INDEPENDENT AUDITOR'S REPORT

To the Members of Hikal Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Hikal Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising the consolidated Balance sheet as at March 31 2025, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on separate financial statements and on the other financial information of a subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2025, its consolidated profit including other comprehensive loss, its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 53(A)(ii) to the Consolidated Financial Statements, as regards the uncertainty regarding outcome of ongoing investigations / actions by statutory authorities in relation to alleged non-compliance with certain environmental laws and regulations. As the matter is currently pending with the Hon'ble Supreme Court of India, no further adjustments including consequential effects thereof are considered necessary in this Consolidated Financial Statements. Our opinion is not modified in respect of the aforesaid matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year ended 31 March 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matter	How our audit addressed the key audit matter
Revenue recognition based on contracts with customers (as described in note 3.2 and 33 of the consolidated financial statements)	
The Group recognizes revenue when control of the goods is transferred to the customers at an amount that reflects the consideration, which the Group is entitled to receive for those goods from customers. Revenue from sale of products is recognised based on terms and conditions, which vary amongst different customer contracts. There is a risk of revenue being overstated on account of variation in the timing of transfer of control and due to the pressure management may feel to achieve performance targets at the reporting period-end. The recognition and measurement of such revenue is also based on the terms of sales arrangement/contracts, which involves management judgement and estimation in respect of price adjustments that create complexities for determining sales revenues. Considering the above factors and the risk associated with recognition of such revenue, we have determined the same to be a key audit matter.	As part of our audit procedures, we: • Read the Group's accounting policy for revenue recognition and assessed its compliance with Ind AS 115 'Revenue from Contracts with Customers'; • Assessed the design and tested the operating effectiveness of internal financial controls related to sale of goods; • Performed sample tests of individual sales transactions and price adjustments and traced to sales invoices, sales orders, shipping documents and debit / credit notes. • Selected sample of sales transactions made pre and post year-end, agreed the period of revenue recognition to underlying documents such as sales invoices, sales orders and shipping documents; • Read and assessed the relevant disclosures made within the consolidated financial statements.

Other Information

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

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

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

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

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended 31 March 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of Rs. Nil as at 31 March 2025, and total revenues of Rs. Nil and net cash flow of Rs. Nil for the year ended on that date. These financial statements and other financial information have been audited by another auditor, which financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of one subsidiary whose financial statements and other financial information reflect total assets of Rs 8.71 million as at 31 March 2025, and total revenues of Rs 75.29 million and net cash outflow of Rs 0.57 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

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

   (a) We/the other auditor whose report we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and report of the other auditor except for the matters stated in the paragraph j(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;

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

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

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

(f) On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies incorporated in India, are disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above and paragraph j(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;

(h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and a subsidiary incorporated in India, and the operating effectiveness of such controls, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of such subsidiary, and to the extent applicable, as noted in the 'Other Matter' paragraph, refer to our separate Report in "Annexure 2" to this report;

(i) In our opinion and based on the consideration of report of other statutory auditor of a subsidiary incorporated in India, the managerial remuneration for the year ended 31 March 2025 has been paid / provided by the Holding Company and its subsidiary incorporated in India, to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and also the other financial information of the subsidiary, as noted in the 'Other Matter' paragraph:

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

ii The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31 March 2025;

iii There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary, incorporated in India during the year ended 31 March 2025.

iv a) The respective managements of the Holding Company and its subsidiary incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditor of the subsidiary that, to the best of its knowledge and belief, as disclosed in the note 62 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or such subsidiary to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of its knowledge and belief, as disclosed in the note 63 to the consolidated financial statements, no funds have been received by the respective Holding Company or such subsidiary from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

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

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

As stated in note 20C to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi Based on our examination which included test checks, the Holding Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, as described in note 65 to the consolidated financial statements, the audit trail feature is not enabled for changes made (if any), by users with privileged / administrative access rights for the period from 13 August 2024 to 21 February 2025 and for direct changes to data when using certain access rights in respect of the Oracle application. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where the audit trail feature has been enabled. Additionally, the audit trail of the prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

We further report based on the report of the auditor of a subsidiary, being a company incorporated in India and whose financial statements have been audited under the Act, the subsidiary has used accounting software for maintaining its books of account for the financial year ended 31 March 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during their audit they did not come across any instance of the audit trail feature being tampered with and the audit trail feature has been preserved by the Subsidiary as per the statutory requirements for record retention.

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

per **Vinayak Pujare**
Partner
Membership Number: 101143
UDIN: 25101143BMSBZS5122

Place of Signature: Mumbai
Date: 14 May 2025

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

Re: Hikal Limited ('the Company')

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

(xxi) Qualifications or adverse remarks by us in the Companies (Auditors Report) Order ('CARO') report of the Company included in the consolidated financial statements is:

S.No	Name	CIN	Holding company/ Subsidiary	Clause number of the CARO report which is qualified or is adverse
1	Hikal Limited	L24200MH1988PTC048028	Holding Company	(vii)(a)

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

per **Vinayak Pujare**
Partner
Membership Number: 101143
UDIN: 25101143BMSBZS5122

Place of Signature: Mumbai
Date: 14 May 2025

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

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

In conjunction with our audit of the consolidated financial statements of Hikal Limited (hereinafter referred to as the "Holding Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to consolidated financial statements of Hikal Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

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

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

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have maintained in all material respects, adequate internal financial controls with reference to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating effectively as at 31 March2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

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

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

per **Vinayak Pujare**
Partner
Membership Number: 101143
UDIN: 25101143BMSBZS5122

Place of Signature: Mumbai
Date: 14 May 2025

Consolidated Balance Sheet

As at 31 March 2025

(Currency: Indian Rupees in million)

	Note	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	4	**12,934**	9,959
Capital work-in-progress	4	**1,212**	4,143
Right of use assets	5	**633**	646
Other intangible assets	6	**78**	101
Financial Assets			
Investments	7	**95**	54
Loans	8	**3**	3
Others	9	**212**	160
Income tax assets (net)	10	**25**	20
Other non-current assets	11	**143**	119
Total non-current assets		**15,335**	**15,205**
Current assets			
Inventories	12	**3,345**	3,037
Financial Assets			
Trade receivables	13	**5,224**	5,503
Cash and cash equivalents	14	**130**	127
Bank balances other than cash and cash equivalents	15	**50**	82
Loans	16	**5**	5
Others	17	**655**	137
Other current assets	18	**545**	775
Total current assets		**9,954**	**9,666**
Total assets		**25,289**	**24,871**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	**247**	247
Other equity	20	**12,376**	11,630
Total equity		**12,623**	**11,877**
Liabilities			
Non-current liabilities			
Financial Liabilities:			
Borrowings	21	**3,672**	4,229
Lease liability	22	**24**	26
Provisions	23	**157**	280
Deferred tax liabilities (net)	24	**325**	300
Other liabilities	25	**593**	593
Total non-current liabilities		**4,771**	**5,428**
Current liabilities			
Financial liabilities:			
Borrowings	26	**3,949**	3,919
Lease liability	27	**2**	2
Trade payables	28		
Total outstanding dues of Micro Enterprises and Small Enterprises		**183**	261
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		**2,858**	2,527
Other financial liabilities	29	**446**	408
Other current liabilities	30	**157**	285
Provisions	31	**173**	44
Income tax liabilities (net)	32	**127**	120
Total current liabilities		**7,895**	**7,566**
Total liabilities		**12,666**	**12,994**
Total equity and liabilities		**25,289**	**24,871**

Material accounting policies 1-3

Accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

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

per Vinayak Pujare
Partner
Membership No: 101143

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

Jai Hiremath
Executive Chairman
DIN: 00062203

Sameer Hiremath
Vice Chairman and Managing Director
DIN: 00062129

Ramachandra Kaundinya Vinnakota
Director
DIN - 00043067

Kuldeep Jain
Chief Financial Officer

Rajasekhar Reddy
Company Secretary

Mumbai
14 May 2025

Mumbai
14 May 2025

Mumbai
14 May 2025

Mumbai
14 May 2025

Consolidated Statement of Profit and Loss

For the year ended 31 March 2025

(Currency: Indian Rupees in million)

	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
Income			
Revenue from operations	33	**18,598**	17,846
Other income	34	**50**	25
Total income		**18,648**	**17,871**
Expenses			
Cost of materials consumed	35	**8,827**	8,052
Changes in inventories of finished goods and work-in-progress	36	**(454)**	195
Employee benefit expenses	37	**2,471**	2,465
Finance costs	38	**752**	564
Depreciation and amortisation expense	39	**1,344**	1,176
Other expenses	40	**4,470**	4,464
Total expenses		**17,410**	**16,916**
Profit before tax		**1,238**	**955**
Tax expense			
Current tax	41	**300**	284
Deferred tax	42	**30**	(25)
Total tax expense		**330**	**259**
Profit for the year (Attributable to Equity holders of the parent)		**908**	696
Other comprehensive income (OCI)			
(i) Items that will not be reclassified to consolidated statement of profit and loss			
Loss on remeasurement of defined employee benefit plans		**(19)**	(8)
Income Tax Effect		**5**	2
Gain on change in fair values of investments in equity shares carried at fair value through OCI		**0**	0
Income Tax Effect		**0**	(0)
Other comprehensive loss for the year, (net of income tax)		**(14)**	(6)
Total comprehensive income for the year (Attributable to Equity holders of the parent)		**894**	**690**
Earnings per equity share (for nominal value per equity share of ₹ 2)			
Basic and Diluted	43	**7.36**	5.64

Material accounting policies 1-3

The notes referred to above form an integral part of Consolidated Financial Statements.

As per our report of even date attached

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

per Vinayak Pujare
Partner
Membership No: 101143

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

Jai Hiremath
Executive Chairman
DIN: 00062203

Sameer Hiremath
Vice Chairman and Managing Director
DIN: 00062129

Ramachandra Kaundinya Vinnakota
Director
DIN - 00043067

Kuldeep Jain
Chief Financial Officer

Rajasekhar Reddy
Company Secretary

Mumbai
14 May 2025

Mumbai
14 May 2025

Mumbai
14 May 2025

Mumbai
14 May 2025

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

(Currency: Indian Rupees in million)

(a) Equity share capital

	No of shares	Amount
Balance as at 1 April 2023	123	247
Changes in equity share capital during financial year 2023-24	-	-
Balance as at 31 March 2024	**123**	**247**
Changes in equity share capital during financial year 2024-25	-	-
Balance as at 31 March 2025	**123**	**247**

(b) Other equity

	Reserve and Surplus							
	Capital reserve	Capital redemption reserve	Securities premium	State subsidy	Contin-gency reserve	General reserve	Retained earnings	Equity investments through other comprehensive income
Balance as at 1 April 2023	0	510	381	6	30	1,780	8,384	(2)
Total comprehensive income for the year ended 31 March 2024								
Profit for the year	-	-	-	-	-	-	696	-
Items of OCI for the year, net of tax								
Loss on remeasurement of defined employee benefit plans	-	-	-	-	-	-	(7)	-
Gain on change in fair values of investments in equity shares carried at fair value through OCI	-	-	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**689**	**-**
Transaction with equity holders in their capacity as owners, recorded directly in equity								
Dividend	-	-	-	-	-	-	(148)	-
Balance as at 31 March 2024	**0**	**510**	**381**	**6**	**30**	**1,780**	**8,925**	**(2)**
Total comprehensive income for the year ended 31 March 2025								
Profit for the year	-	-	-	-	-	-	908	-
Items of OCI for the year, net of tax								
Loss on remeasurement of defined employee benefit plans	-	-	-	-	-	-	(14)	-
Gain on change in fair values of investments in equity shares carried at fair value through OCI	-	-	-	-	-	-	-	(0)
Total comprehensive income	-	-	-	-	-	-	894	(0)
Transaction with owners in their capacity as owners, recorded directly in equity								
Dividends	-	-	-	-	-	-	(148)	-
Balance as at 31 March 2025	**0**	**510**	**381**	**6**	**30**	**1,780**	**9,671**	**(2)**

For the purpose of reserve, refer note 20 (B)
Material accounting policies, refer note 1-3
The notes referred to above form an integral part of Consolidated Financial Statements.

As per our report of even date attached
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

per Vinayak Pujare
Partner
Membership No: 101143

For and on behalf of the Board of Directors of
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Consolidated Cash Flow Statement

For the year ended 31 March 2025

(Currency: Indian Rupees in million)

	For the year ended 31 March 2025		For the year ended 31 March 2024	
A. Cash flow from operating activities				
Profit before tax		**1,238**		**955**
Adjustments:				
Depreciation and amortisation	1,344		1,176	
Dividend on long-term investments	-		(0)	
Finance costs	752		564	
Interest income	(7)		(17)	
(Gain) on sale of property, plant and equipment	(1)		(2)	
Sundry balances written off / (back)	6		(2)	
Provision for doubtful debts/advances	30		21	
Provision / Write off of inventory	17		20	
Profit on sale of investment	(4)		(4)	
Unrealised foreign exchange loss/(gain)	14		(7)	
		2,151		1,749
Operating cash flow before working capital changes		**3,389**		**2,704**
Decrease / (Increase) in trade receivables	235		(1,098)	
(Increase) / Decrease in loans, other assets and other financial assets	(350)		573	
(Increase) / Decrease in inventories	(324)		110	
Increase / (Decrease) in trade payables	252		(342)	
(Decrease) / Increase in provisions,other financial liabilities and other liabilities	(100)		223	
		(287)		(534)
Cash generated from operations		**3,102**		**2,170**
Income tax paid		(298)		(303)
Net cash flows generated from operating activities (A)		**2,804**		**1,867**
B. Cash flow from investing activities				
Purchase of property, plant and equipment and intangible assets	(1,373)		(2,042)	
Proceeds from sale of property, plant and equipment	9		2	
Purchase of non current investment	(41)		-	
Proceeds from sale of investment	4		4	
Dividend on long-term investments	-		0	
Interest received	7		19	
Decrease in other bank balances (includes margin money account)	29		280	
Net cash flows (used in) investing activities (B)		**(1,365)**		**(1,737)**
C. Cash flow from financing activities				
Proceeds from long-term borrowings	750		350	
Repayment of long-term borrowings	(1,033)		(837)	
(Repayments of) /proceeds from short-term borrowings (net)	(252)		1,152	
Finance costs paid	(750)		(784)	
Payment of lease liability	(3)		(3)	
Dividend paid on equity shares	(148)		(148)	
Net cash flows (used in) financing activities (C)		**(1,436)**		**(270)**

Consolidated Cash Flow Statement

For the year ended 31 March 2025

(Currency: Indian Rupees in million)

	For the year ended 31 March 2025	For the year ended 31 March 2024
Net (decrease) / increase in cash and cash equivalents (A+B+C)	3	(140)
Cash and cash equivalents at the beginning of the year, the components being		
Cash on hand	1	2
Balances with banks		
- Current accounts	122	260
- Deposits accounts (having original maturity of 3 months or less)	4	5
	127	**267**
Cash and cash equivalents at the end of the year, the components being		
Cash on hand	1	1
Balances with banks		
- Current accounts	128	122
- Deposits accounts (having original maturity of 3 months or less)	1	4
	130	**127**
Net (decrease) / increase as disclosed above	**3**	**(140)**

Notes to the cash flow statement

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

2 For changes in liability arising from financing activity refer note 21

Material accounting policies, refer note 1-3

The notes referred to above form an integral part of Consolidated Financial Statements.

As per our report of even date attached
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

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

per Vinayak Pujare
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Mumbai
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Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

(Currency: Indian Rupees in million)

1(a) Group Overview

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

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

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

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

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

1(b) Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) as amedned from time to time. The consolidated financial statements for the year ended 31 March 2025 were approved by the Board of Directors and authorised for issue on 14 May, 2025.

2 Material accounting policies

2.1 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is based on the consideration given in exchange for goods and services. 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. All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act. These financial statements have been prepared on accrual and going concern basis.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian rupees, which is also the Group's functional currency. All amounts have been rounded off to two decimal places to the nearest million, unless otherwise indicated. The figures mentioned as '0' in the financial statements denote amounts less than 0.5 million.

2.3 Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities (including Fair value derivatives instruments)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

2.4 Use of estimates and judgements

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

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

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

a. Property, plant and equipment

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

b. Recognition and measurement of defined benefit obligations

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

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

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

d. Allowances for inventories

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

e. Recognition of deferred tax assets

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

2.5 Measurement of fair values

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

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

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

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

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

3 Material accounting policies

3.1 Basis of Consolidation

i. Subsidiary

Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

ii. Consolidation Procedure

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in reparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

(Currency: Indian Rupees in million)

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

The procedure followed is as follows:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

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

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

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

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

Name	Relationship	Country of incorp-oration	Ownership Interest	
			31 March 2025	31 March 2024
Acoris Research Limited	Subsidiary	India	100%	100%
Hikal LLC	Subsidiary	USA	100%	100%

3.2 Revenue from contract with customer

Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery. Revenue is measured based on the transaction price, which is the consideration, adjusted for rebates and discounts, price adjustments and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Due to short nature of credit period given to customers there is no financing component in the contract.

Sale of Services

Revenue from development and other services are recognised over time because the customer simultaneously receives and consumes the benefits provided to them. The Group uses an input method in measuring progress of the services because there is a direct relationship between the Group effort (i.e., based on the labour hours incurred, raw material consumed) and the transfer of service to the customer. The Group recognises revenue on the basis of the labour hours expended and raw material consumed relative to the total expected labour hours and raw material consumption to complete the service.

Export entitlements

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

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transfering 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.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. 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).

3.3 Other Income

i Interest Income

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

ii Dividend Income

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

3.4 Foreign currency

Transactions in foreign currencies are translated into the Group's functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary asstes and liabilities that are measured based on historical cost in a foreign currency are not translated. Foreign currency exchange differences are generally recognised in the statement of profit and loss.

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

3.5 Employee benefits

Short-term employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

Post employment employee benefits

i Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions to Provident fund, Employee State Insurance and Labour Welfare Fund and are recognised as an employee benefit expense in the statement of profit and loss on an accrual basis. Contribution to Superannuation Fund, a defined contribution scheme, administered by Life Insurance Corporation of India, based on a specified percentage of eligible employees' salary.

ii Defined benefit plans

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

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

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

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

Gratuity

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

Other long-term employee benefits

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

3.6 Income tax

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

i Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantively enacted by the reporting date. Current tax also includes any tax arising from dividends.

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

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

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

ii Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except: i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.7 Inventories

a Measurement of Inventory

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

b Cost of Inventories

The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. The costs of conversion of inventories include costs directly related to the units of production and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition. The cost of inventories is assigned by weighted average cost formula. The Group uses the same cost formula for all inventories having a similar nature and use to the Group.

c Net realisable value

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realisable value is ascertained for each item of inventories with reference to the selling prices of related finished products. The practice of writing inventories down below cost to net realisable value is consistent with the view that assets should not be carried in excess of amounts expected to be realised from their sale or use. Inventories are usually written down to net realisable value item by item. Estimates of net realisable value of finished goods and stock-in-trade are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net realisable value. Amount of any reversal of write-down of inventories shall be recognised as an expense as when the event occurs. A new assessment is made of net realisable value in each subsequent period. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed. Amounts such reversed shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which reversal occurs.

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

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

3.8 Property, plant and equipment

i Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises:

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

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

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

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the statement of profit and loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

ii. Subsequent expenditure

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

iii. Depreciation

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

The useful life of an asset is reviewed at least at each financial year-end. Depreciation is calculated using the straight-line method on cost of items of property, plant and equipment less their

(Currency: Indian Rupees in million)

estimated residual values over the estimated useful lives prescribed under Schedule II of the Act. In case of Ships, based on internal assessment and technical evaluation carried out, management believes that the useful life is 30 years, which is higher and different from the useful life of 20 years as prescribed under Part C of Schedule II of the Act. The estimated useful lives of items of property, plant and equipment are as follows:

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

Leasehold improvements amortised over the period of lease.

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

3.9 Borrowing costs

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

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

3.10 Intangible assets

i. Recognition and measurement

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

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

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

ii. Subsequent expenditure

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

iii. Amortisation

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

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

- Computer Software 5 years
- Product related intangible 5 years

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

3.11 Financial instruments

a. Financial assets

i. Recognition and initial measurement

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

(Currency: Indian Rupees in million)

at either amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss, depending on the classification of the financial assets. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under standard on revenue from contracts with customers. Refer to the accounting policies for revenue from contracts with customers. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to contractual cash flows that are 'solely payments of principal and interest (SPPI); on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e, he date that the Group commits to purchase or sell the asset.

ii. Classification

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

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

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

iii Subsequent measurement and gains and losses

Financial assets at FVTPL

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

Financial assets at amortised cost

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

Equity investments at FVOCI

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

iv Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

v Impairment of financial assets

Trade receivables the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Further disclosures relating to impairment of financial assets are provided in note no 13 - Trade Receivables.

b. Financial liabilities

i Recognition and initial measurement

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

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

ii Classification, subsequent measurement and gains and losses

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

iii Derecognition

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

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

iv Offsetting

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

3.12 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, or the amount of the obligation cannot be measured with sufficient reliability no provision or disclosure is made.

3.13 Leases

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

Group as a lessee

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

i Right-of-use Assets (ROU Assets)

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

Leasehold Land	90 to 99 years
Buildings	9 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.14 Impairment of non-financial assets.

ii Lease Liabilities

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

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

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

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

3.14 Impairment of non-financial assets

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

The recoverable amount is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of the assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, impairment loss is reversed to the extent to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

3.15 Cash and cash equivalents

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

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

3.16 Earnings per share (EPS)

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

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

3.17 Dividend

The Group recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. The final dividend on shares is recorded as a liability on the date of approval by the shareholders. Interim dividend are recorded as a liability on the date of declaration by the Group's Board. The Group declares and pay dividends in Indian Rupees. Group is required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable taxes. Further disclosure relating to dividend refer Note No 20(C)-Dividends.

3.18 Current / non-current classification

The Group shall classify an asset as current when-

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

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

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

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

The Group shall classify a liability as current when-

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

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

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

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

The Group shall classify all other assets and liabilities as non-current.

Deferred tax Assets and Liabilities are classified as non-current assets and liabilities

Operating cycle

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

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

3.19 Climate related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

3.20 Recent accounting developments:

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Ind AS 117 Insurance Contracts

The Ministry of corporate Affairs (MCA) notified the Ind AS 117, Insurance Contracts, vide notification dated 12 August 2024, under the **Companies (Indian Accounting Standards) Amendment Rules, 2024,** which is effective from annual reporting periods beginning on or after 1 April 2024.

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

(ii) Amendment to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback

The MCA notified the **Companies (Indian Accounting Standards) Second Amendment Rules, 2024**, which amend Ind AS 116, Leases, with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after 1 April 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

This has no impact on the consolidated financial statements of the Group.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

(Currency: Indian Rupees in million)

Note 4: Property, Plant and Equipment

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2024	Additions	Deductions	As at 31 March 2025	As at 1 April 2024	Charge for the year	Deductions	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Freehold land	582	-	-	582	-	-	-	-	582	582
Buildings	2,655	1,039	-	3,694	575	108	-	683	3,011	2,080
Plant and machinery	13,156	3,037	58	16,135	6,172	1,128	50	7,250	8,885	6,984
Electrical equipments and installations	293	110	-	403	141	26	-	167	236	152
Office equipments	197	35	-	232	147	25	-	172	60	50
Furniture and fixtures	162	35	-	197	90	14	-	104	93	72
Leasehold improvements	6	-	-	6	5	1	-	6	-	1
Vehicles	57	35	5	87	40	4	5	39	48	17
Ships	36	-	-	36	15	2	-	17	19	21
Total	**17,144**	**4,291**	**63**	**21,372**	**7,185**	**1,308**	**55**	**8,438**	**12,934**	**9,959**
Capital work in progress	4,143	1,360	4,291	1,212					1,212	4,143

Note 4: Property, plant and equipment (Previous year)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2023	Additions	Deductions	As at 31 March 2024	As at 1 April 2023	Charge for the year	Deductions	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Freehold land	582	-	-	582	-	-	-	-	582	582
Buildings	2,085	571	1	2,655	485	90	0	575	2,080	1,600
Plant and machinery	11,530	1,626	-	13,156	5,179	993	-	6,172	6,984	6,351
Electrical equipments and installations	277	16	-	293	119	22	-	141	152	158
Office equipments	171	26	-	197	125	22	-	147	50	46
Furniture and fixtures	149	13	-	162	77	13	-	90	72	72
Leasehold Improvements	6	-	-	6	4	1	-	5	1	2
Vehicles	54	3	-	57	35	5	-	40	17	19
Ships	36	-	-	36	13	2	-	15	21	23
Total	**14,890**	**2,255**	**1**	**17,144**	**6,037**	**1,148**	**0**	**7,185**	**9,959**	**8,853**
Capital work in progress	4,021	2,375	2,253	4,143					4,143	4,021

Notes:

a. Refer note 21 and 26 for details of assets hypothecated/mortgaged as security against borrowings.

b. Refer note 50 for details of revenue expenditure capitalised.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

(Currency: Indian Rupees in million)

Note 4: Property, plant and equipment (Contd.)

a) For capital work in progress, ageing schedule

Amount of capital work in progress for a period of 31 March 2025

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
-Projects in Process	1,036	176	-	-	1,212
-Projects temperorily suspended	-	-	-	-	-

Amount of capital work in progress for a period of 31 March 2024

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
-Projects in Process	1,475	1,625	1,039	4	4,143
-Projects temperorily suspended	-	-	-	-	-

b) For capital work in progress, whose completion is overdue or has exceeded the cost compared to its original value as on 31 March 2025

Project Locations	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Crop Projects	216	-	-	-	216
Pharma Projects	718	-	-	-	718
Total	**934**	**-**	**-**	**-**	**934**

b) (ii) For capital work in progress, whose completion is overdue or has exceeded the cost compared to its original value as on 31 March 2024

Project Locations	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Crop Projects	3,501	-	-	-	3,501
Pharma Projects	407	-	-	-	407
Total	**3,908**	**-**	**-**	**-**	**3,908**

Note 5: Right of use assets

Description	Gross Block				Accumulated Amortisation				Net Block	
	As at 1 April 2024	Additions	Deductions	As at 31 March 2025	As at 1 April 2024	Charge for the year	Deductions	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Leasehold land	692	-	-	692	73	9	-	82	610	619
Buildings	29	-	-	29	2	4	-	6	23	27
Total	**721**	**-**	**-**	**721**	**75**	**13**	**-**	**88**	**633**	**646**

Note 5: Right of use assets (Previous Year)

Description	Gross Block				Accumulated Amortisation				Net Block	
	As at 1 April 2023	Additions	Deductions	As at 31 March 2024	As at 1 April 2023	Charge for the year	Deductions	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Leasehold land	692	-	-	692	64	9	-	73	619	628
Buildings	11	29	11	29	10	3	11	2	27	1
Total	**703**	**29**	**11**	**721**	**74**	**12**	**11**	**75**	**646**	**629**

(Currency: Indian Rupees in million)

Note 6: Other intangible assets

Description	Gross Block				Accumulated Amortisation				Net Block	
	As at 1 April 2024	Additions	Deductions	As at 31 March 2025	As at 1 April 2024	Charge for the year	Deductions	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Computer software	44	-	-	**44**	43	-	-	**43**	**1**	1
Product related intangible	115	-	-	**115**	15	23	-	**38**	**77**	100
Total	**159**	**-**	**-**	**159**	**58**	**23**	**-**	**81**	**78**	**101**
Intangible assets under development	-	-	-	-					-	-

Note 6: Other intangible assets (Previous year)

Description	Gross Block				Accumulated Amortisation				Net Block	
	As at 1 April 2023	Additions	Deductions	As at 31 March 2024	As at 1 April 2023	Charge for the year	Deductions	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Computer software	44	-	-	44	42	1	-	43	1	2
Product related intangible	-	115	-	115	-	15	-	15	100	-
Total	**44**	**115**	**-**	**159**	**42**	**16**	**-**	**58**	**101**	**2**
Intangible assets under development	101	15	116	-					-	101

a) For Intangible assets under development, ageing schedule

Amount of Intangible assets under development as on 31 March 2025

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
-Projects in Process	-	-	-	-	-
-Projects temperorily suspended	-	-	-	-	-

Amount of Intangible assets under development as on 31 March 2024

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
-Projects in Process	-	-	-	-	-
-Projects temperorily suspended	-	-	-	-	-

b) For Intangible assets under development, whose completion is overdue or has exceeded the cost compared to its original value as on 31 March 2025

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

For Intangible assets under development, whose completion is overdue or has exceeded the cost compared to its original value as on 31 March 2024

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

(Currency: Indian Rupees in million)

Note 7: Non-current investments

		As at 31 March 2025	As at 31 March 2024
Investments in equity instruments:			
A	**Unquoted**		
	(At fair value through other comprehensive income)		
i	**Other investment**		
	223,164 (31 March 2024: 223,164) Equity shares of ₹ 10 each of Narmada Clean Tech fully paid-up	**5**	5
	30,000 (31 March 2024: 30,000) Equity shares of ₹ 10 each of Panoli Enviro Technology Limited fully paid-up	**0**	0
	14,494 (31 March 2024: 14,494) Equity shares of ₹ 100 each MMA CETP Co-operative Society Limited fully paid-up	**2**	2
	16% (31 March 2024: 16%) equity shares of Jiangsu Chemstar Chemical Co Limited fully paid-up	**0**	0
	33,60,000 (31 March 2024: 33,60,000) Equity shares of ₹ 100 each Radiance Mh Sunrise Four Private Limited fully paid-up	**34**	34
	12,60,000 (31 March 2024: 12,60,000) Equity shares of ₹ 100 each Radiance Mh Sunrise Two Private Limited fully paid-up	**13**	13
	4,12,400 (31 March 2024: Nil) Equity shares of ₹ 100 each of Equity Shares FPEL Ujwal Private Limited fully paid-up	**41**	-
	Impairment in value of investment (in equity shares of Jiangsu Chemstar Chemical Co Limited)*	**0**	0
B	**Quoted**		
	(At fair value through other comprehensive income)		
	2,900 (31 March 2024: 2,900) Equity shares of ₹ 10 each of Union bank of India fully paid-up	**0**	0
	Total non-current investments (A + B)	**95**	**54**
	Aggregate amount of quoted investments	**0**	0
	Aggregate market value of quoted investments	**0**	0
	Aggregate amount of unquoted investments	**95**	54
	Aggregate amount of impairment in value of investments	**0**	0
		95	**54**

* The Holding Company has written off of ₹ 27 Million in investment in Jigansu Chemical Company Limited in the earlier year.

Note 8: Loans

	As at 31 March 2025	As at 31 March 2024
Unsecured and considered good		
To Related party		
Loans to employee (Refer note 52)	**1**	0
To other than related parties		
Loans to employee	**2**	3
	3	**3**

Note 9: Other financial assets

	As at 31 March 2025	As at 31 March 2024
Unsecured and considered good		
To other than related parties unless otherwise specified		
Deposits with remaining maturity of more than 12 months	**8**	5
Security deposit to related parties (Refer note 52)	**71**	71
Security deposit to other than related parties	**133**	84
	212	**160**

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(Currency: Indian Rupees in million)

Note 10: Non-current tax assets (net)

	As at 31 March 2025	As at 31 March 2024
Non-current tax assets (net)	25	20
Income tax assets (Net of provision of ₹ 560 million (31 March 2024: 1,002 Million))		
	25	**20**

Note 11: Other non-current assets

	As at 31 March 2025	As at 31 March 2024
Unsecured and considered good		
To other than related parties		
Prepaid expenses	10	5
VAT/ CST refund receivable	9	9
Balance with government authorities	29	23
Capital advances	95	82
	143	**119**

Note 12: Inventories

	As at 31 March 2025	As at 31 March 2024
Valued at the lower of cost and net realisable value		
Raw materials (includes goods in transit of ₹ 163 Million, 31 March 2024 ₹ 282 Million)	1,223	1,401
Packing materials	11	11
Work-in-progress	968	868
Finished goods	895	542
Stores and spares	248	215
	3,345	**3,037**

Inventories which comprise raw materials, packing materials, work-in-progress and finished goods are carried at the lower of cost and net realisable value. (See detailed accounting policy in Note 3.7)

The write-down of inventories to net realisable value as at year end amounted to ₹ 195 million (31 March 2024: ₹ 178 million). The write down of inventories are included in cost of materials consumed or changes in inventories of finished goods and work-in-progress in the statement of profit and loss.

Note 13: Trade receivables

	As at 31 March 2025	As at 31 March 2024
(Unsecured)		
Trade receivable considered good	5,265	5,554
Trade receivable which have significant increase in credit risk	82	82
	5,347	**5,636**
Impairment allowance (Allowance for bad and doubtful debts)		
Trade receivable considered good	(78)	(88)
Trade receivable which have significant increase in credit risk	(45)	(45)
	(123)	**(133)**
Net trade receivable	**5,224**	**5,503**

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

Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

(Currency: Indian Rupees in million)

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

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

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

The relevant carrying amounts are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Total transferred trade receivables	468	718
Associated borrowings [refer note 26]	468	718

Trade Receivables Ageing as on 31 March 2025

Sr. No.	Particulars	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	4,235	990	40	-	-	-	5,265
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	11	9	17	37
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	45	45
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	**4,235**	**990**	**40**	**11**	**9**	**62**	**5,347**

Trade Receivables Ageing as on 31 March 2024

Sr. No.	Particulars	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	4,735	812	6	-	-	-	5,553
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	18	5	15	38
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	45	45
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	**4,735**	**812**	**6**	**18**	**5**	**60**	**5,636**

(Currency: Indian Rupees in million)

Note 14: Cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024
Bank balances in:		
- Current accounts	128	122
- Fixed deposit account (with original maturity of 3 months or less)	1	4
Cash on hand	1	1
Cash and cash equivalents in the statement of cash flows	**130**	**127**

Note 15: Bank balance other than cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024
Other bank balances:		
Bank deposits due to mature within 12 months of the reporting date	48	80
Unpaid dividend accounts	2	2
	50	**82**

Deposits given as security

1) Margin money deposits with a carrying amount of ₹ 57 million (31 March 2024- ₹ 89 million) are earmarked towards non fund based facilities availed from banks.

Note 16: Loans

	As at 31 March 2025	As at 31 March 2024
(Unsecured)		
To Related party		
Loans to employees (Refer note 52)	-	1
To parties other than related parties		
Loans to employees	5	4
	5	**5**

Note 17: Other financial assets

	As at 31 March 2025	As at 31 March 2024
(Unsecured, considered good)		
To related party		
Excess managerial remuneration recoverable (refer note 52)	-	6
To other than related parties		
Interest accrued on fixed deposit	1	1
Unbilled revenue	10	74
Insurance claim receivable	0	0
Indirect tax balances refund due and export benefits and entitlements	644	-
Others	-	56
	655	**137**

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(Currency: Indian Rupees in million)

Note 18: Other current assets

	As at 31 March 2025	As at 31 March 2024
(Unsecured, considered good unless otherwise stated)		
To parties other than related parties		
Advance to suppliers		
Considered good	101	163
Considered doubtful	90	50
Advance to suppliers	**191**	**213**
Less: Provision for doubtful advances	(90)	(50)
	101	**163**
Balance with government authorities	276	476
Prepaid expenses	168	136
	545	**775**

Note 19: Share Capital

	As at 31 March 2025	As at 31 March 2024
Authorised share capital (Refer note a below)		
Equity	500	500
Par value per share (₹)	2	2
Number of equity shares	250,000,000	250,000,000
Preference shares	250	250
Par value per share (₹)	100	100
Number of Preference shares	2,500,000	2,500,000
Issued, subscribed and fully paid up -Equity	247	247
Par value per share (₹)	2	2
Number of equity shares	123,300,750	123,300,750

Equity Shares

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

	As at 31 March 2025		As at 31 March 2024	
	No. of shares (millions)	₹ in millions	No. of shares (millions)	₹ in millions
At the beginning of the year	123	247	123	247
At the end of the year	**123**	**247**	**123**	**247**

b. Terms/rights attached to equity shares

The Holding Company has only single class of equity shares having a par value of ₹ 2 (31 March 2024 ₹ 2) per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors of holding Company is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

(Currency: Indian Rupees in million)

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

	As at 31 March 2025		As at 31 March 2024	
	No of Shares (millions)	%	No of Shares (millions)	%
Equity shares of ₹ 2 (31 March 2024 ₹ 2) each fully paid				
Kalyani Investment Company Limited	**39**	**31**	39	31
Shri Badrinath Investment Private. Limited	**20**	**16**	20	16
Shri Rameshwara Investment Private Limited	**10**	**8**	10	8
Sugandha J Hiremath	**10**	**8**	10	8

d. The Shareholding of Promoters as on 31 March 2025 is as under:

Promoters Name	No. of Shares	% of Total Shares	% Change during the Year
Kalyani Investment Company Limited	**38,667,375**	**31.36%**	**-**
Shri Badrinath Investment Pvt Ltd	**19,914,862**	**16.15%**	**-**
Shri Rameshwara Investment Pvt Ltd	**9,810,000**	**7.96%**	**-**
Sugandha J Hiremath	**9,667,500**	**7.84%**	**-**
BF Investment Limited	**3,273,375**	**2.65%**	**-**
Jai Hiremath	**1,340,625**	**1.09%**	**-**
Ekdant Investment Pvt Ltd	**393,802**	**0.32%**	**-**
Sameer Hiremath	**390,975**	**0.32%**	**-**
Pallavi Anish Swadi	**381,000**	**0.31%**	**-**
Pallavi Trust	**187,500**	**0.15%**	**-**
Sameer Trust	**187,500**	**0.15%**	**-**
Ashok Hiremath	**100,000**	**0.08%**	**-**
Sumer Trust	**75,000**	**0.06%**	**-**
Rhea Trust	**75,000**	**0.06%**	**-**
Nihal Trust	**75,000**	**0.06%**	**-**
Anika Trust	**75,000**	**0.06%**	**-**
Pooja Trust	**75,000**	**0.06%**	**-**
Anish Trust	**75,000**	**0.06%**	**-**
Karad Engineering Consultancy Pvt Ltd	**63,750**	**0.05%**	**-**
Decent Electronics Pvt Ltd	**49,500**	**0.04%**	**-**
Anish Dilip Swadi	**7,500**	**0.01%**	**-**
Pooja Hiremath	**7,500**	**0.01%**	**-**

The Shareholding of Promoters as on 31 March 2024 is as under:

Promoters Name	No. of Shares	% of Total Shares	% Change during the Year
Kalyani Investment Company Limited	38,667,375	31.36%	-
Shri Badrinath Investment Pvt Ltd	19,914,862	16.15%	-
Shri Rameshwara Investment Pvt Ltd	9,810,000	7.96%	-
Sugandha J Hiremath	9,667,500	7.84%	-
BF Investment Limited	3,273,375	2.65%	-
Jai Hiremath	1,340,625	1.09%	-
Ekdant Investment Pvt Ltd	393,802	0.32%	-
Sameer Hiremath	390,975	0.32%	-
Pallavi Anish Swadi	381,000	0.31%	-
Pallavi Trust	187,500	0.15%	-
Sameer Trust	187,500	0.15%	-
Ashok Hiremath	100,000	0.08%	-
Sumer Trust	75,000	0.06%	-
Rhea Trust	75,000	0.06%	-
Nihal Trust	75,000	0.06%	-
Anika Trust	75,000	0.06%	-
Pooja Trust	75,000	0.06%	-
Anish Trust	75,000	0.06%	-
Karad Engineering Consultancy Pvt Ltd	63,750	0.05%	-
Decent Electronics Pvt Ltd	49,500	0.04%	-
Anish Dilip Swadi	7,500	0.01%	-
Pooja Hiremath	7,500	0.01%	-

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One of the shareholder of the Group filed a suit filed in the Bombay High Court, the suit seeks certain actions on part of the Group, pending any order / direction from the Bombay High Court, there is no impact on the financial statements.

As per records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Note 20: Other equity

	Note	As at 31 March 2025	As at 31 March 2024
Capital reserve	i	**0**	0
Capital redemption reserve	ii	**510**	510
Securities premium	iii	**381**	381
State subsidy	iv	**6**	6
Contingency reserve	v	**30**	30
General reserve	vi	**1,780**	1,780
Equity instruments through other comprehensive income	vii	**(2)**	(2)
Retained Earnings	viii	**9,671**	8,925
		12,376	**11,630**

A Notes

		As at 31 March 2025	As at 31 March 2024
i	**Capital reserve**		
	Opening balance	**0**	0
	Additions during the year	**-**	-
	Closing balance	**0**	**0**
ii	**Capital redemption reserve**		
	Opening balance	**510**	510
	Additions during the year	**-**	-
	Closing balance	**510**	**510**
iii	**Securities premium**		
	Opening balance	**381**	381
	Additions during the year	**-**	-
	Closing balance	**381**	**381**
iv	**State subsidy**		
	Opening balance	**6**	6
	Additions during the year	**-**	-
	Closing balance	**6**	**6**
v	**Contingency reserve**		
	Opening balance	**30**	30
	Additions during the year	**-**	-
	Closing balance	**30**	**30**

(Currency: Indian Rupees in million)

		As at 31 March 2025	As at 31 March 2024
vi	**General reserve**		
	Opening balance	**1,780**	1,780
	Additions during the year	**-**	-
	Closing balance	**1,780**	**1,780**
vii	**Equity instruments through other comprehensive income**		
	Opening balance	**(2)**	(2)
	Additions during the year	**-**	0
	Closing balance	**(2)**	**(2)**
viii	**Retained Earnings**		
	Opening balance	**8,925**	8,384
	Additions during the year	**908**	696
	Deletions during the year	**(162)**	(155)
	Closing balance	**9,671**	**8,925**

B Nature and purpose of reserves

i. Capital reserve

Capital reserve is created on merger/amalgamation.

ii. Capital redemption reserve

Capital redemption reserve represents redemption of redeemable cumulative preference shares in earlier years. The same can be used to issue fully paid bonus shares.

iii. Securities premium account

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with provisions of Companies Act, 2013.

iv. State subsidy

State subsidy is created on receipt of government grants for setting up the factories in backward areas. The same will be utilised for expansion of business.

v. Contingency reserve

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

vi. General reserve

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

vii. Equity instruments through other comprehensive income

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

viii. Retained Earnings

Retained earnings are the profits/(loss) that the Holding Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

Notes to the Consolidated Financial Statements
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(Currency: Indian Rupees in million)

C Dividends

The following dividends were declared and paid by the Holding Company during the years ended:

	31 March 2025	31 March 2024
Final equity dividend paid for financial year 2023-24 at Re 0.60 per equity share	**74**	-
Interim equity dividend paid for financial year 2024-25 at Re. 0.60 per equity share	**74**	-
Final equity dividend paid for financial year 2022-23 at Re 0.60 per equity share	**-**	74
Interim equity dividend paid for financial year 2023-24 at ₹ 0.60 per equity share	**-**	74
Total	**148**	**148**

After the reporting dates the following dividends were proposed by the directors of holding company subject to the approval at the annual general meeting. These dividends have not been recognised as liabilities in the year to which they pertains to and is recorded in the year in which they have been approved in the Annual General Meeting.

	31 March 2025	31 March 2024
Final equity dividend proposed for financial year 2024-25 at Re 0.80 per equity share	**99**	-
Final equity dividend proposed for financial year 2023-24 at Re 0.60 per equity share	**-**	74
Total	**99**	**74**

Note 21: Borrowings

(Secured)

	As at 31 March 2025	As at 31 March 2024
Debentures		
2,019 (Pr Yr 1500) Redeemable, non-convetible debentures (NCD) of the face value of ₹ 10,00,000/- each. (refer note a(i) and c(i) below)	**1,648**	1,240
Term loans from banks		
Rupee (refer note a (ii), and c (i) below)	**806**	1,265
Term loans from financial institutions		
Rupee (refer note a (iii) and c (i) below)	**1,218**	1,724
	3,672	**4,229**

(For current maturities of loans refer note 26)

a. Nature of security:

i Redeemable, non-convetible debentures (NCD) is secured by first pari passu charge on the fixed assets of the Company's plants situated at Taloja, Panoli, Bangalore, R & D centre at Pune and second pari passu charge on entire current assets both present and future.

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

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

(Currency: Indian Rupees in million)

b. Changes in Liabilities arising from Financing Activities

Particulars	As at 1 April 2024	Accural / Reclassi-fication	Cash Flows (net)	Foreign Exchange / Adjustment	As at 31 March 2025
Current borrowings	2,886	-	(252)	-	2,635
Non-current borrowings including current maturities of non-current borrowings	5,262	9	(283)		4,988
Lease Liabilities	28	1	(3)	-	26
Interest on borrowings (including transaction cost)	83	748	(750)	-	81
Total Liabilities from Financing Activities	**8,260**	**758**	**(1,288)**	**-**	**7,730**

Changes in Liabilities arising from Financing Activities (previous year)

Particulars	As at 1 April 2023	Accural / Reclassi-fication	Cash Flows (net)	Foreign Exchange / Adjustment	As at 31 March 2024
Current borrowings	1,734	-	1,152	-	2,886
Non-current borrowings including current maturities of non-current borrowings	5,746	-	(487)	3	5,262
Lease Liabilities	2	29	(3)	-	28
Interest on borrowings (including transaction cost)	57	810	(784)	-	83
Total Liabilities from Financing Activities	**7,539**	**840**	**(122)**	**3**	**8,260**

c. i) Terms of repayment as on 31 March 2025 are as under:

	US $ in Million	₹ In Million	Repayment Terms	Closing interest rate as at 31.3.2025
(i) a	-	173	Repayable in 5 quarterly instalments, next installment due on 05.06.2025; equated average instalments of ₹ 35 Million	10.60%
b	-	225	Repayable in 8 quarterly instalments, next installment due on 06.05.2025, equated average instalments of ₹ 28 Million	9.75%
c	-	875	Repayable in 21 quarterly instalments, next installment due on 30.06.2025, equated average instalments of ₹ 42 Million	9.15%
(ii) a	-	1,721	Repayable in 13 quarterly instalments, next installment due on 01.06.2025; equated average instalments of ₹ 132 Million	9.35%
(iii) a	-	1,994	Repayable in 13 half yearly instalments, next installment due on 15.06.2025 equated average instalments of ₹ 153 Million	9.19%

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c. ii) Terms of repayment as on 31 March 2024 are as under:

	US $ in Million	₹ In Million	Repayment Terms	Closing interest rate as at 31.3.2024
(i) a	-	322	Repayable in 9 quarterly instalments, next installment due on 05.06.2024; equated average instalments of ₹ 36 Million	10.34%
b	-	375	Repayable in 12 quarterly instalments, next installment due on 06.05.2024, equated average instalments of ₹ 31 Million	9.65%
c	-	1,000	Repayable in 24 quarterly instalments, next installment due on 30.09.2024, equated average instalments of ₹ 42 Million	9.02%
(ii) a	-	2,098	Repayable in 17 quarterly instalments, next installment due on 01.06.2024; equated average instalments of ₹ 123 Million	10.20%
(iii) a	-	1,467	Repayable in 13 half yearly instalments, next installment due on 15.06.2024 equated average instalments of ₹ 113 Million	9.24%

Note 22: Lease liability

	As at 31 March 2025	As at 31 March 2024
Lease liability	24	26
	24	**26**

Note 23: Long -term provisions

	As at 31 March 2025	As at 31 March 2024
Provision for gratuity (Refer note 44)	157	147
Provision for compensated absences (Refer note 44)	-	133
	157	**280**

Note 24: Deferred tax liabilities (net)

	As at 31 March 2025	As at 31 March 2024
Deferred tax liabilities (Refer note 42)	325	300
	325	**300**

Note 25: Other non current liabilities

	As at 31 March 2025	As at 31 March 2024
Advance received from customers	593	593
	593	**593**

(Currency: Indian Rupees in million)

Note 26: Short-term borrowings

	As at 31 March 2025	As at 31 March 2024
Secured		
Loans from banks		
Working capital loan -Rupee (refer note a (i) and b below)	**2,165**	2,168
Bill discounting (Refer note a (ii))	**468**	718
Current maturities of long-term debt	**1,316**	1,033
	3,949	**3,919**

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

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

   ii Loans availed under bill discounting facility are against specific receivables, having tenure of 30 to 120 days and carrying interest ranging between 1.20% +SOFR to 1.80% +SOFR p.a. for export bills and 7.30% to 8.45% for local bills.

b. Working capital loans are repayable on demand and carry interest ranging from 7.58% to 10.05% p.a.

Note 27: Current lease liability

	As at 31 March 2025	As at 31 March 2024
Lease liability	**2**	2
	2	**2**

Note 28: Trade payables

	As at 31 March 2025	As at 31 March 2024
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	**183**	261
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	**2,858**	2,527
	3,041	**2,788**

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

Trade Payables ageing schedule as on 31 March 2025

Particulars	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro Enterprises and Small Enterprises	**139**	**43**	**1**	**0**	-	**183**
(ii) Others	**2,100**	**747**	**9**	**1**	**1**	**2,858**
(iii) Disputed dues – Micro Enterprises and Small Enterprises	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**2,239**	**790**	**10**	**1**	**1**	**3,041**

(Currency: Indian Rupees in million)

Trade Payables ageing schedule as on 31 March 2024

Particulars	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro Enterprises and Small Enterprises	193	67	0	1	0	261
(ii) Others	1,893	627	5	2	0	2,527
(iii) Disputed dues – Micro Enterprises and Small Enterprises	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**2,086**	**694**	**5**	**3**	**0**	**2,788**

Note 29: Other financials liabilities

	As at 31 March 2025	As at 31 March 2024
Interest accrued but not due on borrowings	**82**	83
Payables for capital purchases	**154**	156
Employee benefits payable	**208**	167
Unpaid dividend (Refer note no 57)	**2**	2
	446	**408**

Note 30: Other current liabilities

	As at 31 March 2025	As at 31 March 2024
Advances from customers	**95**	181
Statutory dues payable		
- Provident fund	**18**	18
- Employees' state insurance	**0**	0
- Tax deducted at source	**38**	36
- Goods and Services Tax	**6**	49
- Employees' national pension scheme	**0**	1
- Profession tax	**0**	0
	157	**285**

Note 31: Current provisions

	As at 31 March 2025	As at 31 March 2024
Provision for gratuity (Refer note 44)	**20**	23
Provision for compensated absences (Refer note 44)	**153**	21
	173	**44**

Note 32: Income tax liabilities (net)

	As at 31 March 2025	As at 31 March 2024
Provision for tax	**127**	120
Income tax liabilities (Net of advance tax ₹ 2,213 million (31 March 2024: ₹ 1,762 million))		
	127	**120**

(Currency: Indian Rupees in million)

Note 33: Revenue from Operations

		For the year ended 31 March 2025	For the year ended 31 March 2024
Sale of products		17,879	17,454
Sale of services		556	233
	(A)	18,435	17,687
Other operating revenues			
Export incentive		49	37
Compensation received from customer		71	85
Scrap sales		43	37
Others		-	-
	(B)	163	159
Revenue from operations	(A+B)	18,598	17,846

Note 33.1: Disaggregation of revenue from contracts with customers

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

Particulars		For the year ended 31 March 2025	For the year ended 31 March 2024
1 Revenue from contacts with customers			
Sale of products (Transferred at point in time)			
India		6,964	6,599
Outside India		10,915	10,855
	(A)	17,879	17,454
Sale of services (Transferred over period of time)			
India		-	6
Outside India		556	227
	(B)	556	233
2 Other operating revenues			
Export incentive		49	37
Compensation received from customer		71	85
Scrap Sales		43	37
Others		-	-
	(C)	163	159
Total revenue (A + B + C)		18,598	17,846
Product lines			
Crop protection		6,917	6,844
Pharmaceuticals		11,681	11,002
		18,598	17,846

For the opening and closing balance of receivables from contracts with customers refer note no 13.

There is no Significant difference between contract price and revenue recognised

Notes to the Consolidated Financial Statements
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Contract Balances

Particulars	As at 31 March 2025	As at 31 March 2024
Trade Receivables	5,224	5,503
Contract Liabilities	688	775
Contract Assets	10	74

Trade Receivables are non interest bearing and are generally on term of 30-120 days.

Contract Liabilities include advance received from customers. Contract liability include long term advances which are received to deliver product on long term period and short term advances are adjusted against product delivered in current year.

Contract Assets represents unbilled revenue from ongoing development contracts.

Note 34: Other income

	As at 31 March 2025	As at 31 March 2024
Dividend received on non-current investment	0	0
Interest income on		
Bank deposit	4	11
Other	2	6
Foreign exchange gain (net)	39	-
Profit on sale of investment	4	4
Profit on sale of Property, Plant and equipments (net)	1	2
Provision for doubtful debts/advances	-	-
Sundry balance written back	-	2
Miscellaneous income	-	-
	50	25

Note 35: Cost of materials consumed

	For the year ended 31 March 2025	For the year ended 31 March 2024
Raw material consumed		
Opening stock	1,401	1,360
Add: Purchase	8,648	8,093
Less: Closing stock	1,223	1,401
	8,826	8,052

Note 36: Changes in inventories of finished goods and Work-in-progress

	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening stock		
Finished goods	542	829
Work-in-progress	868	776
	1,410	1,605
Less: Closing stock		
Finished goods	895	542
Work-in-progress	968	868
	1,863	1,410
	(453)	195

(Currency: Indian Rupees in million)

Note 37: Employee benefits expense

	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries and wages	2,160	2,146
Contribution to provident and other funds	107	108
Gratuity expenses (Refer note 44)	24	25
Staff welfare expense	180	186
	2,471	2,465

Note 38: Finance costs

	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest on rupee term loans	521	283
Interest on foreign currency term loans	-	11
Interest on working capital loans	150	166
Interest on bills discounted	54	71
Other finance costs	2	8
Interest expenses on lease liabilities	2	1
Bank charges	23	22
Exchange difference to the extent considered as an adjustment to borrowing costs	-	2
	752	564

Note 39: Depreciation and amortisation expenses

	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation on property, plant and equipment	1,308	1,148
Amortisation on intangible assets	23	16
Depreciation on right of use assets	13	12
	1,344	1,176

Note 40: Other expenses

	For the year ended 31 March 2025	For the year ended 31 March 2024
Consumption of stores and spares	381	394
Contract labour charges	289	280
Power and fuel	1,681	1,702
Advertisement	1	1
Rent (Refer note 45)	16	20
Rates and taxes	17	14
Insurance	83	132
Repairs and maintenance		
- Plant and machinery	374	309
- Buildings	134	131
- Others	235	223
Printing and stationery	32	27
Legal and professional charges	379	461
Travelling and conveyance	101	89
Vehicle expenses	15	15
Postage, telephone and telegrams	12	12
Payment to auditors (Refer note 49)	9	9
Director's sitting fee/ Commission	15	17
Sales and distribution expenses	346	254
Commission on sales	22	26

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(Currency: Indian Rupees in million)

	For the year ended 31 March 2025	For the year ended 31 March 2024
Security service charges	57	59
Sundry balance written off	6	-
Service charges	2	29
Foreign exchange loss (net)	0	0
Provision for doubtful debts/advances	30	21
Corporate Social Responsibility expenses (CSR) (Refer note 48)	29	35
Miscellaneous expenses	204	204
	4,470	4,464

41 Tax expense

(a) Amounts recognised in balance sheet

	As at 31 March 2025	As at 31 March 2024
Income tax liabilities (Net of advance tax ₹ 2,213 million (31 March 2024: ₹ 1,762 million))	127	120

	As at 31 March 2025	As at 31 March 2024
Income tax assets (Net of provision of ₹ 560 million (31 March 2024: 1,002 Million))	25	20

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

(b) Amounts recognised in statement of profit and loss

	For the year ended 31 March 2025	For the year ended 31 March 2024
Current income tax		
Current tax	300	284
	300	284
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	30	(25)
Deferred tax expense	30	(25)
Tax expense for the year	330	259

(c) Amounts recognised in other comprehensive income

	For the year ended 31 March 2025			For the year ended 31 March 2024		
	Before tax	Tax expense / (benefit)	Net of tax	Before tax	Tax expense / (benefit)	Net of tax
Items that will not be reclassified to statement of profit and loss						
Gain / (loss) on remeasurement of defined employee benefit plans	(19)	5	(14)	(8)	2	(6)
Gain / (loss) on change in fair values of investments in equity shares carried at fair value through OCI	0	0	0	0	0	0
	(19)	5	(14)	(8)	2	(6)

(Currency: Indian Rupees in million)

(d) Reconciliation of effective tax rate

	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit before tax	**1,238**	**955**
Tax using the Company's domestic tax rate (Current year 25.17% and Previous year 25.17%)	312	240
Tax effect of:		
Non-deductible tax expenses	18	19
Tax expenses as per statement of profit and loss	**330**	**259**
Weighted average tax rate	**26.65%**	**27.12%**

42 Deferred assets and liabilities (net)

a) Recognised deferred assets and liabilities

	Deferred tax assets		Deferred tax liabilities		Net deferred tax asset/ (liabilities)	
	As At 31 March 2025	As at 31 March 2024	As At 31 March 2025	As at 31 March 2024	As At 31 March 2025	As at 31 March 2024
Property, plant and equipment	-	-	(511)	(472)	(511)	(472)
Inventories	49	45	-	-	49	45
Trade receivables	31	33	-	-	31	33
Loans and advances	23	13	-	-	23	13
Provisions	83	81	-	-	83	81
Net Deferred tax asset / (liabilities)	**186**	**172**	**(511)**	**(472)**	**(325)**	**(300)**

b) Movement in deferred tax balances

	Net balance As at 1 April 2024	Recognised in statement of profit or loss	Recognised in OCI	As At 31 March 2025		
				Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(472)	39	-	(511)	-	(511)
Inventory	45	(4)	-	49	49	-
Trade receivables	33	2	-	31	31	-
Loans and advance	13	(10)	-	23	23	-
Provisions	81	3	(5)	83	83	-
Net deferred tax assets / (liabilities)	**(300)**	**30**	**(5)**	**(325)**	**186**	**(511)**

c) Movement in deferred tax balances (previous year)

	Net balance As at 1 April 2023	Recognised in statement of profit or loss	Recognised in OCI	As At 31 March 2024		
				Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(478)	(5)	-	(473)	-	(472)
Inventories	40	(5)	-	45	45	-
Trade receivables	33	(0)	-	33	33	-
Loans and advances	8	(5)	-	13	13	-
Provisions	69	(10)	(2)	81	81	-
Net deferred tax assets / (liabilities)	**(327)**	**(25)**	**(2)**	**(300)**	**172**	**(472)**

(Currency: Indian Rupees in million)

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

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

43 Earnings per share (EPS)

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

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

		For the year ended 31 March 2025	For the year ended 31 March 2024
Consolidated profit attributable to equity shareholders (basic and diluted)			
Consolidated profit for the year attributable to equity shareholders	(A)	908	696
Weighted average number of equity shares for basic and diluted earnings per share			
Number of equity shares at beginning of the year		123,300,750	123,300,750
Number of equity shares outstanding at the end of the year		**123,300,750**	**123,300,750**
Weighted average number of equity shares for the year	(B)	**123,300,750**	**123,300,750**
Basic and diluted earnings per share of face value of ₹ 2 each	(A) / (B)	**7.36**	**5.64**

44 Employee benefits

(i) Defined Contribution Plans

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

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Employer's contribution to Providend Fund	106	108
Employer's Contribution to Others	1	1

(ii) Defined Benefit Plans

Gratuity:

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

(Currency: Indian Rupees in million)

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

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

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

	As at 31 March 2025	As at 31 March 2024
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	182	164
Current service cost	12	14
Past service cost	-	-
Interest cost (income)	13	12
Benefits paid	(38)	(16)
Actuarial losses/ (gains) recognised in other comprehensive income		
- financial assumptions	4	3
- demographic assumption	-	-
- experience adjustments	14	6
Balance at the end of the year	**187**	**182**
Reconciliation of present value of plan assets		
Balance at the beginning of the year	12	13
Transfer In / (Out) Plan Assets	-	1
Interest income	1	1
Return on plan assets, excluding amount included in interest (expense)/ income	(2)	(0)
Benefits paid	(1)	(3)
Balance at the end of the year	**10**	**12**
Net defined benefit (asset)/ liability	**177**	**170**

B. Plan assets

Plan assets comprise the following

	As at 31 March 2025	As at 31 March 2024
Investment		
Policy of insurance	100%	100%
Bank Special Deposit	0%	0%
Investment in other securities	0%	0%
Corporate Bonds	0%	0%
State Government Bonds	0%	0%
	100%	**100%**

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

	For the year ended 31 March 2025	For the year ended 31 March 2024
Recognised in income statement		
Current service cost	12	14
Interest cost (net)	12	11
Total	**24**	**25**
Recognised in Other Comprehensive Income		
Remeasurement of net defined benefit liability/(asset)	18	9
Return on plan assets, excluding interest income	1	0
Total	**19**	**9**

(Currency: Indian Rupees in million)

D. Defined benefit obligations

i. Actuarial assumptions

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

	For the year ended 31 March 2025	For the year ended 31 March 2024
Expected return on plan assets	6.70%	7.00%
Discount rate	6.70%	7.00%
Salary escalation rate	6.00%	6.00%
Attrition rate	2.00%	2.00%
Mortality rate table	Indian assured lives mortality (2012-14)	

ii. Sensitivity analysis

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

	For the year ended 31 March 2025		For the year ended 31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(174)	203	(169)	197
Rate of salary increase (1% movement)	(200)	176	195	(171)
Rate of employee turnover (1% movement)	(188)	187	(183)	181

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

	31 March 2025	31 March 2024
Expected employer's contribution to defined benefit plan for the next year	20	23

Maturity profile of the defined benefit obligation

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	Between 6- 10 years	Total
For the year ended 31 March 2025					
Defined benefit obligations (Gratuity)	21	20	58	78	177
Total	**21**	**20**	**58**	**78**	**177**
For the year ended 31 March 2024					
Defined benefit obligations (Gratuity)	25	14	55	76	170
Total	**25**	**14**	**55**	**76**	**170**

Other long term employee benefit plans

Compensated absences:

The obligation for leave encashment is recognised in the same manner as gratuity. The Group's liability on account of compensated absences is not funded and hence the disclosures relating to the planned assets are not applicable. Amount of ₹ 53 million (31 March 2024 ₹ 64 million) towards compensated absences is recognised as an expense and included in "Employee benefits expense" in the Statement of profit and loss during the year.

(Currency: Indian Rupees in million)

45 Leases:

The Group has a lease contract for building used in its operations. The Lease term is 9 years. Also, the Group has leasehold land for a period upto 99 years. The Group's obligations under its lease is secured by the lessor's title to the leased asset.

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

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

Particulars	Leasehold land	Buildings
As at 1 April 2023	628	1
Additions	-	29
Depreciation expense	(9)	(3)
As at 31 March 2024	619	27
Additions		
Depreciation expense	(9)	(4)
As at 31 March 2025	610	23

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

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

	As at 31 March 2025	As at 31 March 2024
As at 1 April	28	2
Additions	-	29
Accretion of interest	2	1
Payments	(4)	(4)
As at 31 March	26	28
Current	2	2
Non current	24	26

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

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

The details of the contractual maturities of lease liabilities as at 31 March 2025 and 31 March 2024 on an undiscounted basis are as follows:

	As at 31 March 2025	As at 31 March 2024
Payable within one year	5	4
Payable between one year and five years	21	20
Payable after more than five years	9	15

(Currency: Indian Rupees in million)

46 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

31 March 2025	Carrying amount			Fair value			Total
	FVTOCI	FVPTL	Total	Level 1	Level 2	Level 3	
Financial assets							
Investment	95	-	95	0	-	95	95
	95	-	95	0	-	95	95

31 March 2024	Carrying amount			Fair value			Total
	FVTOCI	FVPTL	Total	Level 1	Level 2	Level 3	
Financial assets							
Investment	54	-	54	0	-	54	54
	54	**-**	**54**	**0**	**-**	**54**	**54**

B. Financial risk management

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

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

i. Risk management framework

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

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

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

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

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

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

(Currency: Indian Rupees in million)

At 31 March 2025, the maximum exposure to credit risk for trade receivables by geographic region was as follows.

	Carrying amount	
	As at 31 March 2025	As at 31 March 2024
India	2,437	2,299
Other regions	2,910	3,337
	5,347	**5,636**

Impairment

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

	As at 31 March 2025		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	4,234	0.48%	20
Past due 0-90 days	885	1.68%	15
Past due 91-180 days	105	10.46%	11
Past due 181-365 days	40	6.39%	3
Past due 366-730 days	12	36.89%	4
Past due 731-1096 days	9	97.18%	8
More than 1096 days	62	100.00%	62
	5,347		**123**

	As at 31 March 2024		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	4,736	0.56%	27
Past due 0-90 days	777	2.89%	22
Past due 91-180 days	35	23.96%	8
Past due 181-365 days	6	31.17%	2
Past due366-730 days	18	53.96%	10
Past due731-1096 days	5	90.41%	4
More than 1096 days	60	100.00%	60
	5,636		**133**

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

Particulars	Amount
Balance as at 31 March 2024	**133**
Additional provision	(10)
Impairment loss recognised / (reversal)	-
Balance as at 31 March 2025	**123**

Cash and cash equivalents

The Group held cash and cash equivalents (including bank deposits) of ₹ 187 million at 31 March 2025 (31 March 2024: ₹ 213 million). The cash and cash equivalents (including bank deposits) are held with banks with good credit ratings and financial institution counterparties with good market standing.

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

Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

(Currency: Indian Rupees in million)

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk

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

As at 31 March 2025	Carrying amount	Total	Contractual cash flows		
			Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings and lease liabilities - Non current	3,696	3,696	-	3,648	48
Borrowings and lease liabilities - current	3,951	3,951	3,951	-	-
Other financial liabilities - current	448	448	448	-	-
Trade payables	3,041	3,041	3,041	-	-
	11,136	**11,136**	**7,440**	**3,648**	**48**

As at 31 March 2024	Carrying amount	Total	Contractual cash flows		
			Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings and lease liabilities - Non current	4,255	4,255	-	3,697	558
Borrowings and lease liabilities - current	3,921	3,921	3,921	-	-
Other financial liabilities - current	408	408	408	-	-
Trade payables	2,788	2,788	2,788	-	-
	11,372	**11,372**	**7,117**	**3,697**	**558**

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

iv Market risk

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

Currency risk

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

(Currency: Indian Rupees in million)

Exposure to currency risk

The major currency profile of financial assets and financial liabilities as at 31 March 2025 and 31 March 2024 are as below:

	As At 31 March 2025			
	USD	EUR	CHF	SGD
Financial assets	2,648	271	-	-
Financial liabilities	1,112	128	3	-
Net Exposure	**1,536**	**143**	**(3)**	**-**

	As At 31 March 2024			
	USD	EUR	CHF	SGD
Financial assets	3,036	372	-	-
Financial liabilities	1,408	151	23	2
Net Exposure	**1,628**	**221**	**(23)**	**(2)**

Sensitivity analysis

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

Effect in INR	Profit or loss before tax		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2025				
USD (3% movement)	46	(46)	35	(35)
EUR (3% movement)	4	(4)	3	(3)
CHF (3% movement)	(0)	0	(0)	0
SGD (3% movement)	-	-	-	-
	50	**(50)**	**38**	**(38)**

Effect in INR	Profit or loss before tax		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2024				
USD (3% movement)	49	(49)	37	(37)
EUR (3% movement)	7	(7)	5	(5)
CHF (3% movement)	(1)	1	(1)	1
SGD (3% movement)	(0)	0	(0)	0
	55	**(55)**	**41**	**(41)**

v. Interest rate risk

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

(Currency: Indian Rupees in million)

Exposure to interest rate risk

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

	Nominal amount	
	As at 31 March 2025	As at 31 March 2024
Fixed-rate instruments		
Financial assets	65	98
Financial liabilities	(2,633)	(2,886)
	(2,568)	**(2,788)**
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	(4,988)	(5,262)
	(4,988)	**(5,262)**

Fair value sensitivity analysis for fixed-rate instruments

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

47 Capital Management

As at 31 March 2025, the Group has only one class of equity shares. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

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

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

	As at 31 March 2025	As at 31 March 2024
Non-current borrowings	3,672	4,229
Current borrowings	3,949	3,919
Gross debt	**7,621**	**8,147**
Less - Cash and cash equivalents	130	127
Less - Other current bank deposits	50	82
Adjusted net debt(A)	**7,441**	**7,939**
Total equity (B)	12,623	11,877
Adjusted net debt to equity ratio	0.59	0.67
Total capital (A)+(B)	20,064	19,816
Gearing ratio *	37%	40%

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

(Currency: Indian Rupees in million)

48 Corporate social responsibility

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

Gross amount required to be spent by the Group during the year: ₹ 28 million (31 March 2024: ₹ 36 million)

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

Amount spent during the year on ;	For the year Ended 31 March 2025	For the year Ended 31 March 2024
Protection of national heritage	10	5
Promotion of education	8	17
Environmental sustainability	3	7
Promoting preventive health care and sanitation and making available safe water	8	6
Others	0	0
Total	**29**	**35**

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

Amount of Expenditure incurred on Corporate Social Responsibility

Particulars	31 March 2025	31 March 2024
(a) amount required to be spent by the holding company during the year	28	36
(b) amount of expenditure incurred	29	35
(c) Excess / (shortfall) at the end of the year	1	(1)
(d) total of previous years shortfall	-	-
(e) reason for shortfall	NA	Adjusted against excess spent in FY 2022-23
(f) nature of CSR activities	As per above table	As per above table
(g) Details of related party transactions, contribution to an entity (in which certain directors of Holding Company are directors) in relation to CSR expenditure.	7.50	2.50
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-

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

	For the year ended 31 March 2025	For the year ended 31 March 2024
- Audit fees	6	6
- Limited review of quarterly results	3	3
- Certification and other matters	-	0
- Out-of-pocket expenses	0	0
Total	**9**	**9**

Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

(Currency: Indian Rupees in million)

50 Capitalisation of expenditure

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

	For the year ended 31 March 2025	For the year ended 31 March 2024
Finance costs	-	247
Employee benefit expenses	22	24
Power & fuel	0	80
Consultancy Charges	1	2
Material Consumption - net of amount recovered	(62)	215
Total	**(39)**	**568**

51 Segment information

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

Pharmaceuticals: Segment produces in Active Pharmaceutical Ingredients

Crop protection: Segment manufactures in pesticides, herbicides.

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

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

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

Segment wise classification:-

A i) Primary segment reporting (by business segment)

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

- Pharmaceuticals

Segment produces/trades in Active Pharmaceutical Ingredients

- Crop Protection

Segment produces/trades in pesticides and herbicides

ii) Segment revenues, results and other information

Particulars	Crop Protection	Pharmaceuticales	Total of Reportable Segment
External sales	**6,917**	**11,681**	**18,598**
	6,844	*11,002*	*17,846*
Other income	-	-	-
	-	-	-
Segment revenue	**6,917**	**11,681**	**18,598**
	6,844	*11,002*	*17,846*
Cost of goods sold	**3,209**	**5,164**	**8,373**
	2,995	*5,252*	*8,247*
Personnel Cost	**823**	**1,553**	**2,376**
	762	*1,633*	*2,395*

(Currency: Indian Rupees in million)

Particulars	Crop Protection	Pharmaceuticales	Total of Reportable Segment
Other Expense	**1,610**	**2,749**	**4,359**
	1,939	*2,432*	*4,371*
Depreciation/Amortisation	**483**	**841**	**1,324**
	405	*750*	*1,155*
Segment results	**792**	**1,374**	**2,166**
	743	*935*	*1,678*
Segment assets	**9,349**	**15,393**	**24,742**
	9,212	*14,483*	*23,695*
Segment liabilities	**1,262**	**2,846**	**4,108**
	1,320	*2,457*	*3,777*
Capital expenditure (included in segment assets)	**378**	**957**	**1,335**
	933	*1,392*	*2,325*

Figures in italics pertain to previous year

iii) Reconciliation of reportable segments with the financial statements

	Revenues	Results / Net Profits	Assets	Liabilities	Capital Expenditure	Depreciation/ Amortisation
Total of reportable segments	**18,598**	**2,166**	**24,742**	**4,108**	**1,335**	**1,324**
	17,846	*1,678*	*23,694*	*3,776*	*2,325*	*1,155*
Corporate / Unallocated segment	**-**	**176**	**547**	**8,558**	**25**	**20**
	-	*159*	*1,177*	*9,218*	*97*	*21*
Finance cost	**-**	**752**	**-**	**-**	**-**	**-**
	-	*564*	*-*	*-*	*-*	*-*
Taxes	**-**	**330**	**-**	**-**	**-**	**-**
	-	*259*	*-*	*-*	*-*	*-*
As per financial statement	**18,598**	**908**	**25,289**	**12,666**	**1,360**	**1,344**
	17,846	*696*	*24,871*	*12,994*	*2,422*	*1,176*

Figures in italics pertain to previous year

B Secondary segment reporting (by geographical segment)

Particulars	India	USA and Canada	Europe	South East Asia	Others	Total
Revenue	**7,041**	**2,506**	**5,300**	**2,990**	**761**	**18,598**
	6,679	*2,983*	*4,677*	*3,137*	*370*	*17,846*
Total assets	**25,289**	**-**	**-**	**-**	**-**	**25,289**
	24,871	*-*	*-*	*-*	*-*	*24,871*
Capital expenditure	**1,360**	**-**	**-**	**-**	**-**	**1,360**
	2,422	*-*	*-*	*-*	*-*	*2,422*

There is a customer which account for revenue of ₹ 1,881 Million (31 March 2024 ₹ 2,605 Million) in Crop protection segment other than these there are no transactions with single external customer which amounts to 10% or more of the Group's revenue.

Figures in italics pertain to previous year

(Currency: Indian Rupees in million)

52 Related party disclosures

The note provides the information about the Group's structure. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

i) List of Related parties

Relationship	Name of the related party
a) Company/ enterprises exercising significant influence through voting power ('significant shareholder')	Kalyani Investment Company Limited ("KICL")
b) Key Management Personnel (KMP)	Jai Hiremath (Executive Chairman)
	Sameer Hiremath (Vice Chairman and Managing Director)
	Kuldeep Jain (Chief Financial Officer)
	Rajasekhar Reddy (Company Secretary)
c) Enterprises owned or controlled or significantly influenced by key management personnel or their relatives	Decent Electronics Private Limited ("DEPL")
	Karad Engineering Consultancy Private Limited ("KECPL")
	Ekdant Investments Private Limited ("EIPL")
	Shri Rameswara Investment Private Limited ("SRIPL")
	Shri Badrinath Investment Private Limited ("SBIPL")
	Rushabh Capital Services Private Limited ("RCSPL")
	BF Investment Limited
	Sumer Trust
	Rhea Trust
	Nihal Trust
	Anika Trust
	Pooja Trust
	Anish Trust
	Pallavi Trust
	Sameer Trust
	Malvi Ranchoddas & Co (Up to 31 March, 2024)
	Zirad Art Foundation
d) Relatives of Key Management Personnel	Anish Swadi
	Pallavi Swadi
	Pooja Hiremath
	Ashok Vishwanath Hiremath
	Sumer Hiremath (w.e.f. 12 February 2023)
e) Non-executive directors	Baba Kalyani (up to 29 December 2023)
	Amit Kalyani
	Sugandha Hiremath
	Kannan K. Unni (up to 31 March 2024)
	Prakash Mehta (up to 31 March 2024)
	Ranjit Shahani (up to 9 March 2024)
	Shivani Bhasin Sachdeva
	Shrikrishna Adivadekar
	Berjis Desai (w.e.f. 1 October 2023)
	Ramachandra Kaundinya Vinnakota (w.e.f. 1 October 2023)
	Ravi Kapoor (w.e.f. 11 January 2024)
	Ranjana Salgaocar (w.e.f. 23 March 2024)
	Sarangan Suresh (w.e.f. 1 April 2024)
f) Key Management Personnel of Subsidiary	Sham Wahalekar

(Currency: Indian Rupees in million)

ii) Details of transactions with related parties and balances outstanding

Particulars	Transaction value		Balances outstanding	
	Year ended 31 March 2025	Year ended 31 March 2024	31 March 2025	31 March 2024
Remuneration				
Jai Hiremath	64	53	-	-
Sameer Hiremath	49	45	-	-
Anish Swadi	35	35	-	-
Sarangan Suresh	5	-	-	-
Kuldeep Jain	16	16	-	-
Rajasekhar Reddy	12	12	-	-
Commission paid				
Jai Hiremath	2	-	2	-
Sameer Hiremath	11	3	11	3
Sitting fees				
Sugandha Hiremath	1	1	-	-
Baba Kalyani	-	0	-	-
Amit Kalyani	0	1	-	-
Kannan K. Unni	-	2	-	-
Prakash Mehta	-	2	-	-
Shrikrishna Adivadekar	1	1	-	-
Ranjit Shahani	-	1	-	-
Shivani Bhasin Sachdeva	1	1	-	-
Berjis Desai	1	0	-	-
Ramachandra Kaundinya Vinnakota	1	1	-	-
Ravi Kapoor	1	0	-	-
Ranjana Salgaocar	1	0	-	-
Commission to Non-executive directors				
Sugandha Hiremath	1	1	1	1
Baba Kalyani	-	0	-	0
Amit Kalyani	1	1	1	1
Kannan K. Unni	-	1	-	1
Prakash Mehta	-	1	-	1
Shrikrishna Adivadekar	1	1	1	1
Ranjit Shahani	-	1	-	1
Shivani Bhasin Sachdeva	1	1	1	1
Berjis Desai	1	0	1	0
Ramachandra Kaundinya Vinnakota	1	0	1	0
Ravi Kapoor	1	0	1	0
Ranjana Salgaocar	1	0	1	0
Dividend paid				
SBIPL	24	24	-	-
SRIPL	12	12	-	-
DEPL	0	0	-	-
EIPL	0	0	-	-
KECPL	0	0	-	-
KICL	46	46	-	-
Sugandha Hiremath	12	12	-	-
Jai Hiremath	2	2	-	-
Sameer Hiremath	0	0	-	-
Anish Swadi	0	0	-	-
Baba Kalyani	0	0	-	-
Kannan K. Unni	0	0	-	-
Prakash Mehta	0	0	-	-
Pallavi Swadi	0	0	-	-
Pooja Hiremath	0	0	-	-
BF Investment Limited	4	4	-	-
Sumer Trust	0	0	-	-
Rhea Trust	0	0	-	-

(Currency: Indian Rupees in million)

Particulars	Transaction value		Balances outstanding	
	Year ended 31 March 2025	Year ended 31 March 2024	31 March 2025	31 March 2024
Nihal Trust	0	0	-	-
Anika Trust	0	0	-	-
Pooja Trust	0	0	-	-
Anish Trust	0	0	-	-
Pallavi Trust	0	0	-	-
Sameer Trust	0	0	-	-
Kuldeep Jain	0	0	-	-
Rajasekhar Reddy	0	0	-	-
Sham Wahalekar	0	0	-	-
Ashok Hiremath	0	0	-	-
Ravi Kapoor	0	0	-	-
Sarangan Suresh	0	-	-	-
Lease rent paid				
RCSPL	1	1	-	-
Sugandha Hiremath	2	2	-	-
Jai Hiremath	0	0	-	-
Security Deposit				
RCSPL	-	-	1	1
Sugandha Hiremath	-	-	50	50
Jai Hiremath	-	-	20	20
Other Recoverables				
Jai Hiremath	-	6	-	6
Advances Given				
Kuldeep Jain	-	2	1	2
Advances Given Repaid				
Kuldeep Jain	1	0	-	-
Interest Received on advances				
Kuldeep Jain	0	0	0	0
Corporate Social Responsibility				
Zirad Art Foundation	8	3	0	0
Consultancy Charges				
Malvi Ranchoddas & Co*	-	6	-	0

For the year ended 31 March 2024 the remuneration paid to one of the managerial person was in excess of limits specified in section 197 of the Companies Act, 2013 ("the Act") and accordingly in section, such excess remuneration of ₹ 6 million is recognised in the financial statements as a recoverable from the director and will be recovered by the Company in accordance with said provisions of the Act. The remuneration to managerial persons for the year ended 31 March 2024 is in accordance with the limits applicable under the regulation 17(6) of SEBI (listing Obligation and Disclosure Requirements) Regulation, 2015.

Terms and conditions of transactions with related parties

1. All related party transactions entered during the year were in ordinary course of business and are on arms length basis.
2. Outstanding balances at year end are unsecured and settlement occures in cash.
3. The remuneration of executive directors is determined by the nomination and remuneration committee.
4. *Outstanding balance does not include escrow account balance with the party.
5. Also refer note 48

(Currency: Indian Rupees in million)

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

A. Contingent liabilities

	As at 31 March 2025	As at 31 March 2024
(i) Direct and Indirect taxes		
Income Taxes*	395	362
Excise Duty**	40	40
Cental Sales Tax (CST)***	3	3
Value Added Tax (VAT)****	11	11
Goods and Service Tax (GST)*****	73	73

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

** In addition to above interest and penalty of ₹ 40 million was levied.

*** In addition to above for certain matters, penalty and interest of ₹ 6 million was levied during the assessment.

**** in addition to above penalty and interest of ₹ 11 million was levied during the assessment.

*****In addition to above penalty of ₹ 7 million was levied."

(ii) There are no material developments during the year in the matter relating to the alleged improper disposal of by-product by the Holding Company in January 2022, for which statutory authorities have conducted investigations in relation to alleged non-compliance with certain environmental laws and regulations, and the matter is pending before Hon'ble Supreme Court of India. In this connection, in March 2022, the National Green Tribunal, Principal Bench, New Delhi had passed an order accepting the Joint Commitee's Reports, which includes recovery of compensation of ₹ 175 millions from the Holding Company's for aforesaid non-complaince. Gujarat Pollution Control Board subsequently issued a direction to the Holding Company for payment thereof, which has been stayed by the Hon'ble Supreme Court. In an earlier quarter, upon the Holding Company depositing ₹ 50 millions with the Court. of this amount, ₹ 10 millions is released for payment to legal representatives of the deceased individuals, for which the Holding Company has recognised a provision in financial year 2023-24 as a matter of prudence, and without prejudice to its rights and contentions. Based on the advice of external legal consel, the Holding Company believes it has a good case on merits in these matters, and the Holding Company is taking necessary steps, including legal measures, to defend itself. Accordingly, no further provision is required in the financial results in this respect.

(iii) On 12 July 2023, Karnataka Pollution Control Board (KPCB) served a demand notice to the Holding Company for ₹ 83 millions as Environmental Compensation however notice does not give details of instance of grounds / non-compliances. Aggrieved by this, Holding Company has approached Hon'ble Karnataka High Court. Based on the advice of external legal counsel, the Holding Company believes it has a good case on merits in this matter and accordingly, no provision is required in the financial statement in this regard.

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

B. Commitments

	As at 31 March 2025	As at 31 March 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for, tangible assets (net of advances)	469	341
Other non cancellable material commitment	2,267	2,392

Notes to the Consolidated Financial Statements
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(Currency: Indian Rupees in million)

54 Key Ratios

Sr. No.	Particulars	Numerator	Denominator	As at / for the year ended 31 March 2025	As at / for the year ended 31 March 2024	Variance (in %)	Reason for variance (if variance is more than 25%)
1	Current Ratio	Current Assets	Current Liabilities	1.26	1.28	1%	
2	Net Debt-Equity Ratio	Total Borrowing	Equity	0.59	0.67	12%	
3	Debt Service Coverage Ratio	EBIT	Total Debt Service	1.45	1.52	5%	
4	Return on Equity Ratio	Profit After Tax	Average Equity	7.41%	6.00%	24%	
5	Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.62	2.66	1%	
6	Trade Receivables Turnover Ratio	Revenue from operation except Export incentive and others	Average Trade Receivable	3.46	3.59	4%	
7	Trade Payables Turnover Ratio	Total Purchases	Average Trade Payable	2.97	2.73	8%	
8	Net Working Capital Turnover Ratio	Revenue from operation except Export incentive and others	Working Capital = Current Assets - current liabilities	8.96	8.48	6%	
9	Net Profit Ratio	Net Profit after Tax	Revenue from operation except Export incentive and others	4.90%	3.91%	26%	Increase in revenue and reduction in expenses
10	Return on Capital Employed	EBIT	Equity + borrowings + deferred tax liability	9.73%	7.70%	26%	Increase in revenue and reduction in expenses
11	Return on Investment	Income generated from Invested funds	Average Investment Funds	5.66%	5.50%	3%	

(Currency: Indian Rupees in million)

55 Contribution to Provident Fund as per Supreme Court Judgment

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

56 The Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Holding company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on 13 November 2020. The Holding Company will assess the impact and its evaluation once the subject rules are notified. The Holding Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

57 Dues relating to Investor Education and Protection fund

During the year the Holding Company has transferred ₹ 0 Million (31 March 2024 ₹ 1 million) to Investor Education and Protection fund. There are no other dues which need to be credited as at the year end to the Investor Education and Protection fund.

58 The Group does not have any Benami property, where any proceedings have been initiated or pending against the group for holding any Benami property.

59 The Group does not have any transactions with Companies struck off.

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

61 The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

62 The Group has not advanced or loaned or invested funds to any other person / entities, including foreign entities (intermediaries) with the understanding that the intermediary shall:

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

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

63 The Group has not received funds to any other person / entities, including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that the holding company shall:

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

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

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

65 The Holding Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in such software, except that audit trail feature is not enabled for changes made (if any) by users with privileged/ administrative access rights for the period from 13 August 2024 to 21 February 2025 and for direct changes to data when using certain access rights in respect of Oracle application.

66 The quarterly returns or statements of Current assets filed by the Holding Company with the banks or financial institutions are in agreement with the books of accounts.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

(Currency: Indian Rupees in million)

67 Other information

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

As per our report of even date attached
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

per Vinayak Pujare
Partner
Membership No: 101143

Mumbai
14 May 2025

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

Jai Hiremath
Executive Chairman
DIN: 00062203

Sameer Hiremath
Vice Chairman and Managing Director
DIN: 00062129

Ramachandra Kaundinya Vinnakota
Director
DIN - 00043067
Mumbai
14 May 2025

Kuldeep Jain
Chief Financial Officer
Mumbai
14 May 2025

Rajasekhar Reddy
Company Secretary
Mumbai
14 May 2025