal.com