

# Walker Chandiook & Co LLP

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Walker Chandiook & Co LLP  
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## Independent Auditor's Report

### To the Members of Safex Chemicals (India) Limited

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

#### Opinion

1. We have audited the accompanying consolidated financial statements of Safex Chemicals (India) Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2024, 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 material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 11 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

#### Information other than the Consolidated Financial Statements and Auditor's Report thereon

4. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report but does not include the consolidated financial statements and our auditor's report thereon.

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

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Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L 41 Connaught Circus, Outer Circle, New Delhi, 110001, India



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## Independent Auditor's Report to the members of Safex Chemicals (India) Limited on the consolidated financial statements for the year ended 31 March 2024 (contd')

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

The Director's Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

5. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
6. 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 the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

8. 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 Standards on Auditing 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.
9. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act 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



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## Independent Auditor's Report to the members of Safex Chemicals (India) Limited on the consolidated financial statements for the year ended 31 March 2024 (contd')

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 Board of Directors' 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial 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 the 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.
10. 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.

### Other Matter

11. We did not audit the financial statements of five subsidiaries (including one step-down subsidiary), whose financial statements reflect total assets of ₹ 144,033.93 lakhs as at 31 March 2024, total revenues of ₹ 78,214.44 lakhs and net cash outflows amounting to ₹ 298.44 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Further, of these subsidiaries, two subsidiaries (including one step-down subsidiary) are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in the respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in the respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries located outside India,



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## Independent Auditor's Report to the members of Safex Chemicals (India) Limited on the consolidated financial statements for the year ended 31 March 2024 (contd')

is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 11, on separate financial statements of the subsidiaries, we report that the Holding Company and two subsidiaries incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that three subsidiaries incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiaries.
13. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 11 above, of companies included in the consolidated financial statements and covered under the Act we report that, following are the qualifications reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2024 for which such Order reports have been issued till date:

S.no	Name	CIN	Holding Company / subsidiary	Clause number of the CARO report which is qualified or adverse
1	Safex Chemicals (India) Limited	U72411DL1991PLC042652	Holding Company	Clause ii(b) and (vii)(a)
2	Indo Swiss Chemicals Limited	U24100DL2011PLC348839	Subsidiary	Clause ii(b) and (vii)(a)
3	Smith N Smith Chemicals Limited	U24100DL2013PLC252186	Subsidiary	Clause ii(b) and (vii)(a)
4	Shogun Organics Limited	U99999DL1993PLC432040	Subsidiary	Clause ii(b)
5	Shogun Lifesciences Private Limited	U24299DL2021PTC379521	Subsidiary	Clause ii(b)

14. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, 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 purpose 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 consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;



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## Independent Auditor's Report to the members of Safex Chemicals (India) Limited on the consolidated financial statements for the year ended 31 March 2024 (contd')

- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries and taken on record by the Board of Directors of the Holding Company and its subsidiaries respectively and the reports of the statutory auditors of its subsidiaries, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.
- f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 14(b) above on reporting under section 143(3)(b) of the Act and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 37 to the consolidated financial statements;
- ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries covered under the Act, during the year ended 31 March 2024;
- iv.
- a. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in note 46(vi) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries to or in any person(s) or entity(ies), including foreign entities ('the 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 Holding Company, or any such subsidiaries ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 46(vii) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries shall, whether directly or indirectly, lend or invest in other persons or entities identified in



# Walker Chandiook & Co LLP

## Independent Auditor's Report to the members of Safex Chemicals (India) Limited on the consolidated financial statements for the year ended 31 March 2024 (contd')

- 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 by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (iv)(a) and (iv)(b) above contain any material misstatement.
- v. The Holding Company and its subsidiaries have not declared or paid any dividend during the year ended 31 March 2024.
- vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries of the Holding Company which are companies incorporated in India and audited under the Act, except for the instances/matters mentioned below, the Holding Company and its subsidiaries, in respect of financial year commencing on 01 April 2023, have used an accounting software for maintaining their books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with.

Nature of exception noted	Details of Exception
Instance of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	The audit trail feature was not enabled throughout the year at database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the entities in the Group on which reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) is applicable.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Ashish Gera**  
Partner  
Membership No.: 508685



UDIN: 24508685BKEUFP1748

**Place:** New Delhi  
**Date:** 02 September 2024

# Walker Chandiook & Co LLP

Independent Auditor's Report to the members of Safex Chemicals (India) Limited on the consolidated financial statements for the year ended 31 March 2024 (contd')

## Annexure I

### List of entities included in the consolidated financial statements

#### Holding Company

1. Safex Chemicals (India) Limited

#### Subsidiaries

1. Indo Swiss Chemicals Limited
2. Smith N Smith Chemicals Limited
3. Shogun Organics Limited
4. Shogun Lifesciences Private Limited
5. Agcare Technologies Private Limited
6. Him Bio Agro (Partnership firm under 'Indian Partnership Act, 1932)
7. JayCee Lifesciences (Partnership firm under 'Indian Partnership Act, 1932)
8. Safex Holdings UK Limited [with effect from 5 August 2022]
9. Briar Chemicals Limited (step-down subsidiary) [acquired with effect from 10 October 2022]



# Walker Chandiook & Co LLP

## Annexure II

### **Independent Auditor's Report on the internal financial controls with reference to the consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Safex Chemicals (India) Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company and its subsidiary companies which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial control criteria established by the company considering the essential components of Internal controls stated in the Guidance note on Audit of Internal Financial controls that are effectively for ensuring the orderly and efficient conduct of the company 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 Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the 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 financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to 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 controls with reference to financial statements include 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



# Walker Chandiook & Co LLP

## Annexure II to the Independent Auditor's Report of even date to the members of Safex Chemicals (India) Limited on the consolidated financial statements for the year ended 31 March 2024

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 Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company, and its subsidiary companies which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

### Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company covered under the Act, whose financial statements reflect total assets of ₹ 239.39 lakhs and net assets of ₹ 7.63 lakhs as at 31 March 2024, total revenues of ₹ 143.00 lakhs and net cash inflows amounting to ₹ 27.63 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditors whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the reports of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



**Ashish Gera**

Partner

Membership No.: 508685

UDIN: 24508685BKEUFP1748

Place: New Delhi

Date: 02 September 2024



Particulars		Note	As at 31 March 2024	As at 31 March 2023
<b>I. ASSETS</b>				
(1)	<b>Non-current assets</b>			
(a)	Property, plant and equipment	4A	60,465.37	60,436.85
(b)	Capital work-in-progress	4B	10,547.99	6,754.84
(c)	Right-of-use assets	4C	5,200.42	4,016.94
(d)	Investment property	4E	1,069.41	1,329.29
(e)	Goodwill	4G	16,036.88	15,440.62
(f)	Intangible assets under development	4F	453.79	114.46
(g)	Other intangible assets	4D	9,592.38	10,508.63
(h)	Financial assets			
	(i) Loans	5	19.52	34.18
	(ii) Other financial assets	6	185.09	135.45
(j)	Deferred tax assets (net)	7	388.17	-
(l)	Income tax assets (net)	8	1,205.92	1,163.10
(f)	Other non-current assets	9	161.89	169.84
	<b>Total non-current assets</b>		<b>1,05,326.83</b>	<b>1,00,104.20</b>
(2)	<b>Current assets</b>			
(a)	Inventories	10	34,833.33	31,605.72
(b)	Financial assets			
	(i) Trade receivables	11	31,136.86	35,901.79
	(ii) Cash and cash equivalents	12	6,268.13	9,323.63
	(iii) Bank balances other than (ii) above	13	7,132.06	5,021.09
	(iv) Loans	14	57.51	33.57
	(v) Other financial assets	15	520.44	659.87
(c)	Other current assets	16	6,050.51	6,904.44
	<b>Total current assets</b>		<b>85,998.84</b>	<b>89,450.11</b>
	<b>Total assets</b>		<b>1,91,325.67</b>	<b>1,89,554.31</b>
<b>II. EQUITY AND LIABILITIES</b>				
(1)	<b>Equity</b>			
(a)	Equity share capital	17	1,605.86	1,605.86
(b)	Other equity	18	65,783.55	66,484.71
	<b>Total equity</b>		<b>67,389.41</b>	<b>68,090.57</b>
(2)	<b>Non-current liabilities</b>			
(a)	Financial liabilities			
	(i) Borrowings	19	39,702.97	42,042.34
	(ii) Lease liabilities	40	2,089.72	802.14
	(iii) Other financial liabilities	20	7.56	15.26
(b)	Provisions	21	4,516.74	4,295.38
(c)	Deferred tax liabilities (net)	7	11,160.32	13,366.24
	<b>Total non-current liabilities</b>		<b>57,477.31</b>	<b>60,521.36</b>
(3)	<b>Current liabilities</b>			
(a)	Financial liabilities			
	(i) Borrowings	22	28,005.98	25,979.45
	(ii) Lease liabilities	40	251.74	132.50
	(iii) Trade payables	23		
	(a) Total outstanding dues to micro enterprises and small enterprises; and		955.30	498.02
	(b) Total outstanding dues to creditors other than micro enterprises and small enterprises		24,730.52	24,875.19
	(iv) Other financial liabilities	24	2,077.61	2,801.43
(b)	Other current liabilities	25	7,217.87	4,386.88
(c)	Provisions	26	1,822.91	1,676.01
(d)	Current tax liabilities (net)	27	1,397.02	592.90
	<b>Total current liabilities</b>		<b>66,458.95</b>	<b>60,942.38</b>
	<b>Total liabilities</b>		<b>1,23,936.26</b>	<b>1,21,463.74</b>
	<b>Total equity and liabilities</b>		<b>1,91,325.67</b>	<b>1,89,554.31</b>

Summary of material accounting policies

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The accompanying notes are an integral part of these consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For: Walker Chandiook & Co LLP  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

Ashish Gera  
Partner  
Membership No.: 508685

Place : New Delhi  
Date : 02 September 2024



For and on behalf of the Board of Directors of  
Safex Chemicals (India) Limited

Srininder Kumar Chaudhary  
Whole Time Director  
DIN: 00263756

Piyush Jindal  
Whole Time Director and  
Chief Financial Officer  
DIN:06515285

Neeraj Kumar Jindal  
Whole Time Director  
DIN: 03473377

Manju Pathak Khulbe  
Company Secretary  
Membership No.: A22770

Place : New Delhi  
Date : 02 September 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
I Revenue from operations	28	1,40,459.06	1,16,101.79
II Other income	29	1,312.22	645.11
<b>III Total Income (I+II)</b>		<b>1,41,771.28</b>	<b>1,16,746.90</b>
<b>IV Expenses</b>			
Cost of materials consumed	30	61,668.08	48,450.86
Purchase of stock-in-trade		13,679.99	21,649.19
Changes in inventories of finished goods, work-in-progress, stock-in-trade	31	(2,886.59)	(2,008.76)
Employee benefits expense	32	24,979.41	14,773.35
Finance costs	33	7,435.40	3,996.90
Depreciation and amortisation expense	34	7,116.20	3,877.08
Other expenses	35 (a)	31,159.62	18,331.32
<b>Total expenses</b>		<b>1,43,152.11</b>	<b>1,09,069.94</b>
<b>V Profit before exceptional items (III -IV)</b>		<b>(1,380.83)</b>	<b>7,676.96</b>
<b>VI Exceptional Items</b>	35 (b)	<b>0.00</b>	<b>5,604.85</b>
<b>VI Profit after exceptional Items but before tax (V-VI)</b>		<b>(1,380.83)</b>	<b>2,072.11</b>
<b>VIII Tax expense:</b>			
(1) Current tax	36	3,899.39	2,034.84
(2) Deferred tax		(3,001.33)	139.00
<b>Total tax expense</b>		<b>898.06</b>	<b>2,173.84</b>
<b>IX (Loss)/ Profit for the year (VII-VIII)</b>		<b>(2,278.89)</b>	<b>(101.73)</b>
<b>X Other comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(i) Re-measurement gain on defined benefit obligation	42	7.71	72.05
(ii) Income tax relating to defined benefit obligation	36	(2.07)	(18.24)
<b>Items that will be reclassified to Profit or Loss</b>			
(i) Cash flow hedge reserve	18(v)	67.27	(92.33)
(ii) Cost of hedging reserve	18(vi)	472.37	(659.61)
(iii) Foreign Currency Translation Reserve	18(iv)	1,032.45	3,227.67
<b>Total other comprehensive income for the year</b>		<b>1,577.73</b>	<b>2,529.54</b>
<b>XI Total comprehensive Income for the year (IX+X)</b>		<b>(701.16)</b>	<b>2,427.81</b>
<b>(Loss)/ Profit for the year attributable to:</b>			
- Owners		(2,278.89)	(101.73)
- Non controlling interest		-	-
<b>Other comprehensive income for the year attributable to:</b>			
- Owners		1,577.73	2,529.54
- Non controlling interest		-	-
<b>Total comprehensive income for the year attributable to:</b>			
- Owners		(701.16)	2,427.81
- Non controlling interest		-	-
<b>Earnings per equity share (face value of Re. 1 each)</b>	39		
- Basic (in Rs.)		(1.42)	(0.07)
- Diluted (in Rs.)		(1.42)	(0.07)

Summary of material accounting policies

The accompanying notes are an integral part of these consolidated financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Ashish Gera  
Partner

Membership No.: 508685

Place : New Delhi

Date : 02 September 2024



For and on behalf of the Board of Directors of  
Safex Chemicals (India) Limited

Surinder Kumar Chaudhary  
Whole Time Director  
DIN: 00263756

Piyush Jindal  
Whole Time Director and  
Chief Financial Officer  
DIN:06515285

Place : New Delhi  
Date : 02 September 2024

Neeraj Kumar Jindal  
Whole Time Director  
DIN: 03473376

Manju Pathak Khulbe  
Company Secretary  
Membership No.: A22770

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. Cash flows from operating activities</b>		
Profit before tax	(1,380.83)	2,072.11
Adjustments for:		
Depreciation and amortisation expense	7,116.20	3,877.08
Impairment of intangible assets under development	-	15.00
Provision for impairment of goodwill	-	2,364.63
Net (Profit)/Loss on sale of property, plant and equipment and investment property	(263.74)	33.81
Finance costs	7,310.04	3,996.90
Allowance for expected credit loss (including bad debts written off)	511.96	495.04
Liabilities no longer required written back	(11.92)	(7.06)
Rental income	(47.33)	(66.28)
Interest income classified as investing cash flows	(442.61)	(217.02)
Interest income under the effective interest method on security deposits	(3.71)	(2.35)
<b>Operating profit before working capital changes</b>	<b>12,788.06</b>	<b>12,561.86</b>
Adjustments for :		
Trade receivables	4,259.30	(1,417.92)
Other financial assets	91.22	(924.84)
Other current assets	861.88	(873.41)
Inventories	(3,227.61)	(3,105.45)
Other financial liabilities	(160.65)	(977.35)
Other current liabilities	2,705.63	176.38
Provisions	373.90	173.04
Trade and other payables	324.47	3,770.81
<b>Cash generated from operations</b>	<b>18,016.20</b>	<b>9,383.12</b>
Income taxes paid	(2,342.67)	(3,856.71)
<b>Net cash flow from operating activities</b>	<b>15,673.53</b>	<b>5,526.41</b>
<b>B. Cash flow from investing activities</b>		
Payments for property, plant & equipment	(7,777.17)	(5,854.18)
Proceeds from sale of property, plant and equipment and investment property	559.23	34.06
Proceeds from sale/(purchase) of intangible assets	(339.33)	(154.92)
Rental income on investment property	47.33	66.28
Loan given	(9.28)	(16.16)
Payment for acquisition of subsidiaries	-	(67,000.88)
Investment in bank deposits	(7,069.73)	(1,266.11)
Proceeds from maturity of bank deposits	4,961.04	-
Interest received	442.61	217.02
<b>Net cash used in Investing activities</b>	<b>(9,185.30)</b>	<b>(73,974.89)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares including security premium	-	26,442.26
Net (repayment)/ proceeds of long term borrowings	(2,339.37)	37,342.67
Net proceeds from short term borrowings	2,026.53	11,416.72
Payment of lease liabilities (including interest)	(254.67)	(231.47)
Interest paid	(7,173.99)	(4,854.89)
<b>Net cash flows from/ (used in) financing activities</b>	<b>(7,741.50)</b>	<b>70,115.29</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>(1,253.27)</b>	<b>1,666.81</b>



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance of cash and cash equivalents	9,323.63	7,520.94
Add : Acquired through business combination	-	3,751.47
Add : Foreign currency translation reserve	(1,802.23)	(3,615.59)
Closing balance of cash and cash equivalents	6,268.13	9,323.63
<b>Cash and cash equivalents comprise :</b>		
Cash in hand (refer note 12)	30.63	916.85
Foreign currency in hand (refer note 12)	5.42	7.22
<b>Balance with banks :</b>		
In current accounts (refer note 12)	4,642.45	6,861.50
In others (refer note 12)	1,589.63	1,538.06
<b>Total cash and cash equivalents</b>	<b>6,268.13</b>	<b>9,323.63</b>

Note : (1) The cash flow from operating activities has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 - Statement of Cash Flows.

(2) Reconciliation between the opening and closing balance in the Balance Sheet for liabilities arising from financing activities as follows:  
As at 31 March 2024

Particulars	Non-current borrowings	Current borrowings	Lease liabilities	Total
Opening balance as at beginning of the year	42,042.34	25,979.45	934.64	68,956.43
Proceeds/ additions	-	2,026.53	1,498.76	3,525.29
Repayments	(2,339.37)	-	(254.66)	(2,594.03)
Interest expense	4,468.83	2,705.15	136.05	7,310.03
Interest paid	(4,468.83)	(2,705.15)	-	(7,173.98)
Other non-cash items (foreign currency translation)	-	-	26.67	26.67
<b>Closing balance as at end of the year</b>	<b>39,702.97</b>	<b>28,005.98</b>	<b>2,341.46</b>	<b>70,050.41</b>

As at 31 March 2023

Particulars	Non-current borrowings	Current borrowings	Lease liabilities	Total
Opening balance as at beginning of the year	593.48	14,562.73	900.64	16,056.85
Acquired through business combination	-	-	130.75	130.75
Proceeds/ additions	37,342.67	11,416.72	55.84	48,815.23
Repayments	-	-	(231.47)	(231.47)
Interest expense	3,296.12	1,558.77	78.88	4,933.77
Interest paid	(3,296.12)	(1,558.77)	-	(4,854.89)
Other non-cash items (foreign currency translation)	4,106.19	-	-	4,106.19
<b>Closing balance as at end of the year</b>	<b>42,042.34</b>	<b>25,979.45</b>	<b>934.64</b>	<b>68,956.43</b>

This is the Consolidated Statement of Cash Flow referred to in our report of even date.

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

**Ashish Gera**  
Partner  
Membership No.: 508685



Place : New Delhi  
Date : 02 September 2024

For and on behalf of the Board of Directors of  
Safex Chemicals (India) Limited

**Surinder Kumar Chaudhary**  
Whole Time Director  
DIN: 00263756



**Piyush Jindal**  
Whole Time Director and  
Chief Financial Officer  
DIN:06515285

Place : New Delhi  
Date : 02 September 2024

**Neeraj Kumar Jindal**  
Whole Time Director  
DIN: 03473376

**Manju Pathak Khulbe**  
Company Secretary  
Membership No. : A22770

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

A. Equity share capital

Particulars	No. of Shares	Amount
Balance as at 1 April 2023	16,05,85,503	1,605.86
Changes in equity share capital during the year - Issue of fresh equity shares of Re. 1 each	-	-
Balance as at 31 March 2024	16,05,85,503	1,605.86

Particulars	No. of Shares	Amount
Balance as at 1 April 2022	13,39,64,880	1,339.65
Changes in equity share capital during the year - Issue of fresh equity shares of Re. 1 each	2,66,20,623	266.21
Balance as at 31 March 2023	16,05,85,503	1,605.86

B. Other equity

Particulars	Reserves and Surplus				Foreign Currency Translation Reserve	Total equity attributable to owners of the Company	Total
	Securities premium	General reserve	Capital reserve	Retained earnings			
Balance as at 1 April 2023	58,837.90	19,369.75	727.14	(15,677.75)	3,227.67	66,484.71	66,484.71
Profit for the year	-	-	-	(2,278.89)	-	(2,278.89)	(2,278.89)
Other comprehensive income for the year	-	-	-	-	-	-	-
Foreign currency translation reserve created during the year	-	-	-	(1,032.45)	1,032.45	-	-
Re-measurement gain on defined benefit obligation (net of tax)	-	-	-	5.64	-	5.64	5.64
Cash flow hedge reserve	-	-	-	67.27	-	67.27	67.27
Cost of hedging reserve	-	-	-	472.37	-	472.37	472.37
Foreign Currency Translation Reserve	-	-	-	1,032.45	-	1,032.45	1,032.45
Transfer to general reserve from retained earnings	-	2,739.80	-	(2,739.80)	-	-	-
<b>Total comprehensive Income for the year</b>	-	<b>2,739.80</b>	-	<b>(4,473.41)</b>	<b>1,032.45</b>	<b>(701.17)</b>	<b>(701.17)</b>
Transaction with owners, recorded directly to equity:	-	-	-	-	-	-	-
Premium on Issue of equity shares	-	-	-	-	-	-	-
Balance as at 31 March 2024	58,837.90	22,109.55	727.14	(20,151.17)	4,260.12	65,783.55	65,783.55

Particulars	Reserves and Surplus				Foreign Currency Translation Reserve	Total equity attributable to owners of the Company	Total
	Securities premium	General reserve	Capital reserve	Retained earnings			
Balance as at 1 April 2022	32,661.84	17,714.18	727.14	(13,222.32)	-	37,880.84	37,880.84
Profit for the year	-	-	-	(101.73)	-	(101.73)	(101.73)
Other comprehensive income for the year	-	-	-	-	-	-	-
Foreign currency translation reserve created during the year	-	-	-	(3,227.67)	3,227.67	-	-
Re-measurement gain on defined benefit obligation (net of tax)	-	-	-	53.81	-	53.81	53.81
Cash flow hedge reserve	-	-	-	(92.33)	-	(92.33)	(92.33)
Cost of hedging reserve	-	-	-	(659.61)	-	(659.61)	(659.61)
Foreign Currency Translation Reserve	-	-	-	3,227.67	-	3,227.67	3,227.67
Transfer to general reserve from retained earnings	-	1,655.57	-	(1,655.57)	-	-	-
<b>Total comprehensive Income for the year</b>	-	<b>1,655.57</b>	-	<b>(2,455.43)</b>	<b>3,227.67</b>	<b>2,427.81</b>	<b>2,427.81</b>
Transaction with owners, recorded directly to equity:	-	-	-	-	-	-	-
Premium on issue of equity shares	26,176.06	-	-	-	-	26,176.06	26,176.06
Balance as at 31 March 2024	58,837.90	19,369.75	727.14	(15,677.75)	3,227.67	66,484.71	66,484.71

The accompanying notes are an integral part of these consolidated financial statements

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Walker Chandlok & Co LLP  
Chartered Accountants  
Firm Registration No: 001076N/NS00013

Ashish Gera  
Partner  
Membership No.: 508685

Place : New Delhi  
Date : 02 September 2024



For and on behalf of the Board of Directors of  
Safex Chemicals (India) Limited

Surinder Kumar Chaudhary  
Whole Time Director  
DIN: 00263756

Piyush Jindal  
Whole Time Director and  
Chief Financial Officer  
DIN:06515285

Place : New Delhi  
Date : 02 September 2024



Neeraj Kumar Jindal  
Whole Time Director  
DIN: 03473376

Manju Pathak Khulbe  
Company Secretary  
Membership No. : A22770

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

**1 General Information**

The Consolidated Financial Statements comprise financial statements of Safex Chemicals (India) Limited ("the Holding Company") and its subsidiaries (collectively, "the Group") for the year ended 31 March 2024. Safex Chemicals (India) Ltd. ("the Holding Company") is a public limited company domiciled in India, and incorporated under the provisions of the Companies Act, 1956. The Group is engaged in the production and distribution of pesticides and agro chemicals including insecticides, herbicides, fungicides, fertilisers, plant growth regulators, micro-nutrient fertilisers, speciality chemicals (like technicals, intermediates etc.) for pesticides and insecticides and contract manufacturing of fine chemical products.

**2 Material accounting policies**

The Group has consistently applied the following accounting policies during the years presented in the consolidated financial statements.

**a. Statement of compliance**

The consolidated financial statements of the Group comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India.

These consolidated financial statements were approved for issue by the Board of Directors on 02 September 2024.

Details of the Group's accounting policies, including changes thereto, are mentioned below.

**b. Basis of Consolidation**

**Investment in subsidiaries**

The Consolidated Financial Statements incorporate the financial statements of the Holding Company and entities controlled by the Holding Company. Control is achieved only if the Holding Company:

- has power over the investee;
- is exposed or has rights to variable return from its involvement with the investee, and
- has the ability to use its power over the investee to affect its returns.

The Holding Company reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Holding Company has less than a majority of the voting or similar rights of an investee, the Holding Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Holding Company's voting rights and potential voting rights
- The size of the Holding Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

Subsidiaries are entities controlled by the Group. 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. Assets, liabilities, income, expenses and other comprehensive income of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Holding Company gains control until the date the Holding Company ceases to control the subsidiary.

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 preparing 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.

List of entities considered in Consolidated Financial Statements are as follows:

Particulars	Nature of relationship	Principal place of business	Place of incorporation	Percentage of holding	
				As at 31 March 2024	As at 31 March 2023
Indo Swiss Chemicals Limited	Subsidiary	New Delhi	New Delhi, India	100.00%	100.00%
Smith N Smith Chemicals Limited	Subsidiary	New Delhi	New Delhi, India	100.00%	100.00%
Him Bio Agro	Subsidiary	Himachal Pradesh	Himachal Pradesh, India	100.00%	100.00%
JayCee Lifesciences	Subsidiary	Jammu and Kashmir	Jammu and Kashmir, India	100.00%	100.00%
Shogun Lifesciences Private Limited	Subsidiary	Gujarat	New Delhi, India	100.00%	100.00%
Shogun Organics Limited	Subsidiary	Maharashtra	Maharashtra, India	100.00%	100.00%
Agcare Technologies Private Limited (incorporated on 10 February 2022)	Subsidiary	New Delhi	New Delhi, India	100.00%	100.00%
Safex Holdings UK Limited (incorporated on 5 August 2022)	Subsidiary	London, United Kingdom	London, United Kingdom	100.00%	100.00%
Briar Chemicals Limited (acquired on 10 October 2022)	Indirect subsidiary	Norwich, United Kingdom	Norwich, United Kingdom	100.00%	100.00%

Note - During the year, Safex Chemicals Australia Pty Limited has been incorporated as a wholly owned subsidiary, however, equity has been infused by the Safex Chemicals (India) Limited subsequent to year end. Accordingly, it has not been considered in the consolidated financial statements.

**Consolidation procedures:**

(a) Combine like items of assets, liabilities, equity, income, expenses, other comprehensive income and cash flows of the Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.



(c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra group transactions that are recognised in assets, such as inventory and property, plant and equipments, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealised profits and losses from intra group transactions or undistributed earnings of Group's entity included in consolidated Profit and Loss, if any.

**c. Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The cost of acquisition excluding those relating to issue of equity or debt securities are charged to the Consolidated Statement of Profit and Loss in the period in which they are incurred.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated Impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for Impairment annually, or more frequently when there is an indication that unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying value, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognized in the Consolidated Statement of Profit and Loss. An Impairment Loss recognized for goodwill is not reversed in subsequent period.

**Non-controlling interests (NCI)**

The Group recognises non-controlling interests at the proportionate share of the acquired entity's net identifiable assets.

**d. Basis of measurement**

The consolidated financial statements have been prepared on a historical cost on accrual basis, except for certain financial assets and financial liability (including derivative instrument) which have been measured at fair value or at amortised cost. Also, refer note 2(p) for accounting policy for financial instruments.

**e. Functional and presentation currency**

Indian Rupee (Rs.) is the Group's functional currency and the currency of the primary economic environment in which the Group operates. Accordingly, the management has determined that consolidated financial statements are presented in Indian Rupees (Rs.). All amounts have been rounded-off to the nearest lakhs upto two decimal places, unless otherwise indicated.

**f. Use of judgements and estimates**

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results may differ from these estimates.

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

**(i) Judgements**

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements have been given below:

- leases: whether arrangement contains a lease, lease term and lease classification – Note 40
- classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding – Note 44 and 45
- whether the Group has control over the investee - Note 2(b)

**(ii) Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the consolidated financial statements for every year end are included below:

- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 37
- measurement of defined benefit obligation: key actuarial assumptions – Note 42
- useful lives and residual values of property, plant and equipment – Note 2(h) and 4A
- allowance for expected credit loss - Note 45
- useful lives of intangible assets- Note 2(j) and 4D
- Environmental provision is an estimated provision has been made in respect of the environmental remediation of land. The commitment in respect of the environmental remediation of land is assessed and quantified on the basis of reports prepared by third party consultants and other estimates prepared by the directors, and is discounted where material - Note 21
- Estimated impairment of financial instrument and non- financial assets- Note 2(k) and 2 (p)
- impairment assessment of goodwill - Note 4(G) and Note 35(b)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

**g. Classification of assets and liabilities as current and non-current**

An asset is classified as current if:

- (i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to realise the asset within twelve months after the reporting year; or
- (iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

Deferred tax assets are classified as non-current assets.

A liability is classified as current if:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting year; or
- (iv) The Group does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting year. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

Deferred tax liabilities are classified as non-current liabilities.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

**h. Property, plant and equipment**

**Recognition and measurement**

Property, plant and equipment ('PPE') are stated at acquisition or construction cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

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

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Group in future years and the cost of the item can be measured reliably.

Capital work in progress includes expenditure incurred during the construction year, including all directly attributable expenses related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

**Subsequent measurement**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Expenditure incurred after the PPE have been put into operations, such as repair and maintenance expenses are charged to the Statement of Profit and Loss during the year in which they are incurred.

**Depreciation**

Depreciation on property, plant and equipment is provided on Written Down Value method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013 except in case of a subsidiary namely Shogun Organics Limited and Briar Chemicals Limited, where depreciation on property, plant and equipment is provided on straight line method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013 In case of Indian entities and UK Financial Reporting Standards in case of entities incorporated in United Kingdom, and also in case of subsidiary namely Him Bio Agro and JayCee Lifesciences where depreciation on property, plant and equipment is provided on Written Down Value method using the rates as specified below. Depreciation on property, plant and equipment added/disposed off/discarded during the year is provided from/upto the date when added/disposed off/discarded.

The estimated useful lives of assets of the Group are as follows stated below:

Property, plant and equipment	Useful Lives (in years)- as per Schedule II Companies Act, 2013	Useful Lives (in years)- as estimated by the Company
<b>Buildings</b>		
- Temporary Structure	3 years	3 years
- Fences	5 years	5 years
- Factory Building	30 years	20 to 45 years
- Non Factory Building	60 years	60 years
- Leasehold Improvements	NA	8 years
<b>Roads</b>		
- RCC Roads	10 years	10 years
- Non RCC Roads	5 years	5 years
<b>Vehicles</b>		
-Motor Cars	8 years	5 to 30 years
-Two Wheelers	10 years	10 years
<b>Electrical installations and equipment</b>		
- NDM-1 Office	10 years	8 years
- Others	10 years	10 to 30 years
<b>Furniture and fixtures</b>		
- NDM-1 Office	10 years	8 years
- Others	10 years	10 to 45 years
<b>Office equipment</b>	5 years	5 to 30 years
<b>Laboratory Equipment</b>	10 years	10 years
<b>Computers</b>		
- Server and Networking Hardware	6 years	6 years
- Other devices	3 years	3 to 10 years
<b>Plant and equipment</b>	15 years	5 to 30 years



Right-of-use asset	Period of lease	Period of lease
Leasehold Land	3 to 60 years	3 to 60 years

Depreciation method, useful lives and residual values are reviewed at the end of each financial year.

All these lives taken based on technical evaluation carried out by the management.

#### De-recognition

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

#### i. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the management believes a period of 60 years as representing the best estimate of the period over which buildings are expected to be used. Accordingly, the Group depreciates investment property over a period of 60 years on a written-down value basis in case of Holding Company.

In case of Subsidiary Company namely Briar Chemicals Limited, subsequent to initial recognition, investment properties are held at fair value and any gain or loss arising from changes in the fair value are recognised in the Consolidated Statement of Profit and Loss in the period that they arise. No Depreciation is provided in respect of investment properties applying the fair value model. Fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on date of reclassification.

#### j. Intangible assets

##### Recognition and measurement

Intangible assets, representing computer software and non-compete fees are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment. The cost comprises purchase price and directly attributable cost of bringing the assets to working condition for its intended use.

##### Subsequent measurement

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

##### Amortisation

Intangible Assets with finite lives are amortised over the estimated useful economic life on straight line method.

In case of domestic entities, the intangible assets are amortised using the straight line method over a period of four years in case of computer software, which is the management's estimate of its useful life and five years in case of non-compete fees, which is based on the agreement. Amortisation on the intangible asset added/dropped off/discarded during the year is provided from/upto the date when added/dropped off/discarded. The amortisation method, useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

In case of foreign subsidiaries, all intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life can not be made, the useful life shall not exceed ten years.

The intangible assets acquired under business combination with Shogun Organics Limited are customers relationships and patents which have been amortised over its estimated useful life on a straight line basis. The life of intangibles assets identified are as follows:-

Intangible assets	Useful Lives (in years)- as per Schedule II Companies Act, 2013	Useful Lives (in years)- as estimated by the Company
Patents	NA	8 to 15 years
Customer relationships	NA	5 years

The intangible assets acquired under business combination with Briar Chemicals Limited are customers relationships which have been amortised over its estimated useful life on a straight line basis. The life of intangibles assets identified are as follows:-

Intangible assets	Useful Lives (in years)- as per Schedule II Companies Act, 2013	Useful Lives (in years)- as estimated by the Company
Customer relationships	NA	10 years



**k. Impairment of non-financial assets**

At the end of each reporting year, the Group reviews the carrying amounts of non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Goodwill is tested annually for impairment.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Consolidated Statement of Profit and Loss. Impairment (if any) gets allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other 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. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**l. Inventories**

Cost of inventories comprises cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories is valued as below:

**Raw materials, packing materials, stock-in-trade and stores and spares**

Lower of cost and net realizable value. Cost is determined on weighted average cost basis except in case of Briar Chemicals Limited where cost is based on cost of purchase on a first in, first out basis\*.

**Finished goods**

Lower of cost and net realizable value. Cost includes direct materials, labour and proportion of manufacturing overheads based on normal operating capacity.

**Work in progress**

Work in progress is valued at the lower of actual cost incurred or net realizable value. Net realisable value is determined after deducting estimated cost expected to be incurred for completion of work. Cost includes direct materials, labour and proportionate overheads.

\* Briar Chemicals Limited is a foreign Subsidiary that operates from its site in Norwich, Norfolk, United Kingdom, principally as a contract manufacturer of fine chemical products. The Company also has an extensive and complex formulation and packing capabilities and engages in chemical and process development activities. In view of an entirely different business activity of Briar Chemicals Limited from the Holding Company, as allowed by the IND AS 110, the FIFO method of inventory valuation is followed whereas the other subsidiaries follow weighted average method of inventory valuation.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

Provision for obsolete/old inventories is made, wherever required.

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. In such circumstances, the replacement cost of the materials may be the best available measure of their net realisable value.

**m. Revenue recognition**

The Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 five step model is used to determine whether revenue should be recognised at a point in time or over time, and at what amount, which is as follows:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

**Sales of goods**

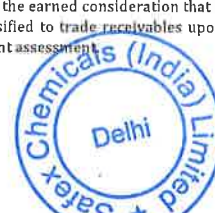
Revenue is measured at the transaction price of the consideration received or receivable. Sales are recognised when the significant risks and rewards of ownership, which coincide with transfer of control of goods, are transferred to the buyer as per terms of contract, which is generally on delivery of goods and there are no unfulfilled obligations. Amounts disclosed as revenue are excluding taxes and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

In respect of contracts that permit the customers to return goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, customer liability and a right to recover returned goods asset are recognised. The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The Group reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

**Contract assets**

Contract asset is right to consideration in exchange for goods or services transferred to the customer and performance obligation satisfied. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Upon completion of the attached condition and acceptance by the customer, the amounts recognised as contract assets is reclassified to trade receivables upon invoicing. A receivable represents the Group's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment.



**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

**Trade receivables**

A trade receivable is recognised when the goods are delivered and to the extent that it has an unconditional contractual right to receive cash or other financial assets (i.e., only the passage of time is required before payment of the consideration is due).

**n. Other income**

**Interest income**

Interest is recognised using effective interest rate method on a time proportion basis. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

**Rental income**

Rental income from operating leases is recognised on time proportionate basis over the period of rent.

**Others**

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

**o. Foreign currency transactions**

Transactions in foreign currencies are recorded by the Group in its functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit and loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign currency gains and losses are reported on a net basis in the consolidated statement of profit and loss.

**p. Financial instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts, embedded derivatives in the host contract, etc.

**(i) Recognition and initial measurement of financial assets**

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

A financial asset, except trade receivable which are recognised at transaction price as per Ind AS 115, or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

**(ii) Classification and subsequent measurement**

**Financial assets**

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

- a) Amortised cost; or
- b) FVTPL
- c) FVOCI

Financial assets are not reclassified subsequent to their initial recognition, except if and in the year 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.

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

All financial assets not classified as measured at amortised cost or Fair Value through Other Comprehensive Income ("FVOCI") as described above are measured at FVTPL. This includes all derivative financial assets, if any.



**Financial assets: 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 profit or loss.
Financial assets at FVOCI	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised through OCI.
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 de-recognition is recognised in profit or loss.

**Financial liabilities: 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 profit or loss.

**Trade payables and acceptances**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

The Holding Company and its subsidiary company namely Shogun Organics Limited enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payment to supplier's banks for import of raw material. The banks and financial institutions are subsequently repaid by the Holding Company and its subsidiary company namely Shogun Organics Limited at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycles and these arrangements for raw materials are recognised as Acceptances (under trade payables). The charges borne by the Holding Company and its subsidiary company namely Shogun Organics Limited on such arrangements is accounted as finance cost.

**Compound financial instrument**

The fair value of the liability portion of compound financial instrument is determined using incremental borrowing rate. This amount is recorded as liability on an amortised cost basis. Until extinguished on conversion or buyback as per shareholder agreement. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

**Financial guarantee contracts**

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per IndAS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115. The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

**(iii) Derecognition**

**Financial assets**

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 Consolidated Balance Sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**Financial liabilities**

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 profit or loss.

When the terms of a financial liability are renegotiated or extinguished and entity issues equity instruments to a creditor to extinguish all or part of the liability (debt or equity swap), a gain or loss is recognized in profit and loss, which is measured at the difference between the carrying amount of the financial liability and fair value of the equity instrument issued.



**(iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the consolidated 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.

**(v) Impairment of financial instruments**

Expected credit loss (ECL) is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls).

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are measured at amortised cost e.g., cash and bank balances, investment in subsidiary entities, trade receivables and loans, etc.

At each reporting date, the Group assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due over two years;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The Group recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Further, the parties where legal disputes have been filed by the Group or where in respect of significantly aged receivables, a higher percentage of ECL has been applied are categorised as parties having significant increase in credit risk.

For recognition of impairment loss on other financial assets, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent year, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as expense/income in the consolidated statement of profit and loss. ECL for financial assets measured as at amortized cost and contractual revenue receivables is presented as an allowance, i.e., as an integral part of the measurement of those assets in the consolidated financial statements. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

**Derivative instruments**

Derivatives are only used for economic hedging purposes and not as a speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVTPL. They are presented as current assets or liabilities since the call/ put option can be exercised any time after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Consolidated Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Consolidated Other Comprehensive Income and later to Consolidated Statement of Profit and Loss when the hedged item affects profit or loss or is treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a Non-Financial Assets or Non-Financial liability.

The Group has entered into certain derivative contracts to hedge risks which are designated as hedges. Such contracts are accounted for at fair value through consolidated profit or loss and are included in other gains/(losses).

Hedges that meet the criteria for hedge accounting are accounted for as follows:

**Cash Flow Hedge**

The Group designates derivative contracts or non-derivative Financial Assets/ Liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Consolidated Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold or terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Consolidated Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Consolidated Statement of Profit and Loss.



#### Cost of Hedging

For option contracts, the Group designates only the intrinsic value of option contracts as a hedged item by excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in Consolidated Other Comprehensive Income and accumulated in the cost of hedging reserve. The time value of the options at the inception of the hedging relationship is reclassified to Consolidated Statement of Profit and Loss. Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group applies the following effectiveness testing strategies:

- (i) For interest rate swaps that exactly match the terms of the terms of the hedged item, the economic relationship and hedge effectiveness are based on the qualitative factors using critical terms match method.
- (ii) For other interest rate swaps, the Group uses dollar offset method using a hypothetical derivatives, dollar offset method is a quantitative method that consists of comparing the change in fair value or cash flows of the hedging instrument with the change in fair value or cash flows of the hedged item attributable to the hedged risk.
- (iii) For option structures, the Group analyses the behaviour of the hedging instrument and hedged item using regression analysis based dollar offset method. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.

#### q. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability that takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to/ by the Group.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs are unobservable inputs for the assets or liabilities.

#### r. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable year of a lease, together with both years covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and years covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The Group revises the lease term if there is a change in the non-cancellable year of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the control involves the use of an identified asset,
- (ii) the Group has substantially all of the economic benefits from use of the asset through the year of lease, and
- (iii) the Group has right to direct the use of the asset.

#### Where the Group is the Lessee

The Group recognizes a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised. The ROU is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

#### Where the Group is the Lessor

At the inception of a lease, the lessee classifies the lease arrangement as either a finance lease or an operating lease, based on contractual terms and substance of the lease arrangement. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the consolidated balance sheet based on their nature.

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

The Group has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of 12 months or lower and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.



**s. Employee Benefits**

**(i) Short term employee benefits**

Short-term employee benefits 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 obligation can be estimated reliably.

**(ii) Defined contribution plans - India**

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 towards provident fund, which is a government administered scheme, and employee's state insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the consolidated statement of profit and loss in the years during which the related services are rendered by employees.

**(iii) Defined contribution pension plan - outside India**

In case of Briar Chemicals Limited, the Subsidiary Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid, the Company has no further payment obligations. The contributions are recognised as an expense in the Consolidated Statement of Profit and Loss when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Balance Sheet. The assets of the plan are held separately from the Subsidiary Company in an independently administered funds.

**(iv) Defined benefit plans**

A defined benefit plan is a post-employment 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 years, discounting that amount and deducting the fair value of any plan assets.

**Gratuity**

For defined benefit plan, the cost of providing benefits is determined annually by an independent actuary using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the consolidated balance sheet with a charge or credit recognised in consolidated other comprehensive income (OCI) in the year in which they occur. Remeasurement recognised in consolidated other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the consolidated statement of profit and loss. Past service cost is recognised in the consolidated statement of profit and loss in the year of a plan amendment. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Consolidated Statement of Profit or Loss.

**(v) Other long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the obligation as at the Consolidated Balance Sheet date. The cost of providing benefits is measured on the basis of an annual independent actuarial valuation using the projected unit credit method at each balance sheet date. Actuarial gains or losses are recognised in Consolidated Statement of Profit and Loss in the year in which they arise.

The obligations are presented as current liabilities in the consolidated balance sheet if the group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**t. Taxation**

Income tax comprises current and deferred tax. It is recognised in Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination or to items recognised directly in equity or in consolidated other comprehensive income.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

**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 (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and 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.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

**Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Consolidated Balance Sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognized 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 assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**u. Government grants**

Government grants are recognized where there is reasonable assurance that the grant will be received, and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the years that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the assets and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

**v. Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Consolidated Balance Sheet date, taking into account the risks and uncertainty surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**w. Contingent liabilities and contingent assets**

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the year in which the change occurs.

**x. Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components of the Group, and for which discrete financial information is available.

The Group is engaged in the production and distribution of pesticides and agro chemicals including insecticides, herbicides, fungicides, fertilisers, plant growth regulators, micro-nutrient fertilisers, speciality chemicals (like technicals, intermediates etc.) for pesticides, insecticides and others. The performance is reviewed for pesticides and agro chemicals and speciality chemicals as a whole by Chief Operating decision maker (CODM).

**y. Earnings per share**

Basic earnings per share are calculated by dividing the consolidated net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are calculated by dividing the consolidated net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares which would be issued on the conversion of all the dilutive potential equity shares into equity shares, except where the results would be anti-dilutive.

**z. Cash and cash equivalents**

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

**aa. Exceptional items**

Exceptional items include incomes or expenses that are considered to be part of ordinary activities, however are of such significance and nature that separate disclosure enable the users of consolidated financial statements to understand the impact in a more meaningful manner.



3 a. Adoption of new accounting policies

**Ind AS 1 - Presentation of Financial Statements**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'Material' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. These amendments did not have a material impact on the financial statements of the Company.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. These amendments did not have a material impact on the financial statements of the Company.

**Ind AS 12 - Income Taxes**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023. These amendments did not have a material impact on the financial

b. Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the financial statements is required to be disclosed.





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

4A Property, plant and equipment

Description	Lease hold improvement	Freehold land	Building	Road	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Electrical installations and equipment	Total
<b>Gross block</b>											
Balance as at 1 April 2022	453.13	1,684.31	3,505.02	140.99	1,871.21	251.34	453.42	82.96	83.10	225.20	8,750.68
Acquired pursuant to business combination	-	18,257.77	17,717.10	-	28,998.55	1,465.68	115.26	-	1,581.86	-	68,136.22
Additions during the year	0.96	-	1,271.76	-	4,642.91	361.21	309.57	12.76	107.12	130.17	6,836.46
Disposal during the year	-	-	40.04	-	27.92	0.54	43.27	1.11	7.12	0.67	120.67
Foreign currency translation reserve	-	2,108.54	2,046.19	-	3,349.12	169.27	13.31	-	182.69	-	7,869.22
Balance as at 31 March 2023	454.09	22,050.72	24,500.03	140.99	38,833.86	2,246.96	848.29	94.61	1,947.65	354.70	91,471.91
Additions during the year	-	-	1,154.83	-	1,884.07	183.24	161.26	15.37	355.57	198.44	3,952.78
Disposal during the year	-	-	-	-	862.75	17.15	31.25	3.28	22.87	-	940.69
Foreign currency translation reserve	-	683.87	672.39	-	1,154.37	68.72	8.09	-	66.74	-	2,664.18
Balance as at 31 March 2024	454.09	22,734.59	26,327.25	140.99	41,019.55	2,481.77	986.39	106.70	2,347.29	549.54	97,148.18
<b>Accumulated depreciation</b>											
Balance as at 1 April 2022	12.02	-	426.99	63.51	394.07	39.20	174.87	11.33	31.06	78.01	1,231.06
Acquired pursuant to business combination	-	-	3,117.80	-	18,150.76	1,237.86	78.93	-	1,410.87	-	23,996.22
Additions during the year	138.06	-	973.47	20.03	1,403.60	175.77	136.22	31.67	64.97	33.36	2,977.15
Disposal during the year	-	-	13.67	-	15.25	0.37	17.25	0.71	5.17	0.40	52.82
Foreign currency translation reserve	-	-	400.77	-	2,158.75	149.46	10.14	-	164.33	-	2,883.45
Balance as at 31 March 2023	150.08	-	4,905.36	83.54	22,091.94	1,601.91	382.91	42.29	1,666.06	110.97	31,035.06
Additions during the year	94.96	-	1,958.44	14.88	2,804.55	264.48	168.48	26.32	144.77	43.73	5,520.71
Disposal during the year	-	-	-	-	846.03	11.23	23.13	1.81	20.62	2.26	905.08
Foreign currency translation reserve	-	-	171.33	-	747.15	54.23	4.09	-	55.32	-	1,032.12
Balance as at 31 March 2024	245.04	-	7,035.12	98.41	24,797.71	1,909.39	532.34	66.80	1,845.53	152.44	36,682.81
<b>Net carrying value</b>											
Balance as at 31 March 2024	209.05	22,734.59	19,292.13	42.58	16,221.84	572.38	454.05	39.90	501.76	397.10	60,465.37
Balance as at 31 March 2023	304.01	22,050.72	19,594.67	57.45	16,741.92	645.05	465.38	52.32	281.59	243.73	60,436.85

\* Notes:

- In accordance with the various facility letters sanctioned by the banks, there is an exclusive charge over the entire moveable property, plant and equipment of the Group excluding those assets where charge has been created in favour of lenders for acquisition of vehicles. Also refer note 19 and 22.
- Depreciation on Property, Plant and Equipment (of Partnership firm) is being calculated as per the rates defined as per Income Tax Act, 1961.
- Further, immovable property of Shogun Organics Limited comprising industrial leasehold land and building at D-18 MIDC Kurumbh Pandrewadi Village, Pune amounting to Rs. 3,069.63 lakhs as at 31 March 2024 (31 March 2023: Rs. 3,069.63 lakhs) has been given as collateral against the credit facilities sanctioned by the bank for the subsidiaries, viz. Shogun Organics Limited, Indo Swiss Chemicals Limited and Smith N Smith Chemicals Limited. Also, the Land & Building of Briar Chemicals Limited amounting to Rs. 20,366.41 lakhs as at 31 March 2024 (31 March 2023: Rs. 15,340.51 lakhs) has been given as collateral against the Term Loan sanctioned by the bank to Safex Holdings UK Limited.
- Refer note 37(b) for capital commitments.



4B Capital work-in-progress

Particulars	As at 31 March 2024	As at 31 March 2023
Capital work-in-progress	10,547.99	6,754.84

(i) Movement of capital work-in-progress

Particulars	As at 1 April 2022	Acquired pursuant to business combination	Additions	Capitalisation	FCTR	As at 31 March 2023	Additions	Capitalisation	FCTR	As at 31 March 2024
Capital Work In Progress	1,709.51	5,403.54	5,457.68	6,439.96	624.07	6,754.84	6,994.69	3,467.89	266.35	10,547.99

(ii) Ageing schedule of capital work-in-progress

Particulars	Amount outstanding in capital work-in-progress as at 31 March 2024				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
Total	5,338.32	3,837.38	1,042.91	329.38	10,547.99
Projects in progress	5,338.32	3,837.38	1,042.91	329.38	10,547.99
Projects temporarily suspended	-	-	-	-	-

Particulars	Amount outstanding in Capital work-in-progress as at 31 March 2023				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
Projects in progress	5,142.53	1,263.12	259.59	89.60	6,754.84
Projects temporarily suspended	-	-	-	-	-

(iii) Expected completion of capital work-in-progress

Capital work-in-progress as at 31 March 2024	To be completed in				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
Projects in progress	10,158.90	389.09	-	-	10,547.99
Projects temporarily suspended	-	-	-	-	-

Capital work-in-progress as at 31 March 2023	To be completed in				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
Project-1	6,405.89	348.95	-	-	6,754.84
Projects temporarily suspended	-	-	-	-	-

(iv) The Group does not have any capital work-in-progress which has exceeded its cost compared to its original plan.





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

4C Right-of-use assets

Description	Land	Building	Plant and equipment	Office equipment	Vehicles	Total
<b>Gross block</b>						
Balance as at 1 April 2022	3,450.62	1,030.68	-	-	-	4,481.30
Acquired pursuant to business combination	-	-	87.96	29.81	-	117.77
Additions during the year	-	37.06	106.25	-	19.39	162.70
Disposal during the year	-	-	93.68	-	-	93.68
Foreign currency translation reserve	-	-	10.16	3.44	-	13.60
Balance as at 31 March 2023	3,450.62	1,067.74	110.69	33.25	19.39	4,681.69
Additions during the year	-	-	1,489.72	-	-	1,489.72
Disposal during the year	-	-	21.81	-	-	21.81
Foreign currency translation reserve	-	-	27.95	1.13	0.65	29.73
Balance as at 31 March 2024	3,450.62	1,067.74	1,606.55	34.38	20.04	6,179.33
<b>Accumulated depreciation</b>						
Balance as at 1 April 2022	92.60	310.86	-	-	-	403.46
Additions during the year	54.83	133.83	57.19	2.24	-	248.09
Disposal during the year	-	-	87.96	-	-	87.96
Foreign currency translation reserve	-	-	3.12	1.15	-	4.27
Balance as at 31 March 2023	147.43	444.69	60.31	12.33	-	664.75
Additions during the year	15.12	145.70	158.05	6.76	4.93	330.55
Disposal during the year	-	-	21.81	-	-	21.81
Foreign currency translation reserve	-	-	4.27	(0.19)	1.33	5.42
Balance as at 31 March 2024	162.55	590.39	200.82	18.90	6.26	978.91
<b>Net block</b>						
Balance as at 31 March 2024	3,288.07	477.35	1,405.73	15.48	13.78	5,200.42
Balance as at 31 March 2023	3,303.19	623.05	50.38	20.92	19.39	4,016.94



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

4D Intangible assets

Description	Computer software	Non compete fees	Patents	Customer relationships	Total
<b>Gross block</b>					
Balance as at 1 April 2022	157.33	100.00	197.12	483.55	938.00
Acquired pursuant to business combination	-	-	-	9,461.31	9,461.31
Additions during the year	32.00	-	-	-	32.00
Disposal during the year	-	-	-	-	-
Foreign currency translation reserve	-	-	-	1,092.71	1,092.71
<b>Balance as at 31 March 2023</b>	<b>189.33</b>	<b>100.00</b>	<b>197.12</b>	<b>11,037.57</b>	<b>11,524.02</b>
Additions during the year	-	-	-	-	-
Disposal during the year	46.55	-	-	-	46.55
Foreign currency translation reserve	-	-	-	354.38	354.38
<b>Balance as at 31 March 2024</b>	<b>142.78</b>	<b>100.00</b>	<b>197.12</b>	<b>11,391.95</b>	<b>11,831.85</b>
<b>Amortisation</b>					
Balance as at 1 April 2022	141.39	20.00	33.89	177.49	372.77
Additions during the year	3.79	20.00	19.47	573.61	616.87
Disposal during the year	-	-	-	-	-
Foreign currency translation reserve	-	-	-	25.75	25.75
<b>Balance as at 31 March 2023</b>	<b>145.18</b>	<b>40.00</b>	<b>53.36</b>	<b>776.85</b>	<b>1,015.39</b>
Additions during the year	21.10	20.00	19.47	1,175.14	1,235.71
Disposal during the year	46.05	-	-	-	46.05
Foreign currency translation reserve	-	-	-	34.42	34.42
<b>Balance as at 31 March 2024</b>	<b>120.23</b>	<b>60.00</b>	<b>72.83</b>	<b>1,986.41</b>	<b>2,239.47</b>
<b>Net block</b>					
Balance as at 31 March 2024	22.55	40.00	124.29	9,405.54	9,592.38
Balance as at 31 March 2023	44.15	60.00	143.76	10,260.72	10,508.63



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

4E Investment property

Description	Building	Total
<b>Gross block</b>		
Balance as at 1 April 2022	732.16	732.16
Additions during the year	-	-
Acquired pursuant to business combination	599.09	599.09
Disposal during the year	-	-
Foreign currency translation reserve	69.19	69.19
<b>Balance as at 31 March 2023</b>	<b>1,400.44</b>	<b>1,400.44</b>
Additions during the year	-	-
Disposal during the year	288.99	288.99
Foreign currency translation reserve	22.44	22.44
<b>Balance as at 31 March 2024</b>	<b>1,133.89</b>	<b>1,133.89</b>
<b>Accumulated depreciation</b>		
Balance as at 1 April 2022	36.16	36.16
Additions during the year	34.97	34.97
Disposal during the year	-	-
Foreign currency translation reserve	0.02	0.02
<b>Balance as at 31 March 2023</b>	<b>71.15</b>	<b>71.15</b>
Additions during the year	29.23	29.23
Disposal during the year	35.93	35.93
Foreign currency translation reserve	0.03	0.03
<b>Balance as at 31 March 2024</b>	<b>64.48</b>	<b>64.48</b>
<b>Net block</b>		
Balance as at 31 March 2024	1,069.41	1,069.41
Balance as at 31 March 2023	1,329.29	1,329.29

Fair value of the investment property of Holding Company as at 31 March 2024 is Rs. 911.58 lakhs (31 March 2023 : Rs. 902.99) based on external valuation. The fair value of investment property has been determined by external independent registered valuers as defined under rule 2 of Companies (Registered valuers and valuation) Rules, 2017, having appropriate recognized professional qualification and recent experience in the location and category of the property being valued.

Rental income derived from investment property (included in other income) is Rs. 47.33 lakhs (31 March 2023 : Rs. 53.24 lakhs).



4F - Intangible assets under development

Particulars	As at 1 April 2022	Additions	Capitalisation/ adjustments	As at 31 March 2023	Additions	Capitalisation	As at 31 March 2024
Development of technical know-how	-	15.00	15.00	-	-	-	-
Software Implementation	-	-	-	-	276.25	-	276.25
Online business platform	6.54	107.92	-	114.46	63.08	-	177.54
<b>Total</b>	<b>6.54</b>	<b>122.92</b>	<b>15.00</b>	<b>114.46</b>	<b>339.33</b>	<b>-</b>	<b>453.79</b>

Ageing schedule of intangible assets under development

Particular	Amount outstanding in intangible assets under development as at 31 March 2024 for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Software Implementation	276.25	-	-	-	276.25
Online business platform	63.08	107.92	6.54	-	177.54
<b>Total</b>	<b>339.33</b>	<b>107.92</b>	<b>6.54</b>	<b>-</b>	<b>453.79</b>

Particular	Amount outstanding in intangible assets under development as at 31 March 2023 for a period of				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
Online business platform	107.92	6.54	-	-	114.46
<b>Total</b>	<b>107.92</b>	<b>6.54</b>	<b>-</b>	<b>-</b>	<b>114.46</b>

4G - Goodwill

Particulars	As at 31 March 2024	As at 31 March 2023
Acquisition through business combinations	16,036.88	15,440.62
<b>Total</b>	<b>16,036.88</b>	<b>15,440.62</b>

The following table presents the changes in the carrying value of goodwill based on identified CGUs, for the year ended 31 March 2024:

Particulars	Pesticides & Agrochemicals	Speciality chemicals	Technology	CDMO	Total
Balance as at 1 April 2022	47.97	-	-	-	47.97
Acquisition through business combination	-	-	-	15,918.78	15,918.78
Foreign currency translation reserve	-	-	-	1,838.50	1,838.50
Less : Impairment Charge	-	-	-	(2,364.63)	(2,364.63)
<b>Balance as at 31 March 2023</b>	<b>47.97</b>	<b>-</b>	<b>-</b>	<b>15,392.65</b>	<b>15,440.62</b>
Foreign currency translation reserve	-	-	-	596.26	596.26
Less : Impairment Charge	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>47.97</b>	<b>-</b>	<b>-</b>	<b>15,988.91</b>	<b>16,036.88</b>

The Group tests goodwill for impairment on 31 March, or more frequently when there is indication for impairment. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which goodwill is monitored for internal management purposes, and which is not higher than the Group's operating segment.

Impairment testing for goodwill\*

Goodwill is monitored by management at the level of operating segments as identified in note 41

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The aggregate carrying amounts of goodwill allocated to segments are as follows:

	As at 31 March 2024	As at 31 March 2023
Pesticides & Agrochemicals	47.97	47.97
Contract Development and Manufacturing (CDMO)	15,988.91	15,392.65
<b>Total</b>	<b>16,036.88</b>	<b>15,440.62</b>

Significant estimate: key assumptions used for value-in-use calculations

The group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been on historical data from both external and internal sources.

Particulars	As at 31 March 2024	As at 31 March 2023
Sales volume (% annual growth rate)	2.00% - 38.00%	2.00% - 40.00%
Long term growth rate (%)	2.00%	2.00%
Discount rate (%)	14.50%	13.50%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption Approach used to determining values

Sales volume : Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.

Long-term growth rate: This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

Discount rates: Reflect specific risks relating to the relevant segments and the countries in which they operate.

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

\* 31 March 2024: Nil (31 March 2023: The Group recognised the impairment provision of Rs. 2,364.63 lakhs against the carrying value of Goodwill based on the valuation report as such subsidiary, Briar Chemicals Limited is unable to generate cash as per the forecasts).



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

**Acquisition of Briar Chemicals Limited**

During the previous year, the Group obtained the control of Briar Chemicals Limited, with effect from 10 October 2022, engaged in the supplies to the leading global agrochemicals companies with active ingredients and intermediates to support their supply chains. Its core revenue is derived from the manufacture and processing of chemical products used primarily in herbicide applications. Bayer is the largest customer, its other key contract customers include BASF and Gowan, other major agrochemical players such as ADAMA, Nufarm, Globachem etc.

The Group has acquired 100% of the share capital of Briar Chemicals Limited pursuant to the share purchase agreement dated 10 October 2022 for the purchase consideration of INR 67,000.88 lakhs. Purchase consideration has been discharged in cash payment by the group.

This acquisition would help the group to move from being a formulator to enter into a business involving complex chemistry and having access to global customers and inventors.

Details of the purchase consideration, the net assets acquired and goodwill/(Capital Reserve) are as follows:

Particulars		10 October 2022
<b>I. ASSETS</b>		
<b>(1)</b>	<b>Non-current assets</b>	
(a)	Property, plant and equipment	44,140.00
(b)	Investment Property	599.09
(c)	CWIP	5,403.54
(d)	Right-of-use asset	20.88
	<b>Total non-current assets</b>	<b>50,163.51</b>
<b>(2)</b>	<b>Current assets</b>	
(a)	Inventories	5,224.03
(b)	Financial assets	
	(i) Trade receivables	6,725.95
	(ii) Cash and cash equivalents	3,751.47
(c)	Other current assets	416.61
	<b>Total current assets</b>	<b>16,118.06</b>
	<b>Total assets (A)</b>	<b>66,281.57</b>
<b>I. LIABILITIES</b>		
<b>(2)</b>	<b>Current liabilities</b>	
(a)	Financial liabilities	
	(i) Trade payables	
	Total outstanding dues to micro and small enterprises	
	Total outstanding dues to other than micro and small enterprises	2,962.31
(b)	Other current liabilities	6,698.47
(c)	Provisions	3,341.38
(d)	Current tax liabilities (net)	2,086.51
	<b>Total current liabilities</b>	<b>15,088.67</b>
	<b>Total liabilities (B)</b>	<b>15,088.67</b>
	<b>Net assets acquired (A-B)</b>	<b>51,192.90</b>
	Add: Identified intangible assets	9,461.31
	Less: Deferred tax on fair valuation *	9,572.11
	Less: Purchase consideration paid	67,000.88
	<b>Goodwill</b>	<b>(15,918.78)</b>

\* With effect from 01 April 2023, corporation tax rate in UK has increased from 19% to 25%. Accordingly, the deferred taxation balance have been measured using the rates expected to apply in the reporting periods when the timing differences reverse, i.e 25%.

On 10th October 2022, the group has performed purchase price allocation and for the purpose of the same, the fair valuation of Land & Building had been determined by an independent valuer amounting to Rs. 35,974.87 lakhs as against carrying value of Rs. 7,162.56 lakhs. Also, its Investment property has been fair valued amounting to Rs. 599.09 lakhs as against the carrying value of Rs. 584.48 lakhs.

The Holding Company has incurred Rs. 3,376.50 lakhs towards acquisition related costs. This amount has been included as item of exceptional nature in the Consolidated Statement of Profit and Loss for the year ended 31 March 2023.

The fair values of the assets acquired and liabilities assumed were determined using the income and cost approach. In many cases, the determination of the fair values required estimates about discount rates, future expected cash flows and other future events that are judgmental and subject to change. Intangible assets consists of Customer Relationships valued using 'With and without/ incremental Cash flow method' and Technical Know How are valued using the 'Relief From Royalty method'. A cost and market approach has been applied, as appropriate, for property, plant & equipment.



5	Loans - non-current		
		As at 31 March 2024	As at 31 March 2023
	Particulars		
	(Unsecured and considered good)		
	Loans to employees	19.52	34.18
	<b>Total</b>	<b>19.52</b>	<b>34.18</b>

6	Other financial assets - non-current		
		As at 31 March 2024	As at 31 March 2023
	Particulars		
	(Unsecured and considered good)		
	Security deposits (refer note 6.1)	141.62	89.70
	Interest subsidy receivable	40.00	40.00
	<b>Earmarked balances</b>		
	Bank deposits with maturity of more than 1 year (refer note 6.2)	3.47	5.75
	<b>Total</b>	<b>185.09</b>	<b>135.45</b>

6.1 Security deposits of Rs. 2.06 lakhs (31 March 2023 : Rs. 2.06 lakhs) are pledged with various government authorities.

6.2 Bank deposits of Rs. 3.47 lakhs (31 March 2023 : Rs.5.75 lakhs) are pledged with various government authorities.

7	Deferred tax assets/ Liabilities (net)					
		As at 1 April 2023	Acquired through business combinations	Recognised in Statement of Profit and Loss	Recognised in OCI	Foreign currency translation reserve
	<b>For Indian entities:</b>					
	Deferred tax liabilities on account of:					
	Property, plant and equipment (net)	208.95	-	180.47	-	389.42
	Patent and customer relationship	74.53	-	(30.58)	-	43.95
	Right-of-use assets (net)	710.82	-	(21.34)	-	689.48
	Deferred tax assets on account of:					
	Investment properties	(43.45)	-	58.54	-	15.09
	Allowance for expected credit loss	306.80	-	31.58	-	338.38
	Provision for doubtful advance	93.23	-	-	-	93.23
	Provision for employee benefits	313.85	-	208.71	(2.07)	520.49
	Unrealised gain on inventory	264.24	-	218.47	-	482.71
	Others	30.89	-	30.21	-	61.10
	<b>Deferred tax (liabilities)/assets</b>	<b>(28.74)</b>	<b>-</b>	<b>418.96</b>	<b>(2.07)</b>	<b>388.17</b>

**For Foreign entities:**

Particulars	As at 1 April 2023	Acquired through business combinations	Recognised in Statement of Profit and Loss	Recognised in OCI	Foreign currency translation reserve	As at 31 March 2024
Deferred tax liabilities on account of:						
Property, plant and equipment (net)	10,977.39	-	(841.64)	-	354.70	10,490.45
Patent and customer relationship (net)	2,514.17	-	(268.28)	-	79.99	2,325.88
Investment properties	167.07	-	(0.21)	-	5.60	172.46
Deferred tax assets on account of:						
Expenses disallowed but eligible for deduction in future years (Bonus)	118.82	-	(120.82)	-	1.99	-
PICO Deferred Income	153.74	-	(205.71)	-	3.40	(48.57)
Carried forward taxes & losses	-	-	1,798.77	-	29.70	1,828.47
Others	48.57	-	-	-	-	48.57
<b>Deferred tax (liabilities)/assets</b>	<b>(13,337.50)</b>	<b>-</b>	<b>2,582.37</b>	<b>-</b>	<b>(405.20)</b>	<b>(11,160.32)</b>
<b>Total deferred tax (liabilities)/assets</b>	<b>(13,366.24)</b>	<b>-</b>	<b>3,001.33</b>	<b>(2.07)</b>	<b>(405.20)</b>	<b>(10,772.14)</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

For Indian entities:

Particulars	As at 1 April 2022	Acquired through business combinations	Recognised in Statement of Profit and Loss	Recognised in OCI	Foreign currency translation reserve	As at 31 March 2023
<b>Deferred tax liabilities on account of:</b>						
Property, plant and equipment (net)	210.12	-	(1.17)	-	-	208.95
Patent and customer relationship	105.11	-	(30.58)	-	-	74.53
Right-of-use assets (net)	733.22	-	(22.40)	-	-	710.82
Investment properties	38.49	-	4.96	-	-	43.45
<b>Deferred tax assets on account of:</b>						
Allowance for expected credit loss	268.26	-	38.54	-	-	306.80
Provision for doubtful advance	93.23	-	-	-	-	93.23
Provision for employee benefits	271.67	-	60.42	(18.24)	-	313.85
Unrealised gain on inventory	204.28	-	59.96	-	-	264.24
Others	62.77	-	(31.88)	-	-	30.89
<b>Deferred tax liabilities</b>	<b>(186.73)</b>	<b>-</b>	<b>176.23</b>	<b>(18.24)</b>	<b>-</b>	<b>(28.74)</b>

For Foreign entities:

Particulars	As at 1 April 2022	Acquired through business combinations	Recognised in Statement of Profit and Loss	Recognised in OCI	Foreign currency translation reserve	As at 31 March 2023
<b>Deferred tax liabilities on account of:</b>						
Property, plant and equipment (net)	-	10,746.44	219.01	-	11.96	10,977.39
Patent and customer relationship	-	2,638.51	(117.90)	-	(6.44)	2,514.17
Right-of-use assets (net)	-	-	-	-	-	-
Investment properties	-	167.07	-	-	-	167.07
<b>Deferred tax assets on account of:</b>						
Expenses disallowed but eligible for deduction in future years (Bonus)	-	38.76	75.92	-	4.14	118.82
PICO Deferred Income	-	335.54	(172.39)	-	(9.41)	153.74
R&D Expenditure Credit	-	14.82	(14.05)	-	(0.77)	-
Others	-	157.84	(103.61)	-	(5.66)	48.57
<b>Deferred tax liabilities</b>	<b>-</b>	<b>(13,005.06)</b>	<b>(315.23)</b>	<b>-</b>	<b>(17.21)</b>	<b>(13,337.50)</b>
<b>Total deferred tax (liabilities)/assets</b>	<b>(186.73)</b>	<b>(13,005.06)</b>	<b>(139.00)</b>	<b>(18.24)</b>	<b>(17.21)</b>	<b>(13,366.24)</b>

For M/s Shogun Lifescience Private Limited, a subsidiary, in view of its carry forward tax loss / unabsorbed depreciation and absence of reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realised, it has recognised deferred tax asset only to the extent of deferred tax liability.

The Group has not recognised deferred tax related to distributable reserves in subsidiaries as the Group controls the timing of reversal of the related taxable temporary difference and management is satisfied that they will not reverse in the foreseeable future.

8 **Income tax assets (net)**

Particulars	As at 31 March 2024	As at 31 March 2023
Advance income tax (net of provision for tax of Rs.2,497.59 lakhs, 31 March 2023 : Rs.2,362.19 lakhs)	1,205.92	1,163.10
<b>Total</b>	<b>1,205.92</b>	<b>1,163.10</b>

9 **Other non-current assets**

Particulars	As at 31 March 2024	As at 31 March 2023
Capital advances	214.51	217.71
Deposit paid under protest	75.10	75.10
Less: Provision for doubtful advances	(134.81)	(134.81)
	154.80	158.00
Prepaid expense	7.09	11.84
<b>Total</b>	<b>161.89</b>	<b>169.84</b>

10 **Inventories**

Particulars	As at 31 March 2024	As at 31 March 2023
(Valued at lower of cost and net realisable value)		
Raw materials (refer note 10.1 and 10.2)	11,836.26	12,409.41
Packing materials (refer note 10.1 and 10.2)	1,773.10	1,762.73
Work-in-progress (refer note 10.2)	2,488.38	2,728.74
Finished goods (refer note 10.1 and 10.2)	5,326.16	4,195.34
Stock-in-trade (refer note 10.1 and 10.2)	9,033.60	7,008.52
Stores and spares	4,375.83	3,500.98
<b>Total</b>	<b>34,833.33</b>	<b>31,605.72</b>

10.1 Goods in transit included in above inventories are as under :

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials	1,833.94	862.17
Packing materials	5.35	10.14
Finished goods	-	367.87
Stock-in-trade	-	1.18

10.2 Inventories are hypothecated to secure borrowings (refer note 19 & 22)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

11 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured)		
Trade receivables considered good	32,028.20	36,835.61
Trade receivables which have significant increase in credit risk	452.94	285.07
	<b>32,481.14</b>	<b>37,120.68</b>
Less: Allowance for expected credit loss	(1,344.28)	(1,218.89)
<b>Total</b>	<b>31,136.86</b>	<b>35,901.79</b>

11.1 No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Further no trade or other receivables are due from firms or private companies respectively in which any director is a partner, or director or member other than disclosed in Note 43.

11.2 The Group's exposure to credit and currency risk, and loss allowances related to trade receivables is disclosed in note 45.

11.4 Trade receivables are hypothecated to secure borrowings (refer note 19 & 22).

11.5 Trade receivables amount of Rs. 452.94 lakhs (31 March 2023 : Rs. 285.07 lakhs ) for which the Group has assessed credit risk on an individual basis and loss allowance amount of Rs. 361.32 lakhs (31 March 2023 : Rs. 126.84 lakhs ) are recognized for such trade receivables.

11.6 Ageing schedule of trade receivables

As at 31 March 2024

Particulars	Not due	Outstanding for following years from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 years	
<b>Undisputed trade receivables</b>							
Considered good	12,473.03	17,526.14	1,197.78	330.99	35.50	-	31,563.44
Which have significant increase in credit risk	-	-	-	-	140.05	-	140.05
<b>Disputed trade receivables</b>							
Considered good	3.11	5.78	18.50	357.77	79.60	-	464.76
Which have significant increase in credit risk	-	-	-	-	312.89	-	312.89
<b>Total</b>	<b>12,476.14</b>	<b>17,531.92</b>	<b>1,216.28</b>	<b>688.76</b>	<b>568.04</b>	<b>-</b>	<b>32,481.14</b>
Less: Allowance for expected credit loss							(1,344.28)
<b>Total</b>	<b>12,476.14</b>	<b>17,531.92</b>	<b>1,216.28</b>	<b>688.76</b>	<b>568.04</b>	<b>-</b>	<b>31,136.86</b>

As at 31 March 2023

Particulars	Not due	Outstanding for following years from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 years	
<b>Undisputed trade receivables</b>							
Considered good	17,804.73	16,856.89	1,184.06	574.60	41.09	-	36,461.37
Which have significant increase in credit risk	-	-	-	-	158.22	-	158.22
<b>Disputed trade receivables</b>							
Considered good	-	0.31	16.48	325.56	31.90	-	374.25
Which have significant increase in credit risk	-	-	-	-	126.84	-	126.84
<b>Total</b>	<b>17,804.73</b>	<b>16,857.20</b>	<b>1,200.54</b>	<b>900.16</b>	<b>358.05</b>	<b>-</b>	<b>37,120.68</b>
Less: Allowance for expected credit loss							(1,218.89)
<b>Total</b>	<b>17,804.73</b>	<b>16,857.20</b>	<b>1,200.54</b>	<b>900.16</b>	<b>358.05</b>	<b>-</b>	<b>35,901.79</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

12 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks:		
- In current accounts	4,642.45	6,861.50
- In Interest Service Reserve Account (ISRA)*	1,589.63	1,538.06
Cash on hand	30.63	916.85
Foreign currency on hand	5.42	7.22
<b>Total</b>	<b>6,268.13</b>	<b>9,323.63</b>

\* This account is restricted for maintenance & servicing of Interest as per Facility Agreement of External Loan in Safex Holdings UK Limited.

13 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Bank deposits with original maturity of more than 3 months and less than 12 months	-	-
<b>Earmarked balances</b>		
Bank deposits (refer note 13.1)	7,132.06	5,021.09
<b>Total</b>	<b>7,132.06</b>	<b>5,021.09</b>

13.1 Bank deposits of Rs. 7,132.06 lakhs (31 March 2023 : Rs. 5,021.09 lakhs) are pledged with various government authorities and under lien for short term borrowings from banks.

14 Loans - current

Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured and considered good)		
Loans to others	5.63	-
Loans to employees	51.88	33.57
<b>Total</b>	<b>57.51</b>	<b>33.57</b>

15 Other financial assets - current

Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured and considered good)		
Security deposits	48.77	47.94
GST budgetary support receivable	29.35	10.92
Incentive receivables under PSI Scheme	177.60	-
Interest accrued	0.90	-
VAT/GST refund receivable	263.82	16.67
Others *	-	584.34
<b>Total</b>	<b>520.44</b>	<b>659.87</b>

\* 31 March 2024: Nil, (31 March 2023: 578.08 lakhs (net of TDS) includes the amount recoverable to the company against patent infringement case. The Subsidiary Company namely Shogun Organics Limited had sued M/s Endura SPA and its Indian subsidiary, Solex Chemicals Private Limited for patent infringement and the case was pending before the honourable Delhi High Court. On 05 September 2022, both parties had signed a settlement agreement, consequently, the Honourable High Court had issued an executive petition order on 18 November 2022 in line with settlement agreement between both parties. During the year, amount were received against the same on 19 May 2023).

16 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured and considered good)		
Advances other than capital advances :		
-Suppliers	188.21	683.54
-Employees	39.76	72.23
Balances with government authorities	3,773.18	4,315.55
Prepaid expenses	1,370.71	1,325.66
Right to recover returned goods	610.47	400.33
Others *	68.18	107.13
<b>Total</b>	<b>6,050.51</b>	<b>6,904.44</b>

\* It majorly includes closing stocks of scheme gifts and CSR surplus.



17 Share capital

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Authorised</b>		
200,000,000 (31 March 2023 : 150,000,000) equity shares of Re. 1 each	3,490.00	2,000.00
	<b>3,490.00</b>	<b>2,000.00</b>
<b>Issued, subscribed and fully paid up</b>		
160,585,503 (31 March 2023 : 133,964,880) equity shares of Re. 1 each	1,605.86	1,605.86
	<b>1,605.86</b>	<b>1,605.86</b>

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	16,05,85,503	1,605.86	13,39,64,880	1,339.65
Add: Issue of fresh equity shares of Re. 1 each	-	-	2,66,20,623	266.21
Balance at the end of the year	<b>16,05,85,503</b>	<b>1,605.86</b>	<b>16,05,85,503</b>	<b>1,605.86</b>

b) Rights, preferences and restrictions attached to equity shares

The Holding Company has only one class of equity shares having a face value of Re. 1 each (Rs. 10 each upto 18 July 2021). Each holder of equity shares is entitled to one vote per share. 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. There is no restriction on distribution of dividend. However, same is subject to the approval of the shareholders in the Annual General Meeting.

c) Details of shareholders' holding more than 5% shares in the Holding Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
Mr. Surinder Kumar Chaudhary	2,64,56,080	16.47%	2,64,56,080	16.47%
Mr. Rajesh Jindal	1,90,24,440	11.85%	1,90,24,440	11.85%
Mr. Neeraj Kumar Jindal	1,67,48,680	10.43%	1,67,48,680	10.43%
Mr. Piyush Jindal	1,67,48,680	10.43%	1,67,48,680	10.43%
Sarcoline Limited	6,77,60,769	42.20%	6,77,60,769	42.20%
<b>Total</b>	<b>14,67,38,649</b>	<b>91.38%</b>	<b>14,67,38,649</b>	<b>91.38%</b>

d) Details of shareholding of promoters \*

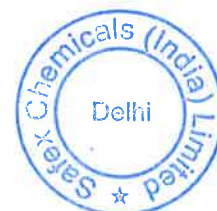
Promoter name	As at 31 March 2024			As at 31 March 2023		
	Number of shares	% of shares	% change during the year **	Number of shares	% of shares	% change during the year **
Mr. Surinder Kumar Chaudhary #	2,64,56,080	16.47%	-	2,64,56,080	16.47%	-
Mr. Rajesh Kumar Jindal #	1,90,24,440	11.85%	-	1,90,24,440	11.85%	-
Mr. Neeraj Kumar Jindal	1,67,48,680	10.43%	-	1,67,48,680	10.43%	1.68%
Mr. Piyush Jindal	1,67,48,680	10.43%	-	1,67,48,680	10.43%	1.68%
Mrs. Veena Jindal	54,67,360	3.40%	-	54,67,360	3.40%	1.88%
Mrs. Garima chaudhary #	2,64,000	0.16%	-	2,64,000	0.16%	-
Mrs. Nivedita Jindal	6,70,000	0.42%	-	6,70,000	0.00	-
Mrs. Karishma Jindal	6,70,000	0.42%	-	6,70,000	0.00	-
Mr. Sahil Chaudhary	400	0.00%	-	400	0.00%	-
Mr. Ishan Jindal	8,00,400	0.50%	-	8,00,400	0.50%	-
Mrs. Rachna Chaudhary	1,00,000	0.06%	-	1,00,000	0.06%	100.00%
Mrs. Mehak Singla	20,100	0.01%	-	20,100	0.01%	100.00%
Mrs. Kiran Jindal	1,25,900	0.08%	-	1,25,900	0.08%	100.00%

\* Promoters are as defined under section 2(69) of the Companies Act, 2013.

\*\* Percentage change has been computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

# During the year ended 31 March 2024: Nil (31 March 2023: 26,620,623) shares have been issued to the existing shareholders and promoters. Basis that, total number of shares have increased, however, there is no change in number of shares held by the promoters. Percentage change in holding of promoters is due to change in total number of shares.

f) During the five-year period ended 31 March 2024: Nil (31 March 2023: Nil, 31 March 2022: 100,473,660, 31 March 2021: Nil, and 31 March 2020: Nil) equity shares of Re. 1 each, fully paid-up have been allotted in the ratio of 3:1 pursuant to a bonus issue on 03 September 2021. Further, there has been no buy back of equity shares, forfeiture of equity shares or issue of equity shares pursuant to a contract without payment being received in cash during the current year and previous four years.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

18 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(i) Securities premium</b>		
Balance as at the beginning of the year	58,837.90	32,661.84
Add: Premium on issue of equity shares	-	26,176.06
<b>Balance as at the end of the year</b>	<b>58,837.90</b>	<b>58,837.90</b>
<b>(ii) Capital reserve</b>		
Balance as at the beginning of the year	727.14	727.14
Add: Changes during the year	-	-
<b>Balance as at the end of the year</b>	<b>727.14</b>	<b>727.14</b>
<b>(iii) General reserve</b>		
Balance as at the beginning of the year	19,369.75	17,714.18
Add: Transfer from retained earnings	2,739.80	1,655.57
<b>Balance as at the end of the year</b>	<b>22,109.55</b>	<b>19,369.75</b>
<b>(iv) Foreign currency translation reserve</b>		
Balance as at the beginning of the year	3,227.67	-
Add: Changes during the year	1,032.45	3,227.67
<b>Balance as at the end of the year</b>	<b>4,260.12</b>	<b>3,227.67</b>
<b>(v) Cash flow hedge reserve</b>		
Balance as at the beginning of the year	(92.33)	-
Add: Changes during the year	67.27	(92.33)
<b>Balance as at the end of the year</b>	<b>(25.06)</b>	<b>(92.33)</b>
<b>(vi) Cost of hedge reserve</b>		
Balance as at the beginning of the year	(659.61)	-
Add: Changes during the year	472.37	(659.61)
<b>Balance as at the end of the year</b>	<b>(187.24)</b>	<b>(659.61)</b>
<b>(vii) Retained earnings</b>		
Balance as at the beginning of the year	(14,925.81)	(13,222.32)
Add: Profit for the year	(2,278.89)	(101.73)
Add: Remeasurement of defined benefit obligation (net of tax)	5.64	53.81
Add: Cash flow hedge reserve	67.27	(92.33)
Add: Cost of hedging reserve	472.37	(659.61)
Add: Foreign currency translation reserve	1,032.45	3,227.67
Less: Transfer to general reserve	(2,739.80)	(1,655.57)
Less: Transfer to Foreign currency translation reserve	(1,032.45)	(3,227.67)
Less: Transfer to Cash flow hedge reserve	(67.27)	92.33
Less: Transfer to Cost of hedge reserve	(472.37)	659.61
<b>Balance as at the end of the year</b>	<b>(19,938.86)</b>	<b>(14,925.81)</b>
<b>Total</b>	<b>65,783.55</b>	<b>66,484.71</b>

**Nature and purpose of reserves/ other equity**

**Securities premium** : This reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

**General reserve** : It represents appropriation of profits by the Group. The said reserve is available for distribution of dividend to shareholders as per the provisions of the Companies Act, 2013.

**Capital reserve** : It represents gain recognised by the Holding Company on business acquisition of Shogun Organics Limited.

**Retained earnings**: Retained earnings are profits earned by the Group after transfer to general reserve.

**Cash flow hedge reserve**: It represents the gains and losses of a hedging instrument that have not yet been reclassified to the income statement. The balance of this account is adjusted periodically based on the gains and losses of the hedging instrument.

**Cost of hedge reserve**: It includes the effective part of all the accumulated net changes in the fair value of the cash flow of the hedging instruments.



19 Non-current borrowings

Particulars	Non-current portion		Current portion	
	As at	As at	As at	As at
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Secured				
Term loans from banks (refer note 19.1 to 19.7)	39,702.97	42,042.34	8,784.27	4,334.39
<b>Total</b>	<b>39,702.97</b>	<b>42,042.34</b>	<b>8,784.27</b>	<b>4,334.39</b>
Less : Amount disclosed under head "Current borrowings"	-	-	8,784.27	4,334.39
<b>Net total</b>	<b>39,702.97</b>	<b>42,042.34</b>	<b>-</b>	<b>-</b>

- 19.1 Term loan from bank Rs. 4,595.48 lakhs (31 March 2023 : Rs. 5,026.58 lakhs) is secured against first pari-passu charge over current assets of the Holding Company, Safex Chemicals (India) Limited, first pari-passu charge over moveable fixed assets of the Holding Company (except financed vehicles), deposit under lien or immovable collateral properties. Also secured by personal guarantee of whole time directors.
- 19.2 Term loan from bank Rs. 4,830.29 lakhs (31 March 2023 : Nil) is secured against exclusive charge over property at 409 Netaji Subhash Place, Delhi, 708 Rohini, Delhi and Udhampur, J&K, and corporate guarantee of subsidiary namely M/s. Smith N Smith Chemicals Ltd. & M/s. Indo Swiss chemicals Ltd. and also secured by personal guarantee of directors (Mr. Surinder Kumar Chaudhary, Mr. Rajesh Kumar Jindal, Mr. Neeraj Kumar Jindal, Mr. Piyush Jindal).
- 19.3 Term loan from bank Rs. 17.91 lakhs (31 March 2023 : Rs. 66.83 lakhs) is secured by way of lien over bank deposits of Rs. 191.90 lakhs (31 March 2023: 181.47 lakhs ) and also personal guarantee of directors and corporate guarantee of the Holding Company.
- 19.4 Term loan from bank Rs. 41.53 lakhs (31 March 2023 : Rs. 160.35 lakhs) is secured by way of hypothecation of stock, book debts and Plant and Machinery and by way of collateral at Industrial Property/Plot No. 30-32, Measuring 8 Kanals and Plot No-29, Measuring 3 Kanals( Total 10 Kanals, Govindsar Sinop, 184102, Industrial Estate, Kathua, Jammu & Kashmir-184102; Commercial Office/Unit No. 708, on Plot No.35- 1, Twin District Centre, Seventh Floor, Jaksons Crown Heights, Sector-10, Rohini, New Delhi- 110085 and at Commercial Office/Unit No. 409, 4<sup>th</sup> Floor, Plot No.5, D1 23, Netaji Subhash Place, Situated at Wazirpur District Centre, New Delhi-110034 and also corporate guarantee of Safex Chemicals India Limited and Indo Swiss Chemicals Limited and Personal Guarantees of Directors and Shareholders of Safex Chemicals India Limited and Indo Swiss Chemicals Limited, Mr. Piyush Jindal, Mr. Neeraj Kumar Jindal, Mr. Rajesh Kumar Jindal and Mr. Surinder Kumar Chaudhary.
- 19.5 Term loan from bank Rs. 1,500.86 lakhs (31 March 2023 : Rs. 2,000.00 lakhs) is secured against movable fixed asset and current assets of the Subsidiary Company namely Shogun Organics Limited. Also secured by corporate guarantee of Safex Chemicals India Limited (Holding Company), Indo Swiss Chemicals Ltd.(Fellow subsidiary company) and Smith N Smith Chemicals Ltd. (Fellow subsidiary company) and by personal guarantee of Mr. Surinder Kumar Chaudhary, Mr. Rajesh Kumar Jindal, Mr. Neeraj Kumar Jindal and Mr. Piyush Jindal and exclusive charge over industrial property at plot no D 18, kurkumb, MIDC area, Tal Daund, dist. Pune, Maharashtra -413802 owned by the subsidiary company namely Shogun Organics Limited.
- 19.6 Term loan from bank of Rs. 37,470.97 lakhs (31 March 2023 : Rs. 39,074.65 lakhs) is secured against Land & Building of Briar Chemicals Limited at Sweet Briar Road, Norwich, United Kingdom along with charge on Material Contracts with major customers, Insurance policies, shares of Briar Chemicals Limited, Four Bank Accounts of Safex Holdings UK Limited, Also, the loan is secured by way of Corporate Guarantee of Safex Chemicals (India) Limited and Personal Guarantees of Directors of Safex Chemicals (India) Limited.
- 19.7 Vehicle loan from bank of Rs. 29.97 lakhs (31 March 2023 : Rs. 48.31 lakhs) is secured by way of hypothecation of vehicles.
- 19.8 Terms of repayment of loans obtained from bank

Particulars	Reference	As at 31 March 2024		As at 31 March 2023	
		Rate of Interest	No. of Instalments (equated monthly instalments)	Rate of Interest	No. of Instalments (equated monthly instalments)
Secured term loan from bank - other :					
	19.1 and 19.6	SONIA + 4%	7 (Semi-annually)	SONIA + 4%	8 (Semi-annually)
Rs. 48,457.24 lakhs (31 March 2023: Rs.46,223.68 lakhs)	19.5	3 months MIBOR + Margin	12 (equated quarterly)	3 months MIBOR + Margin	16 (equated quarterly)
	19.2, 19.3, 19.4 and 19.6	7.40% to 9.35%	4 to 57 (equated monthly)	7.40% to 7.50	16 (equated monthly)
Secured term loan from banks - vehicle :					
Rs. 29.97 lakhs (31 March 2023: Rs.48.31 lakhs)	19.7	8% to 8.50%	15 to 24 (equated monthly)	8% to 8.50%	7 to 36 (equated monthly)



**20 Other financial liabilities - non-current**

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits (refer note 20.1)	7.56	15.26
<b>Total</b>	<b>7.56</b>	<b>15.26</b>

20.1 Includes security deposits of Rs. 5.50 lakhs (31 March 2023 : Rs. 5.50 lakhs) that carry interest @ 8% to 9% p.a (31 March 2023 : 8% to 9% p.a).

**21 Non-current provisions**

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
- Gratuity (refer note 42)	516.82	425.41
- Environmental provision (refer note 21.1)	3,999.92	3,869.97
<b>Total</b>	<b>4,516.74</b>	<b>4,295.38</b>

21.1 A Subsidiary Company namely Briar Chemicals Limited has an obligation for Environmental remediation at the Norwich manufacturing site, principally the ongoing monitoring, assessment and remediation of soil and groundwater contamination. The costs reflected in this provision will be incurred in the future years and have been assessed in conjunction with appropriate experts and discounted. However, the exact amounts and timings of outflows varies as the overall strategy in relation to environmental remediation is developed and executed.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance as at the beginning of the year	3,869.97	-
Add: Acquired through business combination	-	3,731.17
Less: Provision utilised during the period 10 October 2022 to 31 March 2023	-	(41.27)
Add: Provision created for the period 10 October 2022 to 31 March 2023	-	180.07
Add: Foreign currency translation reserve	129.95	-
<b>Balance as at the end of the year</b>	<b>3,999.92</b>	<b>3,869.97</b>

**22 Current borrowings**

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Secured</b>		
Loan repayable on demand		
From bank:		
Cash credit facility (refer note 22.1 to 22.16)	19,221.71	21,644.11
Overdraft facility (refer note 22.17)	-	0.95
<b>Current maturities of non current borrowings (refer note 19)</b>	<b>19,221.71</b>	<b>21,645.06</b>
<b>Total</b>	<b>19,221.71</b>	<b>21,645.06</b>

**22.1 Safex Chemicals (India) Limited (Holding Company)**

31 March 2024 : Nil

31 March 2023 : Rs. 3,863.10 lakhs is secured by way of first pari passu hypothecation charge on all existing and future receivables, current assets, moveable assets, moveable fixed assets of the borrower and exclusive charge on commercial property at Rohini-Delhi, industrial property at Keshwana-Rajasthan, and lien marked over bank deposit of Rs. 639.71 lakhs and also secured by personal guarantee of directors (Mr. Surinder Kumar Chaudhary, Mr. Rajesh Kumar Jindal, Mr. Neeraj Kumar Jindal, Mr. Piyush Jindal).

**22.2 Safex Chemicals (India) Limited (Holding Company)**

31 March 2024 : Rs. 2,594.82 lakhs secured by way of first pari passu charge over current assets of the borrower, first pari passu charge over entire moveable fixed assets of the Company (excluding charged to vehicle financiers), lien marked over bank deposits of Rs. 394.13 lakhs (31 March 2023 : Rs. 153.66 lakhs), exclusive charge over property at 409 Netaji Subhash Place, Delhi, 708 Rohini, Delhi and Udhampur (J&K), and corporate guarantee of subsidiaries namely M/s. Smith N Smith Chemicals Ltd. & M/s. Indo Swiss chemicals Ltd. and also secured by personal guarantee of directors (Mr. Surinder Kumar Chaudhary, Mr. Rajesh Kumar Jindal, Mr. Neeraj Kumar Jindal, Mr. Piyush Jindal).

31 March 2023 : Rs. 4,375.10 lakhs secured by way of first pari passu charge over current assets of the borrower, first pari passu charge over entire moveable fixed assets of the Holding Company (excluding charged to vehicle financiers), exclusive charge over property at 408, Netaji Subhash Place, 708 Rohini (Delhi) and Udhampur (J&K), and corporate guarantee of fellow subsidiary namely M/s. Smith N Smith Chemicals Ltd., M/s. Indo Swiss chemicals Ltd. and also secured by personal guarantee of directors (Mr. Surinder Kumar Chaudhary, Mr. Rajesh Kumar Jindal, Mr. Neeraj Kumar Jindal, Mr. Piyush Jindal).

**22.3 Safex Chemicals (India) Limited (Holding Company)**

31 March 2024 : Rs. 2,000.00 lakhs is secured by way of first pari passu charge on entire current assets of the Company, lien marked over bank deposits of Rs. 841.16 lakhs and also secured by personal guarantee of directors (Mr. Surinder Kumar Chaudhary, Mr. Rajesh Kumar Jindal, Mr. Neeraj Kumar Jindal, Mr. Piyush Jindal).

31 March 2023 : Rs. 2,200.00 lakhs is secured by way of first pari passu charge on entire current assets of the Holding Company, lien marked over bank deposits of Rs. 791.71 lakhs and also secured by personal guarantee of directors (Mr. Surinder Kumar Chaudhary, Mr. Rajesh Kumar Jindal, Mr. Neeraj Kumar Jindal, Mr. Piyush Jindal).

**22.4 Safex Chemicals (India) Limited (Holding Company)**

Include Rs. Nil (31 March 2023 : Rs. 26.28 lakhs) secured by way of first pari passu charge over entire current assets of the Holding Company with other working capital lenders and entire moveable property, plant and equipment of the Company with other working capital lenders excluding those charged to vehicle financiers, lien marked over bank deposits of Rs. lakhs (31 March 2023 : Rs. 875.80 lakhs) and also secured by personal guarantee of directors (Mr. Surinder Kumar Chaudhary, Mr. Rajesh Kumar Jindal, Mr. Neeraj Kumar Jindal, Mr. Piyush Jindal) and corporate guarantee of the Fellow Subsidiaries (i.e. Indo Swiss Chemicals Ltd., Smith N Smith Chemicals Limited and Shogun Organics Limited) & exclusive charge over entire current assets & moveable property, plant and equipment of fellow subsidiaries (i.e. Indo Swiss Chemicals Limited and Smith N Smith Chemicals Limited) excluding those charged to vehicle financiers.

**22.5 Safex Chemicals (India) Limited (Holding Company)**

Working capital demand loan from bank Rs.4,892.74 lakhs (31 March 2023 : Rs. 2,699.90) is secured against first pari-passu charge over current assets of the Company and first pari-passu charge over moveable fixed assets of the Company (except financed vehicles), lien marked over bank deposits of Rs. 300.08 lakhs and also secured by personal guarantee of directors (Mr. Surinder Kumar Chaudhary, Mr. Rajesh Kumar Jindal, Mr. Neeraj Kumar Jindal, Mr. Piyush Jindal).



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

22.6 Safex Chemicals (India) Limited (Holding Company)

31 March 2024 : Rs. 18.05 lakhs (31 March 2023 : Rs. Nil) secured by way of first pari passu charge over current assets of the borrower, lien marked over bank deposits of Rs. 841.16 lakhs (31 March 2023 : Rs. Nil), and also secured by personal guarantee of directors (Mr. Surinder Kumar Chaudhary, Mr. Rajesh Kumar Jindal, Mr. Neeraj Kumar Jindal, Mr. Piyush Jindal).

22.7 Safex Chemicals (India) Limited (Holding Company)

Working capital demand loan from Bank Rs. 4,900.00 lakhs (31 March 2023 : Nil) is secured against first pari-passu charge over current assets of the Company, first pari-passu charge over moveable assets of the Company, lien marked over bank deposits of Rs. 748.60 lakhs and also secured by personal guarantee of directors (Mr. Surinder Kumar Chaudhary, Mr. Rajesh Kumar Jindal, Mr. Neeraj Kumar Jindal, Mr. Piyush Jindal).

22.8 Safex Chemicals (India) Limited (Holding Company)

Working capital loan from NBFC Rs. 4,000.00 lakhs (31 March 2023 : Nil) is secured against first pari-passu charge over current assets of the Company, first pari-passu charge over moveable fixed assets of the Company, lien marked over bank deposits of Rs. 600 lakhs and also secured by personal guarantee of directors (Mr. Surinder Kumar Chaudhary, Mr. Rajesh Kumar Jindal, Mr. Neeraj Kumar Jindal, Mr. Piyush Jindal).

22.9 Indo Swiss Chemicals Limited

31 March 2024: Rs. Nil

31 March 2023: Rs. 2,423.53 lakhs is secured against the entire current assets, movable property, plant and equipment (both present & future) of M/s Indo Swiss Chemicals Limited, the subsidiary, industrial property at Pune, Maharashtra of Shogun Organics Limited (the subsidiary), personal guarantee of directors and corporate guarantee of the Holding Company and the subsidiaries (i.e. Smith N Smith Chemicals Limited and Shogun Organics Limited).

22.10 Indo Swiss Chemicals Limited

Rs. 172.00 lakhs (31 March 2023 : 343.35 lakhs) is secured against entire current assets including stock and book debtors of the Company, lien over bank deposit of Rs.400.59 lakhs (31 March 2023: 125.00 lakhs) and also personal guarantee of directors and corporate guarantee of the holding company.

22.11 Smith N Smith Chemicals Limited

31 March 2024 : Rs. 40.93 lakhs is secured against the entire current assets, movable property, plant and equipment (both present & future) of M/s Smith N Smith Chemicals Limited, the subsidiary, industrial property at Pune, Maharashtra of Shogun Organics Limited (the subsidiary), personal guarantee of directors and corporate guarantee of the Holding Company and the subsidiaries (i.e. Indo Swiss Chemicals Limited and Shogun Organics Limited).

31 March 2023 : Rs. 1,260.69 lakhs is secured against the entire current assets, movable property, plant and equipment (both present & future) of M/s Smith N Smith Chemicals Limited, the subsidiary, industrial property at Pune, Maharashtra of Shogun Organics Limited (the subsidiary), personal guarantee of directors and corporate guarantee of the Holding Company and the subsidiaries (i.e. Indo Swiss Chemicals Limited and Shogun Organics Limited).

22.12 Smith N Smith Chemicals Limited

31 March 2024 : Rs. 41.01 lakhs, (31 March 2023 : 507.31 lakhs) is secured against the book debts of the Subsidiary Company namely Smith N Smith Chemicals Limited, lien over bank deposit of Rs. 455.42 lakhs (31 March 2023 : 181.47 lakhs) and also personal guarantee of directors and corporate guarantee of the Holding Company.

22.13 Him Bio Agro

The statements filed periodically with banks on status of current assets against which these borrowings of Rs. Nil (31 March 2023 : Rs. 104.58 lakhs) are secured by first pari-passu charge are in agreement with books of accounts as on the reporting date contained in those statements.

22.14 JayCee Lifescience

31 March 2024 : Rs. 261.72 lakhs is secured against the stock and book debts, movable property, plant and equipment (both present & future) of M/s Best Crop Science, industrial property at Kathua, Jammu & Kashmir, personal guarantee of directors and corporate guarantee of the Safex Chemicals India Limited and Indo Swiss Chemicals Limited.

31 March 2023 : Rs. 3,415.01 lakhs is secured against the stock and book debts, movable property, plant and equipment (both present & future) of M/s Best Crop Science, industrial property at Kathua, Jammu & Kashmir, personal guarantee of directors and corporate guarantee of the Safex Chemicals India Limited and Indo Swiss Chemicals Limited.

22.15 Shogun Organics Limited

Rs. Nil (31 March 2023 : 425.26 lakh) is secured with exclusive charge over exclusive chargeover industrial land and building at plot no D 18, kurkumb, MIDC area, Tal Daund, dist. Pune, Maharashtra - 413802 owned by the company itself. Further, there is a second charge over current assets the entire moveable fixed assets of the Company.

Additionally secured by corporate guarantee of Safex Chemicals India Limited (holding company), Indo Swiss Chemicals Ltd.(fellow subsidiary company) and Smith N Smith Chemicals Ltd. (fellow subsidiary company) and by personal guarantee of Mr. Surinder Kumar Chaudhary, Mr. Rajesh Kumar Jindal, Mr. Neeraj Kumar Jindal and Mr. Piyush Jindal.

22.16 Shogun Lifesciences Private Limited

During the year ended 31 March 2024, the company has availed Cash Credit Facility from Axis bank. Total limit sanctioned by the bank is Rs. 1,000.00 lakhs wherein collateral has been provided by Safex Chemicals (India) Limited (Holding Company). Limit utilised as at 31 March 2024 is Rs. 300.45 lakhs.

22.17 Safex Chemicals (India) Limited

Overdraft facility from bank of Rs. Nil (31 March 2023 : 0.95 lakhs) is secured by way of lien marked over bank deposits of Rs. Nil (31 March 2023 : Rs.1.07 lakhs).



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

23 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Total outstanding dues to micro enterprises and small enterprises (refer note 23.2)	955.30	498.02
(b) Total outstanding dues to creditors other than micro enterprises and small enterprises (refer note 23.3)	24,730.52	24,875.19
<b>Total</b>	<b>25,685.82</b>	<b>25,373.21</b>
23.1 Includes following: Acceptances	1,090.32	2,001.60

23.2 Refer note 47 for disclosure relating to micro enterprises and small enterprises.

23.3 For detail regarding trade payables due to related parties, refer note 43.

23.4 Ageing schedule of trade payables

As at 31 March 2024

Particulars	Unbilled	Not due	Outstanding for following years from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>							
-Dues to micro enterprises and small enterprises	2.84	734.06	218.40	-	-	-	955.30
-Dues to creditors other than micro enterprises and small enterprises	4,403.55	12,213.59	7,529.92	-	-	-	24,147.06
<b>Disputed *</b>							
-Dues to micro enterprises and small enterprises	-	-	-	-	-	-	-
-Dues to creditors other than micro enterprises and small enterprises	-	-	-	583.46	-	-	583.46
<b>Total</b>	<b>4,406.39</b>	<b>12,947.65</b>	<b>7,748.32</b>	<b>583.46</b>	<b>-</b>	<b>-</b>	<b>25,685.82</b>

As at 31 March 2023

Particulars	Unbilled	Not due	Outstanding for following years from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>							
-Dues to micro enterprises and small enterprises	-	40.77	457.25	-	-	-	498.02
-Dues to creditors other than micro enterprises and small enterprises	5,637.36	13,872.37	4,779.77	0.60	1.63	-	24,291.73
<b>Disputed *</b>							
-Dues to micro enterprises and small enterprises	-	-	-	-	-	-	-
-Dues to creditors other than micro enterprises and small enterprises	-	-	583.46	-	-	-	583.46
<b>Total</b>	<b>5,637.36</b>	<b>13,913.14</b>	<b>5,820.48</b>	<b>0.60</b>	<b>1.63</b>	<b>-</b>	<b>25,373.21</b>

\* There is an ongoing dispute between the Briar Chemicals Limited and ENGIE, the Briar Chemicals Limited's previous gas supplier. Due to a faulty meter and associated issues (which the Briar Chemicals Limited considers to be ENGIE's responsibility) the Briar Chemicals Limited's actual gas usage was not properly recorded in previous year which has resulted in incorrect calculation of the amount payable to Engie against Gas supplies during financial year ending 31 March 2021. Subsequent to the year end, payment has been made to the Engie in full and final settlement.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

24 Other financial liabilities - current

Particulars	As at 31 March 2024	As at 31 March 2023
Capital creditors	140.74	171.98
Derivative liability	221.73	814.78
Employee related liabilities	1,713.64	1,814.67
Security deposit	1.50	-
<b>Total</b>	<b>2,077.61</b>	<b>2,801.43</b>

25 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Revenue received in advance (refer note 28.3 and note 43)	5,208.15	1,676.85
Customer liabilities	767.25	511.04
Deferred income on account of PICO (refer note 25.1)	-	809.27
Statutory dues	1,214.14	1,333.02
Others (refer note 25.2)	28.33	56.70
<b>Total</b>	<b>7,217.87</b>	<b>4,386.88</b>

25.1 Deferred income relates to the adjustment for the capital contribution revenue recognition in line with the minimum volumes stated in the client contract in respect of Briar Chemicals Limited. This adjustment ensures that the revenue is only recognised according to the minimum volumes agreed for each financial year.

25.2 Includes provision for unspent CSR of Rs. 28.33 lakhs (31 March 2023 : Rs. 56.70 lakhs) which is transferred to separate bank account in respect of Safex Chemicals (India) Limited.

26 Current provisions

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits</b>		
- Gratuity (refer note 42)	181.29	157.70
- Leave encashment	476.05	378.58
- STI Annual Bonus *	-	873.39
- Holiday & lieu days **	288.98	266.34
- Waste Provision	876.59	-
<b>Total</b>	<b>1,822.91</b>	<b>1,676.01</b>

\* In case of Briar Chemicals Limited, STI annual bonus payout is based on entity's and individual performance of its employees.

\*\* In case of Briar Chemicals Limited, holiday & lieu day entitlement within the employment contracts have not been fully taken in the calendar year so therefore are owed by the entity to its employees.

27 Current tax liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for income tax (net of advance income tax)	1,397.02	592.90
<b>Total</b>	<b>1,397.02</b>	<b>592.90</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

28 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products	1,39,975.22	1,15,954.76
Other operating income (refer note 28.5)	483.84	147.03
<b>Total</b>	<b>1,40,459.06</b>	<b>1,16,101.79</b>

28.1 Reconciliation of contract price vis a vis revenue recognised in the statement of profit and loss is as follows:

(i) Sales of products	1,52,962.18	1,23,636.09
<b>Adjustments:</b>		
Discounts, credits, etc.	12,730.74	7,626.48
Expected sale return	256.22	54.85
<b>Revenue recognised in statement of profit and loss</b>	<b>1,39,975.22</b>	<b>1,15,954.76</b>

28.2 Disaggregation of revenue

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
India	87,968.81	79,940.21
Outside India	52,006.41	36,014.55
<b>Total</b>	<b>1,39,975.22</b>	<b>1,15,954.76</b>

Timing of recognition

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
At a point in time	1,39,975.22	1,15,954.76
<b>Total</b>	<b>1,39,975.22</b>	<b>1,15,954.76</b>

28.3 Movement of contract liabilities :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	1,676.85	1,673.05
Less : Revenue recognised during the year	1,622.24	1,619.45
Add : Advance received during the year	5,153.54	1,623.25
<b>Amounts included in contract liabilities at the end of the year (refer note 25)</b>	<b>5,208.15</b>	<b>1,676.85</b>

28.4 Contract liabilities represents amount received from customers as per the terms of purchase/sales order to deliver goods. Once the goods are delivered and control is transferred to customers the same is adjusted accordingly (refer note 25).

28.5 Represents government grants of Rs. 285.87 lakhs (31 March 2023 : Rs 142.38 lakhs) on account of GST budgetary support income in case of Holding Company. Also includes Rs. 20.37 lakhs (31 March 2023 : Rs. 4.65 lakhs) on account of export duty drawback and Rs 177.60 lakhs (31 March 2023: Nil) on account of incentive under Package Scheme of Incentives (PSI) Scheme, 2019 in case of a subsidiary company namely Shogun Organics Limited. There are no unfulfilled conditions and other contingencies attached to government assistance. The policy envisages grant of fiscal and non-fiscal incentives to the Industrial units with a view to help the units achieve higher, sustainable and inclusive economic growth with emphasis on balanced regional development and employment generation through greater Private and Public Investment in industrial sector.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
GST budgetary support income	285.87	142.38
Export duty drawback	20.37	4.65
Incentive under PSI Scheme	177.60	-
<b>Total</b>	<b>483.84</b>	<b>147.03</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

29 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income under the effective interest method on		
- bank deposits	442.61	217.02
- security deposits	3.71	2.35
- delayed collections from customers	91.02	63.55
- subsidy	20.00	19.98
- others	111.20	44.62
Interest income on income tax refund	3.06	0.51
Rental income	47.33	66.28
Liabilities no longer required written back	11.92	7.06
Net profit on sale of property, plant & equipment and investment property	263.74	-
Net gain on foreign currency translations and transactions	80.75	-
Miscellaneous income *	236.88	223.74
<b>Total</b>	<b>1,312.22</b>	<b>645.11</b>

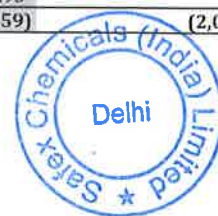
\* Includes bad debt recovered Rs. 128.00 lakhs (31 March 2023: Rs. 73.45 lakhs) and insurance claim Rs. 103.13 lakhs (31 March 2023: Rs. 6.82 lakhs).

30 Cost of materials consumed

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Raw materials</b>		
Opening stock as at beginning of the year	12,409.41	5,935.47
Acquired through business combination	-	1,301.25
Add: Purchases during the year	54,050.29	47,523.97
Less: Closing stock as at end of the year	11,836.26	12,409.41
Add : Foreign currency translation reserve	49.63	90.18
	<b>54,673.07</b>	<b>42,441.46</b>
<b>Packing materials</b>		
Opening stock as at beginning of the year	1,762.73	1,531.77
Acquired through business combination	-	191.83
Add: Purchases during the year	7,000.34	6,070.49
Less: Closing stock as at end of the year	1,773.10	1,762.73
Add : Foreign currency translation reserve	5.04	21.96
	<b>6,995.01</b>	<b>6,009.40</b>
<b>Total</b>	<b>61,668.08</b>	<b>48,450.86</b>

31 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Inventories as at end of the year</b>		
Finished goods	5,326.16	4,195.34
Work-in-progress	2,488.38	2,728.74
Stock-in-trade	9,033.60	7,008.52
Foreign currency translation reserve	(28.95)	(64.82)
	<b>16,819.19</b>	<b>13,867.78</b>
<b>Acquired through business combination</b>		
Finished goods	-	31.34
Work-in-progress	-	1,328.88
	-	<b>1,360.22</b>
<b>Inventories as at beginning of the year</b>		
Finished goods	4,195.34	4,175.51
Work-in-progress	2,728.74	679.99
Stock-in-trade	7,008.52	5,643.30
	<b>13,932.60</b>	<b>10,498.80</b>
<b>Change in inventories</b>		
Finished goods	(1,130.82)	11.51
Work-in-progress	240.36	(719.87)
Stock-in-trade	(2,025.08)	(1,365.22)
Foreign currency translation reserve	28.95	64.82
<b>Total</b>	<b>(2,886.59)</b>	<b>(2,008.76)</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

32 Employees benefit expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	21,561.16	13,081.00
Gratuity expenses	148.48	132.56
Compensated absences expenses	122.10	131.48
Contribution to provident and other funds (refer note 42)	2,527.19	1,167.06
Staff welfare expenses	620.48	261.25
<b>Total</b>	<b>24,979.41</b>	<b>14,773.35</b>

33 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on financial liabilities not measured at FVTPL:		
- Term loans*	4,468.83	2,280.58
- cash credit facilities	2,612.09	1,532.36
- lease liabilities	136.05	78.88
- others	8.63	3.08
Interest on delays in deposit of statutory dues	125.36	78.67
Other borrowing costs	84.44	23.33
<b>Total</b>	<b>7,435.40</b>	<b>3,996.90</b>

\* Interest expense on non-current borrowings is net of gain on ineffective portion of fluctuating interest component of term loan hedged amounting to Rs. 274.56 Lakhs, (31 March 2023 : loss from hedging the interest component amounting to Rs. 217.76 Lakhs)

34 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment (refer note 4A)	5,520.71	2,977.15
Depreciation on investment property (refer note 4E)	29.23	34.97
Amortisation on intangible assets (refer note 4D)	1,235.71	616.87
Depreciation on right-of-use assets (refer note 4C)	330.55	248.09
<b>Total</b>	<b>7,116.20</b>	<b>3,877.08</b>

35 (a) Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Stores and spare parts consumed	279.51	163.22
Repair and maintenance		
- Buildings	91.30	79.62
- Plant and machinery **	11,822.68	4,700.18
- Others	207.97	148.10
Rent (refer note 40)	416.83	382.49
Power and fuel	5,783.22	4,303.79
Freight and forwarding charges	826.90	477.66
Selling commission and other selling expenses	1,770.38	1,280.77
Customer settlement expense *	294.47	-
Insurance	1,091.49	523.37
Legal and professional	2,362.24	1,661.31
Information technology expenses	267.19	214.44
Auditor's remuneration		
- For statutory audit	110.00	75.40
Travelling and conveyance	2,819.97	2,123.80
Allowance for expected credit loss (including bad debts written off)	511.96	495.04
Impairment of intangible assets under development	-	15.00
Corporate social responsibility	127.41	140.25
Packing and designing	11.41	10.08
Rates and taxes	837.78	416.67
Charity and donation	0.14	0.53
Directors' sitting fees	7.00	13.00
Loss on sale of property, plant & equipment (net)	-	33.81
Net loss on foreign currency transactions and translations	5.73	277.44
Research and development expenses	124.78	30.79
Bank charges	166.50	16.06
Laboratory Expenses	278.13	119.51
Miscellaneous expenses	944.63	628.99
<b>Total</b>	<b>31,159.62</b>	<b>18,331.32</b>

\* It is a non recurring expense.

\*\* The Repair & Maintenance expense - Plant & Machinery includes 11,803.25 Lakhs for Briar Chemicals (for the period 10th October '22 to 31st March '23 : 4,560.13 Lakhs).



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

35 (b) Exceptional items

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Expenses on acquisition of Safex Holdings UK Limited *	-	3,376.50
Additional consideration paid to erstwhile promoter of Shogun Organics Limited **	-	447.70
Patent infringement case law	-	(583.98)
Provision for impairment of goodwill (refer note 4G)	-	2,364.63
Provision for impairment of investment in equity of Safex Holdings UK Limited #	0.00	-
<b>Total</b>	<b>0.00</b>	<b>5,604.85</b>

\* 31 March 2024 : Nil, (31 March 2023 : The expenses relates to various legal and professional consultancy obtained from technical experts globally for the purpose of acquisition of Briar Chemicals limited).

\*\* 31 March 2024 : Nil, (31 March 2023 : Under the share purchase agreement entered between Safex Chemicals (India) Limited (the "Holding Company") and Promoters of Shogun Organics Limited (the "Subsidiary Company") dated 13 August 2019, any recovery by Shogun Organics Limited against contingent assets as specified in the agreement shall be payable by the Holding Company to the sellers in the form and in such manner as mutually decided between the parties. During the year ended 31 March 2023, Shogun Organics Limited realised an amount of Rs.583.98 lakhs against a Patent infringement case. Accordingly, the Holding Company has paid an amount of Rs.447.30 lakhs (net of tax) during previous year to the erstwhile promoters of Shogun Organics Limited.

36 Income tax

A. Amounts recognised in consolidated statement of profit and loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax		
- Current year	3,841.02	2,015.67
- Change in estimates related to prior years	58.37	19.17
	<b>3,899.39</b>	<b>2,034.84</b>
Deferred tax		
- Current year	(3,001.33)	139.00
	<b>(3,001.33)</b>	<b>139.00</b>
<b>Total</b>	<b>898.06</b>	<b>2,173.84</b>

B. Amounts recognised in other comprehensive income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Deferred tax on remeasurement gain on defined benefit obligation	(2.07)	(18.24)
<b>Total</b>	<b>(2.07)</b>	<b>(18.24)</b>

C. Reconciliation of effective tax

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit/ (loss) before tax from operations	(1,380.83)	2,072.11
Domestic tax rate	25.168%	25.168%
Tax at India's domestic tax rate of 25.168%	(347.53)	521.51
<b>Adjustment for :</b>		
Tax impact of different tax rates for partnership firms and Overseas subsidiaries	410.40	288.17
Tax impact for change in estimates related to prior years	23.47	19.17
Non-deductible expenses	204.04	54.56
Business losses and unabsorbed depreciation for which no deferred tax recognised	354.60	97.99
Tax impact on goodwill imparment	-	604.33
Permanent Differences	66.69	(19.37)
Relief on account of Group losses at UK level	-	297.36
Remeasurement on account of change in tax rate at UK level	-	65.98
Tax impact on surrendered losses at UK level	-	259.28
Reversal of deferred tax asset on deferred income on account of PICO	205.71	-
<b>Others</b>	<b>(19.32)</b>	<b>(15.14)</b>
<b>Total tax expenses as per consolidated statement of profit and loss</b>	<b>898.06</b>	<b>2,173.84</b>

D. Tax losses carried forward

Tax losses for one subsidiary (i.e. Shogun Lifesciences Private Limited) for which no deferred tax asset was recognised expire as follows:

	As at 31 March 2024	Expiry date
Unabsorbed depreciation	187.94	Never expire
Tax losses for FY 2021-22	300.20	FY 2029 - 2030
Tax losses for FY 2022-23	409.23	FY 2030 - 2031
Tax losses for FY 2023-24	206.71	FY 2031 - 2032
<b>Total</b>	<b>1,104.08</b>	



37 Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(i) Claims against the Group not acknowledged as debt</b>		
Demand for Sales- tax / VAT	7.39	8.28
Goods and services tax		
- under Madhya Pradesh GST Act, for financial year 2017 - 2018 (including interest of Rs. 6.08 lakhs and penalty of Rs. 0.89 lakhs)	15.83	15.83
- under Maharashtra GST Act, for financial year 2017 - 2018 (including interest of Rs. 39.99 lakhs and penalty of Rs. 4.83 lakhs)	89.78	89.78
- under Gujrat GST Act, for financial year 2017 - 2018 (including interest of Rs. 23.82 lakhs and penalty of Rs. 2.32 lakhs)	49.38	-
- under Rajasthan GST Act, for financial year 2017 - 2018 (including interest of Rs. 13.06 lakhs and penalty of Rs. 1.15 lakhs)	25.77	-
- under Chattisgarh GST Act, for financial year 2017 - 2018 (including interest of Rs. 11.22 lakhs and penalty of Rs. 1.19 lakhs)	24.28	-
Income tax		
- for financial year 2017 - 2018	-	0.19
- for financial year 2019 - 2020	-	1.12
- for financial year 2021 - 2022	33.39	-
Central Excise Act (Jammu & Kashmir)*	608.44	608.44

\* In respect of this matter, Rs. 60.84 lakhs has been paid under protest.

(ii) On the basis of current status of individual case and as per legal advice obtained, wherever applicable, the Group is confident of winning the above cases as mentioned in (i) above and is of the view that no provision is required in respect of these cases.

Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. The Group does not expect any reimbursements in respect of the above contingent liabilities.

(iii) Provident fund related matters

In February 2019, the Hon'ble Supreme Court of India, in its judgement, has clarified the applicability of allowances that should be considered within the expression of 'basic wages' to measure the provident fund contribution under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 ('EPF Act'). The Group has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such the Group does not believe that there is any probable obligation for the past periods.

The Group is directly or indirectly involved in other lawsuits, claim and proceedings, which arise in the ordinary course of business. The Group has challenged these litigations with respective authorities. Based on the facts currently available, management believes that likelihood of outflow of resources is remote and hence the Group has not disclosed these litigations under contingent liability as well.

(b) Commitments

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advance of Rs. 134.81 lakhs (31 March 2024 : Rs. 134.81 lakhs)]	12.74	12.74
(ii) Expenditure to be incurred on Remediation plan and Corporate Environment Responsibility #	116.36	16.37
(iii) Capital Expenditure to be incurred on CHP Installation at Norwich Site	200.06	790.40

# In accordance with the order of Ministry of Environment, Forest and Climate Change of India ("MOEF") dated 23 September 2020, a subsidiary has been directed to spend Rs. 77.05 lakhs on Remediation plan and Natural and Community Resource Augmentation plan and Rs. 32.00 lakhs on Corporate Environment Responsibility within a span of three years. The Group has recorded provision in its books of account on a straight line basis over a three year period. Further, based on directions of MOEF, the Group also furnished a bank guarantee of Rs. 77.05 lakhs for this matter.

Further, in accordance to minutes of the 30th expert appraisal committee meeting held on 26 and 27 April 2022, a subsidiary has been directed to allocate Rs 146 lakhs @ 0.75 % of the proposed expansion cost i.e. 19,442 lakhs towards CER. The Group has already spent Rs. 29.64 lacs upto 31 March 2024, thus reflecting Rs. 116.36 as its commitment as on 31 March 2024.



### 38 Hedging activities and Derivatives

#### Derivatives designated as Hedging instruments

Derivative financial instruments – Interest rate swaps

A Subsidiary Company namely Safex Holdings UK Limited has entered into an interest rate swap to receive interest at SONIA and pay interest at a fixed 4.30%. The swap is based on a principal amount of Rs. 35,696.55 lakhs (GBP 38,930,000), the principal amount of the Subsidiary Company's sterling loan facilities, and matures in 2027 on the same date as the loans.

The instrument is used to hedge the Subsidiary Company's exposure to interest rate movements on the loan facility. The hedging arrangement fixes the total interest payable on the sterling loan to 8.00%. The fair value of the interest rate swap at 31st March 2024 is Rs. 221.73 lakhs (GBP 2,10,585.00), (31 March 2023: Rs. 814.78 lakhs (GBP 7,99,805.00)).

Cash flows on account of both, the loan and the interest rate swaps are paid quarterly until 2027. During the period ended 31 March 2024, a hedging gain of Rs. 594.01 lakhs (GBP 5,73,458.37), (31 March 2023 : Rs. 751.94 lakhs (GBP 7,78,410.22)) was recognised in other comprehensive income for changes in the fair value of the interest rate swap and gain amounting to Rs. 16.33 lakhs (GBP 15,761.63), (31 March 2023: loss amounting to Rs. 20.67 lakhs (GBP 21,394.78)) was reclassified from the hedge reserve to profit and loss.

The risk management objective of the hedge arrangement is to reduce the variability in payment of foreign currency equivalent cash flows arising from repayment of principal and interest components. During the year, the group have tested the effectiveness of the hedge relationship and the hedge was effective.

#### Derivative Financial Instruments

The Group enters into derivative for hedging interest rate risks. Derivative held for risk management purposes include hedge that are either designated as effective hedges under the hedge accounting requirements. The table below shows the fair values of derivative financial instrument recorded as assets or liabilities together with their notional amounts.

Particulars	As at 31 March 2024		As at 31 March 2023	
	Notional Amounts *	Fair Value - Liabilities	Notional Amounts	Fair Value - Liabilities
Interest Rate Derivatives (Rs. In lakhs)	42,117.40	221.73	40,749.12	814.78
Interest Rate Derivatives (In GBP)	4,00,00,000.00	2,10,585.00	4,00,00,000.00	7,99,805.00

\* Notional amount being used to calculate payments made on hedge instrument.

Derivative financial instrument are measured at fair value at each reporting date. The changes in the fair value of derivative designated as hedging instruments in effective cash flow hedges are recognised in Consolidated Other Comprehensive Income. For undesignated derivatives, the changes in the fair value are recognised in the Consolidated Statement of Profit & Loss.

#### Hedge effectiveness

The Group designates certain derivative as hedging instrument in respect of interest rate risk in cash flow hedges. For option contracts, the Group designates only the intrinsic value of option contracts as a hedged item by excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in Consolidated Other Comprehensive Income and accumulated in the cost of hedging reserve. The time value of the options at the inception of the hedging relationship is reclassified to Profit or Loss on a straight-line basis.

The Group documented each hedging relationship and hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group applies the following effectiveness testing strategies:

(i) For interest rate swaps that exactly match the terms of the terms of the hedged item, the economic relationship and hedge effectiveness are based on the qualitative factors using critical terms match method.

(ii) For other interest rate swaps, the Group uses dollar offset method using a hypothetical derivatives, dollar offset method is a quantitative method that consists of comparing the change in fair value or cash flows of the hedging instrument with the change in fair value or cash flows of the hedged item attributable to the hedged risk.

(iii) For option structures, the Group analyses the behaviour of the hedging instrument and hedged item using regression analysis based dollar offset method.

The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.



The Impact of the hedging Instruments on the balance sheet is, as follows:

Particulars	Nominal amount	Carrying amount	Line Item in the consolidated balance sheet where hedging instrument is disclosed	Change in fair value used for measuring hedge ineffectiveness for the period
<b>At 31 March 2024</b>				
Interest Rate Swaps (Cash Flow Hedge) (Rs. In lakhs)	42,117.40	221.73	Derivative instruments under other financial assets	(16.33)
Interest Rate Swaps (Cash Flow Hedge) (In GBP)	4,00,00,000.00	2,10,585.00		(15,761.63)
<b>At 31 March 2023</b>				
Interest Rate Swaps (Cash Flow Hedge) (Rs. In lakhs)	40,749.12	814.78	Derivative Instruments under other financial assets	20.67
Interest Rate Swaps (Cash Flow Hedge) (In GBP)	4,00,00,000.00	7,99,805.00		21,394.78

The Impact of hedged Items on the balance sheet is, as follows:

	31 March 2024			31 March 2023		
	Change in fair value used for measuring ineffectiveness (Consolidated Statement of Profit & Loss A/c)	Effective portion of cash flow hedges (consolidated other comprehensive income)	Cost of cash flow hedges (consolidated other comprehensive income)	Change in fair value used for measuring ineffectiveness (Consolidated Statement of Profit & Loss A/c)	Effective portion of cash flow hedges (consolidated other comprehensive income)	Cost of cash flow hedges (consolidated other comprehensive income)
Loan having variable interest payments (Rs. In lakhs)	(16.33)	(73.94)	(520.06)	20.67	92.33	659.61
Loan having variable interest payments (In GBP)	(15,761.63)	(71,386.82)	(5,02,071.55)	21,394.78	95,579.47	6,82,830.74

Details of Impact of Cash Flow Hedge on the statement of profit and loss is, as follows:

Particulars	Total hedging gain/(loss) recognised in consolidated other comprehensive income	Ineffectiveness recognised in consolidated statement of profit or loss	Line Item in the consolidated statement of profit and loss	Cost of hedging recognise in consolidated other comprehensive income	Gain/(loss) reclassified from consolidated other comprehensive income to consolidated statement of profit or loss	Line Item in the consolidated statement of profit and loss
<b>For the year ended 31 March 2024</b>						
Cash Flow Hedge (Rs. In lakhs)	(594.01)	(16.33)	Finance Cost	(520.06)	-	-
Cash Flow Hedge (In GBP)	(5,73,458.37)	(15,761.63)	Finance Cost	(5,02,071.55)	-	-
<b>For the year ended 31 March 2023</b>						
Cash Flow Hedge (Rs. In lakhs)	751.94	20.67	Finance Cost	659.61	-	-
Cash Flow Hedge (In GBP)	7,78,410.21	21,394.78	Finance Cost	6,82,830.74	-	-



39 **Earnings per share**

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
a.	Profit/ (loss) attributable to equity shareholders of Holding Company	Rs. in lakhs (2,278.89)	(101.73)
b.	Number of equity shares at the beginning of the year	16,05,85,503	13,39,64,880
	Number of shares issued during the year (refer note 17(a))	-	2,66,20,623
	<b>Number of equity shares at the end of the year</b>	<b>16,05,85,503</b>	<b>16,05,85,503</b>
c.	Weighted average number of equity shares	16,05,85,503	14,89,30,412
d.	<b>Basic earnings per share of Re. 1 each</b>	Rs. (1.42)	(0.07)
e.	<b>Diluted earnings per share of Re. 1 each</b>	Rs. (1.42)	(0.07)
f.	<b>Calculation of effect of dilution</b>		
	Profit/ (loss) attributable to equity shareholders	Rs. in lakhs (2,278.89)	(101.73)
	<b>Adjusted profit/ (loss) attributable to equity shareholders</b>	<b>Rs. in lakhs (2,278.89)</b>	<b>(101.73)</b>
	Weighted average number of equity shares	16,05,85,503	14,89,30,412
	<b>Diluted earnings per share of Rs. 1 each</b>	Rs. (1.42)	(0.07)

40 **Leases**

**As a lessee :**

This note provides information for leases where the Group is a lessee. The Group has taken land and premises on lease, which are being used as manufacturing facilities and sale depots/ office premises. Lease contracts are entered for a term of 2 years to 99 years.

Information about leases for which the Group is a lessee is presented below:

**(i) Lease liability**

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	934.64	900.64
Acquired through business combination	-	130.75
Additions	1,498.76	55.84
Interest accrued	136.05	78.88
Payments	(254.67)	(231.47)
FCTR	26.68	-
<b>Closing balance</b>	<b>2,341.46</b>	<b>934.64</b>

**(ii) Maturity profile of lease liabilities**

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current	2,089.72	802.14
Current	251.74	132.50
<b>Total</b>	<b>2,341.46</b>	<b>934.64</b>

**(iii) Contractual maturities of lease liabilities on as undiscounted basis are as given below:**

Particulars	As at 31 March 2024	As at 31 March 2023
Not later than one year	365.80	194.12
Later than one year and not later than two years	353.49	155.18
Later than two year and not later than five years	1,089.97	437.71
Later than five years	47,982.57	47,384.09
<b>Total</b>	<b>49,791.83</b>	<b>48,171.10</b>



**(iv) Amounts recognised in the consolidated statement of profit and loss**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation charge on right-of-use assets	330.55	248.09
Interest expense on lease liabilities (included in finance costs)	136.05	78.88
Rent expense relating to short-term lease	416.83	382.49
<b>Total</b>	<b>883.43</b>	<b>709.46</b>

**(v) Amounts recognised in consolidated statement of cash flows (including short term leases)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash outflow for leases	671.50	613.96
<b>Total</b>	<b>671.50</b>	<b>613.96</b>

The operating lease payment relating to short-term leases recognised under the other expenses amounts to Rs. 416.83 lakhs (31 March 2023 : Rs. 382.49 lakhs)

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

**As a lessor :**

The Holding Company has given certain portion of its building under an operating lease arrangement and Briar Chemicals Limited has given solar panel at its land.

The Group has earned lease income of Rs. 47.33 lakhs (31 March 2023: Rs. 66.28 lakhs) during the year.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the end of the financial year:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Not later than one year	38.74	74.92
Later than one year and not later than two years	21.38	77.99
Later than two year and not later than five years	279.02	252.27
<b>Total</b>	<b>339.15</b>	<b>405.18</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

41 Operating segment

A. General information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components of the Group, and for which discrete financial information is available.

The results of the Group are reviewed regularly by the Group's Board of Directors (Chief Operating Decision Maker) to assess the performance of the Group and to make decisions accordingly. The Group is engaged in the production and distribution of pesticides and agro chemicals including insecticides, herbicides, fungicides, fertilisers, plant growth regulators, micro-nutrient fertilisers, speciality chemicals (like technicals, intermediates etc.) for pesticides, insecticides and others. The performance is reviewed for pesticides & agro chemicals and speciality chemicals as a whole by CDMO. Hence, separate disclosure under Ind AS 108, "Operating Segments" is required to be made in the consolidated financial statements of the Group.

B. Entity wide disclosures

(i) Information about products & services

The Group primarily deals in four business namely "Pesticides and Agrochemicals, Speciality chemicals, Contract Development and Manufacturing (CDMO) and Information technology", wherein these segments are under operation for the financial year ending 31 March 2024. The segment wise revenue is disclosed below:

Particulars	For the year ended 31 March 2024					For the year ended 31 March 2023						
	Pesticides and Agrochemicals	Speciality chemicals	CDMO	Others	Inter-Segment	Total	Pesticides and Agrochemicals	Speciality chemicals	CDMO	Others	Inter-Segment	Total
External revenue	82,533.53	8,103.78	49,821.75	-	-	1,40,459.06	76,316.85	4,788.03	34,996.91	-	-	1,16,101.79
Inter segment revenue	55,724.73	6,804.82	-	143.00	(62,672.55)	143.00	50,502.45	3,083.93	-	72.00	(53,658.38)	-
Segment revenue	1,38,258.26	14,908.60	49,821.75	143.00	(62,672.55)	1,40,459.06	1,26,819.30	7,871.96	34,996.91	72.00	(53,658.38)	1,16,101.79
Other income	5,763.72	352.50	144.36	0.63	(4,948.99)	1,312.22	2,889.77	163.13	-	-	(2,681.38)	645.11
Total revenue	1,44,021.98	15,261.10	49,966.11	143.63	(67,621.54)	1,41,771.28	1,29,709.07	8,145.55	35,160.04	72.00	(56,339.76)	1,16,746.90
Segment results	14,779.97	1,099.05	(13,577.19)	8.08	(3,690.74)	(1,380.83)	10,556.96	(152.13)	(951.68)	0.81	(1,777.00)	7,676.96
Less: Unallocated corporate (income) / expense (net)						(1,380.83)						7,676.96
Segment results (net)												7,676.96
Reconciliation of segment results with profit/(loss) for the year:												
Profit before exceptional items and tax						(1,380.83)						7,676.96
Exceptional items						-						5,604.85
Provision for investment impairment						-						
Profit/(loss) before tax						(1,380.83)						2,072.11
Tax expense						898.06						2,173.84
Profit/(loss) for the year						(2,278.89)						(101.73)
Non-cash items												
Interest income under the effective interest method on security deposits	1.85	1.86	-	-	-	3.71	2.13	0.22	-	-	-	2.35
Allowance for expected credit loss (including bad debts written off)	511.96	-	-	-	-	511.96	495.04	-	-	-	-	495.04
Provision for doubtful advances	-	-	-	-	-	-	-	-	-	-	-	-
Fair value changes on investment in 10% optionally convertible debentures	-	8.59	-	-	(8.59)	-	-	165.00	-	-	(165.00)	-
Interest expense	73.44	-	-	-	-	73.44	78.72	0.15	-	-	-	78.87
Depreciation and amortisation expense	892.52	474.72	5,745.96	-	-	7,116.20	991.12	301.72	2,584.24	-	-	3,877.08





(All amounts are in Rs. lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024					For the year ended 31 March 2023				
	Pesticides and Agrochemicals	Speciality chemicals	CDMO	Others	Total	Pesticides and Agrochemicals	Speciality chemicals	CDMO	Others	Total
<b>Segment assets and liabilities</b>										
Segment assets	1,02,154.51	14,222.93	74,705.88	242.36	1,91,325.67	1,04,778.18	17,237.18	67,326.73	212.22	1,89,554.31
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>1,02,154.51</b>	<b>14,222.93</b>	<b>74,705.88</b>	<b>242.36</b>	<b>1,91,325.67</b>	<b>1,04,778.18</b>	<b>17,237.18</b>	<b>67,326.73</b>	<b>212.22</b>	<b>1,89,554.31</b>
Segment liabilities	53,527.13	5,682.62	64,701.78	24.74	1,23,936.26	47,997.48	5,551.07	67,704.40	210.79	1,21,463.74
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>53,527.13</b>	<b>5,682.62</b>	<b>64,701.78</b>	<b>24.74</b>	<b>1,23,936.26</b>	<b>47,997.48</b>	<b>5,551.07</b>	<b>67,704.40</b>	<b>210.79</b>	<b>1,21,463.74</b>
<b>Capital expenditure during the year</b>	628.77	957.18	5,891.22	2.41	<b>7,479.58</b>	3,296.78	3,539.67	2,871.76	-	<b>9,708.21</b>

(ii) Information about geographical areas

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Revenue from external customers</b>		
Within India	88,452.65	80,087.23
Outside India	52,006.41	36,014.56
<b>Total revenue</b>	<b>1,40,459.06</b>	<b>1,16,101.79</b>

The basis for attributing revenues from external customer is based on the country of domicile of the respective customers.

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Non-current assets*</b>		
Within India	47,384.63	49,047.29
Outside India	56,143.51	49,724.17
<b>Total</b>	<b>1,03,528.14</b>	<b>98,771.46</b>

\* Non-current assets excludes financial assets, investments, deferred tax assets and tax assets amounting Rs. 1,798.70 lakhs (31 March 2023: Rs. 1,332.73 lakhs)

(iii) Information about major customers

Customers that account for more than 10% of the Group's revenues are as follows:

Name of the customer	For the year ended 31 March 2024	For the year ended 31 March 2023
Bayer AG *	36,109.60	27,475.71

\* Indicates more than 10% of revenue of Safex Chemicals (India) Limited. It pertains to CDMO segment.



42 Employee benefits

A. Defined contribution plan

The Group excluding foreign subsidiaries makes contributions towards provident fund to Government administered provident fund scheme and employees' state insurance scheme for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the fund. The Group has recognised the following amounts in the Consolidated Statement of Profit and Loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
- Contribution to employees' provident fund scheme	216.67	186.44
- Contribution to employees' state insurance scheme	9.80	6.43
- Contribution to employees' pension fund scheme	1,045.89	440.62
- Contribution to employees' national insurance scheme	1,254.83	533.57
<b>Total</b>	<b>2,527.19</b>	<b>1,167.06</b>

B. Defined benefit obligations

The Group excluding foreign subsidiaries operates a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days basic salary last drawn for each completed year of service, subject to a maximum of Rs. 20 lakhs, as per Payment of Gratuity Act, 1972. The benefit vests after 5 years of continuous service except in case of death where no vesting conditions apply. The present value of obligation is determined based on an actuarial valuation using the Projected Unit Credit Method. The scheme is managed on unfunded basis.

(a) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Present value of the obligation at the beginning of year	670.59	643.12
Current service cost	106.04	97.91
Interest cost	48.84	40.28
Actuarial loss (gain) arising from:		
- Changes in demographic assumptions	(4.43)	2.45
- Changes in financial assumptions	17.49	(37.95)
- Changes in experience adjustment	(21.88)	(37.30)
Benefits paid	(39.09)	(37.92)
<b>Present value of the obligation at the end of year</b>	<b>777.56</b>	<b>670.59</b>

(b) Changes in the fair value of plan assets are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Fair value of plan assets at the beginning of year	87.48	77.70
Interest income	6.39	5.63
Contributions by the employer	-	7.57
Benefits paid	(13.31)	(2.67)
Actuarial loss (gain) arising from:		
- Return on plan assets, excluding interest income	(1.11)	(0.75)
<b>Fair value of plan assets at the end of year</b>	<b>79.45</b>	<b>87.48</b>

(c) Amount recognised in Consolidated Balance Sheet:

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of defined benefit obligation	777.56	670.59
Fair value of plan assets	79.45	87.48
<b>Plan asset/ (liability)</b>	<b>(698.11)</b>	<b>(583.11)</b>

(d) Expense recognised in the Consolidated Statement of Profit and Loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	106.04	97.91
Net interest cost	42.45	34.65
<b>Total (recognised in "Employee benefits expenses" in note 32)</b>	<b>148.49</b>	<b>132.56</b>

(e) Expense recognised in the Consolidated Other Comprehensive Income:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Actuarial loss (gain) arising from:		
- Changes in demographic assumptions	(4.43)	2.45
- Changes in financial assumptions	17.49	(37.95)
- Changes in experience adjustment	(21.88)	(37.30)
- Return on plan assets, excluding interest income	1.11	0.75
<b>Total gain (recognised in "Other comprehensive income")</b>	<b>(7.71)</b>	<b>(72.05)</b>



**(f) Details of plan assets of Shogun Organics Limited:**

Particulars	As at 31 March 2024	As at 31 March 2023
Investment in Life Corporation of India	100%	100%

**(g) Following are the principal actuarial assumptions used as at the balance sheet date:**

Particular	As at 31 March 2024	As at 31 March 2023
Discount rate	7.10% to 7.15%	7.25% to 7.5%
Salary escalation rate	10% for first three years and 7% thereafter	10% for first three years and 7% thereafter
Retirement age	58 years except 60 years in case of Shogun Organics Limited	58 years except 60 years in case of Shogun Organics Limited
Average remaining working life of the employees(years)	16.15 years to 20.75 years	16.47 years to 26.75 years
Mortality rate	100% of IALM 2012-2014	100% of IALM 2012-2014
Withdrawal rates		
- upto 30 years	3.00% to 32.00%	3.00% to 39.00%
- 31 to 44 years	0.00% to 25.00%	2.00% to 26.00%
- above 44 years	1.00% to 46.00%	1.00% to 41.00%

The estimates of the future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors. The discount rate is based on prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligation.

**(h) Sensitivity analysis**

(i) 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.

Particular	For the year ended 31 March 2024	For the year ended 31 March 2023
Effect of change in discount rate - 1% increase	(33.90)	(28.76)
Effect of change in discount rate - 1% decrease	36.48	31.54
Effect of change in salary increase - 1% increase	34.05	28.24
Effect of change in salary increase - 1% decrease	(30.75)	(26.25)

(ii) Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

**(i) Maturity profile of defined benefit obligation (Undiscounted):**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Within next twelve months	189.60	174.88
Between one to five years	429.26	363.65
Beyond five years	531.18	458.20
	<b>1,150.04</b>	<b>996.73</b>

**(j) Weighted average duration of the obligation**

**3 years to 17 years      3 years to 18 years**

**C. Other long term employee benefits**

The Group excluding foreign subsidiaries provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. During the year ended 31 March 2024, the Group has incurred an expense on compensated absences amounting to Rs. 122.10 lakhs (31 March 2023 : Rs. 131.48 lakhs). The Group determines the expense for compensated absences basis the actuarial valuation of the present value of the obligation, using the Projected Unit Credit Method. The entire amount of the provision is presented as current since the group does not have an unconditional right to defer settlement for any of these obligations.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

43 Related party disclosures

I. Related parties and nature of related party relationships where control exists

A Enterprise which is able to exercise significant influence over the Holding Company

Sarcoline Limited  
PKJ Advisors Private Limited  
Jindal Brothers (Partnership firm)

II. Related parties and nature of related party relationships with whom transactions have taken place

A Key managerial personnel ('KMP')

Mr. Surinder Kumar Chaudhary (Whole Time Director)  
Mr. Rajesh Kumar Jindal (Whole Time Director)  
Mr. Neeraj Kumar Jindal (Whole Time Director)  
Mr. Piyush Jindal (Whole Time Director)  
Mrs. Manju Pathak Khulbe (Company Secretary)  
Mr. Rakesh Bhargava (Director)  
Mrs. Brinda Jagirdar (Director) [retired with effect from 05 April 2023]  
Ms. Vandana Gandhi (Director) [appointed with effect from 01 May 2023]  
Mr. Raghav Ramdev (Director)  
Mr. Raghunathan Hariharan (Director)  
Mr. Mangesh V. Hande (Director)  
Mr. Abhay Kumar Gupta (Chief Executive Officer of Shogun Organics Limited (a wholly owned subsidiary company))  
Mr. Devendra Singh (Whole Time Director) [with effect from 01 February, 2024]  
Mr. Ram Avtar Aggarwal (Whole Time Director) [with effect from 01 February, 2024]

B Relatives of key managerial personnel

Mr. Sahil Chaudhary  
Mrs. Garima Chaudhary  
Mrs. Mehak Chaudhary  
Mrs. Kiran Jindal  
Mr. Ishaan Jindal  
Mrs. Mishika Jindal  
Mrs. Shilpa Jindal  
Mrs. Nivedita Jindal  
Mrs. Veena Jindal  
Mrs. Karishma Jindal  
Mrs. Mehak Singla

III. Transactions with related parties during the year

(i) With key managerial personnel

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Short-term employee benefits paid</b>		
Mr. Surinder Kumar Chaudhary	249.60	199.78
Mr. Rajesh Kumar Jindal	175.20	138.00
Mr. Neeraj Kumar Jindal	175.20	137.78
Mr. Piyush Jindal	175.20	137.78
Mrs. Manju Pathak Khulbe	21.00	18.43
Mr. Mangesh V. Hande	53.17	44.88
Mr. Abhay Kumar Gupta	51.60	44.40
Mr. Devendra Singh	4.16	-
Mr. Ram Avtar Aggarwal	4.58	-
<b>Post-employment benefits</b>		
Mr. Surinder Kumar Chaudhary	0.02	-
Mr. Rajesh Kumar Jindal	0.02	-
Mr. Neeraj Kumar Jindal	0.03	-
Mr. Piyush Jindal	0.20	-
Mrs. Manju Pathak Khulbe	0.52	0.35



Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Other long-term employee benefits</b>		
Mr. Surinder Kumar Chaudhary	-	2.45
Mr. Rajesh Kumar Jindal	-	0.96
Mr. Neeraj Kumar Jindal	-	1.73
Mr. Piyush Jindal	-	2.33
Mrs. Manju Pathak Khulbe	0.95	1.01
Mr. Mangesh V. Hande	1.70	-
Mr. Abhay Kumar Gupta	-	-
<b>Director sitting fees</b>		
Mr. Rakesh Bhargava	4.20	5.40
Mrs. Brinda Jagirdar	0.36	7.60
Mr. Piyush Jindal	12.43	11.59
Ms. Vandana Gandhi	2.80	-
<b>Consultancy fees</b>		
Mr. Raghunathan Hariharan	8.30	37.29
<b>Loan received</b>		
Mr. Piyush Jindal	200.00	-
Mr. Devendra Singh	3.30	-
<b>Loan repaid</b>		
Mr. Piyush Jindal	200.00	-
Mr. Devendra Singh	0.68	-
<b>Interest paid</b>		
Mr. Devendra Singh	0.07	-
<b>Advances given</b>		
Mr. Devendra Singh	4.00	-
<b>Personal guarantees received</b>		
Mr. Surinder Kumar Chaudhary	14,100.00	57,524.03
Mr. Rajesh Kumar Jindal	14,100.00	57,524.03
Mr. Neeraj Kumar Jindal	14,100.00	57,524.03
Mr. Piyush Jindal	14,100.00	57,524.03
<b>Personal guarantees expired (received)</b>		
Mr. Surinder Kumar Chaudhary	-	1,500.00
Mr. Rajesh Kumar Jindal	-	1,500.00
Mr. Neeraj Kumar Jindal	-	1,500.00
Mr. Piyush Jindal	-	1,500.00
<b>Professional Fees (Included in Legal &amp; Professional expenses)</b>		
Mr. Surinder Kumar Chaudhary	48.00	48.00
Mr. Rajesh Kumar Jindal	48.00	48.00
Mr. Neeraj Kumar Jindal	48.00	48.00
Mr. Piyush Jindal	48.00	48.00
<b>Reimbursement of expenses incurred by related party on behalf of company</b>		
Mr. Piyush Jindal	-	0.09
Mr. Mangesh V. Hande	2.92	6.67
Mr. Abhay Kumar Gupta	2.23	0.92



(ii) **With relatives of key managerial personnel**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Short-term employee benefits paid</b>		
Mr. Sahil Chaudhary	21.94	19.94
Mrs. Garima Chaudhary	26.77	24.35
Mrs. Kiran Jindal	9.35	8.50
Mr. Ishaan Jindal	30.54	27.77
Mrs. Shipra Jindal	18.00	-
Ms. Mishika Jindal	10.76	9.78
Mrs. Nivedita Jindal	13.57	12.34
Mrs. Karishma Jindal	13.57	12.34
Mrs. Veena Jindal	34.34	31.22
<b>Post-employment benefits</b>		
Mr. Sahil Chaudhary	0.84	0.59
Mrs. Garima Chaudhary	1.02	0.71
Mr. Ishaan Jindal	1.09	0.78
Mrs. Nivedita Jindal	0.58	0.49
Mrs. Karishma Jindal	0.58	0.49
<b>Other long-term employee benefits</b>		
Mr. Sahil Chaudhary	-	0.21
Mrs. Garima Chaudhary	-	0.25
Mr. Ishaan Jindal	-	0.29
Mrs. Nivedita Jindal	-	0.40
Mrs. Karishma Jindal	-	0.20
Mrs. Kiran Jindal	0.52	-
Mrs. Mishika Jindal	0.62	-
Mrs. Shipra Jindal	0.24	-
<b>Professional Fees (Included in Legal &amp; Professional expenses)</b>		
Mrs. Mehak Singla	11.44	11.44

(iii) **Enterprise which is able to exercise significant influence over the Holding Company**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Advance from customer</b>		
- PKJ Advisors Private Limited	2,760.00	-
<b>Expenditure incurred by related parties on behalf of the Company</b>		
- Jindal Brothers	3.00	-

IV. **Outstanding balances as at year-end**

(i) **Key managerial personnel (KMP)**

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Remuneration payable</b>		
Mr. Surinder Kumar Chaudhary	21.25	12.72
Mr. Rajesh Kumar Jindal	9.27	11.23
Mr. Neeraj Kumar Jindal	18.13	8.44
Mr. Piyush Jindal	19.42	14.53
Mrs. Manju Pathak Khulbe	1.64	0.95
Mr. Mangesh V. Hande	3.01	-
Mr. Abhay Kumar Gupta	3.49	-
Mr. Devendra Singh	1.49	-
Mr. RamAvatar Agarwal	2.21	-
Mrs. Shipra Jindal	0.99	-



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Advances paid</b>		
Mr. Devendra Singh	0.10	-
<b>Director sitting fees payable</b>		
Mr. Rakesh Bhargava	1.44	1.80
Mrs. Brinda Jagirdar	-	1.44
Ms. Vandana Gandhi	0.90	-
<b>Loan payable</b>		
Mr. Devendra Singh	2.63	-
<b>Personal guarantees received</b>		
Mr. Surinder Kumar Chaudhary	93,969.14	78,364.03
Mr. Rajesh Kumar Jindal	93,969.14	78,364.03
Mr. Neeraj Kumar Jindal	93,969.14	78,364.03
Mr. Piyush Jindal	93,969.14	78,364.03
<b>Fees payable</b>		
Mr. Surinder Kumar Chaudhary		
Mr. Rajesh Kumar Jindal	3.66	3.60
Mr. Neeraj Kumar Jindal	3.60	3.60
Mr. Piyush Jindal	3.98	3.60
	4.50	4.32

(ii) **Relatives of directors**

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Remuneration payable</b>		
Mr. Sahil Chaudhary	1.88	0.83
Mrs. Garima Chaudhary	1.72	1.75
Mrs. Kiran Jindal	0.78	0.72
Mr. Ishaan Jindal	4.48	2.00
Ms. Mishika Jindal	0.90	0.75
Mrs. Nivedita Jindal	2.07	0.96
Mrs. Karishma Jindal	2.07	0.96
Mrs. Veena Jindal	2.28	2.06
<b>Fees payable</b>		
Mrs. Mehak Singla	0.86	0.86

(iv) **Enterprise which is able to exercise significant influence over the Holding Company**

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Advance from customer</b>		
- PKJ Advisors Private Limited	2,760.00	-
<b>Other receivable</b>		
- Jindal Brothers	3.00	-

**Note:** All the current year transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured. The Group has not recorded any impairment of receivables relating to amounts owed by related parties as at 31 March 2024 and 31 March 2023.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

44 Financial instruments

A. Financial instruments by category

As at 31 March 2024

Particulars	Financial assets/ liabilities at fair value through profit & loss	Financial assets at fair value through other comprehensive income	Amortised cost	Total carrying value
<b>Financial assets</b>				
Trade receivables	-	-	31,136.86	31,136.86
Cash and cash equivalents	-	-	6,268.13	6,268.13
Other bank balances	-	-	7,132.06	7,132.06
Loans	-	-	77.03	77.03
Other financial assets	-	-	705.53	705.53
<b>Financial liabilities</b>				
Borrowings	-	-	67,708.95	67,708.95
Lease liabilities	-	-	2,341.46	2,341.46
Trade payables	-	-	25,685.82	25,685.82
Other financial liabilities	-	221.73	1,863.44	2,085.17

As at 31 March 2023

Particulars	Financial assets/ liabilities at fair value through profit & loss	Financial assets at fair value through other comprehensive income	Amortised cost	Total carrying value
<b>Financial assets</b>				
Trade receivables	-	-	35,901.79	35,901.79
Cash and cash equivalents	-	-	9,323.63	9,323.63
Other bank balances	-	-	5,021.09	5,021.09
Loans	-	-	67.75	67.75
Other financial assets	-	-	795.32	795.32
<b>Financial liabilities</b>				
Borrowings	-	-	68,021.79	68,021.79
Lease liabilities	-	-	934.64	934.64
Trade payables	-	-	25,373.21	25,373.21
Other financial liabilities	-	814.78	2,001.91	2,816.69

B. Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in the consolidated financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard 113 (fair value measurement).

**Valuation technique and significant unobservable inputs used to determine fair value**

- Fair value of cash and bank balances, trade receivables, short-term borrowings (excluding CCD), loans, and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of non current borrowings are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.



45 **Financial risk management**

**Risk management framework**

The Holding Company's board of directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors have established the processes to ensure that the executive management controls risks through a defined 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 by the Board of Directors annually to reflect changes in market conditions and the Group's activities.

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

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

a **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 resulting in a financial loss to the Group. Credit risk arises principally from the Group's receivables from customers, loans, advances, security deposits, cash and cash equivalents and bank deposits. The carrying amount of financial assets represents the maximum credit exposure. The Group monitors credit risk very closely. The management's impact analysis shows credit risk and impact assessment as low.

**Trade 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 in which customers operate.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes market check, industry feedback, past financial information and external ratings, if they are available. Sale limits are established for each customer and reviewed annually.

The Group establishes an allowance for impairment that represents its allowance for expected credit losses in respect of external trade and other receivables. The management uses a simplified approach for the purpose of computation of allowance for expected credit loss for trade receivables.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - age of customer relationship and type of customer (group and non group). Loss rates are based on actual credit loss experience over the past three years.

In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties, past history of collections, etc.

During the year, the Group has made write-offs of trade receivables of Rs. 386.57 lakhs (31 March 2023: Rs. 341.92 lakhs) and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Group's management pursues all legal option for recovery of dues, wherever necessary, based on its internal assessment.

**Movement in allowance for expected credit loss**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Balance at the beginning of the year</b>	1,218.89	1,065.77
Add: Provided during the year (including bad debts written off)	511.96	495.04
Less: Utilisation during the year	(386.57)	(341.92)
<b>Balance at the end of the year</b>	<b>1,344.28</b>	<b>1,218.89</b>

The following table gives the age-wise outstanding and allowance for expected credit loss on external trade receivables:

Particulars	Gross carrying amount	Weighted-average loss rate	Loss allowance
<b>As at 31 March 2024</b>			
Not due	12,476.14	0.69%	86.38
1-90 days	9,088.11	1.34%	122.22
91-180 days	8,443.81	3.32%	280.45
181-270 days	1,100.80	9.32%	102.58
271-365 days	115.48	19.30%	22.28
365-455 days	212.36	31.42%	66.73
456-545 days	300.43	40.82%	122.62
546-635 days	103.46	46.76%	48.38
636-730 days	72.51	50.51%	36.62
more than 730 days	568.04	80.28%	456.02
<b>Total</b>	<b>32,481.14</b>		<b>1,344.28</b>



(All amounts are in Rs. lakhs, unless otherwise stated)

Particulars	Gross carrying amount	Weighted-average loss rate	Loss allowance
<b>As at 31 March 2023</b>			
Not due	17,804.73	0.50%	89.75
1-90 days	9,089.54	1.26%	114.25
91-180 days	7,767.66	3.17%	246.21
181-270 days	1,010.70	9.23%	93.29
271-365 days	189.84	18.77%	35.63
365-455 days	312.47	31.61%	98.79
456-545 days	383.40	41.21%	158.00
546-635 days	109.55	46.67%	51.12
636-730 days	94.74	53.00%	50.21
more than 730 days	358.05	78.66%	281.64
<b>Total</b>	<b>37,120.68</b>		<b>1,218.89</b>

#### Financial guarantees

The Holding Company and its subsidiaries provides financial guarantees to banks in respect of credit facilities availed by the group entities from banks to cover the loss on the credit extended to group entities.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

The Holding Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual entities within the group, and by monitoring exposures in relation to such limits. It is the responsibility of the Board of directors to review and manage credit risk.

The Holding Company has, based on current available information and based on the policy approved by the Board of Directors, calculated impairment loss allowance using the Expected Credit Loss (ECL) model to cover the guarantees provided to banks.

The Group has assessed the credit risk associated with its financial guarantee contracts for allowance for Expected Credit Loss (ECL) as at the respective year end. The Group makes use of various reasonable supportive forward-looking parameters which are both qualitative as well as quantitative while determining the change in credit risk and the probability of default.

I. Probability of Default (PD): represents the likelihood of default over a defined time horizon. The definition of PD is taken as 90 days past due for all loans.

II. Exposure at Default (EAD): represents what is the user's likely borrowing at the time of default.

III. Loss Given Default (LGD): represents expected losses on EAD given the event of default.

Each financial guarantee contract is classified into (a) Stage 1, (b) Stage 2 and (c) Stage 3 (Default or Credit Impaired). Delinquency buckets have been considered as the basis for the staging of all credit exposure under the guarantee contract in the following manner:

Category	Description	Basis for recognising ECL
Stage 1	The group entity has a low risk of default and does not have any past due amounts	12-month ECL
Stage 2	Amount is greater than 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit impaired
Stage 3	Amount is greater than 90 days past due or there has been significant increase in credit risk since initial recognition and is credit impaired	Lifetime ECL - credit impaired

The Group's maximum exposure relating to financial guarantees is Rs. 1,33,492.89 lakhs (31 March 2023 : Rs. 99,335.63 lakhs). In addition to this, the Holding Company has given exclusive charge over properties at 708, Jacksons Crown Heights, Plot No. 3B1, Twin District Centre, Sector-10, Rohini, Delhi-110085, and Unit No. 409, 4th Floor, Plot no. 5, D-1, 2 & 3, Netaji Subhash place, Delhi-110034 to banks in respect of credit facilities obtained by its subsidiaries, viz. Indo Swiss Chemicals Limited and Smith N Smith Chemicals Limited. In addition to this, Shogun Organics Limited has given exclusive charge over industrial property at - plot No. D18, Kurkumbh, MIDC Area, Kurkumbh, Tal Daund, Dist. Pune, Maharashtra - 413 802 to banks in respect of credit facilities obtained by its fellow subsidiaries, viz. Indo Swiss Chemicals Limited and Smith N Smith Chemicals Limited.

Considering the creditworthiness of entities within the group in respect of which financial guarantees have been given to banks, the management believes that the group entities have a low risk of default and do not have any amounts past due. Accordingly, no allowance for expected credit loss needs to be recognised as at respective year end.

#### b 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 fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out in accordance with practice and limits set by the Group. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates.



**Financing arrangement**

The Group had access to the following undrawn borrowing facilities at the end of the reporting year:

Particulars	As at 31 March 2024	As at 31 March 2023
From banks	27,153.27	13,440.89
<b>Total</b>	<b>27,153.27</b>	<b>13,440.89</b>

**Maturity profile of financial liabilities**

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments (excluding transaction cost on borrowings).

Financial liabilities	Carrying amount	Contractual cash flows				
		Total	0-1 year	1-2 years	2-5 years	Above 5 years
<b>As at 31 March 2024</b>						
Lease liabilities	2,341.46	49,791.83	365.80	353.49	1,089.97	47,982.57
Borrowings	67,708.95	69,234.64	22,345.39	16,104.58	30,784.67	-
Trade payables	25,685.82	25,685.83	25,685.82	-	-	-
Other financial liabilities	2,085.17	2,085.17	2,077.61	3.56	-	4.00
<b>Total</b>	<b>97,821.40</b>	<b>1,46,797.47</b>	<b>50,474.62</b>	<b>16,461.63</b>	<b>31,874.64</b>	<b>47,986.57</b>

Financial liabilities	Carrying amount	Contractual cash flows				
		Total	0-1 year	1-2 years	2-5 years	Above 5 years
<b>As at 31 March 2023</b>						
Lease liabilities	934.64	48,171.10	194.12	155.18	437.71	47,384.09
Borrowings	68,021.79	70,923.77	26,436.32	9,075.83	4,676.60	30,735.02
Trade payables	25,373.21	25,373.21	25,372.88	0.33	-	-
Other financial liabilities	2,816.69	2,816.69	2,802.42	6.71	3.56	4.00
<b>Total</b>	<b>97,146.33</b>	<b>1,47,284.77</b>	<b>54,805.74</b>	<b>9,238.05</b>	<b>5,117.87</b>	<b>78,123.11</b>

**Corporate guarantee given by the Group to banks in respect of credit facilities availed by:**

Particulars	As at 31 March 2024	As at 31 March 2023
- Safex Chemicals (India) Limited	28,580.17	19,000.00
- Indo Swiss Chemicals Limited	11,500.00	9,500.00
- Smith N Smith Chemicals Limited	7,640.00	5,940.00
- Shogun Organics Limited	12,000.00	12,000.00
- Shogun Lifesciences Private Limited	1,000.00	-
- Him Bio Agro	400.00	400.00
- Best Crop Science	13,671.60	7,671.60
- Safex Holdings UK Limited (GBP 44 Millions)	50,014.41	44,824.03
- Briar Chemicals limited (GBP 8.25 millions)	8,686.71	-
<b>Total</b>	<b>1,33,492.89</b>	<b>99,335.63</b>

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include trade payables, trade receivables, borrowings, etc. The Group monitors the margins basis which prices are revised as and when considered necessary.

**(i) Foreign currency risk**

The Group is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (Rs.). The risk is measured through a forecast of highly probable foreign currency cash flows.

The summary of quantitative data about the Group's exposure (Unhedged) to currency risk as reported to the management of the Group is as follows:

Particulars of unhedged foreign currency exposure as at the reporting date	As at 31 March 2024	As at 31 March 2023
Trade payables (Rs. In lakhs) *	2,373.13	2,553.17
Trade payables (USD in lakhs)	13.27	30.89
Trade payables (GBP in lakhs)	15.20	0.15
Trade receivables (Rs. In lakhs) *	133.78	39.57
Trade receivables (USD in lakhs)	1.60	0.48
Borrowing from a bank (Rs. In lakhs)	4,595.48	5,026.58
Borrowing from a bank (GBP In lakhs) including interest	46.47	49.34

\* Represents value in Indian currency against balance outstanding in foreign currency.



(b) The following significant exchange rates have been applied

Particulars	As at	As at
	31 March 2024	31 March 2023
INR / USD	83.37	82.18
INR / GBP	105.29	101.87

(c) Sensitivity analysis

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	%	Year	Profit/ (loss)		Equity (net of tax)	
			Increase	Decrease	Increase	Decrease
USD	9%	As at 31 March 2024	(19.44)	19.44	(14.55)	14.55
GBP	2%	As at 31 March 2024	(194.78)	194.78	(145.76)	145.76
USD	9%	As at 31 March 2023	(209.99)	209.99	(157.14)	157.14
GBP	2%	As at 31 March 2023	(228.43)	228.43	(170.94)	170.94

(ii) Interest rate risk

Interest rate risk is the risk that future cash flows of financial instruments will fluctuate because of change in market interest rates. The interest rate profile of the Subsidiary Company namely Shogun Organics Limited interest bearing financial instruments is as follows:

Particulars	As at	As at
	31 March 2024	31 March 2023
- Term loan from Standard Chartered Bank	1,500.00	2,000.00
- Cash Credit Facility by Standard Chartered Bank	-	425.26
<b>Total</b>	<b>1,500.00</b>	<b>2,425.26</b>

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Subsidiary Company namely Shogun Organics Limited profit before tax and equity, net of tax is affected through the impact on floating rate

Particulars	Increase/ decrease in basis points	Effect on profit before tax	Effect on Equity, net of tax
As at 31 March 2024	50 basis points	7.50	5.61
As at 31 March 2023	50 basis points	12.13	9.07



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024



(All amounts are in Rs. lakhs, unless otherwise stated)

46 Other statutory information

i The Group does not have any transactions with companies struck off except as mentioned below:

Name of struck off company	Nature of transactions with struck off company	Balance outstanding as at 31 March 2024	Balance outstanding as at 31 March 2023	Relationship with the Struck off company, if any, to be disclosed
Yousufina Crop & Fish Care (OPC) Private Limited	Trade receivable	0.05	3.16	None

- ii The Group has not traded or invested in Crypto currency or Virtual Currency during the year.
- iii 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).
- iv The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- v The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period except in case of a subsidiary company namely Shogun Lifesciences Private Limited, where its freehold land is mortgaged to the bank for the external commercial borrowings taken by the Holding Company for which charge is yet to be filed with the Registrar of Companies, Ministry of Corporate Affairs.
- vi The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) 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
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- viii The title deeds/legal ownership of immovable properties including the leased properties as disclosed in the consolidated financial statements are held in the name of the Group.
- ix The Group has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- x The Holding Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

- 47 Disclosures relating to dues of micro and small enterprises as defined under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), to the extent information available with the Group.

Particulars	As at 31 March 2024	As at 31 March 2023
The amounts remaining unpaid to any supplier as at the end of each accounting year :		
- Principal	955.30	498.02
- Interest due on above	6.16	25.02
The amount of interest paid by the buyer under MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
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 the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	31.18	-
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 section 23 of the MSMED Act	6.16	-

48 **Capital management**

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Group's capital management is to maximize the shareholder value. The Group's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Group's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Group also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended 31 March 2024 and 31 March 2023.

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and short term deposits. The Group monitors capital using gearing ratio, which is net debt divided by total capital as under:

The Group monitors capital using gearing ratio, which is net debt (total borrowings net of cash and cash equivalents) divided by total equity (as shown in the balance sheet) as under. The gearing ratio is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings	67,708.95	68,021.79
Less : Cash and cash equivalents	6,268.13	9,323.63
<b>Net debt</b>	<b>61,440.81</b>	<b>58,698.16</b>
Equity share capital	1,605.86	1,605.86
Other equity	65,783.55	66,484.71
<b>Total capital</b>	<b>67,389.41</b>	<b>68,090.57</b>
<b>Gearing ratio</b>	<b>0.91</b>	<b>0.86</b>

- 49 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Holding Company and its subsidiaries, which are companies incorporated in India and audited under the Act, use an accounting software for maintaining its books of account. During the year ended 31 March 2024, the Holding Company and the said subsidiaries have enabled audit trail (edit log) at the application level for all relevant transactions recorded in the accounting software and the same has operated throughout the year. However, the audit trail feature was not enabled at the database level for the said accounting software to log any direct data changes.



50 Additional information, as required under schedule III to the companies Act, 2013, of enterprises consolidated as subsidiaries :

Name of the entity in the Group	As at 31 March 2024						As at 31 March 2023										
	Net Assets i.e. Total Asset less Total Liabilities		Share in Profit/ (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income		Net Assets i.e. Total Asset less Total Liabilities		Share in Profit/ (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income		
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/ (Loss)	Amount	As % of Consolidated Other comprehensive income	Amount	As % of Consolidated Total comprehensive income	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/ (Loss)	Amount	As % of Consolidated Other comprehensive income	Amount	As % of Consolidated Total comprehensive income	Amount	
<b>(a) Holding Company</b>																	
Safex Chemicals (India) Limited	104.06%	70,122.35	225.23%	5,132.79	0.04%	0.61	732.13%	5,133.40	95.44%	64,988.98	2271.85%	2,311.14	1.08%	27.32	96.32%	2,338.46	
<b>(b) Subsidiary Companies</b>																	
Indo Swiss Chemicals Limited	8.13%	5,479.37	64.71%	1,474.70	0.14%	2.22	210.64%	1,476.92	5.88%	4,002.47	848.29%	862.96	0.19%	4.68	35.74%	867.64	
Smith N Smith Chemicals Limited	4.04%	2,725.35	19.11%	435.58	-0.05%	(0.79)	62.01%	434.79	3.36%	2,290.53	442.07%	449.71	0.40%	10.17	18.94%	459.88	
Himbio Agro	1.38%	932.00	9.54%	217.45	-0.03%	(0.50)	30.94%	216.95	0.95%	650.08	153.72%	156.38	0.01%	0.24	6.45%	156.62	
JayCee LifeSciences	5.91%	3,985.71	102.69%	2,340.24	0.05%	0.84	333.89%	2,341.08	3.80%	2,588.75	1520.05%	1,546.34	0.01%	0.30	63.71%	1,546.64	
Shogun Lifesciences Private Limited	-1.51%	(1,084.45)	-16.24%	(370.13)	-0.02%	(0.33)	-52.84%	(370.46)	-1.05%	(714.00)	-402.86%	(409.83)	0.00%	(0.12)	-16.89%	(409.95)	
Shogun Organics Limited	12.69%	8,548.50	35.98%	819.84	0.22%	3.49	117.42%	823.33	15.56%	10,597.59	311.01%	316.39	0.44%	11.22	13.49%	327.61	
Agrare Technologies Private Limited	0.01%	7.63	0.27%	6.10	0.01%	0.10	0.88%	6.20	0.00%	1.44	0.59%	0.60	0.00%	-	0.02%	0.60	
Safex Holdings UK limited	0.36	24,458.30	-475.63%	(10,839.11)	61.56%	971.26	-1407.36%	(9,867.85)	50.41%	34,326.07	-1245.39%	(1,266.91)	128.64%	3,253.96	81.85%	1,987.05	
Consolidation Adjustments	-70.91%	(47,785.35)	-65.66%	(1,496.36)	38.08%	600.83	-127.72%	(895.52)	-74.37%	(50,641.34)	-3999.35%	(4,068.51)	-30.77%	(778.23)	-199.63%	(4,846.74)	
<b>Net Assets (excluding Non Controlling Interest) / Profit After Tax</b>	<b>100.00%</b>	<b>67,389.41</b>	<b>100.00%</b>	<b>(2,278.89)</b>	<b>100.00%</b>	<b>1,577.73</b>	<b>100.00%</b>	<b>(701.16)</b>	<b>100.00%</b>	<b>68,090.57</b>	<b>100.00%</b>	<b>(101.73)</b>	<b>100.00%</b>	<b>2,529.54</b>	<b>100.00%</b>	<b>2,427.81</b>	



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Rs. lakhs, unless otherwise stated)

51 Material subsequent events occurring after Balance Sheet date

An incident took place at Briar Chemicals Limited site involving an external delivery driver on 14th May 2024. This incident is still under investigation with our insurers and other appropriate organisations.

This is a are non-adjusting events.

52 Previous period/ year figures have been regrouped/ reclassified, where necessary, to conform to the current period's classification. The impact of such reclassification/ regrouping is not material to the consolidated financial statements.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/NS00013

Ashish Gera

Partner

Membership No.: 508685

Place : New Delhi

Date : 02 September 2024



For and on behalf of the Board of Directors of  
Safex Chemicals (India) Limited

Surinder Kumar Chaudhary

Whole Time Director

DIN: 00263756

Piyush Jindal

Whole Time Director and  
Chief Financial Officer

DIN:06515285

Place : New Delhi

Date : 02 September 2024



Neeraj Kumar Jindal

Whole Time Director

DIN: 03473376



Manju Pathak Khulbe

Company Secretary

Membership No. : A22770