

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Parijat Industries (India) Private Limited

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

#### **Opinion**

We have audited the accompanying consolidated financial statements of Parijat Industries (India) Private Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2023, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, 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 March 31, 2023, their consolidated profit including the other comprehensive income and their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Other Information**

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the



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other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of 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.

Those 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 judgment and maintain professional skepticism throughout the audit. We also:

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





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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 other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

## **Other Matter**

We did not audit the financial statements and other financial information, in respect of 8 subsidiaries and one employee welfare trust, whose financial statements include total assets of Rs 24,892.51 lakhs as at March 31, 2023, and total revenues of Rs 28,984.32 lakhs and net cash outflows of Rs 1,875.21 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports 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 these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with group accounting policies and which have been audited by other auditors under generally accepted auditing standards applicable in their respective



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countries. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors.

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 matter with respect to our reliance on the work done and the reports of the other auditors.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraphs 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 auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors 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 reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company and its subsidiaries incorporated in India for the year ended March 31, 2023;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of





our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, 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 Note 25(A) 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 March 31, 2023;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2023.
- iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, 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 any of such subsidiaries, to or in any other person(s) or entity(ies), 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 any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 12(D) to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the ensuing Annual General Meeting.



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The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company and its subsidiaries companies incorporated in India, hence reporting under this clause is not applicable.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 23094421BGYFWC7387

Place of Signature: New Delhi

Date: September 04, 2023





# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

**Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date**

**Re: Parijat Industries (India) Private Limited ('the Company')**

In terms of the information and explanations sought by us and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India and to the best of the knowledge and belief, we state that:

(XXI) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S.No.	Name	CIN	Holding company/ subsidiary company	Clause number of the CARO report which is qualified or is adverse
1	Parijat Industries (India) Private Limited	U24219DL1995PTC161189	Holding Company	ii(b), iii(e), vii(a)

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 23094421BGYFWC7387

Place of Signature: New Delhi

Date: September 04, 2023



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PARIJAT INDUSTRIES (INDIA) PRIVATE LIMITED**

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

We have audited the internal financial controls with reference to consolidated financial statements of Parijat Industries (India) Private Limited ("the Company") (hereinafter referred to as the "Holding Company") as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Company and its subsidiary companies, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls 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 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these consolidated financial statements.





# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

## **Meaning of Internal Financial Controls With Reference to these consolidated Financial Statements**

A company's internal financial controls with reference to 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 controls with reference to 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 consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to 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 Group has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to two subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India. Our opinion is not modified in respect of the above matters.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

  
per **Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 23094421BGYFWC7387

Place of Signature: New Delhi

Date: September 04, 2023



**Parijat Industries (India) Private Limited**  
**Consolidated Balance Sheet as at March 31, 2023**

(All amounts in Rs. in Lakhs unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(A)	8,112.06	7,760.42
Capital work in progress	3(A)	447.17	205.69
Goodwill	4	330.49	330.49
Other Intangible assets	4	2,489.04	1,673.92
Right of use assets	26(9)	324.20	456.13
Intangible assets under development	4	1,227.83	1,615.27
Financial assets			
(i) Loans	5(A)	108.32	87.97
(ii) Other financial assets	5(B)	471.84	134.65
Deferred tax assets (net)	6	1,895.61	1,312.20
Other non-current assets	7	139.38	163.65
Non-current tax assets (net)		88.65	-
		<b>15,634.59</b>	<b>13,740.39</b>
<b>Current assets</b>			
Inventories	8	34,110.88	26,531.06
Financial assets			
(i) Trade receivables	9(A)	27,581.69	18,977.47
(ii) Cash and cash equivalents	9(B)	1,831.33	4,205.95
(iii) Bank balances other than (ii) above	9(C)	1,023.51	1,647.40
(iv) Loans	9(D)	89.99	82.38
(v) Other financial assets	9(E)	81.47	165.82
Other current assets	10	6,417.36	4,695.46
		<b>71,136.23</b>	<b>56,305.54</b>
<b>Assets held for sale</b>	3(B)	350.86	-
<b>Total Assets</b>		<b>87,121.68</b>	<b>70,045.93</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11(A)	2,963.96	2,045.48
Other equity	11(B)	20,495.88	2,801.26
<b>Equity attributable to equity holders of the parent</b>		<b>23,459.84</b>	<b>4,846.74</b>
Non-controlling interests	11(B)	479.80	335.34
<b>Total equity</b>		<b>23,939.64</b>	<b>5,182.08</b>
<b>Non current liabilities</b>			
Financial liabilities			
(i) Borrowing	12(A)	2,327.46	19,474.23
(ii) Lease liabilities	12(B)	31.09	129.52
Provisions	13	355.23	296.92
Deferred tax liabilities (net)	6	49.44	28.58
		<b>2,763.22</b>	<b>19,929.25</b>
<b>Current liabilities</b>			
Contract liabilities	12(C)	2,606.36	3,543.85
Financial liabilities			
(i) Borrowing	12(A)	20,837.65	14,105.48
(ii) Lease liabilities	12(B)	98.43	128.38
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	12(D)	156.27	199.57
b) Total outstanding due other than micro enterprises and small enterprises	12(D)	32,239.63	23,262.03
(iv) Other financial liabilities	12(E)	2,827.13	2,316.96
Provisions	13	342.53	239.90
Other current liabilities	14	371.95	471.75
Current tax liabilities (Net)	15	938.87	666.68
		<b>60,418.82</b>	<b>44,934.60</b>
<b>Total equity and liabilities</b>		<b>87,121.68</b>	<b>70,045.93</b>

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

As per our report of even date  
**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No. 301003E/E300005

per **Vikas Mehra**  
Membership No.: 094421

Place : New Delhi  
Date : September 04, 2023



For and on behalf of the Board of Directors of  
**Parijat Industries (India) Private Limited**  
CIN: U24219DL1995PTC161189

**Keshav Anand**  
Managing Director & CEO  
DIN: 01050275

**Apoorva Choubey**  
Chief Financial Officer

**Sharat Anand**  
Director Finance  
DIN: 00083237

**Anil Kumar Sachdeva**  
Company Secretary  
ICSI M.No: F11493

Place : New Delhi  
Date : September 04, 2023



**Parijat Industries (India) Private Limited**  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2023**

(All amounts in Rs. in Lakhs unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I INCOME</b>			
Revenue from operations	16	102,850.27	78,439.94
Other income	17	928.70	483.83
<b>Total Income</b>		<b>103,778.97</b>	<b>78,923.77</b>
<b>II EXPENSES</b>			
Cost of raw material and components consumed	18	43,980.42	46,769.78
Purchase of traded goods	19	30,615.27	15,107.99
(Increase)/decrease in inventories of finished goods, work in progress and traded goods	20	(386.18)	(6,863.68)
Employee benefits expense	21	8,499.67	7,659.82
Depreciation and amortization expenses	22	1,708.14	1,346.23
Finance Costs	23	2,573.45	1,758.79
Other expenses	24	14,173.94	10,191.25
Fair value loss/(gain) on financial instruments at fair through profit or loss	12	(2,340.00)	6,470.00
<b>Total Expenses</b>		<b>98,824.71</b>	<b>82,440.18</b>
<b>III Profit/(Loss) before tax (I-II)</b>		<b>4,954.26</b>	<b>(3,516.41)</b>
<b>IV Tax expenses</b>	6		
Current tax		1,263.60	1,135.42
Deferred tax (credit)/charge		(549.56)	(151.86)
<b>Total tax expense</b>		<b>714.04</b>	<b>983.56</b>
<b>V Profit/(Loss) for the year (III-IV)</b>		<b>4,240.22</b>	<b>(4,499.97)</b>
<b>VI Other comprehensive income</b>			
Items that will not to be reclassified to profit or loss in subsequent periods			
(i) Re-measurement gain/(losses) on defined benefit plans	26(1)	(51.86)	6.34
(ii) Income tax effect on above	6(b)	12.99	(1.61)
Items that will be reclassified to profit or loss in subsequent periods			
(iii) Exchange differences on translating the financial statements of foreign operations		(13.25)	0.25
(iv) Income tax effect on above		-	-
<b>Other comprehensive income for the year, net of tax (i+ii+iii+iv)</b>		<b>(52.12)</b>	<b>4.98</b>
<b>VII Total comprehensive income for the year, net of tax (V+VI)</b>		<b>4,188.10</b>	<b>(4,494.99)</b>
<b>Profit/(Loss) for the year attributable to:</b>			
- Equity holders of the parent		4,179.29	(4,227.69)
- Non-controlling interests		60.93	(272.28)
<b>Other comprehensive income for the year attributable to:</b>			
- Equity holders of the parent		(53.20)	4.65
- Non-controlling interests		1.08	0.33
<b>Total comprehensive income for the year attributable to:</b>			
- Equity holders of the parent		4,126.09	(4,223.04)
- Non-controlling interests		62.01	(271.95)
<b>VIII Earnings per equity share { nominal value of share Rs.10 (previous year Rs.10)}</b>	26(8)		
Basic EPS (Rs.)		20.33	(20.67)
Diluted EPS (Rs.)		20.07	(20.37)

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

As per our report of even date  
**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No. 301003E/E300005

per **Vikas Mehra**  
Membership No.: 094421

Place : New Delhi  
Date : September 04, 2023



For and on behalf of the Board of Directors of  
**Parijat Industries (India) Private Limited**  
CIN: U24219DL1995PTC161189

**Keshav Anand**  
Managing Director & CEO  
DIN: 01050275

**Apoorva Choubey**  
Chief Financial Officer

Place : New Delhi  
Date : September 04, 2023

**Sharat Anand**  
Director Finance  
DIN: 00083237

**Anil Kumar Sachdeva**  
Company Secretary  
ICS M.No: F11493

Parijat Industries (India) Private Limited  
Consolidated Statement of Cash Flows for the year ended March 31, 2023

(All amounts in Rs. in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	4,954.26	(3,516.41)
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortization expenses	1,708.14	1,346.23
Loss on sale of plant, property and equipment (net)	7.12	17.13
Unrealised foreign exchange (gain) (net)	673.90	627.97
Finance Cost	2,573.45	1,758.79
Liabilities no longer required written back	(20.73)	(98.53)
Interest income	(249.63)	(134.90)
Fair value loss/(gain) on financial instruments at fair value through profit or loss.	(2,340.00)	6,470.00
Impairment allowance for advances considered doubtful	-	0.71
Impairment allowance for trade receivables - credit impaired	793.05	274.68
Development expenses written off	9.77	-
Bad Debt	154.90	105.11
Employee stock option expense	(3.70)	39.29
Loss/(Gain) on change in fair value of derivatives	270.62	(82.56)
<b>Operating Profit before working capital changes</b>	<b>8,531.15</b>	<b>6,807.51</b>
<b>Movement in working capital</b>		
Decrease/(Increase) in inventories	(7,579.82)	(6,315.47)
Decrease/(Increase) in trade receivables	(10,221.94)	(2,617.85)
Decrease/(Increase) in financial assets and loans	(7.89)	(59.77)
Decrease/(Increase) in other assets	(1,739.38)	(480.81)
Increase/(Decrease) in contract liabilities	(937.49)	1,365.05
Increase/(Decrease) in trade payables	8,948.61	6,100.33
Increase/(Decrease) in financial liabilities	324.80	277.26
Increase/(Decrease) in other liabilities	(99.84)	315.97
Increase/(Decrease) in provisions	109.08	119.56
<b>Cash generated from/(used in) operations</b>	<b>(2,672.72)</b>	<b>5,511.78</b>
Income tax paid (net of refunds)	(1,152.66)	(1,200.52)
<b>Net Cash flow from (used in) Operating Activities (A)</b>	<b>(3,825.38)</b>	<b>4,311.26</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment including capital work in progress Intangibles and Intangible assets under	(3,000.95)	(2,368.40)
Proceeds from sale of property, plant and equipment	77.94	75.33
Change in investment in deposits with bank (net)	265.74	(440.30)
Interest income received	249.63	134.90
<b>Net Cash flow (used in) Investing Activities (B)</b>	<b>(2,407.64)</b>	<b>(2,598.47)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Additional capital infusion by non-controlling interest	72.62	-
Proceeds from long-term borrowings	482.20	1,902.45
Repayment of long-term borrowings	(1,444.16)	5.25
(Repayment)/ Proceeds from short-term borrowings (net)	7,686.15	2,046.20
Interest paid	(2,488.57)	(1,725.94)
Dividend paid	(296.40)	(145.42)
Payment of principal portion of lease liabilities	(128.38)	(181.13)
Payment of interest portion of lease liabilities	(22.03)	(32.85)
Employee stock option Paid	(3.06)	-
<b>Net Cash Flow from Financing Activities (C)</b>	<b>3,858.37</b>	<b>1,868.56</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(2,374.65)</b>	<b>3,581.35</b>
Cash and cash equivalents at the beginning of the year	4,205.95	624.57
Net foreign exchange difference	0.03	0.03
<b>Cash and cash equivalents at the end of the year</b>	<b>1,831.33</b>	<b>4,205.95</b>





**Parijat Industries (India) Private Limited**  
**Consolidated Statement of Cash Flows for the year ended March 31, 2023**

(All amounts in Rs. in Lakhs unless otherwise stated)

**Notes :**

- 1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- 2 Refer note 12(A) for change in liabilities from financing activities
- 3 Components of cash and cash equivalents :-

**Balances with banks**

Current accounts  
Cash credit account  
Cash on hand  
Deposit Accounts

As at March 31, 2023	As at March 31, 2022
1,530.20	2,685.29
255.96	93.14
45.17	105.30
-	1,322.22
<b>1,831.33</b>	<b>4,205.95</b>

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

As per our report of even date  
**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No. 301003E/E300005

per **Vikas Mehra**  
Membership No.: 094421

Place : New Delhi  
Date : September 04, 2023

For and on behalf of the Board of Directors of  
**Parijat Industries (India) Private Limited**  
CIN: U24219DL1995PTC161189

**Keshav Anand**  
Managing Director &  
DIN: 01050275

**Apoorva Choubey**  
Chief Financial Officer

**Sharat Anand**  
Director Finance  
DIN: 00083237

**Anil Kumar Sachdeva**  
Company Secretary  
ICSI M.No: A40331

Place : New Delhi  
Date : September 04, 2023



**Parlat Industries (India) Private Limited**  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2023**

(All amounts in Rs. in Lakhs unless otherwise stated)

**A) Equity Share Capital**

Particulars	Nos.	Amount
As at April 01, 2021	20,454,840	2,045.48
Issue of equity share capital	-	-
As at March 31, 2022	20,454,840	2,045.48
Issue of equity share capital	-	-
Addition in equity shares [refer note 11(A)]	9,184,747	918.48
As at March 31, 2023	29,639,587	2,963.96

**B) Other Equity**

B) Other Equity								
Particulars	Attributable to the equity holders of the parent						Non controlling interests	Total equity
	General reserve	Share based payment reserve	Reserves and surplus		Other reserves			
			Retained Earnings	Capital Reserve	Securities Premium	Foreign Fluctuation Reserve	Total	
As at April 01, 2021	111.93	172.55	6,596.96	-	-	248.99	7,130.43	7,737.72
Profit/(Loss) for the year	-	-	(4,227.69)	-	-	-	(4,227.69)	(4,499.97)
Other comprehensive income for the year :	-	-	-	-	-	0.25	0.25	0.25
Exchange differences on translating the financial statements of foreign operations	-	-	4.40	-	-	-	4.40	4.73
Remeasurements gain/(loss) on defined benefit plans	-	-	(4,223.29)	-	-	0.25	(4,223.04)	(4,494.99)
Total comprehensive income for the year	-	39.29	-	-	-	-	39.29	39.29
Employee stock option expense	-	-	(145.42)	-	-	-	(145.42)	(145.42)
Dividend paid during the year (refer note 11(D))	-	211.84	2,228.25	-	-	249.24	2,801.26	3,136.60
As at March 31, 2022	111.93	-	4,179.29	-	-	-	4,179.29	4,240.22
Profit/(Loss) for the year	-	-	-	-	-	(13.25)	(13.25)	(13.25)
Other comprehensive income for the year :	-	-	(39.95)	-	-	-	(39.95)	(38.87)
Exchange difference on translation of financial statements of foreign operations	-	-	4,139.34	-	-	(13.25)	4,126.09	4,188.09
Remeasurements gain/(loss) on defined benefit plans	-	-	(9.83)	-	-	-	(9.83)	9.83
Total comprehensive income for the year	-	-	-	-	-	-	-	0.00
Adjustment on account of acquisition of non-controlling interest	-	-	-	-	-	-	-	72.62
Additional capital infusion by non-controlling interest	-	-	-	-	6,204.17	-	13,881.52	13,881.52
Addition on account of derecognition of financial liability valued at FVTPL (refer note 12(A)(i))	-	-	-	7,677.35	-	-	(6.76)	(6.76)
Share based payments	-	(6.76)	(296.40)	-	-	-	(296.40)	(296.40)
Dividend paid during the year (refer note 11(D))	-	205.08	6,061.36	7,677.35	6,204.17	235.99	20,495.88	20,975.67
As at March 31, 2023	111.93	-	6,061.36	7,677.35	6,204.17	235.99	20,495.88	20,975.67
Other Equity								

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

As per our report of even date  
For S.R. Batliboi & Co. LLP  
Chartered Accountants  
Firm Registration No. 301003/E300005

*[Signature]*  
per Vikas Mehra  
Membership No.: 094421



Place : New Delhi  
Date : September 04, 2023

For and on behalf of the Board of Directors of  
Parlat Industries (India) Private Limited  
GTIN: U24219DL1993PTC161189

*[Signature]*  
Keshav Anand  
Managing Director & CEO  
DIN: 01050275

*[Signature]*  
Anoop Choubey  
Chief Financial Officer

*[Signature]*  
Sharat Anand  
Director Finance  
DIN: 00083237

*[Signature]*  
Anil Kumar Sachdeva  
Company Secretary  
ICSI M.No: F11493

Place : New Delhi  
Date : September 04, 2023



## **1 CORPORATE INFORMATION**

The consolidated financial statements comprise financial statements of Parijat Industries (India) Private Limited ("the Holding company" or "the Parent company") and its subsidiaries (collectively referred to as "Group") for the year ended March 31, 2023. The Parent company is a private limited company domiciled in India and incorporated under the provisions of the Companies Act ("the Act") applicable in India.

The Group is principally engaged in the business of manufacturing, trading, import and export of various agrochemicals (primarily pesticides) and other related products, which are used to enhance the productivity of agriculture produce. The Group has its manufacturing facilities located in India and sells both in India and across the globe. The registered office of the parent company is located at M-77, 1st & 2nd floor, M-Block market, Greater Kailash, New Delhi-110048 and corporate office is located at Plot No. 239, 3rd Floor, Okhla Industrial Estate Phase 3 Rd, Okhla, New Delhi, 110020.

Information about the Group's structure is provided in Note 26(10). Information about other related party relationships and transactions of the Group are provided in note 26(3) to these consolidated Ind AS financial statements.

The consolidated Ind AS financial statements were approved for issue in accordance with a resolution of the board of directors on September 04, 2023

## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind AS) consolidated financial statements. These policies have been consistently applied to all the years.

### **2.01 Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

The company has prepared the consolidated financial statements on the basis that it will continue to operate as going concern. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- (i) Certain financial assets and liabilities that is measured at fair value (refer accounting policy regarding financial instruments),
- (ii) Assets held for sale-measured at fair value less cost to sell
- (iii) Defined benefit plans-plan assets measured at fair value
- (iv) Share based payments.
- (v) Derivative financial instruments.

The financial statements are presented in INR and all values are rounded to the nearest lakhs (Rs. 00,000), except per share data and unless stated otherwise.

### **2.02 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Parent company and its subsidiaries (collectively referred to as "Group") as at March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2023. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so or there are no significant transaction or event between the date of those financial statements and date of financial statements of parent company.

### **2.03 Consolidation procedure:**

#### **a) Subsidiaries:**

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the parent'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.
- (iii) 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). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.



Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent 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 subsidiaries 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost.
- Derecognises the carrying amount of any non-controlling interests.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

The Group treats transaction with non-controlling interests that do not result in a loss of control as transaction with the equity owners of the Group. A change in ownership interest results in adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

#### **b) Investment in associates and joint ventures:**

An associate is an Group over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss outside operating profit.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The Group discontinues the use of equity method from the date the investment is classified as held for sale in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations and measures the interest in associate and joint venture held for sale at the lower of its carrying amount and fair value less cost to sell.

#### **c) Business combination and goodwill**

Business combinations other than those common control transactions are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships.

If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within other equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Standalone Statement of Profit and Loss. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Group incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Group, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed





The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- (a) Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- (b) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- (c) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- (d) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.
- (e) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current assets held for Sale and Discontinued Operations are measured in accordance with that Standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

#### **2.04 Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
  - Held primarily for purpose of trading
  - Expected to be realized within twelve months after the reporting period, or
  - cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
  - It is held primarily for purpose of trading
  - It is due to be settled within twelve months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- All other liabilities are classified as non current.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

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



## 2.05 Property, plant and equipment

Freehold Land is carried at historical cost. All other items of Property, Plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. The historical cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable. Any trade discounts and rebates are deducted in arriving at the purchase price.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Subsequent costs are included in asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of item can be measured reliably.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is calculated on prorata basis on straight-line method using the useful lives of the assets estimated by management. The useful life is as follows:

Assets	Useful life (in years)	Usefull life as per Schedule II (in years)
Buildings	30	30
Roads RCC	10	10
Plant and machinery	1-3, 5, 10 & 15	15
Plant and machinery - vessels & storage tank	20	15
Plant and machinery - Continuous Process Plant (CPP)	8	25
Computers including networking equipments	3	3
Vehicles	4-10	8
Furniture and fixtures	5-10	10
Office equipment	5	5

The useful lives have been determined based on technical evaluation done by the management's expert. The management, based on its technical assessment, has estimated the useful lives of certain plant and machinery as 1-3, 5, 10 & 15 years, which are lower than those indicated in Schedule II based on nature of underlying asset and its use. The residual values are not more than 5% of the original cost of the assets. The asset's residual values and useful lives are reviewed, and adjusted if appropriate.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Lease hold improvements are depreciated on straight line basis over shorter of the asset's useful life and their initial agreement period unless the entity expects to use the asset beyond the lease term.

## 2.06 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost of intangible assets acquired in business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern.

Payments to third parties that generally take the form of up-front payments in the form of data compensation costs where studies have already approved by authorities in a country are capitalized since the probability of expected future economic benefits criteria is always considered to be satisfied for separately acquired Intangible Asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life as under

Assets	Useful life (in years)
Computer Software	5
Product Registration	5
Technical Know How	5
Trademarks	5

## Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset;
- Its ability to use or sale the asset;
- How the asset will generate future economic benefits;
- The availability of adequate resources to complete the development and to use or sale the asset; and





vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

## 2.07 Impairment of non- financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding intangible assets having indefinite life, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

## 2.08 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### (i) Financial Assets

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortised cost

#### Initial recognition and measurement

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 that are attributable to acquisition of the financial assets. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient and are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section '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 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.

#### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) **Business Model Test** : The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) and,
- b) **Cash flow characteristics test**: The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in other income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally includes loans and other receivables.



**Financial assets at fair value through OCI (FVTOCI) (debt instruments)**

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) **Business Model Test** : The objective of financial instrument is achieved by both collecting contractual cash flows and selling the financial assets; and
- b) **Cash flow characteristics test**: The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

**Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

**Embedded Derivatives**

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either:
  - (a) the Group has transferred substantially all the risks and rewards of the asset, or
  - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**Impairment of financial assets**

In accordance with IND AS 109, the Group applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI).

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).





**Parijat Industries (India) Private Limited**

**Notes to consolidated financial statements for the year ended March 31, 2023**

The Group follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;
- All lease receivables resulting from the transactions within the scope of Ind AS 116 -Leases.

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

**(a) Financial assets measured as at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

**(b) Loan commitments and financial guarantee contracts:** ECL is presented as a provision in the balance sheet, i.e. as a liability.

**(c) Debt instruments measured at FVTOCI:** For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the accumulated impairment amount.

**(ii) Financial liabilities:**

**Initial recognition and measurement**

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group financial liabilities include loans and borrowings, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables.

**Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- (i) Financial liabilities at fair value through profit or loss
- (ii) Financial liabilities at amortised cost (loans and borrowings)

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationship as defined by Ind AS 109. The separated embedded derivative are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. the Group has not designated any financial liability as at fair value through profit and loss.

**Financial liabilities at amortised cost (Loans and borrowings)**

This category is most relevant to the Group. Borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss.

**Trade and other Payables**

These amounts represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 180 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.



#### Reclassification of financial assets/ financial liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or

The following table shows various reclassification and how they are accounted for:

Original Classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in profit or loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised Cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL FVTOCI	FVTOCI FVTPL	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required. Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss the reclassification date.

## 2.09 Derivative financial instruments and hedge accounting

### Initial recognition and subsequent measurement

The Group uses derivative financial instruments such as forward contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

### (i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

### (ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

## 2.10 Inventories

### a) Basis of valuation:

- Inventories other than scrap materials are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost unless the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

- Inventories of scrap materials have been valued at net realizable value.

### b) Method of Valuation:

- Cost of raw materials has been determined by using first in, first out (FIFO) basis method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on FIFO basis.





- iii) Cost of traded goods has been determined by using FIFO basis method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## **2.11 Income Tax**

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

### **a) Current income tax**

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities of respective jurisdiction of group companies by using applicable tax rates and the tax laws that are enacted at the reporting date.

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

Current income tax relating to item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity). Current tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

### **b) Deferred Tax**

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from 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. Deferred tax liability is not recognised in respect of taxable temporary differences associated with investments in subsidiaries 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:

- 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.
- In respect of deductible temporary differences associated with investments in subsidiaries 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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

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

## **2.12 Revenue from contract with customers**

The Group manufactures/ trades and sells a range of agrochemical products. Revenue from contracts with customers involving sale of these products is recognized at a point in time when control of the product has been transferred, and there are no unfulfilled obligation that could affect the customer's acceptance of the products which usually happen on delivery of goods. Delivery occurs when the products are shipped to specific location and control has been transferred to the customers. The Group has objective evidence that all criterion for acceptance has been satisfied. A receivable is recognised when the control of the product is transferred as the consideration is unconditional and payment becomes due upon passage of time as per the terms of contract with customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates, Goods and Services tax (GST) and amounts collected on behalf of third parties

### **(a) Sale of goods**

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations when the property in the goods is transferred for a price, and significant risks and rewards have been transferred and no effective ownership control is retained.

The Group considers, whether there are other promises in the contract in which their are separate performance obligations, to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

#### **(i) Variable consideration**

The Group recognizes revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as credit notes, tours, reimbursement, incentives etc. These scheme program give rise to variable consideration and Revenue from contract with customer is presented after deducting as cost of all these schemes.



**(iii) Significant Financing Components**

In respect of short-term advances from its customers, using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle.

In respect of long term contracts, the Group has used the incremental borrowing rate to discount the consideration as this is the rate which commensurate with rate that would be reflected in separate financing arrangement between the Group and its customer.

**(b) Contract balances**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. A receivables represents the Group's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). 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).

A trade 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 in section (Financial instruments – initial recognition and subsequent measurement).

**2.13 Other Income**

**(a) Interest Income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate. Interest income is included in other income in the statement of profit and loss.

**2.14 Other Operating Revenues**

**(a) Export benefit**

Revenue from export benefits arising from duty drawback scheme and merchandise export incentive scheme are recognised on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable. Accordingly, export incentive income is included in the statement of profit and loss.

**2.15 Retirement and other employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

**a) Gratuity**

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust with its investments maintained with Life Insurance Corporation (LIC) of India & HDFC. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Group contributes to the Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

- a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- b) Net interest expense or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

**b) Provident fund**

Retirement benefit in the form of provident fund is a defined contribution scheme, the Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

**b) Compensated absences**

Accumulated leave is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current financial liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.





**d) Other employee benefits**

Employees (including senior executives) of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments. In accordance with recognition and measurement principles as prescribed in Ind AS 102 Share Based Payments, the fair value of options granted under the Employee Stock Option Scheme (ESOP) cumulative expense is recognized as an employee benefit expense with corresponding increase in share based payment (SBP) reserve in equity for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the Statement of Profit and Loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

**2.16 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's lease asset classes primarily comprise of lease for building. 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)**

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 leasehold building (i.e. 3-5 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 section '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 payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

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

The Group applies the short-term lease recognition exemption to its short-term leases (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 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.

**Group as a lessor**

Leases for which the Group is a lessor is classified as finance or operating lease. Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**2.17 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) if any that have changed the number of equity shares outstanding, without a corresponding change in resources. Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

**2.18 Borrowing Costs**

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.



## **2.19 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## **2.20 Foreign currency translation**

### **(i) Functional and presentation currency**

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's consolidated financial statements are presented in Indian rupee (INR) which is also the Group's functional and presentation currency.

### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

### **(iii) Exchange differences**

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

### **(iv) Group companies**

On consolidation, the results and financial position of foreign operations that have a functional currency different from the presentation currency (INR) are translated to the presentation currency (INR) in the following manner:

- a) Assets and liabilities are translated at the rate of exchange prevailing at the reporting date
- b) Their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions.
- c) All resulting exchange differences arising on translation of financial statement of foreign operations for consolidation are recognised in other comprehensive income.
- d) On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.
- e) Any Goodwill arising on the acquisition/business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.
- f) Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

## **2.21 Provisions and Contingent Liabilities**

### **Provisions**

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

## **2.22 Dividend Distributions**

The Group recognizes a liability to make the payment of dividend to owners of equity, 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.

## **2.23 Fair value measurement**

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

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





**Parijat Industries (India) Private Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2023**

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**2.24 Significant accounting judgments, estimates and assumptions**

The preparation of these consolidated financial statements requires the management to make judgments, use estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**a) Group as a Lessee**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

**b) Revenue from contract with customers**

Certain contracts of sale includes volume rebates that give rise to variable consideration. In estimating the variable consideration the Group has used a combination of most likely amount method and expected value method. Further, as the case may be, in respect of long term contracts, the Group has used the incremental borrowing rate to the discount the consideration as this is the rate which commensurate with rate that would be reflected in separate financing arrangement between the Group and its customer.

**c) Taxes**

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. (Refer Note 7)

**d) Defined benefit plans**

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for India. Future salary increases and pension increases are based on expected future inflation rates for India. Further details about the assumptions used, including a sensitivity analysis, are given in Note 26(1).

**e) Fair value measurement of financial instrument**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**f) Impairment of financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**g) Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU's fair value less cost of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.





In assessing value in use, the estimated future cash flows are estimated based on past trend and discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

**h) Provision for expected credit losses (ECL) of trade receivables and contract assets**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note.

**i) Property, Plant and Equipment and Intangible Assets**

Property, Plant and Equipment and Intangible Assets represent significant portion of the asset base of the Group. The charge in respect of periodic depreciation/amortisation is derived after determining an estimate of assets expected useful life and expected value at the end of its useful life. The useful life and residual value of Group's assets are determined by Management at the time asset is acquired and reviewed periodically including at the end of each year. The useful life is based on historical experience with similar assets, in anticipation of future events, which may have impact on their life such as change in technology.

**j) Intangible asset under development**

The Group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.

In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

**2.25 Standards / Amendments issued:**

The group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 01, 2022:

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

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

An onerous contract is a contract under which the unavoidable cost of meeting the obligations under the contract costs (i.e., the costs that the group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it. The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The group applies the amendments to contracts for which it has not yet fulfilled all of its obligations, at the beginning of the reporting period. These amendments had no impact on the consolidated financial statements of the group as there is no onerous contract within the scope of these amendments that arose during the year.

**(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103:** The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements. The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. In accordance with the transitional provisions, the group applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). These amendments had no impact on the consolidated financial statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the year.

**(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16:** The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The amendments are effective for annual reporting periods beginning on or after April 01, 2022. These amendments had no impact on the consolidated financial statements of the group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

**(iv) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities:** The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. In accordance with the transitional provisions, the group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the group as there were no modifications of the group's financial instruments during the year.

**(v) Ind AS 41 Agriculture – Taxation in fair value measurements:** The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41. The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments had no impact on the consolidated financial statements of the group as it did not have assets in scope of Ind AS 41 as at the reporting date.

**(vi) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter:** The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101. The amendments are effective for annual reporting periods beginning on or after April 01, 2022 but do not apply to the Group as it is not a first-time adopter.





**2.26 Standards issued but not effective**

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective April 1, 2023.

**(i) Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after April 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Group's financial statements.

**(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after April 01, 2023. Consequential amendments have been made in Ind AS 107.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

**(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after April 01, 2023. The Group is currently assessing the impact of the amendments.



(All amounts in Rs. in Lakhs unless otherwise stated)

Note 3(A) : Property, plant and equipment

Particulars	Freehold land	Buildings	Leaschold improvement	Plant and machinery	Office equipments	Vehicles	Furniture and fittings	Total	Capital work in progress	Grand total
<b>Gross Carrying Amount</b>										
As at April 01, 2021	396.15	2,957.92	2.39	3,424.55	236.44	511.30	82.53	7,611.28	339.75	7,951.03
Additions during the year	-	329.76	-	716.49	117.51	261.74	32.21	1,457.72	300.83	1,758.55
Disposals/transfer during the year	-	(16.39)	(2.39)	(53.21)	(32.53)	(100.50)	(19.83)	(224.85)	(434.89)	(659.75)
Exchange Differences	-	(0.06)	-	0.01	(0.06)	0.04	(0.04)	(0.12)	-	(0.12)
As at March 31, 2022	396.15	3,271.23	-	4,087.84	321.36	672.58	94.87	8,844.04	205.69	9,049.71
Additions during the year	62.01	177.78	-	1,060.23	95.94	191.48	9.85	1,597.28	391.34	1,988.62
Assets classified as held for sale	(144.52)	(282.42)	-	-	-	-	-	(426.94)	-	(426.94)
Disposals/transfer during the year	-	-	-	(29.98)	(24.86)	(120.00)	(3.13)	(177.97)	(149.85)	(327.82)
Exchange Differences	-	0.16	-	0.13	0.14	0.70	0.10	1.23	-	1.23
As at March 31, 2023	313.63	3,166.75	-	5,118.21	392.59	744.76	101.68	9,837.65	447.17	10,284.80
<b>Accumulated Depreciation</b>										
As at April 01, 2021	-	117.69	0.50	285.37	67.86	83.50	11.52	566.44	-	566.44
Charge for the year	-	65.95	-	380.59	77.03	110.88	15.14	649.60	-	649.60
Disposals/transfer during the year	-	(5.17)	(0.50)	(23.82)	(26.63)	(65.81)	(10.39)	(132.32)	-	(132.32)
Exchange Differences	-	(0.01)	-	(0.04)	(0.02)	(0.01)	(0.01)	(0.09)	-	(0.09)
As at March 31, 2022	-	178.46	-	642.10	118.24	128.56	16.26	1,083.62	-	1,083.62
Charge for the year	-	120.21	-	455.50	86.37	103.29	12.57	777.94	-	777.94
Assets classified as held for sale	-	-	-	-	(22.51)	(59.26)	-	(76.08)	-	(76.08)
Disposals/transfer during the year	-	-	-	(5.17)	(1.65)	(88.60)	(0.04)	(88.60)	-	(88.60)
Exchange Differences	-	0.06	-	28.39	0.08	0.14	0.04	28.71	-	28.71
As at March 31, 2023	-	222.64	-	1,120.83	182.18	172.73	27.22	1,725.59	-	1,725.59
<b>Net carrying amount</b>										
As at March 31, 2022	396.15	3,092.77	-	3,445.74	203.12	544.02	78.61	7,760.42	205.69	7,966.11
As at March 31, 2023	313.63	2,944.11	-	3,997.39	210.41	572.03	74.46	8,112.06	447.17	8,559.23

Notes

- All property plant and equipment are held in the name of the company.
- Refer to note 12(A) for information on property, plant and equipment pledged/ hypothecated as security.
- Capital work in progress includes assets which are under construction at the factory.
- Disclosure of Contractual commitment for the acquisition of property plant and equipment has been provided in note 25 (B).
- The Company has availed the exemption under Ind AS 101 where the carrying value for all of its property, plant and equipment under previous GAAP has been carried forward as its deemed cost as at the date of transition i.e. April 01, 2020

Particulars	Freehold land	Buildings	Leaschold improvement	Plant and machinery	Office equipments	Vehicles	Furniture and fittings	Total	Capital work in progress	Grand total
Gross Block 2020	613.06	3,199.39	37.88	3,100.51	402.39	953.75	157.75	8,464.73	876.64	9,341.37
Elimination	(216.91)	(748.75)	(35.49)	(3.60)	(276.67)	(509.76)	(93.10)	(3.60)	(19.93)	(23.53)
Accumulated Dep 2020	-	-	-	(787.44)	-	-	-	(2,668.12)	-	(2,668.12)
Deemed Cost As on April-20	396.15	2,450.64	2.39	2,309.47	125.72	443.99	64.65	5,793.01	856.71	6,649.72





(All amounts in Rs. in Lakhs unless otherwise stated)

Capital work in progress (CWIP) Ageing Schedule

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023					
Projects in progress	395.20	-	1.29	50.68	447.17
Projects temporarily suspended					
Total	395.20	-	1.29	50.68	447.17
As at March 31, 2022					
Projects in progress	153.73	-	-	-	153.73
Projects temporarily suspended	-	-	2.58	49.38	51.96
Total	153.73	-	2.58	49.38	205.69

Note: All the above projects are neither overdue, nor exceeded its cost compared to its original plan

3(B). Assets held for sale

	As at	
	March 31, 2023	March 31, 2022
Carrying amount of:		
Freehold land	144.52	-
Building	206.34	-
	350.86	-

Note- During the current year Board of Directors has approved to sell certain items of land and building and is classified as held for sale and measured in accordance with IND AS 105 "Non Current Assets held for sale and Discontinued Operation". The Company expects to complete the sale with in one year.



(All amounts in Rs. in Lakhs unless otherwise stated)  
Note 4 : Intangible assets

	Software	Trade mark	Product registration	Technical know how	Licences	Total other intangible assets	Goodwill	Intangibles assets under development	Total intangible assets
<b>Gross Carrying Amount</b>									
As at April 01, 2021	23.63	67.28	1,722.43	180.16	16.39	2,009.89	330.49	1,483.85	3,824.23
Additions during the year	8.30	3.76	461.74	198.66	-	672.46	-	1,032.44	1,704.90
Disposals/transfer during the year	-	-	(13.70)	(13.70)	-	(13.70)	-	(592.83)	(606.53)
Exchange Differences	(0.01)	(0.46)	(44.84)	-	-	(45.31)	-	(12.28)	(57.59)
As at March 31, 2022	31.92	70.58	2,125.63	378.82	16.39	2,623.34	330.49	1,911.18	4,865.01
Additions during the year	6.26	10.52	1,360.21	175.50	-	1,552.49	-	997.14	2,549.63
Disposals/transfer during the year	-	(0.80)	-	-	-	(0.80)	-	(1,412.08)	(1,412.88)
Exchange Differences	0.02	0.94	95.88	-	-	96.84	-	25.54	122.37
As at March 31, 2023	38.20	81.24	3,581.72	554.32	16.39	4,271.87	330.49	1,521.78	6,124.14
<b>Accumulated Depreciation</b>									
As at April 01, 2021	6.18	16.33	343.14	21.70	4.10	391.44	-	-	391.44
Charge for the year	6.75	16.65	501.38	42.56	4.10	571.44	-	-	571.44
Disposals/transfer during the year	-	-	(0.01)	-	-	(0.01)	-	-	(0.01)
Impairment allowance	-	-	-	-	-	-	-	-	-
Exchange Differences	(0.01)	(0.17)	(13.27)	-	-	(13.45)	-	-	(13.45)
As at March 31, 2022	12.92	32.81	831.24	64.26	8.20	949.41	-	-	949.42
Charge for the year	10.31	14.07	663.76	106.56	3.58	798.27	-	-	798.27
Disposals/transfer during the year	-	(0.69)	-	-	-	(0.69)	-	-	(0.69)
Impairment allowance	-	-	-	-	-	-	-	-	-
Exchange Differences	0.02	0.30	35.52	-	-	35.84	-	-	35.84
As at March 31, 2023	23.25	46.49	1,530.51	170.82	11.78	1,782.83	-	-	1,782.84
<b>Net carrying amount</b>									
As at March 31, 2022	19.00	37.77	1,294.39	314.56	8.19	1,673.92	330.49	1,911.18	3,915.59
As at March 31, 2023	14.95	34.75	2,051.21	383.50	4.61	2,489.04	330.49	1,521.78	4,341.31

**Movement of Provision for Impairment Contingencies**

	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	295.91	295.91
Arising during the year	9.77	-
Utilized/reversed during the year	(11.73)	-
At the end of the year	293.95	295.91

**Intangibles under development:**

	As at March 31, 2023	As at March 31, 2022
Intangibles assets under development (net of provision for contingencies of Rs 293.95 lakhs ( March 31, 2022 : Rs 295.91 lakhs)	1,227.83	1,615.27
	<b>1,227.83</b>	<b>1,615.27</b>

**Notes:-**

(i) Intangible assets under development comprised of costs incurred towards creating product dossiers, fees paid to registration consultants, application fees to the relevant statutory authorities, data compensation costs and data call-in costs which generally takes 3-4 years. The carrying value of same is reduced by provision for contingencies which is estimated on past basis where in approvals could not be obtained or product development was shelved voluntarily due to reasons beyond the control of management.





**Parijat Industries (India) Private Limited**  
**Notes to Consolidated financial statements for the year ended March 31, 2023**  
**(All amounts in Rs. in Lakhs unless otherwise stated)**

(ii) The Company has availed the exemption under Ind AS 101 where the carrying value for all of intangible assets and intangible assets under development has been carried forward as its deemed cost as at the date of transition i.e. April 01, 2020

	Software	Trade mark	Product registration	Technical know how	Licences	Total other intangible assets	Goodwill	Intangibles assets under development	Total intangible assets
Gross block as at April 01, 2020 (previous GAAP)	142.01	35.20	1,555.64	-	20.50	1,753.35	330.49	1,699.34	3,783.18
Less: accumulated depreciation as at April 01, 2020 (previous GAAP)	(131.74)	(18.13)	(613.47)	-	(4.11)	(767.45)	-	(8.17)	5.53
<b>Deemed cost as at April 01, 2020</b>	<b>10.27</b>	<b>17.07</b>	<b>955.87</b>	<b>-</b>	<b>16.39</b>	<b>999.60</b>	<b>330.49</b>	<b>1,691.17</b>	<b>3,021.26</b>

(iii) Intangible Asset under Development (IAUD) Ageing Schedule

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2023</b>					
Projects in progress	462.37	358.96	274.37	132.13	1,227.83
Projects temporarily suspended	462.37	358.96	274.37	132.13	1,227.83
<b>Total</b>					
<b>As at March 31, 2022</b>					
Projects in progress	644.80	293.80	209.37	467.31	1,615.27
Projects temporarily suspended	644.80	293.80	209.37	467.31	1,615.27
<b>Total</b>					

Note: All the above projects are neither overdue, nor exceeded its cost compared to its original plan



5 NON-CURRENT FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
(A) LOANS (carried at amortised cost) (Unsecured, considered good)		
Loan to employees	108.32	87.97
	<u>108.32</u>	<u>87.97</u>

(B) OTHER FINANCIAL ASSETS (valued at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Security Deposits	92.46	113.42
Bank deposit under lien	379.38	21.23
	<u>471.84</u>	<u>134.65</u>

Notes:

- a. Bank deposit under lien including interest accrued thereon represents deposits with sales tax authorities/margin money deposits.

6 INCOME TAXES

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Income tax expense in the statement of profit and loss comprises:		
Income Tax		
Current income tax charge	1,261.23	1,171.68
Adjustment to tax relating to earlier years	2.37	(36.26)
	<u>1,263.60</u>	<u>1,135.42</u>
(A)		
Deferred Tax		
Deferred Tax (credit)/ charge	(532.64)	(151.86)
Adjustment to deferred tax relating to earlier years	(16.92)	-
	<u>(549.56)</u>	<u>(151.86)</u>
(B)		
Income tax expense reported in the statement of profit or loss	<u>714.04</u>	<u>983.56</u>
(A+B)		

(b) Other Comprehensive Income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current income tax on re-measurement (gains)/ losses on defined benefit plans {refer note 26(1)}	12.99	(1.61)
Income tax related to items recognized in OCI during the year	<u>12.99</u>	<u>(1.61)</u>

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting Profit before tax	4,954.26	(3,516.41)
At India's statutory tax rate of 25.17% (March 31, 2021: 25.71%, April 1, 2020, 25.17%)	25.168%	25.168%
Computed Tax Expense	<u>1,246.89</u>	<u>(885.01)</u>
Adjustment in respect of current income tax of earlier years	(7.30)	(36.26)
Adjustment to deferred tax relating to earlier years	(16.92)	37.30
Non-deductible expense for tax purpose	57.53	36.83
Unabsorbed depreciation and carried forward tax losses	(59.67)	14.33
Fair value loss on financial instruments at fair value through profit or loss	(588.93)	1,628.36
Tax Impact of difference of tax rate of group companies	102.04	147.35
CSR expenses disallowed	13.34	10.92
Loss on sale of fixed assets	-	7.66
Tax impact due to indexation	(28.26)	-
Income tax expense reported in the statement of profit and loss	<u>714.04</u>	<u>983.56</u>
At an effective income tax rate of 14.41% (March 31, 2022: (27.97%))		





Parijat Industries (India) Private Limited  
Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts in Rs. in Lakhs unless otherwise stated)

(d) Deferred tax assets/(liabilities) comprises:

Particulars	As at March 31, 2023	As at March 31, 2022	Statement of profit and loss	Charged to Other comprehensive income
Property, plant and equipment and intangible assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(283.39)	(295.98)	12.59	-
Right of Use as per Ind AS 116	(29.24)	(61.88)	32.64	-
<b>Deferred tax (liability)</b>	<b>(312.63)</b>	<b>(357.86)</b>	<b>45.23</b>	<b>-</b>
Lease liability as per Ind AS 116	32.60	64.91	(32.31)	-
Expenses allowable on payment basis	177.32	131.45	45.87	12.99
Allowance for doubtful debts	757.79	639.05	118.74	-
Provision for impairment contingencies for intangible assets under development	74.48	74.48	-	-
Unabsorbed depreciation and carried forward tax losses	561.49	545.85	15.64	-
Shares based payment reserve	51.61	53.30	(1.69)	-
Derivative instrument - foreign currency forward contract (at fair value through profit and loss)	120.58	78.98	41.60	-
Unrealised profit on inventory	354.67	53.46	301.21	-
Tax impact due to indexation	28.26	-	28.26	-
Deferred tax asset / (liability)	<b>2,158.80</b>	<b>1,641.48</b>	<b>517.32</b>	<b>12.99</b>
<b>Net deferred tax asset / (liability)</b>	<b>1,846.17</b>	<b>1,283.62</b>	<b>562.55</b>	<b>12.99</b>

(e) Reconciliation of deferred tax assets/(liabilities) (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	1,312.20	1,150.30
Credited/(Charged) during the year		
- to Profit and Loss Account	570.01	163.78
- to Other comprehensive income	13.40	(1.88)
	<b>583.41</b>	<b>161.90</b>
Closing balance	<b>1,895.61</b>	<b>1,312.20</b>

(f) Deferred tax liability pertaining to one of the subsidiary

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(28.58)	(17.45)
Credited/(Charged) during the year		
- to Profit and Loss Account	(20.45)	(11.40)
- to Other comprehensive income	(0.41)	0.27
	<b>(20.86)</b>	<b>(11.13)</b>
Closing balance	<b>(49.44)</b>	<b>(28.58)</b>

7 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Capital advances { refer note 25(B) }	103.36	145.12
Tax deposited under protest { refer note 25(A) }	-	12.82
Prepaid expenses	36.02	5.71
	<b>139.38</b>	<b>163.65</b>

8 INVENTORIES

Particulars	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw material and Packing material	15,516.13	8,306.60
Works-in-process	5,677.04	3,817.45
Finished goods	6,571.97	12,081.24
Traded Goods	6,178.38	2,142.52
Stores, Spares and Consumables	167.36	183.25
	<b>34,110.88</b>	<b>26,531.06</b>



**Parijat Industries (India) Private Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2023**

(All amounts in Rs. in Lakhs unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Notes:</b>		
(a) The above includes goods in transit as under:		
Raw materials	2,520.88	2,852.34
Finished goods	1,435.23	5,989.52
Traded goods	247.60	395.49
(b) Inventories are hypothecated with the bankers against working capital limits. [refer note 12]		
(c) During the year ended March 31, 2023 Rs 45.28 Lakhs, March 31, 2022, Rs Nil, was recognised as an expense for inventories carried at net realisable value and based on ageing of material.		

**9. CURRENT FINANCIAL ASSETS**

**(A) TRADE RECEIVABLES (valued at amortised cost)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured</b>		
Trade receivables from contract with customers- considered good	27,051.26	18,828.05
Trade receivables from contract with customers - considered good - from related parties (refer note 26(3))	530.43	149.42
Trade receivables from contract with customers- credit impaired	3,569.12	2,810.68
<b>Trade receivables (gross)</b>	<b>31,150.81</b>	<b>21,788.15</b>
Less: Impairment allowance for trade receivables - Credit impaired	(3,569.12)	(2,810.68)
<b>Trade receivables (net)</b>	<b>27,581.69</b>	<b>18,977.47</b>

**Trade receivables Ageing Schedule**

**As at March 31, 2023**

Particulars	Not Due	Less than 6 Months	6 Months – 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables – considered good	20,155.04	7,007.54	322.74	96.37	-	-	27,581.69
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	461.99	891.04	481.08	197.36	2,031.47
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	49.91	253.82	471.68	762.23	1,537.64
<b>Total</b>	<b>20,155.04</b>	<b>7,007.54</b>	<b>834.64</b>	<b>1,241.24</b>	<b>952.76</b>	<b>959.59</b>	<b>31,150.81</b>

**As at March 31, 2022**

Particulars	Not Due	Less than 6 Months	6 Months – 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables – considered good	13,182.85	5,461.85	281.06	51.71	-	-	18,977.47
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	614.34	133.39	531.92	465.84	474.98	-	2,220.47
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	66.19	167.81	356.21	590.21
<b>Total</b>	<b>13,797.19</b>	<b>5,595.24</b>	<b>812.98</b>	<b>583.74</b>	<b>642.79</b>	<b>356.21</b>	<b>21,788.15</b>

**Notes:**

- Trade receivables are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.
- No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade receivables are non-interest bearing and are generally on terms of 90-180 days.
- Ageing of trade receivable and movement of impairment allowance for expected credit loss is disclosed in note 26(5)(b).
- There are no unbilled receivables, hence the same is not required to be disclosed in the ageing schedule.





**Parijat Industries (India) Private Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2023**

(All amounts in Rs. in Lakhs unless otherwise stated)

**(B) CASH AND CASH EQUIVALENTS**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balances with banks:</b>		
Current accounts		
Cash credit account	1,530.20	2,685.29
Cash on hand	255.96	93.14
Fixed deposit having original maturity of less than three months	45.17	105.30
<b>Total cash and cash equivalents</b>	<b>1,831.33</b>	<b>4,205.95</b>

Note: There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

**(C) OTHER BANK BALANCES**

Particulars	As at March 31, 2023	As at March 31, 2022
Margin money deposit with banks	1,023.51	1,647.40
	<b>1,023.51</b>	<b>1,647.40</b>

Note: Margin money deposits represents deposits to secure the letter of credits.

**(D) LOANS (carried at amortised cost)  
(Unsecured, considered good)**

	As at March 31, 2023	As at March 31, 2022
Loan to employees	89.99	82.38
	<b>89.99</b>	<b>82.38</b>

**(E) OTHER FINANCIAL ASSETS**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, considered good)</b>		
Security Deposits (at amortised cost)	75.99	74.57
Derivative instrument - foreign currency forward contract (at fair value through profit and loss)	5.48	90.72
Other receivable (at amortised cost)	-	0.53
	<b>81.47</b>	<b>165.82</b>

Note : Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for sales and purchases. The fair value gain is included in the statement of profit and loss.

**10 OTHER CURRENT ASSETS**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, considered good)</b>		
Advances for material and services	660.16	560.56
Balance with government authorities:	5,202.05	3,076.44
Export incentives receivable {refer note (a) below}	184.48	386.17
Prepaid expenses	330.16	624.11
Other advances	40.51	48.18
	<b>6,417.36</b>	<b>4,695.46</b>

**Note:**

(a) Export incentive receivable includes assistance in the form of export incentives under foreign trade policy and budgetary support. The table below gives information about movement in export incentives receivables:-

Opening Balance  
Add: Grant Income accrued during the year (refer note (16))  
Less: Government grant received during the year  
**Closing Balance**

For the year ended March 31, 2023	For the year ended March 31, 2022
386.17	529.42
563.09	334.21
(764.78)	(477.46)
<b>184.48</b>	<b>386.17</b>



**Parijat Industries (India) Private Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2023**  
(All amounts in Rs. in Lakhs unless otherwise stated)

**11 EQUITY**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(A) Share capital</b>		
<b>a) Authorized (nos.)</b>		
3,50,00,000 (March 31, 2022: 3,50,00,000) equity shares of Rs. 10/- each	3,500.00	3,500.00
50,00,000 (March 31, 2022: 50,00,000) 0.01% compulsory convertible cumulative preference shares (CCCPs)	500.00	500.00
	<b>4,000.00</b>	<b>4,000.00</b>
<b>Issued, subscribed and fully paid-up (nos.)</b>		
2,96,39,587 (March 31, 2022: 20,454,840) equity shares of Rs 10/- each (refer note (b) below)	2,963.96	2,045.48
	<b>2,963.96</b>	<b>2,045.48</b>
<b>b) Reconciliation of the shares outstanding at the beginning and at the end of the year</b>		
<b>Equity shares</b>		

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
At the beginning of the year	20,454,840	2,045.48	20,454,840	2,045.48
Addition in equity shares	9,184,747	918.48	-	-
At the end of the year	<b>29,639,587</b>	<b>2,963.96</b>	<b>20,454,840</b>	<b>2,045.48</b>

Note: Addition of equity shares refers to equity share allotted in earlier year however recognised as liability as per INDAS and transferred back to equity during the year after derecognition of the liability.

**c) Terms/rights attached to equity shares**

The Holding Company has only one class of equity shares having par value of Rs. 10/- per share (March 31, 2023 Rs 10/- 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 the Holding Company is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Equity share capital includes 91,84,748 number of equity shares (March 31, 2022: 91,84,748) issued to private equity investors. Till last year, these were considered as puttable instruments and did not meet the conditions of equity classification as per Ind AS 32 "Financial instruments: Presentation" as they carried put right to sell on the Holding Company/promoters entire amount invested by the investor at fair value.

During the current year on March 28, 2023, Put Option clause has been withdrawn through amendment in share holders agreement (refer note 12(A)(i)). Hence these equity shares now satisfied the condition of equity classification as per IND AS 32 "Financial instruments: Presentation". Therefore the Holding Company has derecognised the carrying value of the liability as on March 28, 2023 and recognised as other equity.

**d) Details of shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):**

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
<b>1 Promoter Group</b>				
<b>Equity Shares of Rs. 10 each fully paid</b>				
Mr. Keshav Anand	6,589,898	22.23%	6,886,298	23.23%
Mr. Vikram Raj Anand	4,770,300	16.09%	5,066,700	17.09%
Mr. Sharat Anand	2,224,098	7.50%	2,224,098	7.50%
Mr. Shivraj Anand	1,892,598	6.39%	1,299,798	4.39%
<b>2 Investor Group</b>				
<b>Equity Shares of Rs. 10 each fully paid</b>				
India Agri Business Fund II Limited	9,184,747	30.99%	9,092,899	30.68%
REAL Trust-II	-	0.00%	91,848	0.31%

**Note :** As per records of the company, including its register of member/shareholders and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares





e) Details of shares held by promoters

As at March 31, 2023

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Keshav Anand	6,886,298	(296,400)	6,589,898	22.23%	-4.30%
Vikram Anand	5,066,700	(296,400)	4,770,300	16.09%	-5.85%
Sharat Anand	2,224,098	-	2,224,098	7.50%	0.00%
Aditi Anand	84,200	-	84,200	0.28%	0.00%
Gautam Raj Anand	1,299,798	2	1,299,800	4.39%	0.00%
Parvati Anand	201,600	-	201,600	0.68%	0.00%
Sanya Anand	901,500	-	901,500	3.04%	0.00%
Shivraj Anand	1,299,800	592,798	1,892,598	6.39%	45.61%
Shruti Anand	403,200	-	403,200	1.36%	0.00%
Uday Raj Anand	100,800	-	100,800	0.34%	0.00%
Viraj Anand	901,500	-	901,500	3.04%	0.00%
Harshi Anand	901	-	901	0.00%	0.00%
Divyot Kaur (renamed as Mansha Kaur Anand)	1	-	1	0.00%	0.00%
Anand Kumari Anand	1	-	1	0.00%	0.00%
Puja Sood	1	-	1	0.00%	0.00%
Radhika Anand	1	-	1	0.00%	0.00%
Parijat Holdings Private Limited	1	-	1	0.00%	0.00%
<b>Total</b>	<b>19,370,400</b>	<b>-</b>	<b>19,370,400</b>		

As at March 31, 2022

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Keshav Anand	6,886,298	-	6,886,298	23.23%	0.00%
Vikram Anand	5,066,700	-	5,066,700	17.09%	0.00%
Sharat Anand	2,224,098	-	2,224,098	7.50%	0.00%
Aditi Anand	84,200	-	84,200	0.28%	0.00%
Gautam Raj Anand	1,299,798	-	1,299,798	4.39%	0.00%
Parvati Anand	201,600	-	201,600	0.68%	0.00%
Sanya Anand	901,500	-	901,500	3.04%	0.00%
Shivraj Anand	1,299,800	-	1,299,800	4.39%	0.00%
Shruti Anand	403,200	-	403,200	1.36%	0.00%
Uday Raj Anand	100,800	-	100,800	0.34%	0.00%
Viraj Anand	901,500	-	901,500	3.04%	0.00%
Kuldeep Raj Anand	900	(900)	-	0.00%	-100.00%
Harshi Anand	1	900	901	0.00%	90000.00%
Divyot Kaur (renamed as Mansha Kaur Anand)	1	-	1	0.00%	0.00%
Anand Kumari Anand	1	-	1	0.00%	0.00%
Puja Sood	1	-	1	0.00%	0.00%
Radhika Anand	1	-	1	0.00%	0.00%
Parijat Holdings Private Limited	1	-	1	0.00%	0.00%
<b>Total</b>	<b>19,370,400</b>	<b>-</b>	<b>19,370,400</b>		

f) Neither bonus shares issued nor shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

g) Shares reserved for issue under options

Information relating to Employee stock option plan including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of reporting period are set out in note 26(6).

(B) OTHER EQUITY

Particulars	As at March 31, 2023	As at March 31, 2022
General reserve	111.93	111.93
Shares based payment reserve	205.08	211.84
Retained earnings	6,061.36	2,228.25
Securities premium	6,204.17	-
Capital Reserve	7,677.35	-
Foreign Fluctuation Reserve	235.99	249.24
	<b>20,495.88</b>	<b>2,801.26</b>
Non controlling interests	<b>479.80</b>	<b>335.34</b>



**Parijat Industries (India) Private Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2023**

(All amounts in Rs. in Lakhs unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Notes:</b>		
<b>a) General reserve</b>	<b>111.93</b>	<b>111.93</b>
<b>b) Share based payment reserve</b>		
Opening balance	211.84	172.55
Add: Employee stock option expense during the year (net)	(3.70)	39.29
Add: Employee stock option settled during the year	(3.06)	-
<b>Closing balance</b>	<b>205.08</b>	<b>211.84</b>
<b>c) Retained Earnings</b>		
Opening balance	2,228.25	6,596.96
Net profit for the year	4,179.29	(4,227.69)
<b>Items of other comprehensive income recognised directly in retained earnings</b>		
Remeasurement of post employment benefit obligation, net of tax (Item of OCI)	(39.95)	4.40
Adjustment on account of acquisition of non-controlling interest	(9.83)	-
<b>Dividends [refer note (D) below]</b>		
Equity dividend paid	(296.40)	(131.69)
Preference dividend paid	-	(13.73)
<b>Closing balance</b>	<b>6,061.36</b>	<b>2,228.25</b>
<b>d) Security Premium</b>		
Opening balance	-	-
Add: Addition on account of derecognition of financial liability valued at FVTPL (refer note 12(A)(i))	6,204.17	-
<b>Closing balance</b>	<b>6,204.17</b>	<b>-</b>
<b>e) Capital Reserve</b>		
Opening balance	7,677.35	-
Add: Addition on account of derecognition of financial liability valued at FVTPL (refer note 12(A)(i))	7,677.35	-
<b>Closing balance</b>	<b>7,677.35</b>	<b>-</b>
<b>f) Foreign Fluctuation Reserve</b>		
Opening balance	249.24	248.99
Exchange difference on translation of financial statements of foreign operations	(13.25)	0.25
<b>Closing balance</b>	<b>235.99</b>	<b>249.24</b>

**(C) Nature And Purpose Of Reserves**

**(a) 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 Group 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.

**(b) Share based payment reserve**

The share based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

**(c) Retained earnings**

Retained Earnings are profits that the Group has earned till date less transfer to General Reserve, dividend or other distribution or transaction with shareholders.

**(d) Securities premium**

The amount received in excess of face value of the equity shares is recognised in securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares or redemption of preference shares in accordance with the provisions of the Companies Act, 2013. Also Refer note 12 (i).

**(e) Capital Reserve**

Capital Reserve represents the amount recorded on derecognition of carrying value of equity shares invested by India Agri Business Fund II Limited ("Investor") and recognised as equity after adjusting the equivalent amount of par value of such equity shares recorded as equity share capital and equivalent amount of security premium invested by the investor. Also Refer note 12 (i).

**(f) Foreign Fluctuation Reserve**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in Foreign currency translation reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.





(D) Distributions made and proposed

**Dividends on equity and preference shares declared and paid:**

Equity dividend for the year ended on March 31, 2023: Rs 1.00 per share ( March 31, 2022: Rs 0.50 per share )  
Preference dividend for the year ended on March 31, 2023: Nil, ( March 31, 2022: Rs 0.50 per share )

For the year ended March 31, 2023	For the year ended March 31, 2022
(296.40)	(131.69)
-	(13.73)
<u>(296.40)</u>	<u>(145.42)</u>

**Proposed dividends on equity and preference shares**

Equity dividend for the year ended on March 31, 2023: Rs 1.00 per share (March 31, 2022: Rs 1.00 per share)

(296.40)	(204.55)
<u>(296.40)</u>	<u>(204.55)</u>

**Notes:**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31, 2023

**12 FINANCIAL LIABILITIES**

**(A) Borrowings**

Particulars	Long term borrowings		Short term borrowings	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>(a) Term Loans</b>				
<b>Foreign currency loan:</b>				
Unsecured loans From Related party	39.24	36.99	-	-
<b>Indian rupees loan (Secured) :</b>				
Working Capital Term Loan from Banks	2,668.80	3,427.99	-	-
Term loan and working capital term loan from financial institution	354.61	557.15	-	-
Vehicle loan from banks	274.23	270.80	-	-
<b>(b) Loans repayable on demand (Secured)</b>				
<b>Foreign currency loan:</b>				
Foreign bills discounted	-	-	361.91	464.26
Suppliers' credit	-	-	605.13	1,281.77
Buyers' credit	-	-	-	457.50
Packing' credit	-	-	517.61	-
<b>Indian rupees loan:</b>				
Working Capital Demand Loan	-	-	17,436.08	9,712.50
Cash credit from banks	-	-	907.50	230.75
<b>(c) Equity shares (unsecured ) at fair value through profit and loss (FVTPL) (refer note (i) belo</b>	-	17,140.00	-	-
<b>(d) Current Maturities of Long term borrowings</b>				
Current Maturities of Working capital term loan	(692.66)	(1,647.94)	692.66	1,647.94
Current Maturities of Term loan from financial institution	(204.46)	(205.49)	204.46	205.49
Current Maturities of Vehicle loans	(112.30)	(105.27)	112.30	105.27
	<u>2,327.46</u>	<u>19,474.23</u>	<u>20,837.65</u>	<u>14,105.48</u>

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**Parijat Industries (India) Private Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2023**  
(All amounts in Rs. in Lakhs unless otherwise stated)

Nature of Security	Terms of repayment and rate of interest	As at March 31, 2023	As at March 31, 2022
Working Capital Term loan from HDFC Bank by Leeds Life Science Private Limited is secured as follows:  i) Charge of hypothecation on all current assets, Land and building and all movable assets of the subsidiary company. ii) Corporate guarantee given by holding company i.e. Parijat Industries (India) Private Limited.	Working Capital Term loan from HDFC Bank. The loan is repayable in 60 monthly instalments over a period of 5 years commencing from December 31, 2019.  Rate of interest : carries between 8.65% to 11.15% p.a	53.20	159.81
Working capital term loan (GECL) from Kotak Mahindra Bank is secured as follows: By way of hypothecation by way of second Pari Passu hypothecation charge on all existing and future current assets of borrower except exclusively finances by any other financials institution. For Mortgage: Second Pari passu mortgage charge on immovable properties being land and building situated at M-77, 1st, 2nd & 3rd Floor, M-Block Market, Greater Kailash Part II, New Delhi-110048 in the name of borrower  Second paripassu mortgage charge on properties being lands & building situated at Village Khera Ganni, Rajpur Rani Road, P.O.- Village Fatehgarh, Naraingarh, District Ambala-134201, Haryana  Second Negative lien on Village Mandhaur Naraingarh Road, Ambala City-134003, Haryana and  Personal guarantees of three promoter directors namely Mr. Keshav Anand, Mr. Vikram Raj Anand and Mr. Sharat Anand.	Working capital term loan (GECL) from Kotak Mahindra Bank The Loan is repayable in unequal monthly instalments starting from June 10, 2022 over a period of 48 months ending on May 10, 2026.  Rate of Interest : Carries rate of interest 7.45% p.a. spread.	357.47	431.00
Working capital term loan form IDFC First Bank 1st Pari passu charge on all the Movable Fixed Assets of the Borrower (both present and future) • 1st Pari passu charge on following Fixed Assets of the company: a. Corporate office; M-77, 1st, 2nd and 3rd floor M- Block Market, Greater Kailash Part II, New Delhi. b. Village Khera Ganni, Tehsil Naraingarh, Distt. Ambala- 134201 Haryana. Plot measuring 22 kanals 1 marlas and 11 kanals comprising khasra no. 43/18/1, 18/2, 19/1, 23/1, 23/2, 45/8/2/1, 8/3/1, 8/3/2, 8/1, 8/2/2, 13/1, 13/2, 3/2/1, 3/2/2, 7/2/1, 7/2/2, 7/2/3, 7/2/4 khera Gani  • Negative lien over the following fixed assets of the Company:  Village Mandhaur, Naraingarh Road, Ambala City 134003, Haryana, India, Khata No. 321/360 comprising Khasra No. 12/26/1/1, Khata No. 370/141 bearing Khasra No. 12/26/1/1/ (1-13) 1 kanal 15 marlas+ plot 1 Kanal 12 marlas bearing Khata No. 374/415, bearing Khata no. 12/26/2 (2-5)+plot 1 Kanal 13 marlas bearing Khata no. 323/362 bearing Khasra no. 12/26/5 (1-13) hadbast no. 43 +plot mearing 1 kanal 13 marlas beaing Kahta no. 314/348 bearing Khasra no. 12/26/3(1-13) vaku rabka vill, Mandhaur tehsil and distt. Ambala.  • Personal guarantees of three promoter directors namely Mr. Keshav Anand, Mr. Vikram Raj Anand and Mr. Sharat Anand.	Working capital term loan form IDFC First Bank The Loan is repayable in unequal monthly instalments starting from December 03, 2019 over a period of 36 months ending on December 02, 2022. which got extended till June 02, 2022  Rate of Interest : Carries rate of interest of IDFC First's 12 months MCLR plus 2.2% p.a. spread.	-	655.65





**Parijat Industries (India) Private Limited**

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts in Rs. in Lakhs unless otherwise stated)

Nature of Security	Terms of repayment and rate of interest	As at March 31, 2023	As at March 31, 2022
<p>Working capital term loan (Guaranteed emergency credit line 'GECL') from RBL Bank:</p> <p>1. 100% Guaranteed by National Credit Guarantee Trustee Company Ltd (NCGTC)</p> <p>2. All existing security as per Sanction Letter no. CAD/DEL/0299/2021-22 dated 27.07.2021 shall be extended for this facility also. The same shall be extended in favour of RBL Bank on a second pari passu basis as security for the repayment of this loan as under:-</p> <p>3. 2nd pari passu charge by way of hypothecation on entire current assets inclusive of stock and book debts, both present and future.</p> <p>4. 2nd pari passu charge by way of hypothecation on entire Moveable Fixed Assets, both present and future. (Except MFAs exclusively charged to term lenders).</p> <p>5. 2nd pari passu charge by way of Equitable mortgage on below mentioned immovable properties:</p> <ul style="list-style-type: none"> <li>• M-77, Entire 1 st, Entire 2nd and Entire Terrace above 2nd Floor, M block Market GK part -2 New Delhi (Commercial property)</li> <li>• Village Khera Ganni Tehsil Naraingarh District Ambala Haryana, plot measuring 22 kanals 1 marlas and 11 kanals. Comprising khasra no 43/18/1, 18/2, 19/1, 23/1, 23/2, 45/8/2/1, 8/3/1, 8/3/2, 8/1, 8/2/2, 13/1, 13/2, 3/2/1, 3/2/2, 7/2/1, 7/2/2, 7/2/3, 7/2/4, KheraGanni.</li> </ul> <p>6. Negative lien over the following fixed assets of the Company:</p> <p>Village Mandhaur, Naraingarh Road, Ambala City 134003, Haryana, India, Khata No. 321/360 comprising Khasra No. 12/26/1/1, Khata No. 370/141 bearing Khasra No. 12/26/1/1/ (1-13) 1 kanal 15 marlas+ plot 1 Kanal 12 marlas bearing Khata No. 374/415, bearing Khata no. 12/26/2 (2-5)+plot 1 Kanal 13 marlas bearing Khata no. 323/362 bearing Khasra no. 12/26/5 (1-13) hadbast no. 43 +plot mearing 1 kanal 13 marlas beang Kahta no. 314/348 bearing Khasra no. 12/26/3(1-13) vaka rabka vill, Mandhaur tehsil</p>	<p>Working capital term loan (Guaranteed emergency credit line 'GECL') from RBL Bank amounting to Rs 1716.50 Lakhs (March 31, 2022 Rs 1473.00 Lakhs ). The Loan is repayable in unequal monthly instalments starting from April 30, 2022 over a period of 48 months after moratorium ranging from 12 months to 70 months. The loan is covered under the security provided for the working capital limits availed by the company as mentioned in point (v) below on second paripassu charge base and negative lien.</p> <p>Rate of Interest : Carries rate of interest 7.45% to 9.30% p.a. spread (March 31, 2022 7.45% to 8.36% p.a. spread)</p>	1,716.50	1,473.00
<p>Working capital term loan (GECL) from IndusInd Bank:</p> <p>Primary Security : Second Pari-Passu charge on the entire current assets of the borrower, both present and future.</p> <p>Collateral Security :</p> <p>1. Second Pari-Passu charge on entire Movable fixed asset of the Company, both present &amp; future.</p> <p>2. Second Pari-passu on below mentioned properties of the company :</p> <ul style="list-style-type: none"> <li>• Commercial property- M-77, 1 st , 2 nd &amp; 3 rd Floor, M-Block Market, GK-II, New Delhi (2,000 Square Feet);</li> <li>• Agriculture land at village Khera Ganni, - Ambala- (19,995 Square Yards).</li> </ul> <p>3. Negative Lien: Agriculture land at Village Mandhaur (Ambala) - (4052 Square Yards)</p>	<p>Working capital term loan (GECL) from IndusInd Bank</p> <p>The Loan is repayable in unequal monthly instalments starting from May 31, 2022 over a period of 60 months ending on April 30, 2026 including 12 months moratorium.</p> <p>Rate of Interest : Carries rate of interest 7.75% p.a. spread</p>	210.36	272.90
<p>Working capital term loan (GECL) from HDFC Bank</p> <p>Primary Security : Second Pari-Passu charge on the entire current assets of the borrower, both present and future.</p> <p>Collateral Security :</p> <p>1. Second Pari-Passu charge on entire Movable fixed asset of the Company, both present &amp; future.</p> <p>2. Second Pari-passu on below mentioned properties of the company :</p> <ul style="list-style-type: none"> <li>• Commercial property- M-77, 1 st , 2 nd &amp; 3 rd Floor, M-Block Market, GK-II, New Delhi (2,000 Square Feet);</li> <li>• Agriculture land at village Khera Ganni, - Ambala- (19,995 Square Yards).</li> </ul> <p>3. Negative Lien: Agriculture land at Village Mandhaur (Ambala) - (4052 Square Yards)</p>	<p>Working capital term loan (GECL) from HDFC Bank. The Loan is repayable in unequal monthly instalments starting from April 27, 2022 over a period of 48 months after moratorium of 12 months ending on March 27, 2026.</p> <p>Rate of Interest : Carries rate of interest 7.50% p.a. spread.</p>	331.27	435.63
<b>Total</b>		<b>2,668.80</b>	<b>3,427.99</b>

Nature of Security	Terms of repayment and rate of interest	As at March 31, 2023	As at March 31, 2022
<p>Term loan from Tata Capital Financial Services Limited ('TCFSL') has been availed by Crimsun Organics Private Limited is secured as follows:</p> <p>i) First and exclusive charge of hypothecation on movable tangible assets of the subsidiary company.</p> <p>ii) Lien on fixed deposit of Rs 225.00 lacs in favour of Tata Capital Financial Services Limited from ICICI Bank.</p> <p>iii) Corporate guarantee given by holding company i.e. Parijat Industries (India) Private Limited.</p>	<p>Term loan from Tata Capital Financial Services Limited ('TCFSL') is repayable with tenure of 60 months.</p> <p>Rate of Interest: carries rate at long term lending rate less 7.35% subject to minimum 10% per annum.</p>	279.95	445.15



**Parijat Industries (India) Private Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2023**

(All amounts in Rs. in Lakhs unless otherwise stated)

Working Capital Term loan (GECL) from Tata Capital Financial Services Limited ('TCFSL') has been availed by Crimsun Organics Private Limited is secured by corporate guarantee given by holding company i.e. Parijat Industries (India) Private Limited.	Term loan from Tata Capital Financial Services Limited ('TCFSL') is repayable with tenure of 48 months.  Rate of Interest: carries rate at 10.50% p.a spread.	74.66	112.00
<b>Total</b>		<b>354.61</b>	<b>557.15</b>

Nature of Security	Terms of repayment and rate of interest	As at March 31, 2023	As at March 31, 2022
Vehicle loan from banks in parent company and subsidiary company namely Crimsun Organics Private Limited is secured against hypothecation of respective vehicles financed.	Vehicle loan from banks is repayable in unequal monthly instalments over a period ranging from 36-48 months and secured against hypothecation of respective vehicles financed.  Rate of Interest : carries interest rate from 7.10% p.a to 11.00 % p.a.	274.23	270.80
<b>Total</b>		<b>274.23</b>	<b>270.80</b>

Nature of Security	Terms of repayment and rate of interest	As at March 31, 2023	As at March 31, 2022
Short term working capital facilities: 1st Pari passu charge on all the Movable Fixed Assets of the Borrower (both present and future) • 1st pari passu charge on following Fixed Assets of the company: a. Corporate office: M-77, 1st, 2nd and 3rd floor M- Block Market, Greater Kailash Part II, New Delhi. b. Village Khara Ganni, Tehsil Naraingarh, Distt. Ambala- 134201 Haryana. Plot measuring 22 kanals 1 marlas and 11 kanals comprising khasra no. 43/18/1, 18/2, 19/1, 23/1, 23/2, 45/8/2/1, 8/3/1, 8/3/2, 8/1, 8/2/2, 13/1, 13/2, 3/2/1, 3/2/2, 7/2/1, 7/2/2, 7/2/3, 7/2/4 khara Gani • Negative lien over the following fixed assets of the Company:  Village Mandhaur, Naraingarh Road, Ambala City 134003, Haryana, India, Khata No. 321/360 comprising Khasra No. 12/26/1/1, Khata No. 370/141 bearing Khasra No. 12/26/1/1 (1-13) 1 kanal 15 marlas+ plot 1 Kanal 12 marlas bearing Khata No. 374/415, bearing Khata no. 12/26/2 (2-5)+plot 1 Kanal 13 marlas bearing Khata no. 323/362 bearing Khasra no. 12/26/5 (1-13) hadbast no. 43 +plot measuring 1 kanal 13 marlas beamg Kahta no. 314/348 bearing Khasra no. 12/26/3(1-13) vaka rabka vill, Mandhaur tehsil and distt. Ambala.  • Personal Guarantee of promoters of the company - a. Mr. Keshav Anand, b. Mr. Vikram Anand and c. Mr. Sharat Anand.	Facility obtained for Foreign bill discounting from Kotak Mahindra Bank with Tenure in March 31, 2023 ranging from 130 to 170 Days (March 31, 2022: 100 to 150 days) with Rate of interest in March 31, 2023: at 6.30% to 6.65% (March 31, 2022: at 0.94 % to 2.80% )  Facility obtained for buyers credit from HDFC bank with rate of interest at Nil (March 31, 2022: at SOFR + 200BPS).  Facility obtained for Suppliers Credit from banks (RBL and IndusInd) with Tenure ranging from 128 to 175 days with Rate of interest in March 31, 2023 at 5.3% to 5.5% (March 31, 2022 at 1 % to 1.5% spread).  Facility obtained for Packing Credit from banks (Kotak Mahindra Bank and DBS Bank) with Tenure of 90 days with Rate of interest at 7.5% TO 7.90% spread. (March 31, 2022 -Nil)  Working Capital demand Loan facility sanctioned by Banks (RBL, DBS, IndusInd, HDFC, IDFC, Axis and Kotak Bank) with tenure ranging from 1 day to 32 days with Interest rate Ranging in March 31, 20223 from 8.5% to 9.85.% (March 31, 2022 from 2% to 11.80%)  Cash Credit facility from banks (RBL, IndusInd, IDFC, Axis and Kotak Bank) with interest rates ranging from MCLR plus 0.15% p.a. to MCLR plus 2.00% p.a. (March 31, 2022 : from MCLR plus 0.70% p.a. to MCLR plus 2.20% p.a.)	361.91  - 605.13 517.61 17,436.08 907.50	464.26 457.50 1,281.77 - 9,712.50 230.75
<b>Total</b>		<b>19,828.23</b>	<b>12,146.78</b>

(i) **Terms of amount invested by India Agri Business Fund II Limited ("Investor")**

During the year, the shareholder's have amended the shareholders agreement (SHA) dated June 08, 2016 on March 28, 2023. As a result of such amendment all buyback obligation following failure to provide an exit to investor including IPO, strategic sale, default, Private liquidity etc under such SHA shall stand limited to the Promoters only. Consequent to the above, the Holding Company has recorded gain of Rs. 2,340 lakhs to the Statement of Profit and Loss account on the date of amendment and transferred the carrying value of liability as below:

- Rs. 918.48 lakhs as equity share capital.
- Rs. 6,204.17 lakhs as securities premium being equivalent amount of securities premium invested by investor as above.
- Rs. 7,677.35 lakhs being remaining amount as capital reserve.

(ii) **Loan covenants:** Borrowings from banks contains certain financial covenants. The Holding company has not satisfied few of the financial covenants during the year ended March 31, 2023 and March 31, 2022. Further Holding company has not received any demand for repayment of loans from banks in respect of years for which debt covenants have not been met. Due to this, Holding company has reclassified the long term borrowing as short term borrowing.

(iii) The Group has not made any default in the repayment of loans to banks including interest thereon.





**Parijat Industries (India) Private Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2023**

(All amounts in Rs. in Lakhs unless otherwise stated)

(iv) Change in liabilities arising due to financing activities during the year is give below:

Particulars	Borrowings (Short term)		Borrowings (Long term)		Lease liabilities	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening balance	12,146.78	10,079.95	21,432.93	13,055.23	257.90	94.28
Addition on account of new leases during the year	-	-	-	-	-	311.90
Lease Payment	-	-	-	-	(150.41)	(181.13)
Fair value loss/(gain) on financial instruments at fair through profit or loss	-	-	(2,340.00)	6,470.00	-	-
Derecognition of liability and recognised as equity	-	-	(14,800.00)	-	-	-
Exchange Fluctuation	10.96	20.63	-	-	-	-
Cash flow (net)	7,686.15	2,046.20	(961.96)	1,907.70	-	-
Interest expense	1,675.55	1,429.25	376.73	-	22.03	32.85
Interest paid	(1,691.21)	(1,429.25)	(370.82)	-	-	-
<b>Closing balance</b>	<b>19,828.23</b>	<b>12,146.78</b>	<b>3,336.88</b>	<b>21,432.93</b>	<b>129.52</b>	<b>257.90</b>
Short term borrowings {refer note 12A}	19,828.23	12,146.78	-	-	-	-
Long term borrowings {refer note 12A}	-	-	2,327.46	19,474.23	-	-
Current maturity of long term borrowings {refer note 12A}	-	-	1,009.42	1,958.70	-	-
Non current lease liability {refer note 12B}	-	-	-	-	31.09	129.52
Current maturity of lease liability {refer note 12B}	-	-	-	-	98.43	128.38

**(B) LEASE LIABILITIES**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A. Non-current</b>		
Lease liabilities { refer note 26(10) }	31.09	129.52
<b>B. Current</b>		
Lease liabilities { refer note 26(10) }	98.43	128.38
	<b>129.52</b>	<b>257.90</b>

**(C) CONTRACT LIABILITIES**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Advances from customers	2,606.36	3,543.85
	<b>2,606.36</b>	<b>3,543.85</b>

**(D) TRADE PAYABLES (valued at amortised cost)**

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	156.27	199.57
Total outstanding due other than micro enterprises and small enterprises	32,239.63	23,262.03
	<b>32,395.90</b>	<b>23,461.60</b>

**Trade payables Ageing Schedule**

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Total outstanding dues of micro enterprises and small enterprises	-	110.15	44.29	1.20	0.34	0.29	156.27
Total outstanding due other than micro enterprises and small enterprises	1,824.84	24,476.29	5,651.82	265.19	9.88	11.61	32,239.63
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed due other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>1,824.84</b>	<b>24,586.44</b>	<b>5,696.11</b>	<b>266.39</b>	<b>10.22</b>	<b>11.90</b>	<b>32,395.90</b>



**Parijat Industries (India) Private Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2023**

(All amounts in Rs. in Lakhs unless otherwise stated)

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Total outstanding dues of micro enterprises and small enterprises	-	196.34	2.60	0.34	0.29	-	199.57
Total outstanding due other than micro enterprises and small enterprises	1,559.28	9,819.86	11,385.96	334.37	47.05	115.51	23,262.03
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed due other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>1,559.28</b>	<b>10,016.20</b>	<b>11,388.56</b>	<b>334.71</b>	<b>47.34</b>	<b>115.51</b>	<b>23,461.60</b>

**Notes:**

- Trade Payables include due to related parties Rs 5.65 lakhs (March 31, 2022 : 14.90 lakhs).
- The amounts are unsecured and non-interest bearing are usually paid within 30-90 days of recognition in domestic and 180 days in import.
- For terms and conditions with related parties, refer to Note 26(3).
- Trade payable includes vendors whose payment are secured via Letter of credit as at March 31, 2023 amounting to Rs. 6,271.75 Lakhs (March 31, 2022 Rs. 6,244.53 Lakhs).

**(E) OTHER FINANCIAL LIABILITIES (valued at amortised cost)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Security deposit	41.64	35.50
Creditors for capital goods	53.29	146.94
Derivative instrument - foreign currency forward contract (at fair value through profit and loss) (net)	186.52	1.15
Sales incentives payable	2,543.38	2,053.54
Other payables	2.30	79.83
	<b>2,827.13</b>	<b>2,316.96</b>

**Note:**

Foreign exchange forward contracts: While the Group entered into other foreign exchange forward contracts with the intention of reducing the foreign exchange risk of sales and purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss. The fair value loss is included in the Exchange difference head in the statement of profit and loss.

**13 PROVISIONS**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non Current</b>		
Provision for Gratuity {refer note 26 (1)}	355.23	296.92
	<b>355.23</b>	<b>296.92</b>
<b>Current</b>		
Provision for employee benefits	1.65	1.13
Provision for Gratuity {refer note 26 (1)}	340.88	238.77
Provision for compensated absences	342.53	239.90

**14 OTHER LIABILITIES**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Other statutory dues payable	371.95	471.75
	<b>371.95</b>	<b>471.75</b>

**15 CURRENT TAX LIABILITIES**

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax payable (net of advance tax and tax deducted at source)	938.87	666.68
	<b>938.87</b>	<b>666.68</b>





(All amounts in Rs. in Lakhs unless otherwise stated)

## 16 REVENUE FROM OPERATIONS

		For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from contracts with customers</b>			
Sale of products		101,981.38	78,091.95
	(A)	<b>101,981.38</b>	<b>78,091.95</b>
<b>Other operating revenues</b>			
Export incentives		563.09	334.21
Commission Income		283.52	-
Scrap Sale		22.28	13.78
	(B)	<b>868.89</b>	<b>347.99</b>
	(A) + (B)	<b>102,850.27</b>	<b>78,439.94</b>

### Notes:

- Revenue for the year ended March 31, 2023, March 31, 2022 are net of Goods and Service Tax (GST).
- Disaggregated revenue information set out below is the disaggregation of the Company's revenue from contract with customers:

Revenue by location of customers	For the year ended March 31, 2023	For the year ended March 31, 2022
India	63,253.51	42,330.15
Outside India	39,596.76	36,109.79
<b>Total revenue from contracts with customers</b>	<b>102,850.27</b>	<b>78,439.94</b>

Revenue by timing of revenue recognition	For the year ended March 31, 2023	For the year ended March 31, 2022
Goods transferred at a point in time	101,981.38	78,091.95
<b>Total revenue from contracts with customers</b>	<b>101,981.38</b>	<b>78,091.95</b>
Add: Other operating revenue	868.89	347.99
	<b>102,850.27</b>	<b>78,439.94</b>

Reconciliation of revenue recognised in statement of profit and loss with contracted price	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per contracted price	112,040.92	85,778.30
Less: Rebates and Discount/Schemes	10,059.54	7,686.35
<b>Total revenue from contracts with customers</b>	<b>101,981.38</b>	<b>78,091.95</b>
Add: Other operating revenue	868.89	347.99
	<b>102,850.27</b>	<b>78,439.94</b>

### c. Contract balances

	As at March 31, 2023	As at March 31, 2022
Trade receivables (refer note 10(A))	27,581.69	18,977.47
Contract liabilities (refer note 15)	2,606.36	3,543.85

Contract liabilities consist of short-term advances received from customer to supply goods against the same.

### d. Performance obligation

**Sale of products:** Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods.

## 17 OTHER INCOME

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest income on financial assets carried at amortised cost:</b>		
Bank deposits	99.02	64.93
Interest on delays charged from customers	139.70	58.50
Others	10.91	11.47
<b>Sub total (A)</b>	<b>249.63</b>	<b>134.90</b>
<b>Other non-operating income</b>		
Insurance claim received	199.72	-
Exchange fluctuation (net)	446.70	157.98
Gain on change in fair value of derivatives	-	82.56
Liabilities no longer required written back	20.73	98.53
Miscellaneous income (net)	11.92	9.86
<b>Sub total (B)</b>	<b>679.07</b>	<b>348.93</b>
<b>Total (A+B)</b>	<b>928.70</b>	<b>483.83</b>



**18 COST OF RAW MATERIAL AND COMPONENTS CONSUMED**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year	8,306.60	8,887.08
Add: Purchases during the year	51,189.95	46,214.15
Less: Inventories lost due to fire	-	24.85
Less: Inventories at the end of the year	15,516.13	8,306.60
<b>Cost of raw material and components consumed</b>	<b>43,980.42</b>	<b>46,769.78</b>

**19 PURCHASE OF TRADED GOODS**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of agrochemical products	30,615.27	15,107.99
	<b>30,615.27</b>	<b>15,107.99</b>

**20 (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND TRADED GOODS**

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Inventories at the beginning of the year</b>	12,081.24	7,751.30
Finished goods	2,142.52	1,571.74
Traded goods	3,817.45	1,854.49
Work-in-progress	<b>18,041.21</b>	<b>11,177.53</b>
<b>Inventories at the end of the year</b>	6,571.97	12,081.24
Finished goods	6,178.38	2,142.52
Traded goods	5,677.04	3,817.45
Work-in-progress	<b>18,427.39</b>	<b>18,041.21</b>
<b>(Increase) in inventories of finished goods, work in progress and traded goods (Increase)</b>	<b>(386.18)</b>	<b>(6,863.68)</b>

**21 EMPLOYEE BENEFITS EXPENSE**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages, bonus and other benefits	7,731.06	6,916.41
Contribution to provident fund and other funds	226.99	186.32
Gratuity expense (refer note no. 26(1))	101.98	92.29
Staff welfare expenses	439.64	464.80
	<b>8,499.67</b>	<b>7,659.82</b>

**22 DEPRECIATION AND AMORTISATION EXPENSES**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3)	775.71	610.89
Depreciation of Right of use assets (refer note 26(10) (ii) )	131.92	163.90
Amortization of intangible assets (refer note 4)	800.51	571.44
	<b>1,708.14</b>	<b>1,346.23</b>

**23 FINANCE COSTS**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expenses	2,052.28	1,429.25
-on borrowings	89.79	34.31
-exchange differences as an adjustment to borrowing cost	19.00	17.32
-others	22.03	32.85
Interest on lease liability	72.60	0.28
Interest on Income Tax	317.75	244.78
Other finance charges	<b>2,573.45</b>	<b>1,758.79</b>





Parijat Industries (India) Private Limited  
Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts in Rs. in Lakhs unless otherwise stated)

24 OTHER EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spares	414.07	443.31
Power and fuel	601.06	310.11
Sub-contracting expenses	225.81	59.60
Repair and maintenance		
- Plant and machinery	120.74	149.53
- Buildings	16.31	25.96
- Others	81.88	130.40
Rent { refer note 26 (10) }	654.22	532.59
Travelling and Conveyance	1,508.25	1,052.42
Legal and professional fees	891.54	851.80
Sales commission	331.97	373.17
Insurance	269.56	266.16
Freight and forwarding charges	4,498.66	3,759.83
Carry and Forwarding agents service charges	175.63	179.45
Product testing expenses	138.66	97.56
Directors' sitting Fee	20.22	12.63
Advertising and sales promotion	1,807.84	701.25
Research and Development	15.27	19.20
Printing and stationery	80.92	62.71
Communication costs	91.46	91.17
Payment to auditors (refer details below)	39.01	43.90
Bad debts	154.90	105.11
Impairment allowance for trade receivables - credit impaired	793.05	273.97
Impairment allowance for advances considered doubtful	-	0.71
Impairment allowance for intangible assets under development (refer note 4)	9.77	-
Rates and taxes	116.42	55.02
Bank charges and commission	213.51	86.86
CSR expenditure {refer note 26 (iv)}	71.66	43.43
Loss on sale of plant, property and equipment (net)	7.12	17.13
Hazardous waste disposal	85.17	87.56
Loss on change in fair value of derivatives	270.62	-
Miscellaneous expenses	468.64	358.71
	<b>14,173.94</b>	<b>10,191.25</b>

Payment to auditors

	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditors:		
Audit fees	35.11	40.00
In other capacity		
Certification fees	2.50	2.50
Reimbursement of expenses	1.40	1.40
	<b>39.01</b>	<b>43.90</b>

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**25 COMMITMENTS AND CONTINGENCIES**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A Contingent Liabilities</b>		
Claims/suits filed against the Group not acknowledged as debts {refer note (a) below}	74.61	78.59
Disputed tax liabilities in respect of pending cases {Amount deposited under protest Rs Nil (March 31, 2022: Rs 12.82 lakhs)} {refer note (b) and (d) below}	145.81	1,333.55
	<b>220.42</b>	<b>1,412.14</b>

**Note:**

- a) Claims / suits filed against the group not acknowledged as debts represents various legal cases filed against the group on account of labour disputes, accidental claims, product claims and technical product failures etc. The Group has disclaimed the liability and defending the action. The Group has been advised by its legal counsel that its position is likely to be upheld in the litigation process and accordingly no provision for any liability has been made in the financial statements.
- b) Disputed tax liabilities are on account of disallowances / additions made by the income tax department. The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely to be upheld in the appellate process and accordingly no provision has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the group's financial position and results of operations.
- c) In respect of one of subsidiary company namely "Crimsun Organics India Private Limited" the suits are filed by Deputy Director, Industrial Safety and Health, Cuddalore against the Director of the subsidiary company in capacity of an occupier of the factory on account of charges for violation of Tamil Nadu Factories Act, 1948 and Tamil Nadu Factory Rules, 1950. The subsidiary company has disclaimed the liability and defending the action and has been advised by its legal counsel that its position is likely to be upheld in the litigation process and accordingly no provision for any liability has been made in the financial statements. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the group's financial position and results of operations.
- d) Assistant Commissioner has passed Order No: 02/2023 – GST dated January 18, 2023 Division Cuddalore, Trichy for demand amounting to Rs 14.38 lakhs plus interest u/s 50(3) of CGST Act, 2017 plus penalty of Rs. 1.43 lakhs are on account of claim ineligible tax credit in respect of Capital goods claimed through GST Tran-1 in respect of which subsidiary company namely "Crimsun Organics India Private Limited" has filed appeal with Joint Commissioner Appeals on March 03, 2023 against the same and deposited 10% of disputed tax amount. The subsidiary company is contesting the demands and the management, including its tax advisors, believe that its position will likely to be upheld in the appellate process and accordingly no provision has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the group's financial position and results of operations.
- e) In respect of one of subsidiary company namely "Leeds Life Science Private Limited" had claimed MEIS incentive on export of its products @3% instead of 2% due to interpretation of classification of few products in past years. The differential amount along with interest as on date amounting to Rs. 38.00 lakhs (March 31, 2022: Rs 38.00 lakhs) was accepted and paid by the subsidiary company to commissioner of customs Nhava sheva and has been included in the statement of profit and loss for the year ended 31st March 2020. Subsequent to making this payment, company has received show cause notice dated 28th July 2020 from Directorate of Revenue Intelligence Ahmedabad, seeking as to why there shall be no penalty that shall be imposed on the company and that why respective exported goods should not be confiscated, custom duty of ineligible MEIS benefits availed and utilized should not be recovered back and that such amount Rs. 38.00 lakhs (March 31, 2022: Rs 38.00 lakhs) paid by the subsidiary company should not be appropriated against the amount due to be recovered.

Subsidiary company vide its reply dated September 08, 2020, denied all the allegations in Show Cause Notice and stated that allegations are being made in the show cause notice without appreciating the factual and legal position in proper perspective. The Commissioner of Customs, Delhi has passed order dated February 15, 2023 in which Parent Company "M/s. Parijat Industries (India) Private Limited", a party to this case has already deposited penalty of Rs.45.19 lakhs. The subsidiary company has not received any closure letter of the matter and the management believes that ultimate resolution of the matter will not have any material or adverse impact on the Group's financial position.

**B Capital commitments**

Particulars	As at March 31, 2023	As at March 31, 2022
a) Estimated amount of capital contracts remaining to be executed and not provided for	985.98	746.33
Less: Capital advances (refer note 7)	(103.36)	(145.12)
	<b>882.61</b>	<b>601.21</b>

- b) As per Clause no. 10(xviii) of the EC letter F. No. IA-J-1101/207/2018-IA II(I) dated March 28, 2019 issued by MOEF & CC, the subsidiary company namely "Crimsun Organics India Private Limited" is committed for allocation of funds for the Corporate Environment Responsibility (CER) which shall be 5% of the total project cost. The total project cost that has been approved under the EC letter is Rs. 3,060.00 lakhs and accordingly the Corporate Environment Responsibility (CER) spend will be Rs. 153.00 lakhs out of which the subsidiary company has spent Rs. 28.69 lakhs as on March 31, 2023.

**C Financial guarantees contracts**

The Parent Company has issued financial guarantees to banks on behalf of and in respect of loan facilities availed by its subsidiaries companies. The Group has classified financial guarantees as financial instruments in accordance with Ind AS 109 and accordingly has recognized corresponding investments and income in the balance sheet and statement of profit and loss under these contracts.

- a) Corporate Guarantee given to RBL Bank Limited amounting to Rs 850.00 lakhs (March 31, 2022 : Rs 850.00 lakhs), to Axis bank Limited amounting Rs.2588.00 lakhs (March 31, 2022 : Rs Nil) and Tata Capital Financial Service Limited amounting to Rs.750.00 lakhs (March 31, 2022: Rs 750.00 lakhs) for facilities availed by one of its subsidiary namely "Company Crimsun Organics Private Limited" for working capital and term loan facilities. Outstanding term loan from Tata Capital Financial Service Limited as at March 31, 2023 was Rs. 352.10 lakhs (March 31, 2022 : Rs 557.15 lakhs) and Letter of credit from RBL Bank Limited outstanding as at March 31, 2023 were Rs. Nil (March 31, 2022 Rs. 542.82 lakhs) and Axis Bank Limited were Rs.1,333.14 lakhs (March 31, 2022 Rs. Nil). The Group based on assessment of financial position and business plans in place, believes that chances of materialising this liability is remote.
- b) Corporate Guarantee given to HDFC Bank Limited amounting to Rs. 1500.00 lakhs (March 31, 2022: Rs. 1500.00 lakhs) for facilities availed by one of the subsidiary company namely "Leeds Life Sciences Private Limited" for working capital and term loan facilities. Outstanding of Term Loan from HDFC bank Limited as at March 31, 2023 is Rs. 53.20 lakhs (March 31, 2022 is Rs. 159.81 lakhs). Letter of credit amounting to Rs. 742.73 lakhs (March 31, 2022 : Rs Nil), Buyers Credit from HDFC Bank of Rs Nil (March 31, 2022 : Rs 457.50 lakhs). The Group based on assessment of financial position and business plans in place, believes that chances of materialising this liability is remote.





#### D Provident fund

There are numerous interpretative issues relating to Supreme Court (SC) judgement on Provident Fund (PF) dated February 28, 2019. The group has not made any provision in the books in the current or previous financial year in the absence of authoritative guidance. Further, group will update its provision if any, on receiving further clarity on the subject.

#### E Others

- The Parent Company had received refund of terminal excise duty during the financial years 2014-15 and 2015-16 from the Director of Foreign Trade (DGFT), Ahmedabad on the basis of issuance of an Advance Release Order (ARO) by DGFT, Mumbai. On November 28, 2019, the Additional Director of Foreign Trade, Ahmedabad has issued show cause notice (which is primary stage of adjudication) stating that the refunds were erroneously paid by this office and directed to pay back the amount of Rs. 549.33 lakhs (March 31, 2022: Rs 549.33 lakhs) along with interest @15%. The Additional Director of Foreign Trade, Ahmedabad has also provided an opportunity to the Company to appear before the Authority which is mandatory requirement before adjudicating. In terms of the provisions of the Act, the Parent Company has filed the writ petition before Hon'ble Gujarat High Court against the Show Cause Notice challenging the legality of the notice and the Hon'ble court has granted interim relief and also stayed the show cause notice proceedings. During the year ended March 31, 2021, DGFT has filed their affidavit in reply before the Hon'ble court and the parent company has subsequently filed affidavit in-rejoinder. The matter is pending for arguments. The management basis its assessment based on past legal precedents believes there are low chances of this liability being materialised hence disclosed as contingent liability.
- Besides the above, the Group has received show cause notices from various departments which have not been treated as contingent liabilities, since the Group has adequately represented to the concerned departments and does not expect any liability on this account.

F As at March 31, 2023, the Group Company had available Rs. 5,181.44 lakhs (March 31, 2022: Rs. 12,671.11 lakhs ) of undrawn committed borrowing facilities.

#### 26 OTHER NOTES ON ACCOUNTS

##### 1 Disclosures pursuant to Ind AS - 19 "Employee Benefits" are given below :

##### Defined Contribution Plan

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and ESI which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue. The Group has recognised the following amount as an expense and included in the Note 21 under "Contribution to provident and other funds"

	(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's Contribution towards Provident fund (PF)	218.41	177.18
Employer's Contribution towards Employee state insurance (ESI)	8.58	9.14
	<b>226.99</b>	<b>186.32</b>

##### Defined Benefit Plan - Gratuity

The group has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Every employee who has completed at least five years of continuous service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with Life Insurance Corporation of India for Parent company in form of a qualifying insurance policy and is managed by Trust.

The present value of obligation is determined based on actuarial valuation using the project unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>a) Net defined benefit expense (Recognised in the Statement of profit and loss for the year )</b>		
Current Service Cost	81.39	78.34
Net Interest Cost	20.58	13.95
<b>Net defined benefit expense debited to statement of profit and loss</b>	<b>101.98</b>	<b>92.29</b>
<b>b) Remeasurement (gain)/ loss recognised in other comprehensive income</b>		
Actuarial changes arising from changes in demographic assumptions	(2.22)	(1.52)
Actuarial changes arising from changes in financial assumptions	68.13	(19.59)
Actuarial changes arising from changes in experience adjustments	(14.15)	6.98
Return on plan assets, excluding amount recognised in net interest expense	0.09	7.79
<b>Recognised in other comprehensive income</b>	<b>51.86</b>	<b>(6.34)</b>
<b>c) Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
<b>Defined benefit obligation as at the beginning of the year</b>	<b>540.89</b>	<b>494.19</b>
Interest cost	37.37	31.68
Current service cost	81.39	79.11
Benefit paid	(90.94)	(49.97)
Actuarial changes arising from changes in demographic assumptions	(2.22)	(1.51)
Actuarial changes arising from changes in financial assumptions	68.13	(19.59)
Actuarial changes arising from changes in experience adjustments	(14.15)	6.98
<b>Defined Benefit obligation as at year end</b>	<b>620.48</b>	<b>540.89</b>



Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>d) Reconciliation of opening and closing balances of fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	242.84	277.28
Investment Income	16.79	17.73
Employer contribution	95.00	5.50
Benefits Paid	(90.94)	(49.88)
Return on plan assets, excluding amount recognised in net interest expense	(0.09)	(7.79)
<b>Fair value of plan assets at year end</b>	<b>263.60</b>	<b>242.84</b>
<b>e) Net defined benefit asset/ (liability) recognised in the balance sheet</b>		
Fair value of plan assets	263.60	242.84
Present value of defined benefit obligation	(620.48)	(540.89)
<b>Amount recognised in Balance Sheet- Asset / (Liability)</b>	<b>(356.88)</b>	<b>(298.05)</b>
<b>Bifurcation of Net Liability</b>		
Current liability	(1.65)	(1.13)
Non-Current liability	(355.23)	(296.92)
	<b>(356.88)</b>	<b>(298.05)</b>
<b>f) Broad categories of plan assets as a percentage of total assets</b>		
Funds managed by insurer (Life Insurance Corporation)	100.00%	100.00%
<b>g) Principal assumptions used in determining defined benefit obligation</b>		
Mortality Table	100% of IALM 2012-14	100% of IALM 2012-14
Normal retirement age	65 years for Directors 58 to 60 years for other employees	65 years for Directors 58 years for other employees
Discount rate (per annum)	7.40%- 7.45%	6.40%- 6.75%
Future Salary increase (per annum)	7.00%- 9.50%	7.00%- 8.00%
Attrition rate	5.00%-10.00%	5.00%-10.00%
<b>h) Quantitative sensitivity analysis for significant assumptions is as below:</b>		
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
<b>Discount Rate</b>		
Increase by 1%	(49.03)	(35.70)
Decrease by 1%	56.76	40.40
<b>Salary Increase</b>		
Increase by 1%	42.32	35.38
Decrease by 1%	(40.09)	(32.12)
<b>Attrition Rate</b>		
Increase by 50%	(17.21)	(7.54)
Decrease by 50%	26.00	9.30
<b>Mortality Rate</b>		
Increase by 10%	(0.02)	0.02
Decrease by 10%	0.01	(0.03)
<b>i) The following payments are expected contributions to the defined benefit plan in future years</b>		
Within the next 12 months (next annual reporting period)	46.45	91.17
Between 2 and 5 years	226.09	190.81
Between 6 and 10 years	298.41	248.30
Beyond 10 years	862.04	514.98
<b>j) The average duration of the defined benefit plan obligation at the end of the reporting period is 9 - 15 years (March 31, 2022: 7 -14 years)</b>		
<b>k) The plan assets are maintained with Life Insurance Corporation (LIC) of India in case of parent company and one of subsidiary company namely "Crimson Organics Private Limited" and with HDFC Life in case of one of subsidiary namely Leeds Life Science Private Limited</b>		
<b>l) The Group is expects to contribute Rs 419.20 lakhs (March 31, 2022: Rs. 334.05 lakhs) to the plan during the next financial year.</b>		
<b>m) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.</b>		
<b>n) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.</b>		
<b>o) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.</b>		





## 2 Segment Reporting

As per Ind AS-108, "Operating Segment" ( specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act ) the Company's chief operating decision maker ("CODM") has identified that the Company's business activity falls within a single operating segment which is the production of agrochemical products and other related products and hence operates in a single business segment based on the nature of the products, the risk and returns, organisation structure and the internal financial reporting systems. Therefore, there is no reportable segment for the group as per the requirement of Ind AS-108 "Operating Segments".

### Geographical Information

The "Geographical Segments" comprises of domestic segment which includes sales to customers located in India and the overseas segment includes sales to customers located outside India. The following is the distribution of Company's revenue by geographical market, regardless of where the goods were produced.

### Geographical Revenue

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from contracts with customers</b>		
Revenue- within India	62,714.85	42,312.39
Revenue- outside India	39,266.53	35,779.56
	<b>101,981.38</b>	<b>78,091.95</b>
<b>Other operating revenues</b>		
Revenue- within India	538.66	347.99
Revenue- outside India	330.23	-
	<b>868.89</b>	<b>347.99</b>

### Geographical Segment current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Within India	51,918.37	38,713.08
Outside India	19,217.86	17,592.45
	<b>71,136.23</b>	<b>56,305.54</b>

### Geographical Non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Within India	12,183.45	9,866.93
Outside India	1,555.53	2,561.26
	<b>13,738.98</b>	<b>12,428.19</b>

### Geographical capital expenditure - Property plant and equipment and Capital work in progress

	As at March 31, 2023	As at March 31, 2022
Within India	1,834.59	1,265.14
Outside India	4.18	58.52
	<b>1,838.76</b>	<b>1,323.66</b>

### Geographical expenditure - Intangible assets and Intangible assets under development

	As at March 31, 2023	As at March 31, 2022
Within India	1,085.20	932.15
Outside India	174.73	122.33
	<b>1,259.93</b>	<b>1,054.48</b>

### Notes:

- Capital expenditure consists of additions of property, plant and equipment, Capital work in progress, intangible assets and intangible assets under development net of capitalisation from previous year.
- There are no customers having revenue exceeding 10% of total revenue of the Group.
- Non-current assets excludes deferred tax assets.

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### 3 Related party transactions

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", (under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time), as disclosed below:-

#### (A) Names of related parties and description of relationship :

##### i) Key Management Personnel

Name	Relationship
Mr. Keshav Anand	Managing Director
Mr. Sharat Anand	Director
Mr. Vikram Anand	Director
Mr. Uday Raj Anand	Director
Mr. Shiv Raj Anand	Director
Mr. Raj Deep Bhatia	Director
Ms. Aditi Anand	Director (effective till September 23, 2021)
Mr. Savmit Grover	Director (effective till September 23, 2021)
Mr. Gautam Mahajan	Independent Director
Mr. Anoop Seth	Chairman & Independent Director
Ms. Karuna Vishunavat	Independent Director
Mr. Anil Sachdeva	Company Secretary
Mr. Jaya Krishna	Chief Financial Officer (effective from October 25, 2021 till March 11, 2022)
Mrs. Apoorva Choubey	Chief Financial Officer (effective from July 12, 2022)

Name	Relationship
Mr. Gautam Raj Anand	Relatives of Key Management Personnel/Director
Ms. Aditi Anand	Relatives of Key Management Personnel/Director

#### (B) Enterprises in which their Key Managerial Personnel and relatives have significance influence:

Entity Name	Relationship
Parijat Crop Protection (India) Private Limited	Enterprises in which their Key Managerial Personnel and their relatives have significance influence
Anand Foundation	
Parijat Holdings Private Limited	
Parijat Entertainment Private Limited	
Parijat Innovation Private Limited	
Parijat Fitness Private Limited	
Parijat Consulting Private Limited	Enterprises in which Key Managerial Personnel and their relatives have significance influence (effective till September 23, 2021)
Parijat Arts & Media Private Ltd.	
SGAP & Co., Chartered Accountants	
Entity Name	Relationship
Arc An Ceil	Enterprises having significant influence
SMIAS Sarl	Enterprises having significant influence

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**(C1) Related party transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

S.No.	Nature of transactions	Enterprises having significant Influence		Enterprises in which Key Managerial Personnel and relatives have significance influence		Key Management Personnel		Relatives of Key Management Personnel/Director		Total	
		For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>(C1)</b>	<b>Transactions during the year</b>										
1	<b>Sale of products</b> Arc An Ceil	556.06	900.85	-	-	-	-	-	-	556.06	900.85
2	<b>License purchased</b> Parijat Entertainment Private Limited	-	-	-	5.53	-	-	-	-	-	5.53
3	<b>Advertising and sales promotion</b> Parijat Entertainment Private Limited	-	-	-	230.31	-	-	-	-	-	230.31
4	<b>Charity and donation</b> Anand Foundation	-	-	6.00	11.15	-	-	-	-	6.00	11.15
5	<b>Commission Expenses</b> Arc An Ceil	142.18	-	-	-	-	-	-	-	142.18	-
6	<b>Legal and professional expenses</b> Ms. Aditi Anand SGAP & Co., Chartered Accountants Parijat Entertainment Private Limited	-	-	47.22	-	-	-	-	23.61	47.22	23.61
		-	-	-	7.50	-	-	-	-	-	7.50
		-	-	-	2.91	-	-	-	-	-	2.91
7	<b>Research and development and other expenses</b> Parijat Entertainment Private Limited	-	-	-	7.09	-	-	-	-	-	7.09
8	<b>Rent expenses</b> Mr. Keshav Anand Mr. Vikram Anand Parijat Crop Protection (India) Private Limited	-	-	-	-	6.84	6.24	-	-	6.84	6.24
		-	-	-	-	6.84	6.24	-	-	6.84	6.24
		-	-	11.34	12.75	-	-	-	-	11.34	12.75
9	<b>Salary and wages</b> Mr. Gautam Raj Anand Ms. Sanaya Anand Mr. Viraj Anand	-	-	-	-	-	-	13.30	13.60	13.30	13.60
		-	-	-	-	-	-	23.78	23.78	23.78	23.78
		-	-	-	-	-	-	23.78	23.78	23.78	23.78



**(C1) Related party transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

S.No.	Nature of transactions	Enterprises having significant Influence		Enterprises in which Key Managerial Personnel and relatives have significance influence		Key Management Personnel		Relatives of Key Management Personnel/Director		Total	
		For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
C1) 10	<b>Transactions during the year</b>										
	<b>Rental Income</b>										
	Parijat Holdings Private Limited	-	-	0.36	0.36	-	-	-	-	0.36	0.36
	Parijat Innovation Private Limited	-	-	1.20	1.20	-	-	-	-	1.20	1.20
	Parijat Crop Protection (India) Private Limited	-	-	0.36	0.36	-	-	-	-	0.36	0.36
	Parijat Entertainment Private Limited	-	-	0.36	0.36	-	-	-	-	0.36	0.36
	Parijat Fitness Private Limited	-	-	0.36	0.36	-	-	-	-	0.36	0.36
11	<b>Interest Paid on unsecured loans and MSME</b>										
	Parijat Entertainment Private Limited	-	-	-	0.24	-	-	-	-	-	0.24
12	<b>CSR expenses</b>										
	Anand Foundation	-	-	32.23	11.03	-	-	-	-	32.23	11.03
13	<b>Staff welfare</b>										
	Parijat Entertainment Private Limited	-	-	-	8.07	-	-	-	-	-	8.07
14	<b>Sitting Fees</b>										
	Mr. Gautam Mahajan	-	-	-	-	8.00	5.40	-	-	8.00	5.40
	Mr. Savmit Grover	-	-	-	-	-	1.00	-	-	-	1.00
	Mr. Anoop Seth	-	-	-	-	8.00	3.00	-	-	8.00	3.00
	Ms. Karuna Vishnavat	-	-	-	-	3.50	1.00	-	-	3.50	1.00



**Parijat Industries (India) Private Limited**  
**Notes to Consolidated financial statements for the year ended March 31, 2023**  
**(All amounts in Rs. in Lakhs unless otherwise stated)**

<b>C2) Outstanding balances at the year end</b>										
S.No.	Particulars	Enterprise having significant influence		Enterprises in which Key Managerial Personnel and relatives have significance influence		Key Management Personnel		Relatives of Key Management Personnel/Director		Total
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
1	<b>Borrowings</b> Arc En Ciel	39.23	36.99	-	-	-	-	39.23	-	36.99
2	<b>Other receivable</b> Parijat Consulting Private Limited Parijat Crop Protection (India) Private Limited Parijat Fitness Private Limited Parijat Holdings Private Limited Parijat Innovation Private Limited	-	-	0.11 0.89 0.25 - 1.17	- - 0.42 0.21 -	-	-	0.11 0.89 0.25 - 1.17	- - - - -	- - 0.42 0.21 -
3	<b>Trade Receivable</b> SMIAS Sarl Arc En Ciel	71.64 530.43	67.46 81.96	- -	- -	-	-	71.64 530.43	- -	67.46 81.96
4	<b>Trade payables</b> Parijat Entertainment Private Limited Parijat Crop Protection (India) Private Limited Ms. Aditi Anand Anand Foundation SGAP & Co., Chartered Accountants	-	-	-	0.07 0.20 - 1.40 -	-	-	-	- - 4.25 - -	0.07 0.20 4.25 - -
5	<b>Interest and others payable</b> Mr. Gautam Mahajan Mr. Savnit Grover	-	-	-	-	-	0.81 0.36	-	-	0.81 0.36





C3) Remuneration to the Key Managerial Personnel

S No.	Key Managerial Personnel	Salary & Bonus		Provident Fund		Perquisites		Total		Outstanding balance at the year ended	
		For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	March 31, 2023	March 31, 2022
1	Mr. Keshav Anand	70.74	61.96	-	-	0.29	0.29	71.03	62.24	7.04	3.86
2	Mr. Sharat Anand	70.55	62.24	-	-	0.29	0.29	70.84	62.53	6.87	3.83
3	Mr. Vikram Anand	70.39	61.77	-	-	0.29	0.29	70.68	62.06	6.89	3.84
4	Mr. Shiv Raj Anand	53.17	47.62	0.22	0.22	0.29	0.29	53.67	48.12	5.12	3.03
5	Mr. Uday Raj Anand	51.83	46.34	0.22	0.22	0.29	0.26	52.33	46.82	5.00	3.00
6	Mr. Raj Deep Bhatia	46.05	50.22	0.22	0.22	0.29	0.29	46.55	50.72	2.53	3.04
7	Mr. Anil Sachdeva	40.60	33.17	0.22	0.22	0.70	0.22	41.52	33.61	5.49	1.92
8	Mr. Jaya Krishna	-	26.52	-	0.08	-	-	-	26.60	-	2.16
9	Mrs. Apoorva Choubey	19.18	-	0.22	-	0.22	-	19.61	-	2.73	-

Notes:

- All the liabilities for post retirement benefits being 'Gratuity' are provided on actuarial basis for the Group as a whole, accordingly the amount pertaining to Key management personnel are not included above.
- The remuneration to the key managerial personnel also does not include leave benefits, as they are determined on an actuarial basis for the group as a whole.
- The remuneration to directors do not includes amount towards keyman insurance as the same has not been assigned in their favour.
- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (except loans). The settlement for these balances occurs in cash. There have been no guarantees provided or received for any related party receivables or payables except as disclosed in note 25(C). For the year ended March 31, 2023. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- Transactions with related parties are reported net of Goods and Service Tax (GST).



**Parijat Industries (India) Private Limited**  
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**(All amounts in rupees unless otherwise stated)**

**4 Fair value measurements**

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments::

Particulars	Carrying Value		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Financial instruments by category</b>				
<b>Financial assets measured at amortized cost and for which fair value are disclosed</b>				
Trade receivables	27,581.69	18,977.47	27,581.69	18,977.47
Cash and cash equivalents	1,831.33	4,205.95	1,831.33	4,205.95
Bank balances other than above	1,023.51	1,647.40	1,023.51	1,647.40
Loans (current and non-current)	198.31	170.35	198.31	170.35
Other financial assets (non-current and current)	547.83	209.75	547.83	209.75
<b>Financial assets at fair value through profit and loss</b>				
Derivative instrument - foreign currency forward contract	5.48	90.72	5.48	90.72
	<b>31,188.15</b>	<b>25,301.64</b>	<b>31,188.15</b>	<b>25,301.64</b>
<b>Financial liabilities measured at amortized cost and for which fair value are disclosed</b>				
Borrowing (current and non-current)	23,165.11	33,579.71	23,165.11	33,579.71
Trade payables	32,395.90	23,461.60	32,395.90	23,461.60
Lease liabilities (current and non-current)	129.52	257.90	129.52	257.90
Other financial liabilities (current)	2,640.61	2,315.81	2,640.61	2,315.81
<b>Financial liabilities at fair value through profit and loss</b>				
Derivative instrument - foreign currency forward contract	186.52	1.15	186.52	1.15
	<b>58,517.66</b>	<b>59,616.17</b>	<b>58,517.66</b>	<b>59,616.17</b>

The management assessed that the fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other financial assets, contract liabilities, trade payables, current borrowings and other current liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- 1) The fair value of financial liabilities is measured at amortised cost except for financial liability measured at FVTPL, estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. These unobservable inputs are estimated by management and management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value. The fair value of the financial liabilities measured at FVTPL are estimated as per independent value report.
- 2) Long-term receivables/payables are evaluated by the Group based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- 3) The fair values of the company's interest - bearing borrowings are determined by using effective interest rate (EIR) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non- performance risk as at March 31, 2023 was assessed to be insignificant.
- 4) The Group has entered into derivative financial instruments with various banks and financial institutions. Interest rate swaps and foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. As at year end, the mark-to-market value of other derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the financial instruments
- 5) **Fair value hierarchy**  
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:  
**Level 1:** The fair value of financial instruments traded in active markets is based on quoted (unadjusted) market prices at the end of the reporting period for identical assets or liabilities.  
**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.  
**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level.



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There are no transfers among level 1, 2 and 3 during the year.

**Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as on March 31, 2023**

	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Assets carried at amortized cost for which fair value are disclosed</b>				
Loans (current and non-current)	198.31		-	198.31
Other financial assets (non-current)	547.83		-	547.83
<b>Assets carried at fair value through profit and loss for which fair value are disclosed</b>				
Derivative instrument - foreign currency forward contract	5.48	-	5.48	-
<b>Liabilities carried at amortized cost for which fair value are disclosed</b>				
Borrowing (current and non-current)	23,165.11	-	-	23,165.11
Lease liabilities (current and non-current)	129.52	-	-	129.52
Other financial liabilities (current)	2,640.61	-	-	2,640.61
<b>Financial liabilities at fair value through profit and loss</b>				
Derivative instrument - foreign currency forward contract	186.52	-	-	186.52

**Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2022**

	Fair Value			
	Carrying Value	Level 1	Level 2	Level 3
<b>Assets carried at amortized cost for which fair value are disclosed</b>				
Loans (current and non-current)	170.35	-	-	170.35
Other financial assets (non-current and current)	209.75	-	-	209.75
<b>Assets carried at fair value through profit and loss for which fair value are disclosed</b>				
Derivative instrument - foreign currency forward contract	90.72	-	90.72	-
<b>Liabilities carried at amortized cost for which fair value are disclosed</b>				
Borrowing (current and non-current)	33,579.71	-	-	33,579.71
Lease liabilities (current and non-current)	257.90	-	-	257.90
Other financial liabilities (current)	2,315.81	-	-	2,315.81
<b>Financial liabilities at fair value through profit and loss</b>				
Derivative instrument - foreign currency forward contract	1.15	-	-	1.15

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## 5.1 Foreign exchange forward contracts

The company has entered into other foreign exchange forward contracts with the intention of reducing the foreign exchange risk of foreign currency receivables and are entered into for periods consistent with foreign currency exposure of the underlying transactions. These contracts are not designated in hedge relationships and are measured at fair value through profit and loss.

Nature of contracts	Currency Hedged	March 31, 2023		March 31, 2022	
		Outstanding Foreign Currency	Amount in INR	Outstanding Foreign Currency	Amount in INR
Forward exchange contracts (Trade Receivables)	USD	62.13	5,136.30	81.40	4,892.42
Forward exchange contracts (Trade Receivables)	EURO	66.40	5,932.82	58.00	5,130.28
Forward exchange contracts (Trade Receivables)	CAD	-	-	30.00	1,802.69
Forward exchange contracts (Trade Receivables)	GBP	-	-	4.00	411.20
Forward exchange contracts (Trade Payables)	USD	137.97	11,339.00	79.54	6,854.42

Fair value gain on financial instruments measured at fair value amounting to ₹ 270.62 lakhs (March 31, 2022: ₹ 82.56 lakhs) has been recognised as income in statement of profit and loss account.

## 5.2 Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade, other payables and amount invested by the investor. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the group are accountable to the Board of Directors and Audit Committee. This process provides assurance to group's senior management that the group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with group policies and group risk objective. In the event of crisis caused due to external factors such as caused by recent pandemic and "Covid-19" and "Russia - Ukraine War", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

### (a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at the date of financial statements. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The analysis for the contingent liability is provided in note 25. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as at the date of financial statements.

### (i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure or a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises from future commercial transactions and recognised in assets and liabilities denominated in foreign currency that is not Group's functional currency. (i.e. INR). The Group manages its foreign currency risk through foreign exchange forward contracts to hedge its outstanding exposure. The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities (when revenue or expense is denominated in foreign currency) The Group manages its foreign currency risk partly by taking forward exchange contract for transactions of sales and purchases and partly balanced by purchasing of goods/services from the respective countries. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

### Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO, CAD, RUB and other exchange rates, with all other variables held constant. The impact on the group profit before tax and equity is due to changes in the fair value of monetary assets and liabilities. The details of forward currency forward contracts outstanding and foreign currency exposure as at year end along with the sensitivity analysis of 1% are as under:

Particulars of un-hedged foreign currency exposure is as follows:

Currency	Un hedged Exposure as at March 31, 2023			Un hedged Exposure as at March 31, 2022		
	Foreign Currency	Exchange rates	Amount (in INR)	Foreign Currency	Exchange rates	Amount (in INR)
<b>Trade Receivable</b>						
USD	34.93	164.31	1,870.62	6.75	133.02	491.50
AED	-	-	-	0.44	20.55	9.04
RUB	5,698.49	1.06	6,061.08	2,761.90	0.88	2,434.56
EURO	1.65	89.61	148.13	-	-	-
<b>Other Receivable</b>						
USD	0.74	82.15	61.15	-	-	-
CFA	1,850.15	0.14	252.01	-	-	-
GBP	0.01	101.47	0.89	-	-	-
TZS	465.32	0.04	16.30	-	-	-
<b>Loans</b>						
CFA	5,100.15	0.14	694.69	3,909.28	0.13	501.13
USD	2.14	82.16	176.17	4.77	75.51	360.12
TZS	3,215.32	0.04	112.60	2,992.60	0.03	97.08
<b>Trade Payable</b>						
EURO	3.72	89.37	332.19	0.37	84.25	30.89
CAD	0.46	60.67	28.04	-	-	-
USD	21.00	246.12	1,722.43	979.93	210.36	829.29



#### Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in currency exchange rates, with all other variables held constant. The impact on the Group profit before tax is due to changes in the fair value of monetary assets and liabilities as given below :

Particulars	As at March 31, 2023		As at March 31, 2022	
	Gain/ (Loss) Impact on profit Change +1% Change - 1%		Gain/ (Loss) Impact on profit before Change +1% Change - 1%	
<b>Trade Receivable</b>				
USD	18.71	(18.71)	4.91	(4.91)
AED	-	-	0.09	(0.09)
RUB	60.61	(60.61)	24.35	(24.35)
EURO	1.48	(1.48)	-	-
<b>Other Receivable</b>				
USD	0.61	(0.61)	-	-
CFA	2.52	(2.52)	-	-
GBP	0.01	(0.01)	-	-
TZS	0.16	(0.16)	-	-
<b>Loans</b>				
CFA	6.95	(6.95)	5.01	(5.01)
USD	1.76	(1.76)	3.60	(3.60)
TZS	1.13	(1.13)	0.97	(0.97)
<b>Trade Payable</b>				
EURO	(3.32)	3.32	(0.31)	0.31
CAD	(0.28)	0.28	-	-
USD	(17.22)	17.22	(8.29)	8.29

#### (ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings at floating interest rates. The Group's borrowings outstanding also comprise of fixed rate loan (term loan taken by the Group) and accordingly is exposed to risk of fluctuation in market interest rate.

The company has following fixed rate and variable borrowings :-  
Particulars

Floating rate  
borrowings  
Fixed rate  
borrowings

As at March 31, 2023	As at March 31, 2022
20,496.31	30,807.37
2,668.80	2,772.34
<b>23,165.11</b>	<b>33,579.71</b>

#### Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings:

	As at March 31, 2023		As at March 31, 2022	
	Increase/ decrease in basis points	Impact on profit before tax ((loss)/gain)	Increase/ decrease in basis points	Impact on profit before tax ((loss)/gain)
<b>Borrowings (Rs.)</b>	+50	(102.48)	+50	(154.04)
	-50	102.48	-50	154.04

#### (iii) Commodity Price Risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacturing and trading of agrochemical products and therefore require a continuous supply of technical chemicals, solvents, emulsifiers, packing material etc., being the major input used in the manufacturing and trading. Due to international environmental regulations, the prices of the technical chemicals used as input witnessed volatility in the markets and also might lead to a situation of increase in lead time to procure the goods. The Group has entered into various purchase contracts for these material for which there is an active market. The Group's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation through its procurement and production strategy. The Group partly mitigated the risk of price volatility by entering into the contract for the purchase of these material based on average price.

#### (b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk principally from its operating activities (primarily trade receivables) and also from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

#### (i) Trade Receivables

Customer credit risk is managed by each customer segment department subject to the Group's established policy, procedures and control relating to customer credit risk management (including credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which Group grants credit term in normal course of business). Credit quality of a customer is assessed by the Group on various parameters by its credit control department. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions to secure the risk of default by the customers. Moreover, given the diverse nature of the Group's businesses trade receivables are spread over a number of customers with no significant concentration of credit risk.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The provision rates are based on days past due for grouping of various customers based on their segment type. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

#### (ii) Financial instruments and cash deposits

Group holds bank balances with reputed and creditworthy banking institution within the approved exposures limit of each bank. None of the Group's cash equivalents, including deposits with banks, are past due or impaired. Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds if any are made in bank deposits. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Group is also exposed to credit risk in relation to loans and financial guarantees given to/ on behalf of subsidiaries.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 is the carrying amounts. The Group's maximum exposure relating to financial assets is noted in liquidity table below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Group.





	As at March 31, 2023	As at March 31, 2022
<b>Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)</b>		
Cash and cash equivalents	1,831.33	4,205.95
Other bank balances	1,023.51	1,647.40
Loans (current and non-current)	198.31	170.35
Others non-current financial assets	471.84	134.65
Others current financial assets	81.47	165.82
	<b>3,606.46</b>	<b>6,324.17</b>
<b>Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)</b>		
Trade Receivables	27,581.69	18,977.47
	<b>27,581.69</b>	<b>18,977.47</b>

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis of trade receivables has been considered from the date the invoice falls due after considering the allowance for expected credit loss is as below:

Particulars	As at March 31, 2023	As at March 31, 2022
Neither past due nor impaired	20,155.04	13,182.85
0 to 180 days due past due date	7,330.28	5,742.91
More than 180 days past due date	96.37	51.71
<b>Total Trade Receivables</b>	<b>27,581.69</b>	<b>18,977.47</b>

The following table summarizes the change in impairment allowance measured using the life time expected credit loss model:

Particulars	As at March 31, 2023	As at March 31, 2022
As at the beginning of year	2,810.68	2,541.58
Impairment allowance for expected credit loss for during the year (refer note 24)	793.05	273.97
Utilisation during the year	(34.61)	(4.87)
<b>As at the end of year</b>	<b>3,569.12</b>	<b>2,810.68</b>

#### (c) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of working capital and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual maturities:

As at March 31, 2023	Less than 1 year	1-5 years	Total
Borrowings	20,837.65	2,327.46	23,165.11
Trade payables	32,395.90	-	32,395.90
Lease liability (Undiscounted)	106.18	34.83	141.01
Other financial liabilities	2,827.13	-	2,827.13
	<b>56,166.86</b>	<b>2,362.29</b>	<b>58,529.15</b>

  

As at March 31, 2022	Less than 1 year	1-5 years	Total
Borrowings	14,105.48	19,474.23	33,579.71
Trade payables	23,461.60	-	23,461.60
Lease liability (Undiscounted)	150.41	186.01	336.42
Other financial liabilities	2,316.96	-	2,316.96
	<b>40,034.45</b>	<b>19,660.24</b>	<b>59,694.69</b>

## 6 Share based payments

#### (A) Employee Stock Option Scheme (ESOP Scheme)

The Parent company has issued stock options to its employees in accordance with the Company's Employee Stock Option Scheme 2017. The scheme has been adopted by the Board of Directors on September 27, 2017 and the same was approved by the members of the parent entity on September 29, 2017. The scheme is administered by the Parijat Employees Welfare Trust established by the Group for extending benefits of the scheme to the existing and future employees of the Company. The maximum number of options that may be issued pursuant to this scheme shall not exceed 2% of the paid up share capital of the parent company on fully diluted basis, which shall be convertible into equal number of Equity Shares of the parent company at the time of the Exercise of such options by the Grantee. All the permanent employees of the parent company except the promoter, or any director holding more than 10% of the outstanding equity shares of the Parent company, are eligible to participate in the schemes. The Committee grants stock options to the employees at its discretion depending upon criteria such as performance of the employee, loyalty with the group.

The stock option shall vest from the date of grant and shall not exceed beyond four years from the date of grant provided the requisite vesting conditions are fulfilled by the option holders. The exact vesting period applicable to each grant shall be stated in each grant letter. The exercise period shall commence from the date of vesting period and can extend up to three years from the date of grant of options or such other period as may be decided by the Board and stated in the grant letter along with the exercise price. The exercise price, in cash, is paid by the employee at the time of exercise of the stock option. The option automatically lapses if not exercised at the end of exercise period. The lapsed option is available for being re-granted/ re-issued at a future date. The maximum number of options that may be granted to any specific employee is up to 1 % of the issued capital of the company as on the date of entitlement of options. The fair value of the share options granted is estimated using the Black Scholes Merton (BSM) Model. The company shall issue one equity share having face value of Rs 10/- each on payment of exercise price of the Option.

The expense recognised for employee services received during the year is shown in the following table

Employee stock option plan	For the year ended March 31, 2023	For the year ended March 31, 2022
	(3.70)	39.29
	<b>(3.70)</b>	<b>39.29</b>

Date of Grant	No. of options granted	Exercise Price	Weighted Average Fair Value of share	Exercise Period	Vesting Period
November 27, 2017	147,281	10.00	106.04	3 years	3 years
January 23, 2018	12,500	10.00	106.04	3 years	3 years
November 21, 2018	128,586	10.00	102.16	3 years	3 years
November 21, 2019	143,734	10.00	65.46	3 years	3 years
December 1, 2021	46,997	10.00	73.29	3 years	3 years





(B) Summary of stock options

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the res

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price
Outstanding as at April 01, 2022	301,619	10	317,329	10
Granted during the year	-	-	46,997	-
Forfeited / lapsed during the year	31,107	10	62,707	10
Settled during the year	4,700	65	-	-
Outstanding as at March 31, 2023	265,812	10	301,619	10
Exercisable as at March 31, 2023	230,162	-	156,094	-

(C) Range of exercise price and weighted average remaining contractual life of stock options outstanding:

For the year ended March 31, 2023			For the year ended March 31, 2022		
Number of stock options outstanding at the year end	Range of exercise price	Weighted average remaining contractual life	Number of stock options outstanding at the year end	Range of exercise price	Weighted average remaining contractual life
265,812	10.00	0.56	301,619	10.00	0.62

(D) The Model inputs for options granted: The fair value at the grant date is determined using Black Scholes valuation model which takes into account the exercise price, the terms of the options, and expected price volatility of the underlying shares, the expected dividend yield and the risk free interest rate for the term of the options which are as follows:

Particulars	December 01, 2021
Risk free interest rate (%)	6.15%
Dividend yield (%)	0.00%
Expected volatility (%)	31.93%
Expected life (in years)	5.50
Exercise price (Rs. per share)	10.00
Weighted average fair value of option (Rs. per share)	73.29

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

7 Capital Management

For the purposes of the Group's capital management, capital includes equity capital, compulsory convertible preference shares, securities premium and all other equity reserves attributable to the equity holders of the Parent Company. The primary objective of the group's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023, March 31, 2022 except for budgeting for cash flow projections considering the impact of ongoing pandemic Covid-19. The Group's policy is to keep the gearing ratio to the minimum.

The Group monitors capital using gearing ratio, which is net debt (interest bearing borrowings less cash and cash equivalents) divided by total capital plus net debt which is summarised as below:

	As at March 31, 2023	As at March 31, 2022
<b>Particulars</b>		
Borrowings {refer note 12(A)}*	23,165.11	33,579.71
Cash and cash equivalents {refer note 9(B)}	(1,831.33)	(4,205.95)
<b>Net Debt</b>	<b>21,333.78</b>	<b>29,373.76</b>
Equity {refer note 11(A) & (B)}	20,495.88	4,846.74
<b>Total Capital</b>	<b>20,495.88</b>	<b>4,846.74</b>
<b>Capital and net debt</b>	<b>41,829.66</b>	<b>34,220.50</b>
<b>Gearing ratio (Net Debt/ Capital and Net Debt)</b>	<b>51.00%</b>	<b>85.84%</b>

\* Borrowings does not includes lease liabilities.

8 Earnings per share (EPS)

a) Basic Earnings per share

Profit after tax attributable for equity holders of the Company  
Weighted average number of equity shares in calculating basis EPS

	For the year ended March 31, 2023	For the year ended March 31, 2022
A)	4,179.29	(4,227.69)
B)	20,555,495	20,454,840

Earnings per share-Basic (one equity share of Re. 10 each) (A/B)

20.33 (20.67)

b) Diluted Earnings per share

Profit after tax used for calculation of diluted earning per share  
Weighted number of equity shares outstanding during the year  
Effect of dilution:  
Stock options granted under employee stock option scheme (ESOP scheme)  
Weighted average number of equity shares in calculating diluted EPS

	For the year ended March 31, 2023	For the year ended March 31, 2022
C)	4,179.29	(4,227.69)
	20,555,495	20,454,840

	For the year ended March 31, 2023	For the year ended March 31, 2022
D)	265,812	302,646
	20,821,307	20,757,486

Diluted earnings per share(one equity share of Re. 10 each) (C/D)

20.07 (20.37)

Note:

The Group has classified the redeemable equity shares issued to investor as financial liability measured at FVTPL as the company has an obligation to deliver cash at fair value and hence these are not included in outstanding equity shares for computation of EPS in previous year.



**Parijat Industries (India) Private Limited**  
**Notes to Consolidated financial statements for the year ended March 31, 2023**  
**(All amounts in rupees unless otherwise stated)**

**9 Leases**

- (i) The Group's lease asset primarily consist of leasehold land & lease for offices having non-cancellable lease term of 3 years.  
(ii) Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year:

Particulars	Leasehold Building	Leasehold land	Total
Balance as at April 01, 2021	131.39	214.68	346.07
Additions during the year	311.90	-	311.90
Deletion during the year	64.83	-	64.83
Balance as at March 31, 2022	378.46	214.68	593.14
Additions during the year	-	-	-
Deletion during the year	-	-	-
Balance as at March 31, 2023	378.46	214.68	593.14

Particulars	Leasehold Building	Leasehold land	Total
Balance as at April 01, 2021	35.73	2.22	37.95
Additions during the year	161.68	2.22	163.90
Deletion during the year	64.83	-	64.83
Balance as at March 31, 2022	132.58	4.44	137.02
Additions during the year	129.70	2.22	131.92
Deletion during the year	-	-	-
Balance as at March 31, 2023	262.28	6.66	268.94

**Net Block of Right of Use Asset**

Balance as at March 31, 2022	245.88	210.24	456.12
Balance as at March 31, 2023	116.18	208.02	324.20

- (iii) The following is the carrying value of lease liability on the date of transition and movement thereof during the year :

Particulars	Total
Balance as at April 01, 2021	94.28
Additions during the year	311.90
Finance cost accrued during the year (refer note 23)	32.85
Payment of lease liabilities	181.13
Balance as at March 31, 2022	225.05
Additions during the year	-
Finance cost accrued during the year (refer note 23)	22.03
Payment of lease liabilities	150.41
Balance as at March 31, 2023	74.64

	As at March 31, 2023	As at March 31, 2022
Current Lease liability {refer note 12(B)}	98.43	128.38
Non-Current Lease Liability {refer note 12(B)}	31.09	129.52
	129.52	257.90

- (iv) Set out below are the undiscounted potential future rental payments relating to periods:

Lease obligations	As at March 31, 2023	As at March 31, 2022
Not later than one year	106.18	150.41
Later than one year and not later than five years	34.83	186.01
Later than five years	-	-

- (v) The weighted average incremental borrowing rate applied to lease liabilities is 11%  
(vi) Rental expense recorded for short-term leases was Rs 571.28 lacs for the year ended March 31, 2023 (March 31, 2022 Rs 424.09 lacs) (refer note 24).  
(vii) 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.  
(viii) The Group has applied a single discount rate to a portfolio of leases of a similar assets in similar economic environment with similar end date.

Acquisition of right of use assets  
Disposal of right of use assets

	As at March 31, 2023	As at March 31, 2022
	-	311.90
	-	-
	-	311.90

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**Parijat Industries (India) Private Limited**  
**Notes to Consolidated financial statements for the year ended March 31, 2023**  
**(All amounts in Rs. in Lakhs unless otherwise stated)**

**10 Additional Information to the consolidated financial statements, as required under Schedule III of the Companies Act, 2013 of entities consolidated as subsidiaries.**  
**(A) The consolidated financial statements of the group includes following subsidiaries. Details of subsidiary companies are as follows:**

Name of Company	Country of Incorporation	Ownership interest held by		Non Controlling Interest		Reporting date used for consolidation
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
Crimsun Organics Private Limited	India	78%	77%	22%	23%	March 31, 2023
Leeds Life Sciences Private Limited	India	100%	100%	-	-	March 31, 2023
Belin International Limited	Hongkong	100%	100%	-	-	March 31, 2023
Leeds Lifescience Limited	United Kingdom	100%	100%	-	-	March 31, 2023
Belin Limited	Russia	100%	100%	-	-	March 31, 2023
Parijat Tanzania Limited	Tanzania	100%	100%	-	-	March 31, 2023
Parijat Mali SA	Mali	70%	70%	30%	30%	March 31, 2023
Parijat Togo SARL	Togo	51%	51%	49%	49%	March 31, 2023

**(B) Following is the share of net assets and the profit or loss of the entities which have been consolidated for preparation of the consolidated financial statements of Parijat industries (India) Private Limited for the financial year ended March 31, 2023**

Year ended March 31, 2022									
S.No.	Name of Entity	Net assets (total assets minus total liabilities)		Share in Profit/(Loss)		Share in other comprehensive income		Share in total comprehensive income	
		As a % of Net Assets	Amount	As a % of Profit/ (Loss)	Amount	As a % of Profit/ (Loss)	Amount	As a % of Profit/ (Loss)	Amount
1	Parijat Industries India Private Limited	103%	24,160.26	109%	4,570.84	85%	(45.01)	110%	4,525.83
2	<b>Indian subsidiary</b> Crimsun Organics Private Limited	14%	3,260.90	3%	105.25	-9%	4.94	3%	110.19
3	<b>Indian subsidiary</b> Leeds Life Sciences Private Limited	6%	1,380.13	5%	191.45	-2%	1.20	5%	192.65
4	<b>Foreign subsidiary companies</b> Belin International Limited	1%	202.84	5%	195.70	0%	-	5%	195.70
5	Leeds Lifescience Limited	2%	392.71	0%	(19.68)	0%	-	0%	(19.68)
6	Belin Limited	4%	995.91	6%	247.64	0%	-	6%	247.64
7	Parijat Tanzania Limited	0%	(15.97)	-1%	(26.11)	0%	-	-1%	(26.11)
8	Parijat Mali SA	-3%	(663.45)	2%	92.35	0%	-	2%	92.35
9	Parijat Togo SARL	2%	392.71	0%	20.80	0%	-	1%	20.80
	<b>Non-controlling interest in all subsidiaries</b>	-2%	(479.80)	1%	60.93	-2%	1.08	2%	62.01
	<b>Less: Total Eliminations</b>	-26%	(6,166.40)	-30%	(1,259.88)	29%	(15.41)	-31%	(1,275.30)
	<b>Total</b>	<b>100%</b>	<b>23,459.84</b>	<b>100%</b>	<b>4,179.29</b>	<b>100%</b>	<b>(53.20)</b>	<b>100%</b>	<b>4,126.09</b>

**Year ended March 31, 2022**

S.No.	Name of Entity	Net assets (total assets minus total liabilities)		Share in Profit/(Loss)		Share in other comprehensive income		Share in total comprehensive income	
		As a % of Net Assets	Amount	As a % of Profit/ (Loss)	Amount	As a % of Profit/ (Loss)	Amount	As a % of Profit/ (Loss)	Amount
1	Parijat Industries India Private Limited	106%	5,137.60	102%	(4,313.54)	87%	4.06	102%	(4,309.48)
2	<b>Indian subsidiary</b> Crimsun Organics Private Limited	61%	2,974.50	-15%	635.11	32%	1.47	-15%	636.58
3	<b>Indian subsidiary</b> Leeds Life Sciences Private Limited	24%	1,179.96	11%	(484.50)	-17%	(0.80)	11%	(485.30)
4	<b>Foreign subsidiary companies</b> Belin International Limited	0%	1.61	-1%	27.36	0%	-	-1%	27.36
5	Leeds Lifescience Limited	8%	403.02	-1%	62.51	0%	-	-1%	62.51
6	Belin Limited	15%	732.42	4%	(187.22)	0%	-	4%	(187.22)
7	Parijat Tanzania Limited	0%	12.34	0%	19.36	0%	-	0%	19.36
8	Parijat Mali SA	-15%	(705.63)	-9%	393.85	0%	-	-9%	393.85
9	Parijat Togo SARL	-2%	(86.77)	0%	18.55	0%	-	0%	18.55
	<b>Non-controlling interest in all subsidiaries</b>	-7%	(335.34)	6%	(272.28)	7%	0.33	6%	(271.95)
	<b>Less: Total Eliminations</b>	-92%	(4,466.97)	3%	(126.88)	-9%	(0.42)	3%	(127.30)
	<b>Total</b>	<b>100%</b>	<b>4,846.74</b>	<b>100%</b>	<b>(4,227.69)</b>	<b>100%</b>	<b>4.65</b>	<b>100%</b>	<b>(4,223.04)</b>





10 Additional Information to the consolidated financial statements, as required under Schedule III of the Companies Act, 2013 of entities consolidated as subsidiaries.

- (C) Material partly-owned subsidiaries  
Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

	Parijat Mali SA		Crimsun Organics Private Limited	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Accumulated balances of material non-controlling interest	(199.03)	(211.69)	713.48	601.10
Profit/(loss) allocated to material non-controlling interest	27.71	(118.16)	24.11	(144.95)

The summarised financial information of Crimsun Organics Private Limited is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit and loss:

	Parijat Mali SA		Crimsun Organics Private Limited	
	For the year ended March 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2023
Revenue from operations	7,605.46	1,553.40	6,526.96	5,468.73
Other income	6.12	-	242.12	49.54
<b>Total Income</b>	<b>7,611.58</b>	<b>1,553.40</b>	<b>6,769.08</b>	<b>5,518.27</b>
Cost of raw material and components consumed			4,384.01	3,813.58
Purchase of traded goods	6,146.50	1,430.97		
(Increase)/decrease in inventories of finished goods, work in progress and traded goods	499.83	4.83	16.17	456.40
Employee benefits expense	79.77	56.49	710.50	590.84
Depreciation and amortization expenses	104.18	87.17	340.76	315.78
Finance Costs	203.19	122.30	103.65	116.63
Other expenses	411.14	229.97	1,137.66	1,034.24
<b>Total Expenses</b>	<b>7,444.61</b>	<b>1,931.72</b>	<b>6,692.75</b>	<b>6,327.47</b>
<b>Profit/(Loss) before tax</b>	<b>166.97</b>	<b>(378.32)</b>	<b>76.33</b>	<b>(809.20)</b>
Tax expense	(74.62)	(15.53)	28.92	171.33
<b>Profit/(Loss) for the year</b>	<b>92.35</b>	<b>(393.85)</b>	<b>105.25</b>	<b>(637.87)</b>
Other comprehensive income	-	-	4.94	1.47
<b>Total comprehensive income for the year, net of tax</b>	<b>92.35</b>	<b>(393.85)</b>	<b>110.19</b>	<b>(636.40)</b>
Attributable to non-controlling interests	27.71	(118.16)	24.11	(144.95)

Summarised Balance sheet:

Inventories, cash and cash equivalents, financial assets (current) and other current assets	3,967.40	1,792.06	1,113.08	2,475.32
Property, plant and equipment, financial assets (current) and other non current assets	144.50	152.97	4,259.13	3,422.03
Deferred Tax assets	-	-	475.18	448.00
Trade payable (current)	3,954.19	1,693.30	1,738.43	2,561.54
Interest-bearing loans and borrowing (current and non-current)	734.08	658.66	770.11	1,000.06
Provisions, financial liabilities and other current liabilities	87.08	298.70	78.55	144.65
<b>Total equity</b>	<b>(663.45)</b>	<b>(705.63)</b>	<b>3,260.30</b>	<b>2,639.10</b>
<b>Attributable to:</b>				
Equity holders of parent	(464.41)	(493.94)	2,546.82	2,038.00
Non-controlling interest	(199.03)	(211.69)	713.48	601.10

11 Other Statutory Information

- The Group does not have any Benami Property where any proceedings have been initiated or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- None of the group company has been declared wilful defaulter by any bank or financial institution or government or any government authority.
- The group has no balances with the struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- The Group has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
  - Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
 The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- The each entity in the group has complied with the number of layers prescribed under the Companies Act, 2013.
- 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 provision of the Income Tax Act, 1961).
- The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.
- The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- The Group does not have any charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.



12 Transfer pricing

The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the year and expects such records to be in existence latest by such date as required under the law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

As per our report of even date

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
Firm Registration No. 301003E/E300005

per Vikas Mehra  
Membership No.: 094421

Place : New Delhi  
Date : September 04, 2023

For and on behalf of the Board of Directors of  
Parijat Industries (India) Private Limited  
CIN: U24219DL1995PTC161189

Keshav Anand  
Managing Director & CEO  
DIN: 01050275

Apoorva Choubey  
Chief Financial Officer

Place : New Delhi  
Date : September 04, 2023

Sharat Anand  
Director Finance  
DIN: 00083237

Anil Kumar Sachdeva  
Company Secretary  
ICSI M.No: F11493

